

SPP-NTC-220726

**iSPP
Notification to Construct**

October 3, 2023

Mr. Ryan Colley
NextEra Energy Transmission Southwest, LLC
700 Universe Boulevard
Juno Beach, FL 33408

RE: Notification to Construct Approved Economic Network Upgrades

Dear Mr. Colley,

On July 26, 2022, the Southwest Power Pool, Inc. ("SPP") Board of Directors ("Board") approved the Network Upgrade listed below to be constructed as part of the 2021 Integrated Transmission Planning ("ITP") Assessment. The Network Upgrade was deemed to be a Competitive Upgrade in accordance with Section I of Attachment Y of the SPP Open Access Transmission Tariff ("OATT") which requires the selection of a Designated Transmission Owner ("DTO") through the Transmission Owner Selection Process ("TOSP") in Attachment Y of the SPP OATT. On August 15, 2023, the Board concluded the TOSP for the Network Upgrade by selecting NextEra Energy Transmission Southwest, LLC ("NEET SW") as the DTO.

Accordingly, pursuant to Section 3.3 of the SPP Membership Agreement and Attachments O and Y of the SPP OATT, SPP provides this Notification to Construct ("NTC") directing NEET SW, as the DTO, to construct the Network Upgrade.

New Network Upgrades

Project ID: 92421

Project Name: Multi - Crossroads - Hobbs - Roadrunner 345 kV dbl ckt

Need Date for Project: 1/1/2023¹

Estimated Cost for Project: \$365,885,683 (this project cost contains Network Upgrades of \$74,271,108 not included in this NTC)

Network Upgrade ID: 156411

¹NEET SW guaranteed an in-service date of 5/15/2026 in their response to the RFP ([SPP RFP000006](#)).

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Network Upgrade Name: Crossroads - Hobbs 345 kV ckts 1 & 2

Network Upgrade Description: Build a new 90.5 mile 345 kV double-circuit line from Crossroads 345 kV substation to Hobbs 345 kV substation with a summer rating of at least 2640² MVA.

Network Upgrade Owner: NEET SW

MOPC Representative(s): Carrie Dixon

TWG Representative(s): N/A

Categorization: Economic

Network Upgrade Specification: All elements and conductor for each circuit must meet a summer rating of at least 2640 MVA rating.

Network Upgrade Justification: Project identified in 2021 ITP Assessment

Estimated Cost for Network Upgrade (current day dollars): \$196,135,073

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NextEra Energy Transmission Southwest, LLC

Date of Estimated Cost: 8/15/2023

Network Upgrade ID: 156412

Network Upgrade Name: Hobbs - Roadrunner 345 kV ckts 1 & 2

Network Upgrade Description: Build a new 44.5 mile 345 kV double-circuit line from Hobbs 345 kV substation to Roadrunner 345 kV substation with a summer rating of at least 2640² MVA

Network Upgrade Owner: NEET SW

MOPC Representative(s): Carrie Dixon

TWG Representative(s): N/A

Categorization: Economic

Network Upgrade Specification: All elements and conductor for each circuit must meet a summer rating of at least 2640 MVA rating.

Network Upgrade Justification: Project identified in 2021 ITP Assessment

Estimated Cost for Network Upgrade (current day dollars): \$95,479,502

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NextEra Energy Transmission Southwest, LLC

Date of Estimated Cost: 8/15/2023

Commitment to Construct

In accordance with Section III of Attachment Y of the SPP OATT, in order to become the DTO

² NEET SW guaranteed an MVA of 2640 in their response to the RFP ([SPP RFP000006](#))

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of the Network Upgrade, within seven (7) calendar days of receiving this NTC, NEET SW must (1) provide written notification to SPP that it accepts the NTC and (2) submit to SPP a deposit in accordance with Section III.2(d)(xii) of Attachment Y of the SPP OATT. NEET SW shall be deemed to have waived its right to become the DTO if these requirements are not met.

By accepting the NTC, NEET SW agrees that as the DTO selected by the Board through the TOSP, that NEET SW will complete the Network Upgrade in accordance with the RFP Proposal submitted by NEET SW in the TOSP for the Network Upgrade.

Notification of Commercial Operation

Please submit a notification of commercial operation for each listed Network Upgrade to SPP as soon as the Network Upgrade is complete and in-service. Please provide SPP with the actual costs of these Network Upgrades as soon as possible after completion of construction. This will facilitate the timely billing by SPP based on actual costs.

Notification of Progress

On an ongoing basis, please keep SPP advised of any inability on NEET SW's part to complete the approved Network Upgrade(s). For project tracking, SPP requires NEET SW's to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, NEET SW shall also advise SPP of any inability to comply with the Project Schedule as soon as the inability becomes apparent.

In accordance with Business Practice 7060, Section 10, NEET SW shall notify SPP if the cost cap deviates or is expected to deviate above its established baseline cost estimate and for which the DTO intends to recover the cost increase through their Annual Transmission Revenue Requirement. The DTO shall provide all relevant data and information to SPP with an updated SCERT within 45 calendar days of when the DTO becomes aware of the deviation.

In accordance with Business Practice 7060, Section 12.2(d), NEET SW shall notify SPP if the In-Service Date deviates or is expected to deviate from the 5/15/2026 established In-Service Date, and shall provide all relevant data and information to SPP with an updated SCERT within 45 calendar days of when the DTO becomes aware of the deviation.

All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to this project(s), and nothing in this letter shall vary such terms and conditions.

Don't hesitate to contact me if you have questions or comments about these requests. Thank you

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for the important role that you play in maintaining an efficient and reliable electric grid.

Sincerely,



David Kelley
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cc: Lanny Nickell - SPP
Casey Cathey - SPP
Natasha Henderson - SPP
Tony Green - SPP
Dan Madru - NEET
Matt Pawlowski - NEET
Matt Coates - NEET
Carrie Dixon - NEET