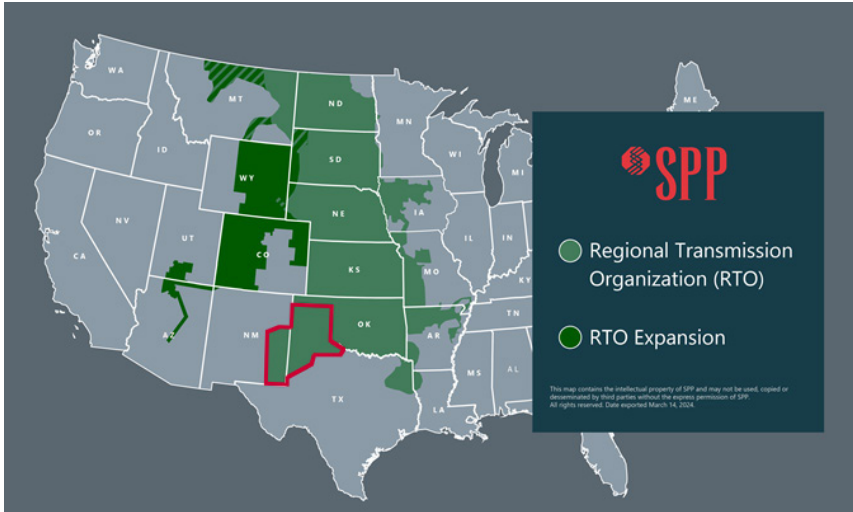


SOUTHWEST POWER POOL AND STATE POLICY CONSIDERATIONS

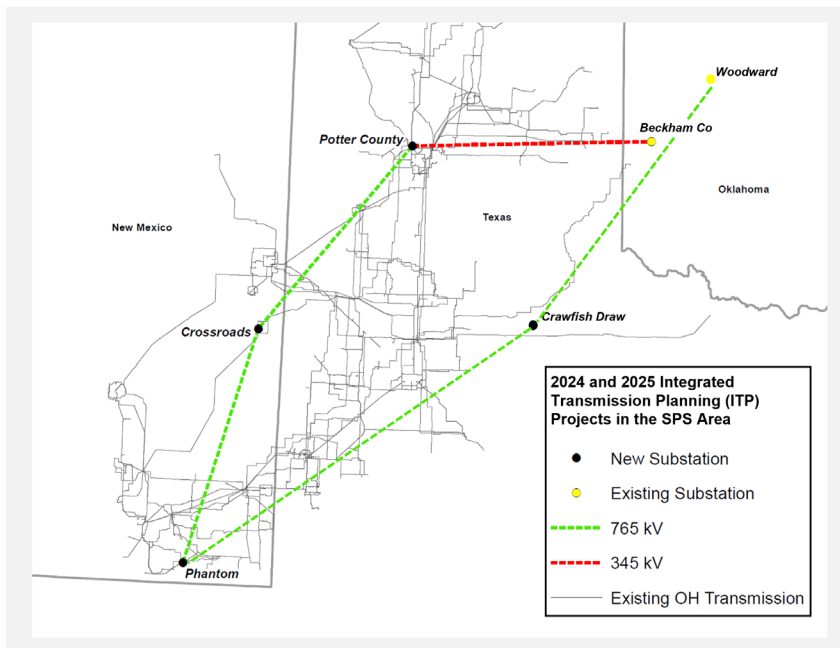
SPP:



<https://www.spp.org/media/2153/rto-expansion.png?width=676px&height=403px>

Some benefits of SPP participation:

- Reliability coordination;
- Transmission expansion planning;
- Market operation;
- Contingency reserve sharing;
- Generation interconnection studies;
- Outage coordination.



DISIS QUEUE, ERAS, AND CPP PROCESS

In SPP

- DISIS: “Definitive Interconnection System Impact Study”
- ERAS: “Expedited Resource Adequacy Study”
- CPP: “Consolidated Planning Process”
- HILL: “High Impact Large Load”
- HILLGA: “High Impact Large Load Generation Assessment”

What are they?

- DISIS: the standard, standing interconnection queue used to study all generation requests, regardless of urgency or resource adequacy need. Includes steady-state, stability and short circuit analysis
- ERAS: one-time, fast-track generator interconnection study process created to help bring needed generation online faster to address near-term resource adequacy risks
- CPP: recent FERC approved planning process that will study generation interconnections and reliability/economic studies in a single process, replacing the DISIS and ITP processes
- HILLS: Defined as loads greater than 50 MW connected at above 69 kV, or over 10 MWs on 69 kV or below. Because of its size, SPP must study it carefully to make sure the grid stays reliable
- HILLGA: fast-track assessment process to evaluate new generation built specifically to support a HILL (such as on-site solar, batteries, or small gas units). Generation will be studied in parallel with the load to speed up interconnection and ensure reliability

INFORMATION SHEET

SOUTHWEST POWER POOL AND STATE POLICY CONSIDERATIONS

SPP Planning Requirements - Planning Reserve Margin (PRM)

- PRM value approved by Regional State Committee

SEASON	PLANNING RESERVE MARGIN VALUE
Starting Summer 2026	16%
Starting Winter 2026-2027	36%
Starting Summer 2029	17%
Starting Winter 2029-2030	38%

FOR SYSTEM PLANNING, MUST BALANCE APPROACH AND PRIORITIES ACROSS STATES.

State Policy Discussion

New Mexico Renewable Energy Policy

- Favors competitive procurement and least-cost planning
- New Mexico Statute (the Renewable Energy Act or REA) & NMPRC Rules
 - 2025: 40% renewable energy
 - 2030: 50% renewable energy
 - 2040: 80% renewable energy
 - 2045: 100% zero carbon resources
 - Directive to maintain reliability, prevent unreasonable impacts to customer bills

Texas Energy Policy:

- Favors least-cost, all-of-the-above resource planning and competitive procurement
- Renewable energy requirements expired – reliance on market-driven growth

SPS 2023 IRP

- Construct multi-jurisdictional baseline portfolio based on least-cost solution for entire system taking into account reliability constraints
- Additional projects for New Mexico RPS compliance directly assigned to New Mexico
- Further RPS-specific resources not selected for New Mexico due to cost-effectiveness concerns

