# ICS FINANCIAL REQUIREMENTS-RISKS-REFUNDS

By SPP Generation Interconnection

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# BACKGROUND

This document summarizes the financial obligations required for submitting and advancing a Generation Interconnection Request through the Interconnection Cluster Study (ICS) process. It includes mandatory study deposits, financial securities, in-lieu alternatives, and refund eligibility criteria based on the requirements in Attachment AY.

# STUDY DEPOSITS AND FINANCIAL SECURITIES REQUIREMENTS

**1. Application Fee**

- A non-refundable **$10,000 application fee** is required with the Interconnection Request.
- The amount is subject to inflation adjustment every three years beginning in 2027.
- Updated fee amounts apply to requests submitted 60 days or more after the posting of revised values.

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**2. Study Deposit Requirements**

Study deposits must accompany the Interconnection Request and are based on the requested Maximum Injection Capability:

- **Less than 80 MW:**
  $35,000 plus $1,000 per MW
- **80 MW to less than 200 MW:**
  $150,000
- **200 MW or greater:**
  $250,000

**Important:**
Once the ICS begins, **100% of the study deposit becomes non-refundable**.

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## 3. Financial Security One (FS1)

FS1 must be provided at the time the Interconnection Request is submitted. The required amount is the greater of:

- **20% of the GRID Contribution**,
  or
- **$8,000 per MW** of the requested ERIS or NRIS Maximum Injection Capability.

FS1 serves as the initial good-faith security demonstrating readiness to proceed.

GRID Contribution is calculated from interconnection request MWs multiplied by summation of the applicable ERIS Regional rate, ERIS Sub-regional rate, NRIS Regional rate and NRIS Sub-regional rate. ERIS request will pay the ERIS rates. NRIS request will pay ERIS rates and NRIS rates.

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## 4. Site Control and Financial Security in Lieu of Site Control

### 4.1 Generating Facility

Interconnection Customers must demonstrate 100% Site Control or provide:

- An affidavit explaining regulatory limitations preventing Site Control, and
- Supporting documentation of such limitations, and
- **Financial Security in Lieu of Site Control** calculated as:
  - **$10,000 per MW**, with
  - **Minimum:** $500,000
  - **Maximum:** $2,000,000

### 4.2 High-Voltage Tie Line

Customers must demonstrate Site Control for at least 50% of the tie-line route or provide:

- **Financial Security of $80,000 per line-mile** of required right-of-way.

The tie-line financial security is considered **at-risk** until the Site Control requirement is satisfied.

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## 5. GRID FS and DAUC FS

GRID FS and DAUC FS are required during the **Decision Point** after the ICS report is posted.

### 5.1 GRID FS

- **100% of the required GRID Contribution** (region-wide and subregional),
- Based on the MW amount at the Decision Point,
- Minus the previously submitted FS1.

### 5.2 DAUC FS

- **20% of the Directly Assigned Upgrade Costs**,
- Minus the FS1 amount previously paid.

Failure to provide GRID FS and DAUC FS by the end of the Decision Point results in the Interconnection Request being deemed withdrawn.

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## 6. Refund Eligibility and Forfeiture Conditions

### 6.1 Full Refund (Pre-Decision Point)

If a request is withdrawn **before** the end of the Decision Point:

- **FS1** is fully refundable.
- **Financial Security in Lieu of Site Control** is fully refundable.
- (Study deposits remain non-refundable once ICS begins.)

### 6.2 Conditional Refund (After Restudies)

Full refund of the DAUC FS and in-lieu-of-site-control amounts is allowed when:

- Total allocated costs (includes Network Upgrades, affected systems costs, JTIQ, and GRID-C) increase by **35% or more**, AND
- Cost per MW increases by **$15,000/MW or more**, AND
- Withdrawal occurs within **15 business days** of the posting of the revised study results.

### 6.3 Forfeitures

- **GRID FS** is automatically forfeited if withdrawal occurs **after** the Decision Point.

- **DAUC FS** and **in-lieu-of-site-control security** may be forfeited if the withdrawal causes:
    - Timing impacts to equally queued projects, or
    - Increased costs in restudies.

### 6.4 One-Time Transferability (GRID FS Only)

If withdrawal occurs after the Decision Point but before execution of a CPP GIA:

- The customer may transfer GRID FS **one time** to the next ICS queue,
- Must be within the **same deliverability area**,
- Transferred GRID FS becomes **non-refundable**.

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### 7. Overview Table of Funding Requirements

| Funding Category | Requirement | Amount / Basis |
|---|---|---|
| Application Fee | Mandatory at submission | $10,000 (inflation-indexed) |
| Study Deposit | Based on MW | $35k + $1k/MW; $150k; or $250k |
| Financial Security One (FS1) | Initial readiness security | 20% of GRID-C or $8,000/MW |
| Site Control Security | Alternative to site control | $10,000/MW (min $500k, max $2M) |
| Tie-Line In-Lieu Security | Alternative for ROW control | $80,000 per line-mile |
| GRID FS and DAUC FS | Required at Decision Point | 100% GRID FS + 20% DAUC FS minus FS1 |

# TERMS AND ACRONYMS

| ACRONYM | TERM |
|---|---|
| SPP | Southwest Power Pool |
| ICS | Interconnection Cluster Study |
| FS1 | Financial Security 1 |
| GRID-C | Grid Contribution |
| DAUC FS | Directly Assigned Upgrade Costs |