

## RPM: Qualifying Transmission Upgrade Credit Requirement

*Includes Problem/Opportunity Statement*

### Issue Source

H-P Energy Resources LLC, a developer of Qualifying Transmission Upgrade (QTU) projects, is proposing this Issue Charge and accompanying Problem Statement to address the anomalous situation of the credit requirement for a QTU being a multiple of the total project cost for a QTU. The anomaly is compounded by the uniquely low performance risk of a QTU relative to other RPM resources (existing generation, planned generation and demand response):

### Stakeholder Group Assignment

Credit Subcommittee.

### Key Work Activities

Determine appropriate credit requirement (pre- and post-auction) for Qualifying Transmission Upgrades (QTUs) for participation in the Reliability Pricing Model (RPM) and develop requisite tariff revisions. H-P believes the existing credit requirement should be reduced but there might be other considerations that support a higher credit requirement. The appropriate credit requirement also might vary depending upon specific circumstances.

### Expected Deliverables

1. Determine appropriate credit requirement for QTUs for participation in RPM based on relevant considerations.
2. Develop requisite tariff revisions.

### Expected Overall Duration of Work

Given the relatively narrow scope of the issue it is expected that the Credit Subcommittee could provide the deliverables in a relatively short period of time.

### Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal, is preferred although Tier 2 decision making is acceptable.