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Terms used in this FAQ:
FRN – Federal Register Notice
Program – Temporary Power Sales Program
Period of Notice – Range of dates in an FRN for accepting new applications under the Program

I. Timing and Deadlines

I.1 When does the Period of Notice close?
October 22, 2021. Applications received after that date will not be accepted. New applications will be accepted only during the next Period of Notice, tentatively scheduled for summer of 2023.

I.2 What happens to my application if I am not matched in the 2021 matching process?
All applications, regardless of whether they are matched or not, will be released from the Program and new applications will be considered only during the next Period of Notice, tentatively scheduled for summer of 2023.

I.3 What is the timeline to implement the Program?
There is no formal timeline, but Southwestern is aware that an organization may need to procure transmission service and may have to meet deadlines to be in transmission studies conducted by the various Regional Transmission Organizations. It is Southwestern’s intention to work with organizations to the best of Southwestern’s ability and within applicable Federal laws to facilitate a successful loan/borrow action.

Southwestern intends to conduct a review every two years and to issue an FRN following that review to accept new applications to the Program.

I.4 If my organization wants to borrow, can it delay the start date? For example, would a start date of 2024 be acceptable?
Maybe. If Southwestern determines that a delayed start date is the best loan/borrow match, a delayed start date would be acceptable, provided it is
reasonable in Southwestern’s sole judgment. As stated above, it is Southwestern’s intention to refresh the program every two years with a notification to potential loaners and borrowers that new applications are being accepted. If there is a loan/borrow action currently implemented under contract when such notification is sent, that loan/borrow action would not be impacted by the refresh of the program.

I.5 If my organization terminates an active loan/borrow contract, does that mean my organization is out of the Program?

Yes, you will be out of the Program until your organization submits a new application under the next Period of Notice.

I.6 Are there minimums and maximums associated with the term of a loan/borrow action?

As stated in the FRN, the term of a loan/borrow action must be at least one year. There is no set maximum, although any loan/borrow action is limited in duration to the remaining term of the loaner’s then-current Power Sales Contract with Southwestern, after which a new loan/borrow action would need to be implemented if the loaner wished to continue making its allocation available through the Program.

I.7 My organization was notified that it is still an active participant in the Program. Do we need to fill out a new application?

As stated in the notification from Southwestern, if the product that your organization is interested in has changed, or if there is some other information that your organization wishes to impart to Southwestern, it may be advisable to fill out a new application.

Also, as stated in I.2 and for the 2021 matching process, all applications, regardless of whether they are matched or not, will be released from the Program after the matching process, and new applications will be considered only during the next Period of Notice, tentatively scheduled for summer of 2023.

I.8 If my organization is chosen as a successful loaner or borrower, how much time do I have to decide whether or not to accept Southwestern’s offer?

Southwestern intends to impose a reasonable deadline for an organization to respond to an offer under the Program.

II. Obligations and Contracting

II.1 If my organization submits an application, does that obligate it to participate in the Program?

No. Submitting an application in no way obligates an organization to participate in the Program. The obligation is only realized upon execution of contractual documents implementing the loan/borrow action.

II.2 If there is a successful loan/borrow action, how will the borrower be billed?

Southwestern intends to include language in both the loaner and borrower’s respective contractual documents to document the match and to make clear that the loaner is in no way obligated to pay for the quantity loaned.
II.3 What happens if my organization is part of a successful loan/borrow action under contract and we decide we no longer want to participate?

Southwestern will include language in the contractual documents giving organizations the opportunity to terminate an active loan/borrow arrangement upon reasonable notice. However, the loan/borrow action must be in effect for a minimum of one year before the termination can become effective.

II.4 Would it be possible to get an example of a contractual document implementing a loan/borrow action?

Southwestern can provide generic language for both a loaner and a borrower.

II.5 If my organization doesn’t have a utility manager, can someone like the Mayor or City Manager submit an application?

Yes. The contact information supplied should also include the name or position of the person authorized to enter into a contractual document with Southwestern.

II.6 If my organization is part of a joint action agency or has another organization running the day-to-day utility business for us, who should apply?

The organization with the Federal power allocation should fill out the loaner application. The organization wishing to receive Federal Power and/or Federal Energy should fill out the borrower application. Additional information on representatives an organization would like included if/when Southwestern notifies the organization of a potential loan/borrow offer can be included in the “Additional Information” section of the loan/borrow application.

III. Matching Considerations

III.1 What kinds of criteria will Southwestern use to determine matches under the Program?

As listed in the FRN, public bodies and cooperative electric utilities that are present or potential customers of Southwestern will be considered first, followed by non-preference electric utilities. Other considerations are distribution by state, which is trying to keep the loan within a given state, for example, a loan in Arkansas should stay in Arkansas if possible; widespread use, which is the number of end-users served by the borrower; the borrower’s ability to procure transmission; and finally, if two borrowers are equal in all the other criteria, chronological receipt, which is when the application was received by Southwestern.

For the 2019 review, it was only necessary to use the preference entity, distribution by state, and widespread use criteria.
IV. Products

IV.1 Can my organization borrow only Federal Energy or only Federal Capacity?
Yes. As listed on the application, there is an opportunity to borrow only Federal Capacity, only Federal Energy, or both. The most flexible option would be to check all of the boxes and indicate "any quantity."

IV.2 Are there minimums and maximums associated with the quantities of Federal Energy and/or Federal Capacity loaned or borrowed?
There are no minimums or maximums listed in the FRN; however, it is Southwestern's policy that Federal Energy must be scheduled in one-megawatt increments.

V. General

V.1 Why is Southwestern continuing the Program?
Southwestern had been notified of potential loaners and borrowers in recent years, and Southwestern has determined that continuing the Program and accepting new applications under the Program may achieve the best value for Federal Energy and Federal Capacity.

V.2 Will there be a public forum?
At this time, Southwestern is not planning to hold a public forum. If that changes, Southwestern will issue an additional FRN notifying the public of the time and date of such forum at least one week before the forum takes place.

V.3 Is Southwestern geographically limited as to the organizations to which Southwestern can market power?
It is Southwestern's mission to market and deliver power as authorized by Congress. We believe we have some discretion as to where we can market if there are no available borrowers within Southwestern's traditional marketing footprint.

V.4 What other information should I include in my application?
In addition to the items already covered, it would be helpful to have accurate contact information, such as a contact name, title, mailing address, email address, and phone number.