



THE ORG REPORT

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January 2010

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Entergy Regional State Committee Formed

SPP Regional State Committee member and Arkansas Public Service Commission (APSC) Chairman Paul Suskie was elected President of the new Entergy Regional State Committee (E-RSC), designed to provide collective retail regulatory agency input on the operations of and upgrades to the Entergy Transmission System as well as operations and functions of the SPP Independent Coordinator of Transmission in the Entergy region. Members of the E-RSC are the APSC, Louisiana Public Service Commission, Mississippi Public Service Commission, Public Utility Commission of Texas, and the city of New Orleans' City Council. Read the [APSC news release](#) or access [SPP's E-RSC page](#).

Strategic Planning Committee Discusses ITP 20-Year Assessment with Org Group Leaders

The SPC met with leadership of the Markets and Operations Policy Committee and Economic Studies, Transmission, and Cost Allocation Working Groups to provide strategic direction to staff on major assumptions necessary to perform the initial Integrated Transmission Plan (ITP) 20-Year Assessment:

- Major scenario assumptions included Business-As-Usual (changed to Base Case), High Wind, High Carbon, and Energy Efficiency/Demand Response. The SPC held significant discussion around selecting and defining scenarios, including the development of future generation. The SPC agreed with a suggestion to survey membership to determine what assumptions are used in their forecasts; results will be reported to the SPC in January. The SPC discussed a "perfect storm" scenario which would provide maximum stress on the transmission system and decided not to include it. Members' future capacity requirements will be captured by SPP as the Consolidated Balancing Authority.
- The group discussed the deliverability of transmission. Staff will develop a list of considerations for a robust transmission system of the future.
- Reliability assessment considerations were discussed. (AC voltage assessment will be included, but stability analysis will not). The SPC wanted assurance that the reliability assessment was adequate for Notifications to Construct or Authorization to Plan letters. The SPC requested additional information on the 20-Year NTC requirements.
- The group discussed external resources assumptions and agreed that external systems should be designed to manage loop flow impacts on the SPP system. While the system will not be designed specifically for exporting a certain amount, consideration of potential exports should be completed.
- Highway/byway rate clarifications were sought. Staff proposed that all projects in-service after October 26, 2009 would receive cost allocation based on the new cost allocation design. The SPC discussed different options for implementation of the new rate. It was noted that the RSC should be consulted on these concerns.

NERC and NAESB Update

NERC begins the new year with a new President and CEO: Gerry Cauley, formerly President of the Southeast Electric Reliability Council. Mr. Cauley has visited with NERC's standing committees and presented a vision of improved reliability by managing compliance to standards with risk management concepts. Prior to acting in this capacity, he served for ten years in positions of increasing responsibility at NERC, culminating as Vice President and Director of Standards. Mr. Cauley previously worked as the program manager of the Electric Power Research Institute's Grid Operations and Planning Program.

December Meeting Summaries

[Board of Directors-Members Committee:](#) The Board of Directors/Members Committee reviewed survey results, organizational group assessments, and rosters as part of the annual organizational effectiveness review.

Surveys reviewed included those for stakeholder satisfaction, Board effectiveness, the Regional Entity, and organizational group effectiveness.

Business Practices Working Group: The group compiled a list of questions that need to be addressed regarding a ramp limitation process using a reservation system for future markets. Those questions are being answered by BPWG members individually so they can be compiled for future discussion and direction. BPR001 and 002 regarding third party impacts were discussed, and BPR001 was finalized to go to the MOPC for approval. BP2.16, which provides interim short term service during Aggregate Study delays, was modified and is going through the working group review process.

Change Working Group: The CWG discussed active member-impacting project statuses and the project portfolio of upcoming member-impacting projects; suggestions for enhanced planning and reporting were taken into consideration. A staff proposal to implement an additional IT maintenance window for routine changes was presented and discussed; further discussion will occur in January. The group drafted a response to outstanding MOPC action items that will be included in a written report for the MOPC January meeting. The 2010 meeting calendar was drafted; the CWG will meet more often to increase discussion about future markets, highly available architecture, and the new facility.

Cost Allocation Working Group: The CAWG discussed ITP-related agenda items, including results of the ITP Alternative Futures Survey and an overview of the ITP-Year 20 study process. Staff will refine the survey summary and present this information in January. The CAWG continued discussion of highway/byway rate impact analysis and kV bright line considerations.

Corporate Governance Committee: The CGC met to review annual survey results and assessments in more detail, including a review of organizational group rosters. The group also discussed possible revisions to the Standards of Conduct and possible Bylaws revisions related to the Order 719 docket.

Critical Infrastructure Protection Working Group: The CIPWG is focusing on two primary activities: compliance with current CIP standards, and the ongoing development of new CIP standards. Meeting agendas have involved a review of current CIP compliance challenges and the technical and procedural methods used to achieve compliance. The SPP Regional Entity was invited to present and discuss their audit methods and expectations. The development of the all new CIP standards is a standing topical item for the CIPWG, as this process will dictate security practices for all member companies. CIPWG participants on the Standards Drafting Team provide ongoing updates, and participants on the NERC Critical Infrastructure Protection Committee also provide information on the current and upcoming efforts involving security within our industry.

Economic Studies Working Group: The ESWG recommended changes to the Priority Projects wind assumptions, including which hubs would and would not receive wind generation. The group requested more information about how the wind assumptions were developed. Regarding Priority Projects, there was discussion of the timeline for completing data review and starting PROMOD runs. Regarding the ITP Year 20 Assessment, much of the month's effort was concentrated on further developing the scope document. For example, it was decided that analysis would be conducted on no more than four generation futures. The ESWG committed to developing the metrics used to determine cost-effective delivery.

Finance Committee: The FC reviewed audits of SPP's business process controls for settlement of transactions under the SPP Tariff and SPP's general IT and computer controls. The audit report contained two qualifications which were fully discussed. The group reviewed SPP's compliance with specific covenants under its lending agreements, and discussed implementing a FC review process for projected compliance with lending agreement requirements. The group will meet in February to discuss SPP's strategy around its administrative fee and the impact of changes to its existing accounting policies on future administrative fee requirements.

Generation Working Group: The GWG discussed items concerning Section 12 of the SPP Criteria. There were two proposed changes: one to Section 12 on defining the hottest day of the year, and the other to Appendix 2 to a formula for finding the corrected temperature for a generation plant that is not within 30 miles of a weather station. Both revisions will be researched further and proposed as changes. SPP Bylaw revisions were presented and discussed.

Market Working Group: The MWG met twice in December, reserving one day for current business activities and five days for future markets design. The group received updates on relevant regulatory items, a recent SPP market price volatility issue, market monitoring activities, the Consolidated Balancing Authority project, the future markets program, other working groups/committees, and outstanding Protocol Revision Requests. The MWG reviewed frequently asked questions regarding future markets, and finalized and approved the [Mid-Level Design document](#) which summarizes in detail the past decision matrix items and sets the structure for the future markets protocols. This document, as well as a list of future market unresolved design issues and design elements that are unique to SPP, have been provided to the MOPC for feedback on the design. The MWG also began the development and review of the post-operating day and settlement activities protocols.

Model Development Working Group: The MDWG met to update the Model On Demand database, with a goal of obtaining the most accurate data and improving the quality of the MDWG 2010 series models.

Operating Reliability Working Group: The ORWG met with several members of the MWG to discuss that group's proposed revision to the Uninstructed Resource Deviation methodology in the future market design. The

ORWG has oversight over the reliability implications of resources following their dispatch instructions. The MWG is working to balance the financial implications of any penalties or incentives for following dispatch.

Operations Training Working Group: OTWG voting member vacancies were filled by Misty Revenew (WRI), Mike Hood (AECC), and Ron Green (AEP). Enrollment for the 2010 System Operations Conferences and several Regional Emergency Operations classroom sessions is full. If you are interested in attending any of these events, you are strongly encouraged to get on the waiting lists. The Job Task Analysis taskforce continues to analyze job tasks for the transmission operator, generator operator, and Balancing Authority job roles. The next meeting of the taskforce will be held on January 12; contact [Jim Gunnell](#) for more information. The end-of-year training program survey was sent to everyone who participated in SPP training during 2009. If you didn't receive the survey and would like to provide feedback, please contact [Carl Stelly](#).

Oversight Committee: The Oversight Committee held its regular quarterly meeting. In addition to activity reports from the Market Monitoring, Internal Audit, and Compliance Departments, the group discussed the approach for market monitoring and consulting support in 2010. Boston Pacific has been engaged for 2010 to provide support, particularly for the State of the Market Report.

Regional Tariff Working Group: The RTWG approved Tariff language extending the pairing of Aggregate Study open seasons until May 31, 2012; it was originally set to expire on January 31, 2010. The group also approved Tariff revisions proposed by the Generation Interconnection Task Force to incorporate small generator interconnection procedures into Attachment V. The RTWG is expected to approve a Screening Study to evaluate Long-Term Service request options or proposed delivery point transfers in January. The group is currently reviewing changes to Attachment J to implement the highway/byway cost allocation methodology and will soon begin reviewing changes to Attachment O to implement the ITP.

System Protection and Control Working Group: The SPCWG revised its charter to increase the maximum number of voting members to twelve. The group also reviewed and discussed the report on the Wolf Creek outage that occurred on August 19, 2009. The Under Frequency Load Shedding (UFLS) Standard Drafting Team continued making revisions to the third draft of SPP's UFLS Regional Standard, as well as responding to the comments received from the second draft of the UFLS Regional Standard.

Transmission Working Group: The TWG held several meetings to review and endorse/approve several reports before the year's end: the 2009 SPP Transmission Expansion Plan report, the 2009 Stability Study report, the 2009 P-V Analysis report, and the 2009 TPL Long-Term Compliance report. The TWG also helped develop the ITP Year 20 Assessment Scope, focusing on the expansion of the limited reliability assessment to incorporate an AC-based analysis of the Year 20 solutions. The next regularly scheduled TWG meeting is February 3-4 in Little Rock.

January Meetings

- January 5 - Economic Studies Working Group
- January 5 - Transmission Working Group Net Conference
- January 5 - System Protection and Control Working Group Net Conference
- January 6 - Cost Allocation Working Group
- January 7 - Regional Tariff Working Group
- January 7 - Model Development Working Group WebEx
- January 11 - Operations Training Working Group Teleconference
- January 12 - MOPC Pre-Meeting Seminar-Future Market Education Session
- January 12/13 - Markets and Operations Policy Committee
- January 13/14 - System Protection and Control Working Group
- January 14 - Strategic Planning Committee
- January 14- Change Working Group Teleconference
- January 18-21 - Market Working Group
- January 18 - Cost Allocation Working Group Conference Call
- January 19 - Human Resources Committee
- January 19 - Economic Studies Working Group (Conference Call)
- January 19 - Transmission Working Group Teleconference
- January 20/21 - Operating Reliability Working Group
- January 25 - Regional State Committee

January 25 - Future Market Workshop

January 25 - Regional Entity Trustee

January 26 - Board of Directors-Members Committee

January 26/27 - Cost Allocation Working Group

January 28 - Regional Tariff Working Group

This is a summary of recent SPP organizational group meetings. For more information about a group, please visit SPP.org and select that committee on the [Org Groups](#) page. Documents are located in the left column.

Please contact [Emily Pennel](#) in the Communications Department with questions or comments about The Org Report.

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