



THE ORG REPORT

A PUBLICATION OF SOUTHWEST POWER POOL

July 2010

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FERC Approves Highway/Byway Cost Allocation Methodology

On June 17 [FERC approved a new "Highway/Byway" method](#) of sharing costs for new electric transmission in the SPP region. The Highway/Byway proposal was created by the Regional State Committee and its Cost Allocation Working Group; the Tariff language was written by the Regional Tariff Working Group and approved by the Board of Directors.

"The SPP region is evolving from a utility-by-utility focus on 'keeping the lights on' at the local level to a region-wide focus on building a robust transmission system," said SPP President and CEO Nick Brown. "Sharing costs and benefits of more transmission highways and byways will increase our ability to deliver lower-cost power to customers, allow us to make the most efficient use of the region's diverse generating resources, and help us meet state and federal policy goals such as increased use of renewable energy." For more information, [read SPP's FERC filing](#) or the [FERC Order](#).

On June 23 the Board of Directors/Members Committee held a special teleconference meeting to re-affirm the list of Priority Projects that were [approved for construction in April 2010](#) pending successful implementation of the Highway/Byway cost sharing methodology, which will apply to these projects. The Board authorized SPP staff to issue Notifications to Construct (NTCs) for the projects.

June Meeting Summaries

[Board of Directors-Members Committee:](#) The Board of Directors had its annual education workshop in conjunction with the Mid-America Regulatory Conference (MARC) in Kansas City. Representatives from OG+E provided a presentation on the transmission construction process using the recently energized Windspeed project as the case study. SPP staff members John Mills and Bert Bressers gave an overview of the modeling process, and Casey Cathey and Debbie James provided a tutorial on day ahead and ancillary service markets. The Directors also attended several sessions of the MARC meeting.

[Business Practices Working Group:](#) The BPWG discussed a document that was created to provide a central location for all SPP Operations procedures related to system reliability in abnormal conditions, including procedures from Reliability Coordination, Market Operations, and Tariff Administration. A member requested the ability to view negative AFC values in Request Evaluation Reports that are posted on OASIS to provide greater transparency and assist in day-to-day Transmission Service Request submittal. The group passed a motion requiring SPP staff to work with the software vendor to configure the system to allow for posting negative AFC values. The BPWG heard updates on BPRs 009, 010, and 011, which are on the agenda for the July Markets and Operations Policy Committee meeting. The BPWG will discuss Network Resource Interconnection Service at its August meeting.

[Change Working Group:](#) The CWG reviewed the status of current member-impacting projects. Planning is underway for the two-day August face-to-face meeting to be held at the Xcel facilities in Denver. The first day of the meeting will be a planning session to clarify roles and responsibilities of CWG representatives and staff in member-impacting efforts.

[Critical Infrastructure Protection Working Group:](#) The CIPWG is focusing on member compliance efforts, ongoing security updates from federal law enforcement, and the development of CIP Version 4 Standards. Updates from the NERC Critical Infrastructure Protection Committee (CIPC) and the High Impact Low Frequency (HILF) project are also key components of each CIP meeting. CIPWG members actively participate with the development of the new standards by providing comments to NERC, and by providing members to the CIP Standards Drafting Team. New CIP Standards (CIP-010-1 and CIP-011-1) are being examined to determine future security and compliance needs and their potential impact on the industry.

[Economic Studies Working Group:](#) The ESWG continued its focus on supporting Integrated Transmission Planning, primarily the ITP 20 Year Assessment (ITP20). Regarding possible future generation needs, the ESWG approved the ITP base case resource plan that was developed by Black & Veatch with input from the ESWG's members and stakeholders. The ESWG reviewed draft resource plans for the other ITP20 futures and

discussed how to locate these new generators in the economic models. The *Robustness White Paper* and prototype EHV expansion plans were also presented and discussed.

Finance Committee: The Finance Committee approved a scope document to form the Credit Working Group, which will develop credit standards and practices and monitor credit exposures. The Corporate Governance Committee will name members to the new group at its July meeting. The committee considered acquiring an office building complex as an alternative to constructing an office building for SPP staff. The group also reviewed the cost estimates for constructing SPP's new facilities to include a stand-alone operations center and a 150,000 square foot office facility. The committee decided to proceed with the planned construction of the operations center and office building within the previously-approved budget.

Generation Working Group: The GWG is vetting its role in the approval process of the SPP Loss of Load Expectation Study. The group is revising the SPP Criteria regarding Wind Plant Net Capability, and adding to the Criteria a section on a Solar Accreditation Methodology. The GWG is developing a spreadsheet to capture Net Capability reporting for generation, and is working with SPP Operations on reporting historical wind plant data.

Market Working Group: The MWG met twice in June, reserving five days for future markets design activities and one day for current business activities. The MWG received updates from Market Monitoring and Regulatory as well as an education session by SPP staff on the TCR auction process. The group reviewed outstanding Protocol Revision Requests (PRRs), and PRR 222 (Dispatchable Range Diagram) was approved. The MWG reviewed the Meter Technical, Settlement Metering Data Management, Market Monitoring & Mitigation, and Energy & Operating Reserve sections of the Protocols and will continue to meet twice a month to review and finalize the Future Market Protocols baseline.

Operations Training Working Group: The Job Task Analysis (JTA) taskforce is completing JTAs for the Transmission Operator, Generator Operator, and Balancing Authority job roles. The taskforce will finalize the three job roles this summer and schedule net conferences to discuss the JTAs with members. Things are going well with the [SPP Learning Center](#) since its launch. Learning Management System Administrator Jane Martin discussed issues with granting administrative access in the system; she is considering alternative options. The OTWG added a standing agenda item: Lessons Learned from Audits and JTA Development. SPP Training Manager Jim Gunnell reviewed the SPP budget process and requested input regarding the 2011 regional training calendar.

Oversight Committee: The Oversight Committee held its regular quarterly meeting. SPP staff provided activity reports from Market Monitoring, Internal Audit, and Compliance. The committee is particularly focused on SPP's efforts to support its members and registered entities in meeting compliance requirements.

Operating Reliability Working Group: The ORWG approved PRR 219 and discussed changes to Criteria Appendix 7, which is data members are required to submit to SPP.

Regional Entity Trustees: The RE Trustees approved the Regional Entity's [2011 Business Plan and Budget](#) (agenda item 5a). The budget will be submitted to NERC and FERC for review and approval.

Regional Tariff Working Group: The RTWG discussed Attachment C and Section IV Tariff amendments required by Orders 676E and 729 that must be filed with FERC by September 30. The Transmission Owner Selection Task Force presented its Designee Qualification Process, which was approved and will go to the Markets and Operations Policy Committee in July. There was a discussion related to Schedule 13 – Generation Station Power and a review of PRR 222; the group determined there are no Tariff implications.

System Protection and Control Working Group: The SPCWG and the Under Frequency Load Shedding (UFLS) Standard Drafting Team began revising the fourth draft of the SPP UFLS Regional Standard and responding to comments received from the third draft. The team submitted a comment form for the third draft of NERC's PRC-006 Standard. The SPCWG approved Cleco's Wells reactor as a Special Protection System for another five years.

Other Meetings

Consolidated Balancing Authority Steering Committee

Cost Allocation Working Group

Seams Steering Committee

July Meetings

July 8 - System Protection & Control Working Group

July 9 - Generation Working Group Conference Call

July 9 - ESWG Teleconference

July 9 - Finance Committee Meeting

July 12 - OTWG Teleconference

July 13/14 - Markets and Operations Policy Committee Meeting

July 13 - MOPC Pre-Meeting Seminar
July 15 - Strategic Planning/Corporate Governance Meeting
July 16 - Market Working Group Net Conference
July 19-21 - Market Working Group Meeting
July 20 - ORWG/MWG Joint Meeting
July 21/22 - Human Resources Committee Planning Retreat
July 21 - ORWG Meeting
July 22 - Change Working Group Teleconference
July 22 - Economic Studies Working Group
July 26 - Regional State Committee Meeting
July 26 - Regional Entity Trustee Meeting
July 27 - Board of Directors-Members Committee Meeting
July 28 - Economic Studies 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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