

**Southwest Power Pool  
SETTLEMENT USER GROUP  
Minutes  
Conference Call  
July 15, 2010**

**Call to Order**

Bill Olson called the meeting to order of the Settlement User Group (SUG) at 10:00am on July 15, 2010, and welcomed everyone to the meeting. Attending the meeting were Bill Olson(Xcel), Philip Bruich(SPP), Ken Donald(Utilicast), Tony Alexander(SPP), Arthur Sabb(SPP), John Luallen(SPP), Kim Farris(SPP), Patti Kelly(SPP), Rob Offenburger(AEP), Chris Werner(AEP), Matt Miller(AEP), John Holloway(AEP), Stacy Martin(CALP), Kristy Tackett(EDE), Kari Hollandsworth(GSEC), Jill Coffey(KCPL), Ann Scott(TNSK), MaryJo Montoya(Xcel), Kathy Shuerger(Xcel), Curt Dedonder(Westar), Chelsey Cairns(Westar).

**Minutes Approval**

Minutes were reviewed for the June 17, 2010 meeting and approved without objection.

**OOME Adjustment Charge Type** – Philip Bruich described a request from the MWG related to PRR 200 which involves credits paid to make resources whole that are dispatched out of merit by SPP. The settlements impact based on the PRR is to utilize a miscellaneous adjustment charge type for these credits. Ann Scott who submitted PRR 200 indicated that these situations would occur very infrequently so the intent is for the customer to file a dispute which if granted, would be resolved with a manual adjustment. Philip explained the current system contains a miscellaneous charge type for EIS that would accommodate the need but would require testing since the charge has not been used yet. Due to the manual nature of resettling this type of dispute, the expectation is that a significant change to the ETS settlement system would be required if the OOME instances ever began to occur on a more frequent basis. Recommendation was approved without objection to use the miscellaneous adjustment for EIS and add language to PRR 200 to indicate these will occur only on an infrequent basis.

**Dispute Metrics** – Philip Bruich presented a monthly summary of dispute activity for the EIS market for the month of June. The summary is currently provided to the SPP BOD as part of metrics reporting. The analysis includes average days outstanding, total disputes and dollars, average size, number of new disputes and number of resettlements. With the exception of new disputes metric, all other dispute metrics refer only to those granted. The monthly dispute metrics will be included as a recurring agenda item on future monthly SUG meetings.

**Future Market Settlement Protocols (MWG Update):**

Internal Pseudo-ties under CBA – Ken Donald explained there are many instances of generation and load pseudo-tied between what are currently internal BAs in SPP and plans to add more in the future. In the EIS market, these pseudo-ties must be accounted for in the systems and processes which are employed to checkout ties between settlement areas and report load metering. Having made significant investments in technology to configure metering in support of these pseudo-ties, the SUG members were reluctant to embrace a Future Market design which would require additional cost to undo them.

Preferring to maintain current metering configuration and processes, the SUG requested further information as to the operational, economic or reliability impacts of maintaining pseudo-ties after consolidation.

Missing Settlement Area NAI – The SUG endorsed an approach to model the aggregate ties as meter data submittal locations in the Future Market and substitute State Estimator values in the event that actual interchange has not been submitted by the meter agent.

Billable Meter Derivation – John Luallen delivered a presentation illustrating the calculation of adjusted meter quantities from meter data submitted in 5 minute intervals, hourly intervals and instances of missing meter data. Due to the amount of material in the examples as well as time constraints in covering the remainder of the agenda, there will be at least two more related presentations continued over the next couple of SUG meetings.

Additional Future Market Charge Types- Ken Donald presented additional charge types for Future Markets currently under discussion at the MWG:

Reserve Sharing Group Event Response

- Contingency Reserve deployed in SPP for event outside the footprint or vice versa
  - Adder to the LMP at the interface
  - How to allocate cost / revenue
    - Bundle with Contingency Reserve Penalty Distribution or separate charge type

Joint Operating Agreement

- Coordination of reciprocal flowgates between RTOs
  - MW change on the flowgate \* the shadow price
  - How to allocate cost / revenue
    - Bundle with RNU or separate charge type

Regulation Cost Allocation Changes- Ken Donald described proposed changes by the MWG to the approach for allocation of regulation costs in the Future Market:

- Current Protocols
  - 1 charge type for the allocation of the costs related to the DA Market settlement of each OR product
    - Each product uses the same allocation mechanism

- Obligation derived from footprint LRS and bilateral contracts
  - Allocation rate weighted between zonal MCP and 'exchange' rate
- 1 charge type for the allocation of the costs related to the RTBM incremental settlement of each OR product
  - Each product uses the same allocation mechanism - LRS
- Proposed Modifications
  - Apply to Regulation Up & Down
    - Add output of resources outside tolerance band to the allocation MW in DA
    - Add output of resources outside tolerance band to the allocation MW in RT
  - Potential Changes to Spinning / Supplemental Cost Allocation
    - Add output of resources outside tolerance band to allocation MW in DA & RT
    - Add derate MW during forced outages to allocation MW in DA & RT

Operating Reserve Procurement Charge Type Training- Ken Donald presented training examples on credits calculated for Day Ahead and Real Time operating reserves for Regulation Up/Down, Spinning and Supplemental.

### **Future SUG Meetings**

Teleconference/Webconference      Thursday, August 12 10am - 12pm Central

Please register online at the SPP corporate website.

The Annual Settlement User Conference will be held in Little Rock at the AECC offices on October 26 & 27. The first day of the conference will focus on existing market and transmission settlement production issues, while the second day will focus on Future Market training. A tour of the SPP facilities is planned for the afternoon of October 25 for those arriving the day before the conference.

### **Adjourn Meeting**

With no further business, Bill thanked everyone for participating and adjourned the call at 12:00pm.

Respectfully submitted,

Philip Bruich  
Secretary