



# THE ORG REPORT

A PUBLICATION OF SOUTHWEST POWER POOL

October 2010

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## Future Markets Program Update

To help you stay informed about what's going on with our future markets initiative, we will start including a short, high-level status update in *The Org Report*. Here's the latest:

- The design team conducted the Market Working Group meeting, which recommended the Markets and Operations Policy Committee (MOPC) endorse the future market Protocols in October.
- The CBA team met with the Consolidated Balancing Authority (CBA) Steering Committee to review and update the Generation Control chapter of the CBA Operations Manual.
- The Regulatory and Tariff team developed structure of the Tariff sections, schedules, and attachments for language changes that need to be made, reviewed, and approved.
- The Technical Architecture team finalized the test strategy.
- We are finalizing 'bridge' contracts with our vendors (Alstom, OATI, and Nexant).
- The Business Process Design team received approval on 12 of 19 vendor-specific business process design deliverables, and are working on designs in the following areas: Transmission Congestion Rights (TCRs), Market Management, Outage Coordination, Market Operations Support, Forecasting, Credit Management, Market Operations Support, and Customer Service. The Requirements team has 15 requirement deliverables at least 50% complete in these same areas.

## MONTH Meeting Summaries

**Business Practices Working Group:** The BPWG discussed Business Practice Revision Requests (BPR) 012 – Handling of Renewal Rights, 014 – Abnormal Conditions Procedure, 016 – Transmission Owner Selection Process, and 017 – Notification to Construct. The list of BPRs can be found on the [SPP OASIS](#) website in the BPR items folder. BPRs 012 and 014 will be discussed further at the next meeting. BPRs 016 and 017 were approved and will be presented to the MOPC in October.

**Change Working Group:** The CWG held a conference call to cover its standard agenda of project and program statuses. There have been no significant changes to efforts currently underway. The future markets group is working to provide priority requirements to vendors for their estimates, as well as on business process design. The CBA effort continues with the development of the Operations Manual. The Quick Start Status (part of the fall patch project) is available for member testing, with remaining functionality to be implemented and tested in a phased approach as requested by our members. The Data Push project is in member-testing, and the Data API project overview will be published for member review this week. Both the Active Directory Migration and Non-Critical system transition projects are complete and in the closeout phase. The CWG will continue developing the agenda for its November planning session, during which the group will review and undertake the role of the former Market Implementation Task Force.

**Cost Allocation Working Group:** The CAWG discussed TCR issues, primarily the participation of third-party, external entities in SPP's TCR market. This meeting was in preparation for the October RSC meeting.

**Corporate Governance Committee:** The CGC held its regular fall meeting to finalize the ballot for election of directors, members committee representatives, and a trustee. The elections will be held during the annual meeting of members in conjunction with the October board meeting. Other agenda items included guidelines for public participation in SPP meetings and the continuing initiative to address transmission cost obligations for withdrawing members.

**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. Receiving updates from the NERC CIP Committee and maintaining communications with appropriate law enforcement entities 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 (currently CIP-010-1 and CIP-011-1) are being examined to determine future security and compliance needs, and the potential impact on the industry. This meeting also

included a discussion of the NERC Compliance Application Notice.

**Economic Studies Working Group:** The ESWG continues to intently focus on the development and execution of the first 20-Year Integrated Transmission Planning (ITP) process in conjunction with the Transmission Working Group (TWG). Since July, the group has addressed the ITP Manual, Robustness Metric Manual (contracted to Charles River Associates), Least-Cost Plans, Cost-Effective Plans, and robustness testing of the proposed transmission projects. The ITP Manual was endorsed by the group and will be considered for endorsement by the MOPC in October. The development of the 10-Year ITP process will be addressed by the group in upcoming meetings, as the 20-Year studies are finalized.

**Finance Committee:** The committee reviewed a preliminary report documenting the value of SPP's services to SPP's members. Preliminary analyses indicates that SPP's services provide an estimated \$560 million - \$835 million in regional benefits annually. Several services and functions are still being evaluated. SPP staff will continue to refine the analysis. The group reviewed SPP's proposed capital and operating budgets for 2011. They requested further analysis, particularly related to staffing needs, and scheduled a meeting on October 14 to review the additional information.

**Generation Working Group:** The GWG is finalizing revisions to the SPP Criteria regarding Wind Plant Net Capability, and is reviewing a new section covering Solar Accreditation. This section will be similar to the current section under SPP Criteria 12.1.5.3.g covering Wind Net Capability. Any applicable changes that have been made to this section will be incorporated in this new section. The group discussed NERC Standards MOD-024 & -025, along with a few questions from working group members.

**Human Resources Committee:** The HR Committee was presented with results of the 2010 Compensation and Benefits Survey by Towers Watson. The group reviewed and approved a staff recommendation to establish a 2011 Merit and Promotion pool of funds. Additionally, the committee reviewed and approved the annual self-assessment form.

**Market Working Group:** The MWG met three times in September, reserving five days for future markets design activities and one day for current business activities. The group voted to recommend the MOPC endorse the October 12, 2010 Future Market Protocols document as the working document to continue development of business requirements, begin development of implementation of budget estimates, and begin contracting discussions with vendors. The MWG intends to resolve any outstanding issues prior to the January MOPC meeting, and will present any changes to the Protocols with an explanation to the MOPC. Also in September, the group received updates from SPP's Market Monitoring, Regulatory, and Operations departments, and reviewed outstanding Protocol Revision Requests (PRRs). PRR 200 (Keep Whole Payments for Out of Merit Energy Dispatch), PRR 229 (Deletion of "Removal from dispatch" Language), and PRR 230 (Language Change for CME Requirement) were all approved.

**Model Development Working Group:** The MDWG approved the [2011 Series Dynamics model set](#) and 2011 Series Short Circuit model set. They also approved the Model Improvement Task Force White Paper to be submitted to the TWG.

**Operating Reliability Working Group:** The ORWG made changes to Criteria 6 regarding Other Extreme Conditions. They approved removal of Criteria Section 14 Transmission Loading Relief, and made corresponding changes to Criteria 5 and Criteria 10. Appendix 3 information referring to old two-way radio communication system was removed. The group reviewed PRRs for the MWG, and a BPR for the BPWG. The ORWG also discussed NERC Standard TOP-002 compliance issues.

**Operations Training Working Group:** The Job Task Analysis taskforce finalized the Transmission Operator and Balancing Authority job roles, and discussed how they will market and communicate the group's work. The JTA taskforce will work with the SPP Compliance department to communicate upcoming workshops, mentioning that the taskforce has developed tools to assist members with PER-005-1 compliance. The 2011 Regional Training Calendar was presented to the OTWG for consideration. The URL for the SPP Learning Center changed on September 20 to <https://spp.csod.com>. The [next OTWG meeting](#) will be in Little Rock on October 28 following the System Operations Conference.

**Oversight Committee:** The Oversight Committee held its regular quarterly meeting. In addition to activity reports from SPP's Internal Audit, Market Monitoring, and Compliance departments, the committee heard an update on future market design, and specifically the Market Monitoring staff's role in providing feedback through the stakeholder process. The committee provided direction to staff regarding development and issuance of the 2010 State of the Market Report.

**Regional Tariff Working Group:** The RTWG held three meetings in September. They approved two PRRs that require Tariff language changes: Meter Agent Clarification of Joint Operating Units and changes to the 2011 Offer Cap Calculation. Three Tariff Revision Requests (TRR) were approved, including a change to Network Integration Transmission Service Losses; updates to the Transmission Owner Tariff and the Membership Agreement, which was needed as a result highway/byway implementation; and the increase of the Administrative Fee from \$0.225/MWh to \$0.350/MWh. One BPR for Forgiveness of Transmission Service Charges was approved. The ITP manual was reviewed and comments provided back to the TWG. The group reviewed the Order 719 compliance filing; Order 676E,676F/729 Compliance Filing; and discussions related to Net Energy for Load, Automatic Revenue Requirement Updating, and Conditional Firm Service, which will carry

into the November meeting.

**Transmission Working Group:** TWG reviewed, revised, and endorsed the ITP manual. The TWG and ESWG met in joint sessions to review and discuss the ITP 20-Year Assessment transmission plans.

## October Meetings

- October 4 - TWG/ESWG Joint Meeting
- October 6 - Regional State Committee Teleconference
- October 7 - Market Operations Users Conference
- October 8 - Generation Working Group Net Conference
- October 8 - SPP Consolidated Balancing Authority Teleconference
- October 11/12 - System Protection & Control Working Group
- October 12/13 - Markets and Operations Policy Committee Meeting
- October 12 - MOPC Pre-Meeting Workshop
- October 13/14 - SPP CBA Steering Committee
- October 14 - Strategic Planning Committee Meeting
- October 14 - Finance Committee Meeting
- October 18-20 - Market Working Group Meeting
- October 19/20 - Sub-Regional System Restoration Drill South
- October 19 - Human Resources Committee Meeting
- October 21 - Change Working Group Teleconference
- October 25-28 - SPP System Operations Conference
- October 25 - SPP Future Markets Workshop
- October 25 - Regional Entity Trustee Meeting
- October 25 - Regional State Committee Meeting
- October 26 - SPP Settlements Users Conference
- October 26 - Board of Directors and Annual Meeting of Members
- October 26/27 - Cost Allocation Working Group Face to Face Meeting
- October 27 - SPP Settlements Users Conference
- October 28 - OTWG Face-to-Face Meeting

This is a summary of recent SPP organizational group meetings. For more information about a group, please visit [SPP.org](http://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*.

[SPP Calendar](#)

[The Org Report Back Issues](#)

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