



ESWG Minutes No. [37a]

**Southwest Power Pool
ECONOMIC STUDIES WORKING GROUP
AND
TRANSMISSION WORKING GROUP
October 4, 2010
Crowne Plaza Hotel Dallas Downtown
1015 Elm Street, Dallas, TX
10:00 am – 2:00 pm**

• Summary of Action Items •

1. Staff will maintain a “parking lot” for issues that need to be resolved by the group before the conclusion of the study and final presentation to the MOPC.
2. Staff will present a draft ITP 10 Scope to the group on October 21st.

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• Minutes •

Introductions

The following ESWG Members were present:

- Alan Myers, ITC Great Plains
- Kip Fox, AEP
- Leon Howell, OGE
- Bruce Merrill, LES
- Jason Atwood, Kelson Energy
- Greg Sweet, Empire
- Doug Kallesen, NPPD
- Bruce Walkup, AECC
- Al Tamimi, Sunflower Electric
- Paul Dietz, Westar Energy
- Bennie Weeks, Xcel Energy

- James Sanderson, KCC (liaison)

The following TWG Members were present:

- Travis Hyde, OGE
- Jason Shook, GDS/ETEC
- Sam McGarrah, EDE
- Matt McGee, AEP
- Nathan McNeil, Midwest Energy
- Mitch Williams, WFEC
- Jason Atwood, Kelson Energy
- Harold Wyble, KCPL
- Randy Lindstrom, NPPD
- Dan Lenihan, OPPD
- John Fulton, Xcel Energy / SPS
- Jason Fortik, LES
- Angela Easton, Calpine
- Al Tamimi for Noman Williams, Sunflower Electric

- Tony Gott, AECI (liaison)
- Paul Simoneaux, Entergy (liaison)

It was noted that Bennie Weeks held a proxy for David Hudson.

Agenda Item 1 – Pre MOPC Interaction and Agenda Discussion

Charles Cates provided a summary of staff's plans for presentations at the MOPC meeting on the 12th and 13th of October and encouraged attendance at a pre-MOPC workshop at which staff will be describing the ITP process and the work conducted by the TWG and ESWG. Staff plans to take comments from this meeting and the MOPC meeting and create a plan for next steps to finalized the ITP20.

Agenda Item 2 – Robust Transmission Portfolios & Testing

Tim Miller presented staff's work that used the robustness metrics to evaluated projects for inclusion in four "Robust Plans". The presentation focused upon the metrics that have been calculated, those that have been deferred till the next ITP cycle, additional projects that were studied with the robustness metrics and the presentation of four portfolios of projects that were evaluated with the metrics.

Both groups provided valuable feedback concerning the metrics, the projects and the portfolios.

“Robustness”

Paul Dietz stated that the overuse of “robust” may be misleading to those unfamiliar with our study process since the probabilistic tools needed for metrics involving stochastic analysis have not yet been developed. The plans are really only as robust as our assumptions and futures. He desired to make clear that we are long way off from where we envision these “robust” plans going and that until we have true probabilistic analysis we are missing the greater part of the “robustness” measure.

Seams Projects

Projects within these portfolios that crossed SPP seams received attention. In particular the groups asked if the benefit and cost of these projects was specific to SPP or if staff took into account that SPP’s neighbors may bear some of the cost. Staff commented that they took the more conservative approach by assigning all of the costs to SPP while only capturing the benefit received by SPP. The benefit to neighboring utilities was not captured per the direction of the SPC to focus upon SPP generation and load rather than exports. The group wondered if an inclusion of neighboring utility benefits would still fit within the scope of the study, even though exports were not particularly considered.

Robust Plan 4, 765 kV and the ITP Scope

Kip Fox led a discussion concerning their concerns with the way SPP Staff approached the use of 765 kV elements in their analysis. The use of an “all or nothing” approach that included extensive amounts of 765 kV lines replacing nearly all of the 345 kV circuits shown in the cost-effective plan was excessive and has the negative side effect of linking any plan with 765 kV with a very high investment cost. He proposed that staff take another look at “right-sizing” the use of 765 kV elements so that the benefits from those lines can be seen without the high cost of the “Robust Plan 4”. Specific note of the large northern loop shown in the study was made. SPP Staff was asked if such a loop was really needed. SPP Staff responded that the methodology they used was based upon their experience that 765 kV elements (or any other new extra high voltage level in SPP) suffer from impedance penalties at the step-up transformers that necessitate a collective 765 kV approach rather than a piece-meal collection of 345 and 765 kV elements.

Adam McKinnie presented his concerns that the way this plan was developed was outside of the methodology used in the rest of the study and does not match the scope of the ITP20. By creating a new plan from scratch instead of addressing individual projects as was done in the cost-effective and other robust plans, he believes staff took too large a step in morphing the cost-effective plan into a 765 kV revision and presenting it as a “robust plan”

Parking Lot

A “parking lot” was created to capture items that were discussed but not yet resolved. The following items were included:

- Amarillo – Clovis sensitivity since the project fell out of the 10-year reliability study needs.
- A report showing units that were forced offline due to competition from cheaper wind.
- Other approaches to the 765 kV portfolio that avoided the “all-in” approach taken by staff.
- Specific approval of the calculated metrics by the SPC, MOPC or BOD.
- Should there be a metric for wind connection ability? Can generation step up to 765 kV (specifically in regards to Woodward – Tuco)?

Agenda Item 3 – ITP20 Report Update

SPP Staff updated the group on the progress of the draft ITP20 report that was to be presented to the MOPC on the 12th. Charles Cates stated that the report was to be posted on the 5th of October and will need review and updates before the next MOPC meeting in January.

Agenda Item 4 – Plans for TWG and ESWG Interaction

Rachel Hulett initiated discussion about the next joint meeting between the ESWG and TWG. The groups decided that an October 21st conference call with web conferencing would be ideal for an initial review of a draft ITP10 scope and a touch-base for parking/lot issues identified in this meeting.

Respectfully Submitted,
Tim Miller

Proxy Notifications

ESWG

David Hudson notified the group that Bennie Weeks held his voting rights for Xcel Energy/SPS.

From: Hudson, David T [David.Hudson@XCELENERGY.COM]
Sent: Monday, October 04, 2010 9:29 AM
To: Myers, Alan; Charles Cates
Cc: Weeks, Bennie; Cude, Bruce
Subject: Please give Bennie Weeks my proxy for today's ESWG meeting. Thank you.

David Hudson
Director, SPS Strategic Planning
Xcel Energy/SPS

TWG

Al Tamimi for Noman Williams, Sunflower Electric

From: Williams, Noman [mailto:NWilliams@sunflower.net]
Sent: Wednesday, September 29, 2010 9:26 AM
To: Rachel Hulett; Tamimi, Al
Subject: FW: ESWG/TWG 9/29/10 net conference Agenda & Background posted

Rachel - I will not be able to attend the TWG meeting today or on Monday October 4, 2010. I will provide my proxy to Al Tamimi for both of these meetings

Thanks

Noman Williams
Vice President, Transmission Policy
Sunflower Electric Power Corporation
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Cell 785-259-5110

Other Attendees



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• ATTENDANCE LIST •

Name	Company
Mike Collins	DGE
Leon Howell	DGE
Bruce Merrill	LES
Charles Cates	SPP
Jim Dandrea	KCC
Jason Shook	GDS/ETEC
Adam McKinnie	Mo PSC
Watt Cecil	Mo PSC staff
Jason Atwood	Kelsco Energy
Sam McBarrah	EDE
Greg Sweet	EDE
Terri Gallup	AEP
Doug Kallesen	NPPD
Bruce Walkup	AECC
Alan Myers	ITC Great Plains
Rachel Hulett	SPP Staff



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Teleconference

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Jason Fortik	LES
Paul Simoneaux	Entergy
John Fulton	SPS
Randy Lindstrom	NPPD
Tony Grott	AECI
Angela Easton	Calpine
Matt McGee	AEP
Travis Hyde	OGE
Dan Lenihan	OPPD
Harold Wycle	KCPD
Mark Loveless	OMPA
Chris Jones	
Lloyd Kolb	ES GSEC
Cary Frizzell	SPP