

The Org Report

A monthly summary of organizational group activities.



November 2010

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Historical Bids and Offers Now Posted

SPP is now [posting historical bids and offers](#) in compliance with FERC's September 16, 2010 Order in Docket No. ER09-1050. Bids and offers will be posted with a 90-day lag, and will include those received for the specific day and time. There can be a maximum of 10 bid/offer pairs for each hour for each resource, and resource identities are masked. Please contact [Patti Kelly](#) with questions.

FERC Finds SPP Compliant with Order 719 RE: Governance/Responsiveness

In February 2010, FERC held a technical conference to discuss RTO governance and responsiveness to stakeholders, including board and stakeholder processes. Several SPP stakeholders participated and provided comments. FERC announced its finding that SPP complies with Order No. 719 and is inclusive, fair in balancing diverse interests, represents minority interests, and responsive to stakeholders, continually evaluating its governance policies and stakeholder processes to consider how they may be improved. [Read the FERC filing.](#)

October Meeting Summaries

[Board of Directors-Members Committee:](#) Elections were conducted at the Annual Meeting of Members. Phyllis Bernard and Julian Brix were re-elected to the Board of Directors; John Meyer to the Regional Entity Trustees; and Stuart Solomon, Kelly Harrison, Jeff Knottek and Rob Janssen to the Members Committee. Noman Williams was newly elected to the Members Committee. All will start new three-year terms effective January 1, 2011.

Actions at the Board of Directors meeting included approval of SPP's 2011 budget and an administrative fee of 21¢ beginning January 1, 2011. Several Criteria updates, Tariff Revision Requests, and Protocol Revision Requests (PRRs) were also approved. There was considerable discussion regarding requested updates to the Priority Projects, which included a route change for one project and cost increases for several projects. The recommendation to approve these adjustments was approved, and several issues related to process enhancements were assigned to various groups.

[Change Working Group:](#) The CWG reviewed the status of current projects impacting SPP members. For the Fall Patch effort, the manual status type of "Qualified Cogeneration" will be changed to "Qualifying Facility" and a standard date/time format will be adopted in the Data Push effort and going forward. A new member-facing initiative was introduced; the RSS Backup Initiative will replace the backup method of providing reserve requirements via fax with e-mail, and status will be communicated through the CWG. A process is being designed for requesting member-initiated changes through the group.

[Consolidated Balancing Authority Steering Committee:](#) The CBASC has been working on the SPP Balancing Authority Operations governing document, which will identify the operating strategy and the SPP Operations Department's responsibilities when SPP takes over Balancing Authority functions. The group continues to coordinate with the Integrated Marketplace initiative. A task force is being developed to work on the next major project - development of the Balancing Authority Emergency Operating Plan.

[Cost Allocation Working Group:](#) The Cost Allocation Working Group started a discussion on cost allocation for seams and under build circuits, as well as maintenance and storm repair expenditures.

[Finance Committee:](#) The committee approved the 2011 budget as submitted, and approved establishment of an assessment and administrative fee rate of \$0.21/MWh effective January 1, 2011; both items were recommended for approval by the SPP Board of Directors. The committee elected to defer filing with FERC to change the rate cap on Schedule 1-A of the SPP Tariff, pending development of greater flexibility in the rate setting and stakeholder support for that change.

[Human Resources Committee:](#) The HRC reviewed results of a comprehensive compensation survey performed by Towers Watson, and reviewed and acted on SPP management's recommendations stemming

from that report. The compensation report found SPP's general compensation for all staff, in the aggregate, targeted the 50th percentile of the market. The report recommended changing the wage structure to better provide opportunities for career growth and recognize diverse responsibilities for numerous positions with similar market placement. The committee accepted management's recommendation to adopt the salary structure recommended in the compensation survey report, and to provide funding to make compensation adjustments consistent with survey results.

Market Working Group: The MWG reserved two days for Integrated Marketplace design activities and one day for current business activities. The group reviewed the outstanding Protocols items, including the TCR Markets Process, Reserve Zone design, JOU registration, and the Must Offer requirement. The MWG will continue working to resolve outstanding Protocol items in November and December, and will present changes to the Market and Operations Policy Committee (MOPC) in January. The group received updates from SPP's Market Monitoring, Regulatory, and Operations Departments, and reviewed outstanding PRRs for the EIS Market. PRR 231 (Request for Timing Change) was approved.

Operations Training Working Group: General feedback from the October 25-28 System Operations Conference was favorable; evaluations will be reviewed and results distributed to the OTWG in December. SOS, International offered SPP members a proposal for a group discount; contact [Melanie Payne](#) at SOS for more information. Registration for regional training courses will open on November 15, 2010; [access registration updates](#).

Regional Entity Trustees: The following reports were presented: NERC Planning Committee, Critical Infrastructure Protection Committee, Reliability Assessment, General Manager's, Enforcement, Compliance, and Financial. An update on the status of the Under Frequency Load Shedding Regional Standard was presented. Noteworthy topics included the High Impact Low Frequency Event Analysis project and its potential costs; Registered Entity Survey results; and NERC Chief Security Officer Mark Weatherford's plans to consider suggestions to separate CIP compliance from rest of CIP program to encourage open dialogue with industry. The Trustees approved advancing hiring of the budgeted 2011 Enforcement Attorney and employing up to an additional 1.25 FTEs as part-time temporary Law Clerks in 2011 as an unbudgeted expense.

Regional State Committee: The RSC held a teleconference and Annual Meeting/regular quarterly meeting. The group gave SPP guidance regarding specific aspects of Transmission Congestion Relief, participation in the market, long-term firm transmission rights, and credit risk. After significant discussion, the RSC unanimously approved five motions concerning transmission cost increases or overruns, novations, and design and construction standards. The RSC approved its budget for 2011 and elected the same slate of Officers for 2011: Missouri Public Service Commissioner Jeff Davis as President, Arkansas Public Service Commission Chairman Paul Suskie as Vice President, and Public Utilities Commission of Texas Chairman Barry Smitherman as Secretary/Treasurer.

System Protection and Control Working Group: The SPCWG and the Under Frequency Load Shedding (UFLS) Standard Drafting Team continued making revisions to the fourth draft of the SPP UFLS Regional Standard, and responded to comments received from the third draft. Powertech Labs, Inc. is conducting SPP's UFLS study that is required at least every five years.

Transmission Working Group: The Economic Studies Working Group and TWG discussed the Integrated Transmission Planning (ITP) 20-Year Assessment robustness testing results and provided input prior to the MOPC's review. They also provided initial comments on the 2011 ITP 10-Year Assessment scope and will continue helping to develop and approve it before the end of the year. The TWG agreed to perform a stability study as part of the ITP 20-Year Assessment, and they approved the Model Improvement Task Force White Paper, which outlines how SPP will improve planning model building efforts.

Integrated Marketplace Update

What we have been calling "future markets" now has a name we will continue to use after the markets are implemented: The Integrated Marketplace.

- CBA team conducted cross-business process integration review to ensure end-to-end process flow
- Outage Scheduler team initiated contracting with Equinox, scheduled to be completed in mid-November
- Regulatory and Tariff team continued reviewing Protocols for impacts to tariff language
- Technical Architecture team continued training SPP testing resources on Silk, our test management tool, and continued OATI system modeling and Alstom architecture modeling
- Program Management team continues to prepare implementation schedules, staffing plans, and estimating frameworks in preparation for upcoming MOPC (Jan 11/12) and Board of Directors meetings (Jan 25).
- Business Process Design team received approval on 16 of 17 vendor-specific business process design deliverables and will soon focus on non-vendor impacting business processes due in January 2011

- Requirements team received approval on 3 of 10 vendor-specific requirements deliverables and continues to work with Alstom to finalize the remaining 7 requirements deliverables
- Integrated Marketplace teams are drafting 41 estimating input deliverables to vendors by November 19

Other Meetings

[Markets and Operations Policy Committee](#)

[Strategic Planning Committee](#)

November Meetings

November 2/3 - Market Working Group
November 3/4 Transmission Working Group
November 5 - SPP Consolidated Balancing Authority
November 9 - Regional Tariff Working Group
November 10 - Business Practices Working Group
November 10/11 - Change Working Group
November 10 - 2010 Quarterly Compliance Forum
November 10 - Seams Steering Committee
November 12 - SPCWG
November 12 - Generation Working Group
November 15/17 - Market Working Group
November 15 - Economic Studies Working Group
November 29 - Economic Studies Working Group
November 30-December 1 - Market 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*.

[SPP Calendar](#)

[The Org Report Back Issues](#)

[SPP Governing Documents](#)