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# The Org Report

A monthly summary of organizational group activities.



February 2011

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## PER-005-1 Effective 1/25/11 - Impacts to SPP Members/Customers

In November 2010 FERC issued Order No. 742, which approved two NERC Personnel Performance, Training, and Qualification (PER) Reliability Standards. The main goal of PER-005-1 is to ensure all system operators performing real-time, reliability-related tasks on the North American Bulk Electric System are competent to perform those tasks. The standard will impact multiple business units within SPP members' organizations, requiring identification, creation, evaluation, and maintenance of all reliability-related job tasks. [Read more about PER-005-1](#) or [register for a training](#).

## January Meeting Summaries

**[Board of Directors-Members Committee:](#)** Significant action items included acceptance of the ITP20 Report, approval of the 2010 STEP Report, and authorization for staff to move forward with developing statements of work with vendors for the Integrated Marketplace project. [Read a news release](#) about these board actions. Reports were provided by the Market Monitoring Unit and Boston Pacific regarding the current Integrated Marketplace design; these reports were remanded to the Market Working Group for consideration with a report due at the April meeting. The Board approved establishment of the Events Analysis Working Group and its charter.

**[Business Practices Working Group:](#)** Important items being discussed are BPR018-Generator Interconnection Business Practice, BPR019-Designated Transmission Owner Business Practice, and BPR020-Network Resource Interconnection Service.

**[Change Working Group:](#)** The CWG has been asked whether to continue, defer, or cancel the PRR131 Data API effort. If deferred or canceled, it will be referred back to the MWG. The EIS Market Release planned for early summer implementation was introduced, along with a presentation on 2011 and 2012 planned member-impacting efforts. The group also reviewed the Organizational Group Survey results; 2010 saw an increase in responses and higher overall satisfaction and effectiveness ratings by CWG representatives with several qualitative responses in support of the group's improvements.

**[Consolidated Balancing Authority Steering Committee:](#)** The CBASC is finishing up the SPP Balancing Authority operations governing document, which gives an overview of the operating strategy SPP operations will use to comply with NERC Standards. The committee developed system requirements for most consolidated operations. The last major system requirement under discussion is the Real Time Automated Generation Control package that will be added to SPP's Energy Management system.

The group is determining the legal delegation of duties between the SPP CBA and the other NERC functional areas upon implementation. Discussion centers on the pros and cons of the SPP CBA becoming a Joint Registration Organization with SPP Transmission Operations, Generations Operations, and Load Serving Entities.

A newly formed Emergency Operations Task Force began work on an SPP Emergency Operation Plan, which will describe the CBA's responsibilities under emergency conditions (i.e. energy and capacity shortages or excesses, transmission system overloading, natural disasters, etc.)

**[Cost Allocation Working Group:](#)** The CAWG discussed the upcoming RFP for a consultant to handle cost allocation for seams projects, and began discussing the treatment of project cost variances.

**[Generation Working Group:](#)** The GWG discussed the SPCWG's Under Frequency Load Shedding (UFLS) Study; SPCWG members attended the call. The groups will work together to obtain more data to fully vet the new PRC-006 NERC Standard. SPP's Jonathan Hayes discussed his new responsibility of organizing a NERC Standards Drafting Team for Relay Loadability (PRC-023).

**Human Resources Committee:** The HRC reviewed SPP's performance in 2010 and acted on a recommendation from SPP staff for funding the SPP Performance Compensation Plan. SPP staff reported results that either met or exceeded target levels for financial performance, stakeholder satisfaction, and operational efficiency. Staff reviewed other performance factors during 2010 and recommended a +10% modifier to corporate performance. The HRC accepted staff's recommendation. The HRC also received a report from Towers Watson which analyzed SPP's executive compensation in terms of structure and peer group.

**Market Working Group:** The MWG discussed current business and Integrated Marketplace activities. The group received updates from SPP's Market Monitoring and Regulatory groups, reviewed six Protocol Revision Requests (PRRs), and participated in a Violation Relaxation Limit education session. The MWG decided to clarify language related to Incremental ARRs and to move forward with the PRR process for the Integrated Marketplace Protocols as a result of the Market and Operation's Policy Committee's approval of the baseline Protocols.

**Operations Training Working Group:** The OTWG recommended Della Amstutz (WFEC) to fill the vacancy created by the term expiration of Carla Fitzpatrick. The OTWG discussed a member inquiry regarding SPP training for Generator Operators; staff will collect information regarding PJM's Generator Operator certification program. The group discussed the added information-sharing required by EOP-006-2. SPP's Jim Gunnell will contact the Operating Reliability Working Group staff secretary regarding who will be responsible for maintaining EOP-006-2's information requirements.

**Regional Entity Trustees:** The recently implemented Administrative Citation Process received significant attention during the RE Trustee meeting. Over the first three and one-half years of the mandatory reliability standard program, the North American Electric Reliability Corporation (NERC) and the SPP Regional Entity (SPP RE) have logged a large number of minor violations. In the past, all violations, even minor ones, went through the same documentation and time-intensive enforcement process. To assist both Regional Entities and registered entities, thereby improving Bulk Electric System reliability, NERC and the Regional Entities developed a new streamlined enforcement process option called the Administrative Citation process. For a violation to be considered for the Administrative Citation process, it must meet the following requirements:

- The risk must be minimal to the Bulk Electric System;
- The registered entity cannot contest the violation or proposed agreed upon penalty;
- The violation must be successfully mitigated; and
- The violation must have a low or medium Violation Risk Factor (VRF).

The SPP RE believes the benefits of the Administrative Citation process include efficiency, reduced costs, and a quicker resolution for registered entities. With the brief description and minimal paperwork, there is less public focus on the registered entity's violation(s).

**Regional State Committee:** The RSC heard a final report from the Rate Impact Task Force, which considered the benefits and costs of SPP-approved transmission projects on residential and small commercial customers. In October 2010 the RSC adopted five motions related to improvements in transmission cost estimation/tracking processes. In January the committee heard reports on progress in developing proposed changes to address the recommendations. The RSC heard reports on the 2010 SPP Transmission Expansion Plan (STEP), ITP20, and an overview of the ITP10 process which has been initiated.

**Regional Tariff Working Group:** The RTWG reviewed three Business Practice Revisions (BRR) forwarded by the BPWG: BPR018, related to guidelines for generator interconnection procedures on non-tariff facilities; BPR 019, the Designated Transmission Owner Qualification Process; and BPR 020, Network Resource Interconnection Service. The RTWG gave its feedback to the BPWG but were not asked to approve these BPRs.

**Seams Steering Committee:** The SSC continued revising the Cost Allocation Principles for Seams Expansion document. The committee endorsed the current version, accepting all edits and comments provided by the CAWG committee and interested parties. Members should closely review this version and plan to vote in the next meeting to endorse the document and prepare it for submission at the April MOPC meeting. The committee approved SPP's use of the current document to begin discussion with SPP's seams neighbors. Discussions continue with Entergy concerning cost allocation recommendations. An Arkansas Public Service Commission representative added that the CAWG planned to use the updated version as a draft attachment to the CAWG RFP. SPP continues to work with the NAESB Business Practice Subcommittee regarding the directive that would require all Balancing Authorities to prioritize their real-time market flows a certain way.

**Strategic Planning Committee:** The SPC continued to discuss policy matters related to the RSC motions regarding transmission project cost estimations, overruns, and novations. Staff provided a brief review of the updated whitepapers and recommendations and noted a change approved by the MOPC at its meeting: the formation of a Project Cost Task Force. Some Transmission Owners provided an overview of their Project Management and Cost Estimation processes, and Accenture provided a review of ISO New England's Transmission Cost Allocation Rules. The SPC chair proposed creating a task force to develop a comprehensive recommendation.

The SPC heard a staff report on efforts to quantify the value to members of SPP's services. The group directed

staff to perform representative load ratio share calculations to assess the validity of the quantifications.

The committee discussed a request from the Economic Studies Working Group seeking direction regarding scenarios to be considered in the ITP10. The group recommended using the same four scenarios the SPC recommended for the ITP20, and asked to be informed of variances to the scenarios. It was noted that the renewable requirements for each state likely needed to be refreshed. Further direction was provided to pay attention to resolving seams problems.

**System Protection and Control Working Group:** The System Protection and Control Working Group and the UFLS Standard Drafting Team reviewed comments received from the fourth draft of the SPP UFLS Regional Standard. The team decided to make a few changes and post the fifth draft for an open vote. The 15-day voting period occurs February 3 – February 17.

## Integrated Marketplace Update

The market design team conducted a four-day summit with Alstom, business subject matter experts, and business analysts to better define the Integrated Marketplace desired functionality and identify areas where the SPP market may differ from MISO's. The team received approval of final Market Protocols from the Market and Operations Policy Committee, and continued reviewing budgetary estimates in preparation for the Board of Directors meeting.

The Program Management team continued to refine implementation schedules, staffing plans, and estimates.

The Business Process Design team received approval on 33 of 40 business process design deliverables (against a plan of 37), and the requirements team received approval on 5 of 21 critical vendor-impacting requirements deliverables (against a plan of 6).

## February Meetings

February 2 - Market Working Group Net Conference

February 2 - Transmission Working Group Net Conference

February 3 - Regional Tariff Working Group

February 4 - Generation Working Group Net Conference

February 4 - Seams Steering Committee Meeting

February 7 - OTWG Teleconference

February 7 - SPP Consolidated Balancing Authority Teleconference

February 8 - Area Generation Connection Task Force Teleconference

February 8 - ESWG Meeting

February 9 - CAWG Meeting

February 10 - Business Practices Working Group Meeting

February 15/16 - Market Working Group Meeting

February 16/17 - System Protection and Control Working Group

February 17 - UFLS Regional Standard Voting Period Closes

February 17 - Change Working Group Teleconference

February 24 - Corporate Governance Committee Meeting

February 24 - Regional Tariff Working Group

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*.

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