



Minutes No. [46]

**Southwest Power Pool
ECONOMIC STUDIES WORKING GROUP**

April 19, 2011

Teleconference / Net Conference

1:00 pm – 3:00 pm

• Summary of Action Items •

1. Group will reconvene to discuss approval of the 2011 ITP10 Resource Plan, Wind Siting and Reference Fuel Costs.
2. Staff will work with NPPD and OPPD to consistently treat the City of Grand Island, City of Fremont, and the City of Hastings's generation and load within the ITP studies.
3. Staff will review recommendations from the WITF study regarding operating reserves with large amounts of wind in the footprint.
4. Staff will review the inclusion of Jones and Antelope planned units in the study.
5. Constraints for use in the ITP10 need to be discussed with the TWG and staff.

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• Minutes •

Agenda Item 1 – Action Items from March 28th Meeting

Vice-Chair Kip Fox called the meeting to order with the following members attending via teleconference:

Kip Fox, AEP	Leon Howell, OGE
Al Tamimi, Sunflower	Mark Loveless, OMPA
Bruce Walkup, AECC	
Bruce Merrill, LES	James Sanderson, KCC
Greg Sweet, Empire	Mike Proctor, Consultant

The group discussed moving the hotel reservation for the May 24th meeting in Kansas City closer to the airport to help attendees get to their flights in the late afternoon and asked Staff to check into the expense of making the change (the cost proved excessive).

The purpose of this teleconference centered on finalizing the key inputs in the 2011 ITP10.

Agenda Item 2 – ITP10 Model Finalization

Tim Miller, SPP staff, provided an update on the status of the models being used for the 2011 ITP10 and outlined the remaining items that require approval by the ESWG. Questions were asked about the use of constraints in the model and the treatment of them in light of the current dispute between Midwest ISO and SPP JOA. Staff committed to bringing an update to the TWG regarding the use of constraints in the models.

Agenda Item 3 – ITP10 Resource Plan

Tim Miller shared the latest updates to the capacity margin calculations and made further modifications following suggestions on the call. Items touched on included:

- The treatment of the City of Grand Island, City of Fremont, and the City of Hastings's generation and load within the ITP studies. The group tasked staff to work with NPPD and OPPD to determine the best treatment of these entities within the study.
- Capacity purchases from other members where discussed. It was determined that these purchases did not pertain to the study unless they crossed outside of the SPP RTO footprint. Such purchases were explicitly marked out on the resource planning worksheet.
- A write-up of the process and how it fits in to the rest of the ITP10 study. Especially definition of the numbers and how they may differ from those used in the powerflow simulations.
- The use of 100-m hub height NREL data for the wind profiles of all wind plants in the SPP footprint. The wind locations were not driven by the SPP Generation Interconnection Queue.
- OPPD asked that staff review the WITF study's recommendations for reserve requirements with large amounts of wind in the footprint.
- SPS asked that staff verify the inclusion of the Jones and Antelope units within the ITP10 study.

The group committed to revisit this issue on an upcoming phone call.

Agenda Item 4 – ITP10 Fuel Prices

David Ried, OPPD, presented the group with the work he, Bennie Weeks and Paul Dietz had done regarding reference fuel costs for the 2011 ITP10. The group asked that assumptions be written up for the fuel price decisions and that special emphasis be given to the use of a multiple forecasts in the selection of a price by the ESWG. The group will discuss fuel price sensitivities at a later date, and will be looking to Paul Dietz to provide some statistical data to aid the group's decision making.

A motion was entertained to accept the fuel prices as presented. **Bruce Merrill made the motion and Blake Elliot seconded. A quorum was not found for the vote and the motion did not pass.** The group committed to discussing this item at the next meeting.

Agenda Item 5 – Upcoming Meetings

A call was scheduled from April 27th to follow up on these items.

Adjournment

Kip Fox closed the meeting at 3:15 pm.

Respectfully Submitted, Tim Miller, Staff Secretary

Other Teleconference Attendees

Brad Schwarz, EON
Brenda Harris, OXY
Bruce Cude, Xcel Energy
Dan Jones, SPP
Dan Lenihan, OPPD
David Reid, OPPD
Doug Collins, OPPD
Henry Schwab, ITC
James Okenfuss, KCPL
John Mayhan, OPPD
Kenny Hale, City Utilities
Mitch Williams, WFEC
Nathan McNeil, Midwest Energy
Roy Boyer, Xcel Energy
Steve Gaw, Wind Coalition
Terri Gallup (AEP), AEP
Tim Owens, NPPD
Tom Hestermann, Sunflower
Tony Gott (AECI), AECI
Walt Cecil, MO PSC