

# The Org Report

A monthly summary of organizational group activities.



August 2011

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## SPP Files Request for Rehearing, Clarification of FERC Order

SPP on August 1 filed a [Request for Rehearing](#) with FERC regarding the latter's July 1 order interpreting the Joint Operating Agreement (JOA) between SPP and MISO. SPP is seeking a rehearing of FERC's interpretation of the JOA, which permits MISO to appropriate SPP's transmission capacity without compensation for the purpose of incorporating Entergy Arkansas into MISO.

SPP said in a July 5 press release responding to FERC's order that the Entergy-MISO plan requires good faith renegotiation of the JOA. SPP's position remains that the Entergy-MISO plan to add significant power flows to SPP's and neighboring electric grids could cause major operational issues, create congestion on power lines, negatively impact SPP members' ability to reliably deliver electricity to their own customers, and create litigation over costs.

SPP filed [supplemental testimony with the Arkansas Public Service Commission](#) (APSC) July 12 explaining why it is the best choice for Entergy and Arkansas ratepayers as the APSC considers options after Entergy Arkansas exits the System Agreement in 2013. [SPP said](#) it agrees with Entergy that membership in a regional transmission organization brings benefits to utilities and their customers – such as centralized electric grid operations, access to wholesale energy markets, and collaborative planning for the grid's future needs – but disagrees that MISO is a better option for Entergy Arkansas. SPP noted [independent studies](#) have confirmed SPP provides more benefit to ratepayers than MISO.

## SPP Region Meets the Summer Heat, Sets Demand Records

SPP twice set new regional demand records in August as an oppressive heat wave continued to hang over the footprint. SPP recorded a peak of 54,959 megawatts (MW) on August 2, surpassing the record of 54,534 MW set just one day earlier on August 1. SPP set its previous peak of 53,146 MW on Aug. 11, 2010. "Despite record electricity use, we have successfully used our region's generators and transmission lines to meet demand and maintain grid reliability," said SPP Vice President of Operations Bruce Rew. [Read the full release.](#)

## July Meeting Summaries

**[Board of Directors-Members Committee:](#)** NERC CEO Gerry Cauley was the committee's special guest during its regular quarterly meeting. Cauley provided insights into developments at NERC and solicited continued feedback and support for the organization. The committee also considered several actions, the most significant being approval of the Strategic Planning Committee's recommendation on how to proceed with the Regional State Committee's recommendations on the transmission-cost allocation process.

**[Change Working Group:](#)** The CWG held a conference call July 21, with SPP project managers and the Integrated Marketplace's workstreams (project teams) both providing status updates. The Training workstream reported Marketplace Introduction Informational Sessions have begun, with a computer-based version to be made available in September. Training's second phase, which will include instruction on transmission congestion rights, is scheduled to begin in October, running through March 2012. The Regulatory workstream is scheduling outreach sessions in September for state commissions and their staff. Initial Member-Impacting Project Overviews have been posted for most of the workstreams.

The CWG also reviewed a draft Marketplace communications process. Email distribution lists comprised of the workstream's owner and project manager, SPP Customer Relations, and CWG support staff have been created for the program's member-impacting workstreams. Work continues on the more detailed processes for logging, classifying, escalating, and responding to emailed requests, as well as disseminating the collected information. A "stakeholder coordination group" concept was also introduced to the CWG; this group will coordinate rapid escalation and response to Marketplace-specific issues raised by the working groups.

**[Corporate Governance Committee:](#)** The committee convened for an update on the initiative revising SPP's governing documents to address withdrawal obligations associated with regional transmission expansion costs.

The committee will schedule a workshop during the October Market and Operations Policy Committee meeting, and presentations will be included at the October Members Committee meeting. Votes are planned to be conducted during the January meetings.

**Credit Practices Working Group:** The CPWG unanimously approved on July 6 the credit exposure calculation for the Integrated Marketplace's virtual transactions. SPP staff answered additional questions from the previous meeting on July 13 and the group began evaluating Transmission Congestion Rights (TCRs). The CPWG began reviewing an approach to calculate the TCRs' hold value July 20, and reviewed a proposal to calculate TCR auction values during the credit exposure calculation July 27.

**Markets and Operations Policy Committee:** The MOPC enjoyed a relatively uneventful meeting. The major discussions were on two business practices dealing with third-party transmission service's impact on SPP and SPP transmission service impacts on third parties, paying credits for direct assigned transmission expansion, updates on Regional State Committee motions' strategic planning efforts, and two Oklahoma Municipal Power Authority waiver requests.

**Operations Training Working Group:** Jim Gunnell laid out the locations for 2012's System Operations Conferences: Lafayette, LA.; Little Rock, AR.; Kansas City, MO.; and Omaha, NE. Misty Revenew gave an update on the Integrated Marketplace Participant Training Task Force and encouraged everyone interested in participating on the task force to enroll in the Marketplace training. Jim also said he would arrange and facilitate a phone call to help plan for the potential exodus of retiring operators.

**Quarterly Compliance Forum:** The Compliance Department held a member's forum at the Kansas City Power and Light offices, featuring speakers from NERC, the Department of Energy, SPP and member organizations. The next Compliance Forum is October 6 at the Embassy Suites in Little Rock, Ark.

**Regional Entity Trustees:** The SPP RE's NERC committee representatives and staff members provided updates on recent NERC and RE activities. Significant time was devoted to discussing emerging issues, including NERC's Risk-Based Compliance Monitoring and Decline to Pursue initiatives. The RE trustees approved the appointments of Eric Ervin (Westar Energy) and Ron Losh (SPP) as alternates to the NERC Critical Infrastructure Protection Committee, and Jonathan Hayes (SPP) as an alternate to the NERC Transmission Issues Subcommittee. The trustees also accepted the 2012 Long-Term Reliability Assessment report, which will be submitted to NERC in August.

## Integrated Marketplace Update

- The Integrated Marketplace program has approached the design phase's midway point and is confident in its ability to manage budget and schedule. The program moved its readiness efforts from late 2011 to second quarter in recognition of the risk that member readiness plays on the program.
- The Integrated Marketplace program team conducted a two-day workshop in Dallas for members of the Change Working Group (CWG) and other market participants, sharing timelines, milestones, governance structure, communications approach, and a detailed training calendar and catalog. Market participants who have been through new market implementations elsewhere shared their experience and lessons learned.
- A Stakeholder Coordination Group has been formed, consisting of the chairs and secretaries from the CWG, Market Working Group (MWG), Operating Reliability Working Group, and Consolidated Balancing Authority (CBA) Steering Committee. The group will ensure the proper stakeholders are engaged in issues as they arise, and will work with SPP staff to address stakeholder-requested key action areas.
- SPP's Training department has released a high-level training schedule and conducted the first of many learning opportunities with two "sold-out" sessions of its "Integrated Marketplace Introduction" webinar. The two-hour session – currently available to SPP members and customers only – provides a high-level introduction to the Marketplace's key concepts and terminology. Training will conduct four additional sessions in August and has twice expanded the initial offer to meet the strong demand. Register through the SPP Learning Center, where the full schedule is also available. A recorded version of the webinar will also be made available through the Learning Center in the coming months.
- An Integrated Marketplace News exploder has been created, using membership email addresses from the CWG, MWG, and Markets and Operations Policy Committee exploder distribution lists. This exploder will be used for an eventual Integrated Marketplace newsletter and for important updates and notifications.
- Open Access Transmission Tariff (OATT) revisions have been drafted (with the exception of credit policy and provisions relevant to the CBA), reviewed by outside FERC counsel, and vetted through the ad hoc task force. The OATT will be reviewed by the MWG in a joint meeting with the Regional Tariff Working Group (RTWG) August 23-24; the RTWG's in-depth review will begin August 25 and run through November.

## Other Meetings

[Business Practices Working Group](#)

[Consolidated Balancing Authority Steering Committee](#)

[Economic Studies Working Group](#)

[Finance Committee](#)

[Generation Working Group](#)

[Market Working Group](#)

[Regional State Committee](#)

[Strategic Planning Committee](#)

## August Meetings

August 2 – Economic Studies Working Group

August 2 – Model Development Working Group

August 3 – Cost Allocation Working Group

August 3 – Credit Practices Working Group

August 3-4 – Transmission Working Group

August 4 – Regional Tariff Working Group

August 9-10 – Model Development Working Group

August 10 – Credit Practices Working Group

August 10-11 – System Protection and Control Working Group

August 11 – Seams Steering Committee

August 16 – Operating Reliability Working Group

August 16-17 – Market Working Group

August 17 – Business Practices Working Group

August 17-18 – Change Working Group

August 22 – Operations Training Working Group

August 23-24 – MWG/RTWG Joint Meeting

August 24-25 – Regional State Committee

August 24 – Credit Practices Working Group

August 25 – Regional Tariff Working Group

August 30 – Economic Studies Working Group

August 31 – Cost Allocation Working Group

August 31 – Credit Practices 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 [Tom Kleckner](#) in the Communications Department with questions or comments about *The Org Report*.

[SPP Calendar](#)

[The Org Report Back Issues](#)

[SPP Governing Documents](#)