



Southwest Power Pool, Inc.
ECONOMIC STUDIES WORKING GROUP

November 8, 2011

Web Conference

2:00 pm – 4:00 pm

• SUMMARY OF ACTIONS TAKEN •

1. Kip Fox (AEP) will prepare a list of concerns regarding the impact of forthcoming Environmental Protection Agency (EPA) regulations upon the ITP process
2. SPP staff will provide their plans regarding the 2012 ITP10 and the next cycle of the ITP20.

Southwest Power Pool, Inc.
ECONOMIC STUDIES WORKING GROUP

November 8, 2011

Web Conference

2:00 pm – 4:00 pm

• MINUTES •

Agenda Item 1 – Administrative Items

Chair Alan Myers (ITC Great Plains, LLC) called the web conference of the Economic Studies Working Group (ESWG) to order at 2:00 p.m., welcomed those in attendance, and asked that roll be taken from the web conference logs. (Attachment – Attendance List).

Agenda Item 1a – Attendance

There were 36 web conference participants representing 8 of 11 members. No proxies were provided.

Agenda Item 1b – Agenda Review for upcoming teleconferences

Chair Alan Myers (ITC Great Plains, LLC) presented the agenda for review and asked for any additions or corrections. The agenda was modified to include a discussion of whether the 2013 ITP20 should be eliminated and replaced with another study (Attachment – Agenda).

Agenda Item 2 – ITP10 Portfolio Development & Finalization

Tim Miller (SPP staff) presented the processes used to develop the proposed 2012 ITP10 portfolio and highlighted economic projects that are expected to be in the recommendation. The group provided feedback and requested further information on the projects including: differentiation of projects identified for reliability needs and those identified for economic needs, clarification of the APC savings that are shown with the plan's economic projects, expression of how the 2012 ITP10 fits into the vision of the 2010 ITP20, and the B/Cs of individual projects. Terri Gallup (AEP) noted that further refinement of the cost estimation process is needed for stakeholders to have the proper amount of time to estimate projects.

Agenda Item 3 – EPA Impact on the 2013 ITP20

The group discussed the possibilities available in the planning process for the proper capture of forthcoming regulations from the Environmental Protection Agency (EPA). Several options were discussed in an effort to collect and organize technical challenges that the ESWG believes should be presented to the Strategic Policy Committee (SPC) for consideration.

ACTION ITEM: Prepare a list of concerns regarding the impact of forthcoming EPA regulations upon the ITP process and plans regarding the 2012 ITP10 and the next cycle of the ITP20. (Attachment – Action Item Report).

Agenda Item 4 – ITP20 Futures & Scope

Josh Ross (SPP staff) presented possible futures for the 2013 ITP20 in preparation for discussion at the January SPC meeting. Comments of note included a strong desire to incorporate modeling data from across the eastern SPP seam, account for operating agreements based on congestion management policies, inclusion of lessons learned from the Eastern Interconnection Planning Collaborative (EIPC) futures development, and the addition of a carbon future to the list of possibilities.

Adjournment

Chair Alan Myers adjourned the meeting at 4:00 p.m. on Tuesday, November 8, 2011.



Respectfully Submitted,

Tim Miller
Secretary



Southwest Power Pool, Inc.
ECONOMIC STUDIES WORKING GROUP

November 8, 2011

Web Conference

2:00 pm – 4:00 pm

• **A T T E N D A N C E L I S T** •

| Member | Representing | Participant | Representing |
|-----------------|---------------------|------------------------|---------------------|
| Al Tamimi | Sunflower | Aditya Jayam Prabhakar | MISO |
| Alan Myers | ITC Great Plains | Brad Schwarz | EON |
| Bennie Weeks | Xcel Energy | Brittney Miller | AR PSC |
| Bruce Walkup | AECC | Bruce Cude | Xcel Energy |
| David Ried | OPPD | Chad Mazurek (AECI) | AECI |
| Greg Sweet | Empire | Dan Jones | SPP |
| Kip Fox | AEP | Dan Hartman | |
| Kurt Stradley | LES | Dan Lenihan | OPPD |
| James Sanderson | KCC | Gerald Deaver | Xcel Energy |
| Mike Proctor | Consultant | Hamid Maghdan | Quanta Technology |
| Tim Miller | SPP staff | Jason Shook (GDS/ETEC) | GDS Associates |
| | | Jay Caspary | SPP staff |
| | | Jim Krajecki | CES-LTD |
| | | Jim Foley | OPPD |
| | | Jim Hotovy | NPPD |
| | | John Mayhan | OPPD |
| | | Josh Ross | SPP staff |
| | | Kenny Hale | City Utilities |
| | | Mike Collins | OGE |
| | | Nathan McNeil | Midwest Energy |
| | | Roy Boyer | Xcel Energy |
| | | Temujin Roach | Texas PUC |
| | | Terri Gallup (AEP) | AEP |
| | | Tim Owens | NPPD |
| | | Tony Gott (AECI) | AECI |



Southwest Power Pool, Inc.
ECONOMIC STUDIES WORKING GROUP

November 8, 2011

Web Conference

2:00 pm – 4:00 pm

• A G E N D A •

1. Administrative Items Alan Myers
 - a. Attendance
 - b. Agenda Review for upcoming teleconferences
2. ITP10 Portfolio Development & Finalization Tim Miller, SPP staff
3. EPA Impact All
4. ITP20 Futures & Scope Josh Ross, SPP staff



Southwest Power Pool
ECONOMIC STUDIES WORKING GROUP
Pending Action Items Status Report

November 8, 2011

| ID | Action Item | Date Originated | Status | Comments |
|-----|---|----------------------|-----------------------------|---|
| 001 | ESWG directs SPP staff to write up and present the ESWG with the assumptions used for the coal and natural gas transportation costs in the ITP10 process. | Aug 2, 2011 ESWG | Complete | In ITP10 draft report |
| 002 | For discussion at the next meeting Alan Myers and staff will outline work items for the group and discuss ESWG responsibilities per the group's charter. | Aug 2, 2011 ESWG | In Progress ESWG & Staff | |
| 003 | ESWG members will review the sensitivities proposed with their companies before a formal vote at the August 30 ESWG meeting. | Aug 2, 2011 ESWG | Complete | ESWG voted and approved sensitivities on 9-26-11 |
| 004 | Coordinate a meeting to discuss possible join future(s) with the Midwest ISO Planning Advisory Committee | Aug 2, 2011 ESWG | In Progress Staff | |
| 005 | Staff to write up and present the ESWG with the justification, pros/cons, and historical background for the Forty-Year Financial Analysis using the percentage growth method (Option 1). | Sep 26, 2011 ESWG | In Progress Staff | |
| 006 | Staff to prepare metric information for the Markets and Operations Policy Committee (MOPC). | Sep 26, 2011 ESWG | Complete | Provided to Oct 11-12 MOPC meeting |
| 007 | Staff will prepare a futures presentation for the SPC that will include discussion of these rules and the impact on the ITP. It should raise the issue that we think a reliability and economic look at this would be best considered as a special study. | Sep 26, 2011 ESWG | Complete | Provided at Nov 8, 2011 ESWG meeting for discussion. |
| 008 | Staff will discuss OPPD's concerns about North to South flows and overloads in the Cass county area. | Sep 26, 2011 ESWG | Complete | Staff held discussions with John Mayhan (OPPD) and collected thoughts for improving ITP |

| | | | | |
|-----|--|----------------------|------------------------------|-----------------|
| | | | | moving forward. |
| 009 | Staff will update ESGW following the SPC meeting regarding these futures and continue to work out the meeting with the PAC. | Sep 26, 2011 ESGW | In Progress Staff | |
| 010 | Staff to investigate the \$/MWh relation between the importing and exporting areas to ensure that the results make sense. | Sep 26, 2011 ESGW | In Progress Staff | |
| 011 | Kip Fox (AEP) will prepare a list of concerns regarding the impact of forthcoming Environmental Protection Agency (EPA) regulations upon the ITP process | Nov 8, 2011 ESGW | In Progress Kip Fox (AEP) | |
| 012 | SPP staff will provide their plans regarding the 2012 ITP10 and the next cycle of the ITP20. | Nov 8, 2011 ESGW | In Progress Staff | |