

**Southwest Power Pool**  
**ECONOMIC STUDIES WORKING GROUP**  
**November 10, 2011**  
**Web Conference**  
**9:00 am – 12:00 pm**

**• SUMMARY OF ACTIONS TAKEN •**

1. The ESWG approved Approach #1: Valuing Economics Benefit Incremental to Reliability for the 2012 ITP10 for the calculation of Adjusted Production Cost savings.
2. Staff tasked to write up and present the ESWG with the four options discussed for addressing the concerns regarding forthcoming EPA regulations.

**Southwest Power Pool**  
**ECONOMIC STUDIES WORKING GROUP**

**November 10, 2011**

**Web Conference**

**9:00 am – 12:00 pm**

**• MINUTES •**

**Agenda Item 1 – Administrative Items**

Chair Alan Myers (ITC Great Plains, LLC) called the meeting of the Economic Studies Working Group (ESWG) to order at 9:00 a.m., welcomed those in attendance, and asked for introductions (Attachment – Attendance List). There were 23 teleconference participants representing 11 of 11 members. Kip Fox (AEP) requested that a discussion item be added to the agenda for concerns regarding EPA rulemaking. This item was added to the agenda (Attachment – Agenda).

**Agenda Item 2 – 2012 ITP10 Finalization**

Charles Cates (SPP staff) recapped the 2012 ITP10 Report contents and the process followed and developed by the ESWG. The group discussed sections of the report, requested minor changes, and considered endorsement of the 2012 ITP10 Report and the process followed. Chairman Alan Myers (ITC Great Plains, LLC) entertained a motion to endorse the report and the process:

**A motion to approve Approach #1: Valuing Economics Benefit Incremental to Reliability for the 2012 ITP10 was made by Kip Fox (AEP) and seconded by Leon Howell (OG+E). The motion was approved unanimously.**

Steve Gaw (Wind Coalition) requested additional discussion of the application of this method. The group agreed that the method would be utilized for the evaluation of the portfolio benefit, not for the development and selection of projects in the portfolio.

**Agenda Item 3 – ITP20 Joint Future with Midwest ISO**

Brett Hooton (SPP staff), provided some background to the group regarding the upcoming joint meeting between the ESWG and the Midwest ISO Planning Advisory Committee (PAC). The meeting with the PAC is scheduled for December 1, 2011.

**Agenda Item 4 – Concerns Regarding forthcoming EPA Regulations**

Chair Alan Myers (ITC Great Plains, LLC) provided intentions and ground rules for the discussion: that it be geared toward the expression of concerns to the Strategic Policy Committee (SPC) and Market Operations and Policy Committee (MOPC). Charles Cates (SPP staff) provided staff's perspective that the group should trust the ITP process and continue with plans for the 2013 ITP20 and address emergent concerns such as these with a special study. The group discussed the options and directed staff to recap the options discussed within the letter provided by Kip Fox (Attachment – EPA Concerns & Recommendations).

**ACTION ITEM:** Staff to write up and present the ESWG with the four options discussed for addressing the concerns regarding forthcoming EPA regulations. (Attachment – Action Item Report).

**Adjournment**

Alan Myers (ITC Great Plains, LLC) requested if any other items needed discussion at the meeting. Finding none, the meeting was adjourned at 12:00 p.m. on Thursday, November 10, 2011.

Respectfully Submitted,

Tim Miller, Secretary

**Southwest Power Pool, Inc.**  
**ECONOMIC STUDIES WORKING GROUP**  
**November 10, 2011**  
**Web Conference**  
**9:00 am – 12:00 pm**

• A T T E N D A N C E L I S T •

<b>Member</b>	<b>Representing</b>	<b>Participant</b>	<b>Representing</b>
Al Tamimi	Sunflower	Bruce Cude	Xcel Energy
Alan Myers	ITC Great Plains	Charles Cates	SPP staff
Bennie Weeks	Xcel Energy	Dan Lenihan	OPPD
Blake Elliott	BPU	David Kelley	SPP staff
Bruce Walkup	AECC	Jason Shook	GDS Associates
David Ried	OPPD	Jim Foley	OPPD
Greg Sweet	Empire	John Mayhan	OPPD
Kip Fox	AEP	Josh Ross	SPP staff
Kurt Stradley	LES	Kenny Hale	City Utilities
Leon Howell	OGE	Mike Collins	OGE
Paul Dietz	Westar	Mitch Williams	WFEC
James Sanderson	KCC	Nathan McNeil	Midwest Energy
Mike Proctor	Consultant	Steve Gaw	Wind Coalition
Tim Miller	SPP staff	Tim Owens	NPPD
Adam McKinnie	MO PSC	Tony Gott (AECI)	AECI
Brett Hooton	SPP staff		
Brittney Miller	AR PSC		

**Southwest Power Pool, Inc.  
ECONOMIC STUDIES WORKING GROUP**

**January 5, 2012  
Teleconference**

**• A G E N D A •**

**10:00 am – 12:00 pm**

1. Administrative Items ..... Alan Myers
2. ITP10 Valuing Reliability & Policy Projects ..... Charles Cates, SPP staff
3. ITP20 Joint Future with Midwest ISO ..... Brett Hooton, SPP staff
4. Concerns Regarding forthcoming EPA Regulations ..... Kip Fox

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

**November 10, 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 ESWG following the SPC meeting regarding these futures and continue to work out the meeting with the PAC.	Sep 26, 2011 ESWG	Complete	Provided at Nov 10, 2011 ESWG meeting
010	Staff to investigate the \$/MWh relation between the importing and exporting areas to ensure that the results make sense.	Sep 26, 2011 ESWG	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 ESWG	Complete	Provided at Nov 10, 2011 ESWG meeting
012	SPP staff will provide their plans regarding the 2012 ITP10 and the next cycle of the ITP20.	Nov 8, 2011 ESWG	In Progress Staff	
013	SPP staff will recap the four options identified to address the concerns regarding the forthcoming EPA regulations	Nov, 10, 2011	In Progress Staff	