

The Org Report

A monthly summary of organizational group activities.



July 2012

[Integrated Marketplace Update](#)

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Marketplace's TCR Software Records 96% Pass Rate

- The Markets workstream has formally closed out design, addressing all the known outstanding design items in the core Market System. Pre-FAT (factory acceptance testing) testing has begun at Alstom; gaining early access to the system and performing on-site functional tests will ensure the proper design is incorporated into the core system and leads to smoother testing cycles in the future.
- The TCR team has completed three rounds of FAT on Nexant's iHedge software, which will run the Marketplace's auction process. The software registered a 96 percent pass rate in the first pass of its most recent round of testing against defined test cases.
- The Customer Training workstream has turned its attention to Level 2 training, which begins in September. The training will consist of three phases – deep-dive modules, clinics, and job tasks – all building on previously offered training. Registration for the Level 2 offerings will be available through the SPP Learning Center, beginning July 18.

May Meeting Summaries

Business Practices Working Group: The BPWG conducted a detailed review of improvements to the Aggregate Transmission Service and Generator Interconnection study processes. The group also approved revised Business Practice Revision (BPR) 021 – Authorization to Plan.

Change Working Group: The Integrated Marketplace program leadership updated the CWG on its Program Recovery Plan, which will be presented to the Board of Directors and Markets and Operations Policy Committee (MOPC) in July, and briefed the group on critical-path milestones, testing status, and tower reports. Members will work with SPP to add market participant (MP) checkpoints/decision points to the milestones. The CWG also discussed how to submit "Net with Aux" generating-resource data, the new ICCP workstream, embedded entities and transmission settlements.

Cost Allocation Working Group: The CAWG heard an overview of FERC Order 1000-A; a proposal to address cost overruns on transmission projects; results of the Economic Studies Working Group's recent policy survey; and an update on Strategic Planning Committee activities to ensure compliance with Order 1000 provisions not related to interregional cost allocation. The group also received updates from six other working groups.

Critical Infrastructure Protection Working Group: The CIPWG met at Kansas Electric Power Cooperative (KEPCo) offices in Topeka, Kan. The agenda included a presentation on regulations and compliance by Walnut Creek Nuclear Operating Company; a lessons-learned presentation from a recent CIP audit; and a discussion of CIP-002-4. The CIPWG was also updated on CIP Version 5's development and the most recent NERC CIP Committee meeting.

Economic Studies Working Group: The ESWG approved the Regional Tariff Working Group's Open Access Transmission Tariff language regarding public policy requirements of FERC Order 1000; approved the generation expansion siting rules for use in the 2013 Integrated Transmission Planning 20-Year Assessment; adjusted the assessment's draft generation expansion plan scope; provided comments on the FERC Order 1000 SPP Interregional Task Force Option 1; and made suggestions to the draft NERC Probabilistic Assessment scope.

Finance Committee: The Finance Committee convened several meetings of a special task force to address the financial requirements expected of entities desiring to participate in the proposed competitive solicitation process. Though still in draft stage, the expected financial requirements are:

- 1) Have an investment grade rating.
- 2) Have a guaranty from a parent company with an investment-grade rating.
- 3) Have a letter of reference from a bank or bonding indication letter from an insurance company, both indicating a general willingness to extend at least \$25 million in credit.

- 4) Or have evidence of direct rate setting authority or taxing authority, if the entity is a municipality or cooperative utility.

Market Working Group: The MWG reviewed current business and the Integrated Marketplace's next steps. Members received updates from SPP's Market Monitoring Unit, Operations, and Regulatory groups, and reviewed presentations on FERC Order 745 and ICCP changes. The MWG is continuing to work through business-continuity scenarios. Three Marketplace Protocol Revision Requests (MPRRs) were approved and sent to other working groups for review. The protocol language is currently in [version 10.0](#).

Operating Reliability Working Group: The ORWG reviewed MPRRs 51, 71, and 73 for the MWG, which will present the MPRRs to the MOPC in July. SPP staff presented its review of a proposed Business Practice regarding Authorizations to Plan. The ORWG approved two reviews by the System Protection & Control Working Group: the extension of the Oklaunion Special Protection System for another five years, and a removal request of the Jeffrey Energy Center's obsolete Special Protection System. The group also reviewed recent Transmission Working Group (TWG) changes to the Transmission Reliability Margin Implementation Document.

Operations Training Working Group: The OTWG facilitated the Emergency Response Drill pilot in Little Rock June 20–21 to a select group of members. This drill is designed to take operators through normal to possible catastrophic weather events, using SPP's simulator. Drill participants have debriefed with the OTWG, which will recommend changes going forward in 2013. The group also approved the Integrated Marketplace's Level 2 curriculum design and training dates; development will launch this fall.

Oversight Committee: The committee held its regular quarterly meeting, with discussions centered around activity updates from Market Monitoring, Internal Audit, and Compliance. Each group reviewed preliminary plans for budgeting based upon departmental strategic plans. Larry Altenbaumer will join the Oversight Committee, effective with the September meeting; Julian Brix will move to the Human Resources Committee.

Project Cost Working Group: The PCWG met to consider whether changes might be needed in order to clarify whether Transmission Owners (TO) can recover Notification to Construct with Conditions (NTC-C) costs if they're withdrawn. The group approved adding a clarifying statement to the NTC-C letter template in SPP Business Practice 7060. The member proposing the change will initiate the change process at the BPWG. The group reviewed 19 "legacy" projects with updated cost estimates more than 20% above their initial cost estimates and the TOs' justifications. An ad hoc subgroup was formed to develop a review process for all projects under the PCWG's purview, using three of the legacy projects as examples (Project IDs 700, 704, and 791). The group considered the TWG's comments on the draft instruction manual for the Standardized Cost Estimate Reporting Template (SCERT) (to be known going forward as the SCERT Data Dictionary). The PCWG tasked the subgroup with determining the information that may need to be reported on the SCERT for projects under 100 kilovolts. Finally, the group developed a new proposed schedule for quarterly project tracking, to be presented at the July MOPC meeting.

Regional Entity Trustees: The Trustees approved SPP RE's 2013 Business Plan and Budget of \$11.5 million, representing an 11% reduction in entity assessments and a 0.9% increase over 2012. Staff reported the SPP UFLS standard drafting team continues to recommend adoption of the SPP [regional UFLS standard](#), which will be presented to the Trustees July 30 for action. The Trustees also heard updates on SPP RE's Compliance and Enforcement program activities.

Regional Tariff Working Group: The RTWG approved tariff revisions related to rates for through and out transmission service; Balanced Portfolio transfers; establishing a limitation on the length of time for billing corrections; a compliance filing implementing a change in the Critical Energy Infrastructure Information disclosure process for non-members; and accepted as implementing the protocols proposed tariff revisions clarifying that Market Participants may only use resources in a Commitment Status of "Market" or "Self" to satisfy the Day-Ahead Must-Offer requirement. Additionally, an Order 1000 Tariff Draft Task Force was formed to facilitate the RTWG's Order 1000 efforts.

Seams Steering Committee: The SSC reviewed the monthly Seams Activity Report, which has been converted into a new format and is [posted](#) on SPP.org. The committee reviewed current efforts on FERC Order 1000's interregional requirements; the Interregional Cost Allocation Task Force provided the update on the interregional cost allocation discussion's current status. The Seams FERC Order 1000 Task Force (SFOTF) presented its recommendation on a proposed process to evaluate interregional transmission projects. The SSC unanimously approved SFOTF's Option 1 recommendation as SPP's proposal to its neighbors. The committee also discussed facilitation of the review and solution development for third-party impacts in transmission service studies; the Interregional Planning Stakeholder Advisory Committee's structure; and the 2011 Entergy SPP Regional Planning Process (ESRPP). SPP staff discussed with the SSC the SPP/WAPA (Western Area Power Administration) JOA (joint operating agreement)'s current status. Multiple JOA filings and responses have been made with FERC, and the SPP/MISO JOA dispute is still open.

System Protection & Control Working Group: The SPCWG and the SPP Under Frequency Load Shed Standard Drafting Team (SDT) met to discuss the recently released FERC Order 763. The SDT put together a position paper in response to FERC's comments on the Order and drafted a recommendation to the RE Trustees to submit the SPP UFLS Regional Standard (PRC-006-SPP-01) to NERC.

Other Meetings

[Credit Practices Working Group](#)

[Generation Working Group](#)

[Regional State Committee](#)

[Transmission Working Group](#)

July Meetings

July 10 – Finance Committee

July 10 – Project Cost Working Group

July 11 – Cost Allocation Working Group

July 12 – Economic Studies Working Group

July 12 – Settlement User Group

July 17-18 – Markets and Operations Policy Committee

July 19 – Consolidated Balancing Authority Steering Committee

July 19 – Strategic Planning Committee

July 23-24 – Human Resources Committee Planning Retreat

July 24-25 – Market Working Group

July 25-26 – Change Working Group

July 25-26 – Regional Tariff Working Group

July 26 – Operating Reliability Working Group

July 30 – Regional State Committee

July 30 – RE Trustees

July 31 – Board of Directors/Members Committee

August Meetings

August 1 – Seams Steering Committee

August 1 – System Protection & Control Working Group

August 6 – Operations Training Working Group

This is a summary of recent SPP organizational group meetings. For more information about a group, please visit 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](#)