

# The Org Report

A monthly summary of organizational group activities.



January 2013

[December Meeting Summaries](#)

[Other Meetings](#)

[January Meetings](#)

## Marketplace Update: Connectivity testing, TCR Market Trials begin

- Testing the Integrated Marketplace's various systems and applications picks up steam in January with two key milestones: Connectivity Test and TCR Market Trials. The former began January 7, the latter begins January 14. The Connectivity Test is the first of five Market Trials sub-stages. The test validates the technical connectivity and firewall access between SPP production environments and Market Participants (MPs), including digital certificates, XML listeners, and firewall access. The test will determine whether MPs can send a signal to the Marketplace systems – and whether that signal is received – before it concludes March 28.
- The Marketplace's Model Change Submission Tool (MCST) went live January 7, following an autumn of various tests. The MCST accepts model information from external entities and feeds it into SPP's Centralized Modeling Tool, automating much of the modeling process. The MCST will be the only mechanism to make reliability and commercial model changes for the Marketplace; financial-only MPs will not use MCST.
- The Systems Readiness areas of concern have all shown improvement. Market Systems Release .01 is solving using test data and Release .02 is being installed at SPP; Settlements statements are executing with very low defect rates and there is no expected impact to the critical path at this time; all major Registration defects have been addressed and modeling data is being integrated with other components; and Integration Services work is on track.
- The Arkansas Public Service Commission (APSC) issued an unconditional order December 10 approving applications by SWEPCO, OG&E, and Empire District Electric to participate in the Integrated Marketplace, finding their request to be in the public interest. The APSC relieved the utilities of their continuing obligations to track and report annually the costs and revenues related to SPP participation (as opposed to stand-alone operation).

## December Meeting Summaries

**Board of Directors/Members Committee:** The committee held its annual organizational effectiveness review, analyzing surveys assessing SPP organizational groups, the Board of Directors, the Regional Entity, stakeholder satisfaction, and employee engagement.

**Change Working Group:** The CWG voted to follow SPP's recommendation and proceed with the Integrated Marketplace's TCR (Transmission Congestion Rights) Market Trials, which begin January 14. The Marketplace Systems Readiness update again focused on areas of concern: Market Systems, Settlements, and Integration Services. The CWG recommended a contingency plan be put in place should FERC deny SPP's request for rehearing on Market-to-Market and Order 755; the group also recommended the plan be developed and communicated at the SPP Board of Directors and Market Operations and Policy Committee levels with CWG input on Market Participant (MP) testing timelines. The CWG also discussed the Marketplace's Go/No-Go decision-making process and the integration of non-MPs into the Reserve Sharing Group process. Finally, the CWG reviewed its proxy and attendance rules.

**Corporate Governance Committee:** The committee filled one vacancy by nominating OG&E's Phil Crissup to fill the unexpired term of Mel Perkins on the Members Committee. A second vacancy is pending for the Cooperatives seat held by Steve Parr; a nominee will be determined for that seat in early January. The elections will be held in conjunction with the January Board meeting. The committee also approved the establishment of the Regional Compliance Working Group. A recommendation to remove details of committee duties from the SPP Bylaws and rely on the committee scopes/charters was approved. This will enable changes to committee duties as needed without requiring a filing to revise the Bylaws. Policy questions regarding indemnification were referred to the committee by the Board. These questions were generated by the transition to the Consolidated Balancing Authority.

**Critical Infrastructure Protection Working Group:** Department of Homeland Security and FBI representatives updated the CIPWG on current threats. The group also planned 2013 activities, including possible CIPWG

participation in NERC's Grid Exercise. A draft SPP Grid Exercise Task Force charter was presented and discussed. The CIPWG was also updated on the approval process for CIP Version 5 by the Order 706 Standards Drafting Team and on the last NERC CIPC (Critical Infrastructure Protection Committee) meeting.

**Finance Committee:** SPP staff led an in-depth discussion surrounding a program to obtain greater efficiency in SPP's operations. The discussion first outlined the program's objectives and the selection of the LEAN methodology to implement. The implementation is being accomplished in three phases:

- Phase I: Communicate and track existing process-improvement and cost-reduction initiatives.
  - Has been ongoing since 2011.
  - Reports being provided to Finance Committee quarterly.
  - Implemented tracking sunset provisions.
  - Tracked nearly \$12 million in capital and operating cost reductions.
- Phase II: Evolutionary LEAN implementation.
  - Roll out pilot programs to SPP areas not intimately involved in Integrated Marketplace.
  - Six initiatives already in some stage of implementation.
  - 106 staff participated in some aspect of LEAN during 2012.
  - ICCP initiative case study.
- Phase III: LEAN Transition
  - Beginning in 2014's third quarter.
  - Line organizations assume primary responsibility.
  - Organizational performance metrics and incentives in place.

**Operations Training Working Group:** The OTWG wrapped up 2012 with SPP Customer Training having provided 118 training sessions and 34,011 classroom hours, awarding 23,525 ½ Continuing Education Hours. The 2013 training sessions are listed in the SPP Learning Center and are available for registration.

**Oversight Committee:** The committee heard activity reports from Internal Audit, Market Monitoring, and Compliance during its regular quarterly meeting. Boston Pacific will be engaged to provide a 2013 Looking Forward Report in conjunction with the Annual State of the Market Report.

**Project Cost Working Group:** The PCWG reviewed project cost updates for the first quarter 2013 update. The group approved the PCWG's first quarterly report to the Markets and Operation Policy Committee (MOPC) and the SPP Board of Directors. The group also reviewed changes to the TAGIT database requested by the Transmission Working Group and reduced-scope Standardized Cost Estimate Reporting Template for projects under 100 kilovolts. The group reviewed "legacy" projects (those with NTCs issued prior to Jan. 1, 2012) and considered the impacts of bringing these projects under the PCWG's purview, as well as the impact of lowering the cost threshold for projects currently under the PCWG's purview from \$20 million. The PCWG chair will report these findings to MOPC in January. Finally, the group reviewed the draft confidentiality agreement under consideration for PCWG members to protect Transmission Owners' confidential information. The group approved proposed changes to the PCWG charter to address handling confidential information.

**Regional Tariff Working Group:** The RTWG reviewed and approved tariff revisions in eight Market Compliance Revision Requests (MCRRs) and four Market Protocol Revisions Requests (MPRRs). Tariff revisions were also approved in Attachment L, Section III, to clarify revenues from region-wide charges derived from amounts reallocated from Zonal Annual Transmission Revenue Requirements (Section IV.A of Attachment J) shall be distributed to those Transmission Owners that would otherwise receive less revenues as a result of the Balance Portfolio reallocation (TRR 080). The Crediting Process Task Force's presentation, "Determination of Credits and Distribution of Credit Revenue", included proposed tariff revisions to implement Attachment Z2.

## Other Meetings

**Business Practices Working Group**

**Cost Allocation Working Group**

**Credit Practices Working Group**

**Market Working Group**

**Operating Reliability Working Group**

**Seams Steering Committee**

**Transmission Working Group**

## January Meetings

January 7 – Operations Training Working Group  
January 8 – Project Cost Working Group  
January 8 – Seams Steering Committee  
January 9 – Cost Allocation Working Group  
January 9-10 – Operating Reliability Working Group  
January 10 – Economic Studies Working Group  
January 10 – Settlement User Group  
January 15-16 – Markets and Operations Policy Committee  
January 17 – Consolidated Balancing Authority Steering Committee  
January 17 – Strategic Planning Committee  
January 22 – Human Resources Committee  
January 22-23 – Market Working Group  
January 23-24 – Change Working Group  
January 24 – Regional Tariff Working Group  
January 28 – Regional State Committee  
January 28 – SPP RE Trustees  
January 29 – Board of Directors/Members Committee  
January 31 – System Protection and Control Working Group

## February Meetings

February 4 – Operations Training 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](#)