

# The Org Report

A monthly summary of organizational group activities.



May 2013

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## Marketplace Update: Program focused on June 3 Market Trials

- The Integrated Marketplace program has developed a roadmap that will allow the Structured/Unstructured [Market Trials](#) (SMT) to proceed June 3, albeit with less scope than originally planned and pending official approval from the [Marketplace Go-Live Team](#). Core Markets systems functionality will be available for participants in June, with Settlements systems functionality available in August. SMT will help validate SPP and participant systems, processes, and staff can work together according to the Marketplace protocols.
- As part of the preparations for SMT, SPP conducted a day-long workshop for participants in Little Rock May 1. Nearly 200 participants reviewed the test scenarios and logistics behind the upcoming Market Trials.
- SPP's Board of Directors/Members Committee approved a staff recommendation to modify the Marketplace's capital budget to \$115 million, a 9 percent increase, during its April 30 meeting. The \$9.4 million increase was necessary due to several minor changes in scope and technology, and delays in building the Markets software. The Marketplace remains on track for its March 2014 go-live date.
- The Integrated Marketplace has already attracted 111 registered participants – 61 asset owners and 50 financial-only players – as of April 25. Financial-only players intending to participate by submitting virtual-energy offers and bids, and/or planning to participate in the TCR (Transmission Congestion Rights) markets, face a June 1 [registration deadline](#).

## April Meeting Summaries

**Board of Directors/Members Committee:** The SPP Market Monitoring Unit (MMU) presented the Board of Directors/Members Committee its 2012 Annual State of the Market Report; in addition, Boston Pacific presented a Looking Forward Report. The Board also reviewed components of the Member Compliance Outreach Program and approved policy direction on changes to the Generation Interconnection (GI) and Aggregate (Agg) Study processes (a significant move forward). Several revisions to SPP's governing documents were approved to address withdrawal obligations associated with regional transmission costs, and the Board finalized the Consolidated Balancing Authority Agreement.

**Change Working Group:** The Energy Authority's (TEA) Tyler Wolford was announced as the CWG's new chair. The group was updated on the Integrated Marketplace's three primary areas of concern – Market Systems, Settlements, and Market Trials – and the mitigation plans in place. SPP staff presented the Structured Market Trials Roadmap, which outlines plans to implement Market Trials following a phased approach based on available Markets systems functionality. The CWG discussed the tracking and reporting of data and milestones for the SPP Consolidated Balancing Authority. The group also heard updates from the Marketplace Testing and Regulatory towers, and from the Transmission Congestion Rights and ICCP workstreams.

**Consolidated Balancing Authority Steering Committee:** The CBASC continued work on the Balancing Authority (BA) Readiness Evaluation exercise and the BA Operating Protocols document. The CBASC assisted SPP staff's review of BA processes and procedures in advance of a late-April test of the SPP BA's overall readiness. The review phase generated a host of comments that will help SPP staff continue to develop its staff, procedures and systems for performing the BA function. The April exercise was designed to help SPP better prepare for this fall's Southeastern Electric Reliability Council BA certification. The operations protocols document will support SPP's compliance as the BA and help identify the members' support for SPP's demonstrated compliance.

**Cost Allocation Working Group:** The CAWG heard presentations on the Integrated Transmission Planning 20-Year Assessment (ITP20), cost-allocation revisions to SPP's Open Access Transmission Tariff, and the Project Cost Working Group activities. The group was also updated on the Business Practices Working Group's (BPWG) Transmission and Interconnection Study recommendations. The CAWG is planning its Aggregate Study Improvement for the July Board of Directors/Members Committee meeting.

**Finance Committee:** The committee approved the 2012 Financial Audit and funding for SPP's benefit plans for 2013, based on the 2012 actuary report. The committee reviewed and approved a request to increase the budget for the Integrated Marketplace. In response to a recent transmission-payment default, the committee requested detailed documentation describing SPP's response to payment defaults – specifically addressing a decision to terminate the service or pursue legal action to enforce the service agreement.

**Economic Studies Working Group:** SPP staff presented proposed portfolios for Futures 1–5, the draft Consolidated Portfolio, and the Future 5 projects; the ESWG will review the 2013 ITP20's final reliability and stability assessments in May. SPP staff also explained how rate impacts were calculated. The group also heard a presentation on the Loss of Load Expectation study, and was asked for feedback on the Long-Term Congestion Rights Design and the 2015 ITP10. SPP staff updated the ESWG on efforts to evaluate future scenarios for the SPP strategic plan, with a final recommendation expected in May. The ESWG will present the 2015 ITP10 study scope to the MOPC in July.

**Market Working Group:** The MWG reviewed and discussed eleven Marketplace Protocol Revision Requests (MPRRs) and voted to approve six of them. The remaining MPRRs require additional work before approval and will be revisited in future MWG meetings. The group also heard a presentation and proposal on virtual transaction fees and received the 2012 Annual State of the Market update from the MMU.

**Markets and Operations Policy Committee:** The MOPC's major discussion centered on proposed improvements to connecting generators to the transmission system and to purchasing transmission service to move power. The MOPC approved those proposals to develop tariff changes and flesh out the details behind the processes. Significantly, the MOPC approved two tariff, two criteria, and seven protocol changes without any additional debate on the consent agenda. The committee debated and approved proposals re-evaluating construction plans, tariff changes to implement interregional planning/cost-allocation negotiations, crediting for projects directly assigned to entities, regulation compensation, consolidated balancing authority agreement, changes to annual contingency reserve requirements, and suspended some construction projects for re-evaluation. The MOPC also endorsed changes to the withdrawal provisions for members and the standards-development process.

**Operations Training Working Group:** The OTWG continued its diligent work on its 2014-16 strategic plan, which will be published to SPP.org by June 1, and facilitated its second System Operations Conference. Integrated Marketplace Level 2 clinics and net conferences continue; Level 3 training development will be ready for a fourth-quarter launch. Six self-study, computer-based training courses are available on the [SPP Learning Center](#), with more to come throughout 2013. Denney Fales (KCP&L) began a two-year term as the OTWG's chairperson.

**Project Cost Working Group:** The PCWG approved changes to its charter, incorporating the Corporate Governance Committee's revisions. As part of its review of construction projects, the group also approved a confidentiality agreement to protect information provided by Transmission Operators. The PCWG voted to make no changes for Standard Cost Estimate Reporting Templates to be populated for all cost estimates, regardless of voltage or amount. The group also addressed cost-estimate escalations due to inflation when they exceed the bandwidths prescribed in the SPP Business Practices. SPP staff will report back to the PCWG in May.

**Regional Entity Trustees:** The trustees were briefed on the 2013 Summer Reliability Assessment, which determined the SPP assessment area has sufficient capacity to meet forecasted demand this summer. The Enforcement group reported a caseload of 195 violations, compared to 264 this time last year, and reminded Registered Entities violations cannot be moved to the North American Electric Reliability Corporation (NERC) until mitigation is complete. The SPP RE general manager updated the trustees on the CIP version transition; upcoming Bulk Electric System exclusion/exception process; vegetation management, facility ratings alert, and misoperations statistics; the preliminary 2014 SPP RE budget; and year-to-date staff goals and metrics. SPP RE's representative on the NERC Compliance and Certification committee, Jennifer Flandermeyer, updated the trustees on the Risk Assurance Initiative, which is focused on assessing reliability risk, scoping compliance monitoring, processing violations in accordance with risk, and strengthening the standards-development feedback loop.

**Regional Tariff Working Group:** The RTWG approved tariff revisions in the following Tariff Revisions Requests (TRRs): TRR 085 - Credits and Distribution of Credit Revenue; TRR 079 – Attachment T References for Balanced Portfolio Transfers; TRR 089 – Order 1000 Coordinated Interregional Transmission Planning; and TRR 092 – Revisions to Attachment AN to Implement the SPP Consolidated Balancing Authority Function. The group also approved MPRR 102 (Order 755 Compliance) with tariff modifications. MOPC Chair Rob Janssen presented the Aggregate (Agg) Transmission Study Backlog Clearing Process to the RTWG April 5; the group discussed that process and the Generation Interconnection (GI) Improvement Process during its April 25 meeting. SPP staff also updated the RTWG on the Credit Stack Analysis Project.

**Seams Steering Committee:** The SSC reviewed interregional updates related to ongoing activities for FERC Order 1000 compliance and edits to the SPP OATT to meet interregional requirements. The committee also reviewed discussions that have been taking place for the SPP-MISO Joint Operating Agreement (JOA), including market-to-market implementation, sharing contract path capacity, and other topics. SPP staff provided informational presentations on Transmission Capacity & Flowgate Allocation, and Congestion Management Process-allocation activities. The SSC discussed how to address third-party party impacts when identified in

either GI or Agg studies. Future discussions will be coordinated with related activities on GI and Agg study improvements at the BPWG and the MOPC.

**Transmission Working Group:** The TWG reviewed and approved BPRs 035 and 036 to existing Business Practices 7050 and 7060, respectively. The group also discussed the upcoming 2015 ITP 10-Year Assessment and received updates on the Tres Amigas and Grain Belt Express Clean Line interconnections.

## Other Meetings

**Business Practices Working Group**

**Credit Practices Working Group**

**Generation Working Group**

**Human Resources Committee**

**Operating Reliability Working Group**

**Regional State Committee**

## May Meetings

- May 6 – Business Practices Working Group
- May 6 – Operations Training Working Group
- May 8 – Cost Allocation Working Group
- May 8 – Market Working Group
- May 8-9 – System Protection and Control Working Group
- May 9 – Regional Tariff Working Group
- May 10 – Generation Working Group
- May 14 – Project Cost Working Group
- May 14 – Settlements Users Conference
- May 16 – Economic Studies Working Group
- May 16 – Model Development Working Group
- May 16 – Transmission Working Group
- May 17 – SPP-MISO JOA Joint Stakeholder Meeting
- May 20 – Consolidated Balancing Authority Steering Committee
- May 20 – Regional Compliance Working Group
- May 21-22 – Market Working Group
- May 21-22 – SPP Regional Entity CIP Workshop 2013
- May 22-23 – Change Working Group
- May 22-23 – Regional Tariff Working Group
- May 22-23 – SPP Quarterly Compliance Forum
- May 30-31 – SPP Wind Workshop

## June Meetings

- June 3 – Operations Training Working Group
- June 4 – Business Practices Working Group
- June 5 – Seams Steering Committee

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*.

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