



**Southwest Power Pool
TRANSMISSION WORKING GROUP**

March 25, 2011

Teleconference

• M I N U T E S •

Agenda Item 1 – Administrative Items

TWG Chair, Noman Williams, called the meeting to order at 1:00 p.m. The following members were in attendance or represented by proxy: (Attachment 1 – Proxies)

TWG Members

Noman Williams, Sunflower Electric Power Corp
Mo Awad, Westar Energy
Jason Fortik, Lincoln Electric System
Ronnie Frizzell, Arkansas Electric Cooperative
Ed Horgan for John Fulton, Southwestern Public Service Company
Joe Fultz, Grand River Dam Authority
Travis Hyde, Oklahoma Gas and Electric
Dan Lenihan, Omaha Public Power District
Randy Lindstrom, Nebraska Public Power District
Jim McAvoy, Oklahoma Municipal Public Authority
Nathan McNeil, Midwest Energy
Matt McGee, American Electric Power
John Payne, Kansas Electric Power Cooperative
Jason Shook, GDS Associates for ETEC
Harold Wyble, Kansas City Power & Light

Other Stakeholders and Staff

Roy Boyer, Xcel Energy
Charles Cates, SPP Staff
Calvin Code, Kansas City Power & Light
Tony Gott, Associated Electric Cooperative
Rachel Hulett, SPP Staff
Deepthi Kasinaduni, Grand River Dam Authority
Lloyd Kolb, Golden Spread Electric Cooperative
William Mauldin, SPP Staff
Jaime McAlpine, Chermac Energy
Harshikesh Panchal, Constellation Energy
Terri Pemberton, Caper Law
Richard Ross, American Electric Power
Greg Sorensen, SPP Regional Entity
Tracy Stewart, Southwestern Power Administration

Agenda Item 2 – CBM Process Revisions

Rachel Hulett, SPP Staff, discussed revisions that had been made to the SPP Criteria 4.3.5 on CBM (Attachment 2 – CBM Criteria 4.3.5 revisions) and the CBM Process Document (Attachment 3 – CBM Process).



Randy Lindstrom moved to approve the revised Criteria 4.3.5 and CBM Process Document. Travis Hyde seconded the motion, which passed unopposed.

Agenda Item 3 – 2011 ITP10 Resource Plans and Siting

Charles Cates, SPP Staff, presented the 2011 ITP10 wind plan and the ITP10 resource plan (see background materials) for the group to review and provide comments. The group discussed the resource plans, capacity factors for the plan, and wind siting.

Dan Lenihan, OPPD, expressed concern that the MDWG models are not built for the purposes of resource planning, and that some things may not be captured in the models such as losses and demand side management. He suggested that it may be suitable to use different load data for the development of the 2011 ITP10 resource plan.

Charles explained that the ESWG had been asked to provide generation data for SPP staff to use to develop the Powerbase 2011 ITP10 models. Staff has discovered significant differences between this supplied data and 2011 MDWG series model data (i.e. PSS/E power flow models). Charles stated the TWG may be asked to help reconcile these differences and verify the data going forward.

Agenda Item 5 – Reactive Study

Rachel Hulett stated that staff has received comments on the reactive planning study and is currently reviewing them and incorporating them into the study process. She also stated that staff is planning to bring some initial study results to the May TWG meeting.

Agenda Item 4 – Other Updates

Rachel informed the group that SPP is re-studying the Nebraska City – Sibley Priority Project since OPPD is withdrawing from the SPP Tariff. A question was raised asking why the project needed to be restudied due to the OPPD withdrawal. Rachel explained that since the project would be regionally funded it was necessary to re-study the project to determine proper cost allocation, and to ensure that the project was still appropriate as planned.

Rachel also shared that staff has been working on the Authorization To Plan business practice. Staff will bring the draft to the TWG in May.

Agenda Item 5 – 2011 NDA Process

Rachel provided some updates on the Non Disclosure Agreement (NDA) process. She explained that NDAs will be signed on an individual basis, not on a company basis. She explained that each individual will have an option of signing a competitive or non-competitive NDA, and each individual will only have to sign the one NDA per year.

There was a question of whether all SPP planning models would be available to those that sign a non-competitive NDA. Rachel stated that the aggregate study models will not be available [sic]¹.

¹ After the meeting, John Mills, SPP Manager of Modeling, clarified that study models, including the aggregate study models, will be available to those that sign a non-competitive duty personnel NDA. PROMOD data will be provided to individual companies for verification of the model.



Agenda Item 6 – Closing

Travis Hyde moved to adjourn the meeting. Jason Fortik seconded the motion, and the motion passed unopposed.

The meeting was adjourned at 2:04 pm.

SPS, Ed Horgan for John Fulton

From: Fulton, John S [mailto:John.Fulton@XCELENERGY.COM]

Sent: Thursday, March 24, 2011 3:26 PM

To: Williams, Noman; Hyde, Travis

Cc: Rachel Hulett; Horgan, Edward A

Subject: SPS Proxy for TWG Conference Call - 3-25-11

I will not be able to make this call – Ed Horgan will attend and have my proxy and will represent SPS in any voting matters or other matters which come up.

John S. Fulton

Xcel Energy | Responsible By Nature

Manager, Transmission Asset Management

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4.3.5 Capacity Benefit Margin (CBM)

CBM on a Flowgate basis is the amount of Flowgate capacity reserved by load serving entities to ensure access to generation from interconnected systems to meet generation reliability requirements.

SPP will use a probabilistic approach for Regional and sub-regional Generation Reliability assessments. These assessments will be performed by the SPP on a biennial basis. Generation Reliability assessments examine the regional ability to maintain a Loss of Load Expectation (LOLE) standard of 1 day in ten years. The SPP capacity margin Criteria requires each control area to maintain a minimum of 12% capacity margin for steam-based utilities and 9% for hydro-based utilities. Historical studies indicate that the LOLE of one day in ten years can be maintained with a 10% - 11% capacity margin. ~~SPP does not utilize CBM~~ for calculations of ATC for some or all of the following reasons:

~~Deleted: As a normal practice, default values for~~

~~Deleted: CBM will be zero~~

- the existing level of internal capacity margin of each member is adequate
- historical reliability indicators of transmission strength of the SPP area
- Open Access transmission usage environment allows greater purchasing options

Since SPP does not utilize CBM for any flowgate within the SPP footprint, the CBM value used in any calculations will be zero.

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Flowgate owner requests for additional CBM may be submitted at any time for consideration at the next TWG meeting. The submittal should include written justification and rationale for the requested additional CBM. The TWG shall have authority to reject or grant such requests.



Department: SPP Operations Engineering Analysis & Support
Process ID:
Process Title: Operations Engineering: Capacity Benefit Margin Process Document
Version:
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Purpose

While SPP does not maintain Capacity Benefit Margin (CBM), pursuant to FERC Order 890, this document sets forth SPP's definition of CBM and provides an explanation of why SPP's CBM value is set to zero.

Definition

Capacity Benefit Margin (CBM) on a flowgate is described in SPP Criteria as the amount of Flowgate capacity reserved by Load-Serving Entities (LSE) to ensure access to generation from interconnected systems to meet generation reliability requirements.

Preservation of CBM for an LSE allows that entity to reduce its installed generating capacity below that which may otherwise have been necessary without interconnections to meet its generation reliability requirements. The transmission transfer capability preserved as CBM is intended to be used by the LSE only in times of emergency generation deficiencies.

Roles and Responsibilities

Resource Planners or Load Serving Entity determining the need for Transmission capacity to be set aside as CBM for imports into a Balancing Authority Area shall determine that need by using one or more of the following to determine the Generation Capability Import Requirement (GCIR):

- Loss of Load Expectation (LOLE) studies
- Loss of Load Probability (LOLP) studies
- Deterministic risk-analysis studies
- Reserve margin or resource adequacy requirements established by other entities, such as municipalities, state commissions, regional transmission organizations, independent system operators, Regional Reliability Organizations, or regional entities
- Identifying expected import path(s) or source region(s).

Calculation Methodology

SPP will use a probabilistic approach for regional and sub-regional generation reliability assessments. These assessments will be performed by the SPP on a biennial basis. Generation reliability assessments examine the regional ability to maintain a Loss of Load Expectation (LOLE) standard of 1 day in ten years. The SPP Capacity Margin Criteria requires each control area to maintain a minimum of 12% capacity margin for steam-based utilities and 9% for hydro-based utilities. Historical studies indicate that the LOLE of one day in ten years can be maintained with a 10% - 11% capacity margin. ~~SPP does not utilize CBM for~~ calculations of ATC for some or all of the following reasons:

- The existing level of internal capacity margin of each member is adequate
- Historical reliability indicators of transmission strength of the SPP area
- Open Access transmission usage environment allows greater purchasing options

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~~Since SPP does not utilize~~ CBM for any flowgate within the SPP footprint, the CBM value used in any calculations ~~will~~ be zero.

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