

The Org Report

A monthly summary of organizational group activities.



November 2013

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SPP implements Integrated Marketplace's TCR Market

SPP implemented the Integrated Marketplace's first business function when the Transmission Congestion Rights (TCR) Market went live October 18 with the posting of live TCR-process data. The TCR Market is integral to the Integrated Marketplace, which will go live March 2014 and is expected to yield estimated annual net benefits of up to \$100 million to the SPP region. Read the full [press release](#).

Marketplace Update: SPP, CWG recommend revising Parallel Ops test phase

- SPP staff and the Change Working Group have both recommended moving forward with the [Parallel Operations](#) sub-stage of Market Trials as scheduled, while allowing time for additional structured and unstructured testing. Assuming the Integrated Marketplace's Go-Live Team approves the recommendations, Parallel Operations – which would be renamed Parallel Operations with Structured/Unstructured Days – would begin November 12 and run through Jan. 31, 2014. The Go-Live team – comprised of 11 members and SPP senior staff – will meet November 7 to vote on whether to proceed with Parallel Operations.
- The Transmission Congestion Rights (TCR) workstream is preparing for the first allocation of Auction Revenue Rights (ARR), which will be posted to eligible market participants November 7. The ARRs can be self-converted into TCRs or held to receive a corresponding value during the TCR auctions. An interim TCR auction will be held December 3-13; the first annual TCR auction will be held in May 2014.
- SPP's Customer Relations department is realigning its personnel and tweaking its use of the [Request Management System](#) to improve initial responses to market participants in both the Integrated Marketplace and EIS Market. The nine-person department has been divided into Marketplace and EIS specialists and the customer accounts divided up accordingly – though all account reps will eventually handle Marketplace issues.
- A certification team comprised of representatives from the SERC Reliability Corporation (SERC), Midwest Reliability Organization, SPP RE, and additional team members and observers from Associated Electric Cooperative, Inc. (AECI), Southern Company, and Centerpoint Energy, will be on the SPP campus November 5-6 to conduct SPP's Balancing Authority (BA) Certification. The SERC certification team will review documentation, examine evidence, and interviewing SPP BA operators to determine SPP's readiness to perform the BA function. This certification is required by NERC, as is SPP compliance with NERC BA Reliability Standards.

October Meeting Summaries

[Board of Directors/Members Committee:](#) The SPP Board of Directors/Members Committee approved the 2014 budget and administrative fee; the latter will be 38.1 cents per megawatt hour (MWh). It also approved a Finance Committee recommendation to pursue additional financing. The Board of Directors approved several recommendations from the Corporate Governance Committee for bylaws revisions; a filing to recover a FERC-imposed penalty; and the appointment of Venita McCellon-Allen (AEP) to fill an upcoming vacancy on the Strategic Planning Committee. Numerous MOPC recommendations for Tariff Revision Requests (TRRs), Marketplace Protocol Revision Requests (MPRRs), and Marketplace Compliance Revision Requests (MCRRs) were also considered and approved.

The following were elected to new three-year terms (commencing Jan. 1, 2014) during the Annual Meeting of Members: Phyllis Bernard and Julian Brix (Board of Directors); John Meyer (Regional Entity Trustee); Kelly Harrison, Stuart Solomon, Noman Williams, Jeff Knottek, and Rob Janssen (Members Committee). In addition, Dave Osburn (Oklahoma Municipal Power Authority) was elected to fill an unexpired term on the Members Committee through 2014 for the Municipals sector. SPP President and CEO Nick Brown provided a year-end report.

Change Working Group: The CWG devoted significant time discussing SPP's revised approach to the [Parallel Operations](#) sub-stage of Market Trials; the group then voted separately to adopt SPP's approach in allowing additional structured and unstructured testing. The CWG also reviewed Parallel Operations test scenarios and metrics; [Integrated Deployment Test](#) (IDT) activities; the Integrated Marketplace's regulatory calendar; proposed future test environments; post-Go Live Phase II projects; and the regular monthly Marketplace updates.

Consolidated Balancing Authority Steering Committee: The CBASC wrapped up development of the Consolidated Balancing Authority (BA) Operating Protocols' working version, providing guidance and instruction on support needed from current BAs as SPP becomes the sole BA registrant. The CBASC worked with SPP Regional Entity (RE) staff to finalize compliance waivers for Control Performance Standards during the Marketplace's IDTs. The committee's work with the SPP RE focuses on the reversion period following Marketplace Go-Live and expectations for legacy BAs. The CBASC is working with the Market Trials Review Group reviewing and providing input for the Parallel Operations and Deployment Test guides, and finalizing the cutover plans into and out of IDT.

Critical Infrastructure Protection Working Group: The CIPWG met at Oklahoma Gas and Electric's offices in Oklahoma City, Okla. The group was briefed on the recent NERC Critical Infrastructure Protection (CIP) Committee meeting, reviewed the CIPWG's scope, and recommended a group chair. The CIPWG was also updated by local FBI agents and discussed regional participation in NERC's November Grid Exercise II.

Economic Studies Working Group: The ESWG approved the 2015 Integrated Transmission Planning 10-Year Assessment (ITP10) Resource Plan for Futures 1, 2, and 3, and continued developing the 2015 ITP10 Siting Plan.

Finance Committee: The committee approved additional financing of \$70 million to fund SPP's budgeted capital expenditure program through 2016. The FC also recommended setting the SPP assessment and administrative fee at 38.3 cents/MWh, effective Jan. 1, 2014.

Human Resources Committee: The committee reviewed Mercer Consultants' data evaluating the competitiveness of SPP's cash compensation and benefit programs for SPP officers and staff. The group approved a recommendation to amend and restate the SPP Defined Benefit Retirement Plan (the IRS requires qualified plans be periodically restated to incorporate changes resulting from law and regulation changes and any recent plan amendments). The committee approved a recommendation to the SPP Board of Directors to define the HR Committee as the named fiduciary for the SPP 401(k) Plan, and create a staff administrative committee consisting of the SPP CEO, general counsel, CFO, and Corporate Services director to provide administrative functions for SPP retirement plans.

Markets and Operations Policy Committee: The MOPC continued its review and approval of Protocol and Tariff revisions for the Integrated Marketplace. It also reviewed Tariff compliance revisions for FERC's Order 1000; Tariff language implementing the Generation Interconnection Process Improvements; and discussed and approved the 2015 ITP10's scope. MOPC also reviewed and approved the Regional Cost Allocation Review report.

Market Working Group: The MWG focused on proposed Tariff language in MCRRs related to the FERC's September 20 Marketplace order. SPP must respond to FERC with a compliance filing no later than November 19. The MWG also reviewed a list of approved MPRRs deemed as required for the Marketplace's Go Live and high-priority inclusions in a possible supplemental filing with FERC.

Operations Training Working Group: The 2014 Regional Emergency Operations training calendar [was posted](#) to SPP.org November 4; registration for the 2014 calendar year will open at 8 a.m. (CDT) November 13 on the [SPP Learning Center](#). The calendar includes net conferences, train-the-trainer workshops and net conferences, restoration drills, emergency response drills, and the 2014 System Operation Conferences. The OTWG is working with the Integrated Marketplace training team to identify the on-boarding curriculum for future market participants (MPs) and any new MP employees.

Operating Reliability Working Group: The ORWG reviewed and approved several MPRRs and Business Practice Revisions. The group also discussed TCR (transmission congestion rights) testing and Integrated Marketplace systems in preparation for upcoming market go-live discussions.

Project Cost Working Group: The PCWG reviewed proposed changes to Business Practice 7060 that make projects originating out of either an Aggregate or Delivery Point Addition Study eligible to receive a Notification to Construct with Conditions (NTC-C). The group also discussed more potential needed changes to Business Practice 7060 pertaining to modifications to Notifications to Construct (NTCs) for projects that have already completed the NTC-C process, and parameters of compliance for SPP acceptance of NTC-Cs and NTCs. The PCWG will review draft revisions for all three issues in November. The group also reviewed an SPP staff proposal for a new report measuring Transmission Owners' responsiveness in the project-tracking process. An example report will be presented for review in November.

Regional Compliance Working Group: The RCWG discussed developing processes with the SPP Reliability Standards Group to identify how best to gain membership involvement focused on strategic and risk-based assessments in NERC efforts. The group discussed process creation, emerging issues, identification of highest

profile or risk areas, education of outstanding opportunities for collaboration, and resource designation, along with recommendations to MOPC related to all the previously mentioned items. SPP staff updated the RCWG on Requirement 6, Attachment B Criteria; the current SPP Planning Coordinator activities; and the coordination and distribution of facilities for the NERC 2014 standard change in PRC-023-2 (Transmission Relay Loadability).

Regional State Committee: The RSC approved its 2014 budget and elected officers during its annual meeting. Donna Nelson, the Public Utility Commission of Texas' chair, was elected president; Commissioner Dana Murphy (Oklahoma Corporation Commission) was elected vice president; and Commissioner Patrick Lyons (New Mexico Public Regulation Commission) was elected secretary. The RSC voted to approve policies for upcoming SPP filings with FERC related to cost allocation and long-term congestion rights. The committee was also briefed on Order 1000 compliance matters, ITP processes, and the Integrated Marketplace.

Regional Entity Trustees: The trustees were updated on the NERC's CIP Committee. NERC published its latest CIP version transition guidance September 15, retaining three options for Critical Asset Identification. NERC's transition plan includes a six-month study to identify any issues with the transition; SPP RE has one registered entity in the study. The RE general manager's update included a report on pilot programs underway with the proposed Reliability Assurance Initiative program; most of these pilots will be wrapping up in early 2014, with proposed rollouts NERC-wide in mid-2014 and beyond. More than 2,300 high/medium priority line discrepancies have been found under the NERC facility ratings alert program in the SPP RE region (650 were found for low-priority lines). Organizations needing an extension on the facility ratings program should request it now. SPP staff gave an overview of the 2013/14 Winter Reliability Assessment, which found reserve margins are adequate and no reliability issues are expected for the winter. RE General Manager Ron Ciesiel presented results from the 2013 SPP RE Stakeholder Survey; on a scale of 1-5, in which 5 represents the most favorable score, average ratings throughout the survey were between 2.9 and 3.9.

Seams Steering Committee: The SSC reviewed third-party impact cost allocation, as required by FERC Order 1000's regional docket. SPP staff updated the committee on the continuing market-flow dispute with MISO and plans to finalize an agreement. Staff also updated the committee on the regional Congestion Management Process Working Group's recent activities, and the Operations Reliability Coordination Agreement's implementation status. The SSC reviewed the negotiations policy statement, deferring any action to the November meeting. It was updated on the status of Order 1000 filings and the Eastern Interconnection Planning Collaborative; reviewed and discussed the WAPA/Basin/Heartland integration study; and discussed the need to develop a Balancing Authority agreement with MISO and the Third Party Impacts Task Force's update.

Strategic Planning Committee: The SPC approved staff recommendations related to FERC Order 1000. Staff updated the SPC on seams negotiation matters and on a plan to develop messaging and material focused on transmission's value; the latter will be targeted at state regulators.

Transmission Working Group: The TWG endorsed the WAPA/Basin/Heartland integration study and approved the Renfrow-Wakita interconnection request. It also received updates on SPP Criteria 3.5 Interconnections requests and the High Priority Incremental Load Study.

Other Meetings

Business Practices Working Group

Cost Allocation Working Group

Credit Practices Working Group

Generation Working Group

Regional Tariff Working Group

November Meetings

November 6 – Cost Allocation Working Group

November 6-7 – System Protection and Control Working Group

November 11 – Model Development Working Group

November 12 – Project Cost Working Group

November 12-13 – Market Working Group

November 13-15 – Change Working Group

November 14 – Operating Reliability Working Group

November 18 – Consolidated Balancing Authority Steering Committee

November 18-19 – Transmission Working Group

November 19 – Business Practices Working Group

November 19 – Settlements User Group

November 20 – Transmission Planning Summit

November 21 – Economic Studies Working Group

November 21 – Regional Tariff Working Group

December Meetings

December 2 – Operations Training Working Group

December 4 – Cost Allocation Working Group

December 5 – Seams Steering Committee

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*.

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