

Southwest Power Pool
HIGH PRIORITY INCREMENTAL LOAD STUDY TASK FORCE

MEETING

February 6, 2014

Conference Call

3:00 – 5:00pm CST

• M I N U T E S •

Agenda Item 1- Administrative Items

Chair Al Tamimi called the High Priority Incremental Load Study (HPILS) Task Force meeting to order at 3:03 PM, and welcomed everyone. There were 42 teleconference participants (Attachment 1 – Attendance List). Two proxies were provided: Wayman Smith for AEP until David Kidd joins the webinar and Tom Burke for Golden Spread Electric Coop (GSEC). It was noted that a quorum of the Task Force were in attendance. Alan Myers (ITC Great Plains, LLC) motioned to accept the draft minutes from 1/6. The motion was seconded by Travis Hyde (OGE) and it passed unopposed.

Agenda Item 2: Past Action Items

Jay Caspary covered the past action items and updated the Task Force of the status and comments. All action items were complete and there was no discussion by the group.

Agenda Item 3: Feedback from CAWG, MOPC and RSC/BOD Meetings

Jay Caspary discussed feedback from the above meetings. Key points from those meetings were as follows:

- Discussion with MISO and affected TOs on seams projects
- No need for additional sensitivities given feedback from CAWG.
- Desire to see updated economic results, as well as 40 year benefits.

Agenda Item 4: Economic Assessment Update and Next Steps

Matt Lind (BMcD) discussed an error discovered regarding load modeling in the PROMOD model which did not have a material effect on the simulation results. .

Matt Lind compared the results for the Tuco-Amoco-Hobbs (TAH) to Tuco-Yoakum-Hobbs (TYH) sensitivities. He noted the Benefit/Cost ratios and the comparison indicated that the TYH project would be more beneficial overall than the TAH project. Matt noted that costs from TYH came from cost estimates from TAH with some small differences. Jay Caspary noted that the cost for TYH is expected to be lower than TAH given the need for a new substation and extensions into the existing Amoco substation. Olu Fagbemiro (BMcD) clarified that TYH appears to be the preferred reliability solution but analysis is still in progress so the TF will need to wait on final results to confirm. Assumptions are based on a one year snapshot for Benefit/Cost ratio.

A key discussion item was whether or not options would be further evaluated in ITP10 or if the final decision will rest upon the HPILS Task Force, as well as the timeframe for the final decision. At this time, the HPILS TF expects to present our final recommendations to MOPC in April, which necessitated direction today to begin modeling and planning processes.

Outstanding questions included reliability testing for TYH not being complete and unavailable to share with members at this time. At this time based on the current results, it appears that TYH projects are the better option. It is also noted that if we go with the TYH, no additional projects will be analyzed.

Matt compared Randall-Canyon to Pecos Xfmr Benefit/Cost ratios. The comparison indicated that the Randall-Canyon project would be more beneficial than the Pecos Xfmr project. Matt noted that the line was added and it was not binding. Jay Caspary noted that he feels the benefits may be overstated in this analysis because other system constraints were not being considered. John Fulton indicated his concurrence with that point. Jay suggested that an EHV solution would likely be justified based on the projected APC savings for fixing Randall-Canyon constraints. . Matt explained that 2023 project costs were calculated by using standard per unit assumptions based on voltage class and generic costs were used.

Agenda Item 5: Generation Interconnection (GI) System Upgrades

Harvey Scribner (SPP) went over a new process being developed to identify projects that are being evaluated for reliability that should be direct assigned pending Generation Interconnection (GI) requests. For consistency purposes, we will use 20% Outage Transfer Distribution Factor (OTDF) which is standard in the GI studies and ITP10 studies for generator sensitivities. Significant discussion occurred regarding the Antelope generator expansion and its effects on the TUCO transformers.

Additional discussions were held around how we would identify GI projects for generators. Lanny Nickell (SPP) explained that results would be based on load and generation locations. This is to ensure we are not issuing NTCs for projects that are GI related, though there's a need for resources and integration projects to serve the load. The purpose of the HPILS GI analysis is to screen out GI projects so that HPILS issue NTCs for load and not generation. An additional concern was raised regarding the ability to distinguish whether the load or generation comes first. Lanny explained that we should be assessing only new generation that affects new projects, not the existing system.

Final question was raised by Steve Gaw. Steve asked if generation in HPILS was consistent with assumptions in ITP10 and Jay responded explaining that HPILS scope required that assumptions be made by the members with respect to incremental load additions, as well as generation additions and/or transactions.

Agenda Item 6: Project Timing and Costs

Cary Frizzell (SPP) presented two options for the future, both using conceptual estimates, lead times and need dates derived by staff using voltage class and actual/current costs for approved projects. Lanny noted that the discussion in RSC was done in the education section, not in the public section. There was some discussion around how long a project would have to wait to move forward if it were the product of the next ITP10. July 2015 is the expected date for NTCs to be issued from the next ITP10. It was noted that \$258 Million for the suspended NTC-C for TAH should not have been treated as an incremental costs since it's associated with an approved project and not really incremental dollars. Jay noted that both future options Cary presented are close in total costs, as long as lead times are correct. The options are below:

Option 1 (Discussed at RSC in January)

- Reliability need date within 3 years

- Plus financial commitment required prior to July 2015
Dependent upon lead time estimates and interpolated need dates
- Resolve TAH, YH or TYH

Option 2

- Reliability need found in 2015 or 2018 analysis
NOT dependent upon lead time estimates or interpolated need dates
- Resolve TAH, YH or TYH

Lanny discussed the reasons behind presenting the future options, which covered ensuring that we know how members feel about the these options or approaches that Staff is taking. Staff realizes there will be a desire to see as much of this delayed until ITP10 but that some reliability projects were needed in three years and others needed financial commitments to begin in advance of the competitive process with FERC Order 1000. John Fulton had concerns about how long it takes to get approvals for permits. Ben Roubique (PWR Solutions) asked are there plans to roll the projects into the models before NTCs are issued? At this time the decision has not been made; however the model process needs to be complete by April and we need to know/decide what projects would be included in future planning models and studies. The group discussed further which option would be better and most comments supported option 2 because of the sense of urgency of the projects, as well as being easier to explain and cleaner. John Fulton preferred option 1 because he feels lead times are accurate and that it is a better portrayal of what is going to happen. Al Tamimi wanted a vote on option 1 or option 2 and will poll members. Lanny added that it needed to include the reasoning behind their vote.

Agenda Item 7: Project Lead Times and Mitigation

Jay Caspary went over several projects that are currently being studied and some of the results from the studies. John Fulton (SPS) questioned the results and last iterations of the models, specifically 900 MW imported to SPS. Olu responded by explaining the data was submitted by the members so it should be accurate and suggested to compare the most recent models available on True Share to make sure that everyone is on the same page.

Agenda Item 8: HPILS Report and Project Scheduling

Olu discussed the HPILS Report and Project Scheduling and asked for feedback in regards to there being a window for economic studies. Jay doesn't feel there is time and would like to leave the majority of economic studies to the ITP10 process. We need a quality project by April and thinks that the project schedule is in line. Alan Myers and David Kidd both agree that the ITP10 should be responsible for the economics, no one disagreed.

Agenda Item 9: Future Meetings

- a. Face to face: March 4 – 5, 2014, Oklahoma City, 10:30 AM – 4 PM
- b. Face to face: March 18 – 19, 2014, Oklahoma City, same time as above.

Agenda Item 10: Summarize Action Items

Action Item: Look into Tuco transformer and verify ratings

Action Item: Address concerns about imports into SPS in the models.

Action Item: Revisit methodology for generator and load assessment in HPILS, only new needs should be included (need feedback from TWG meeting on this subject).

Action Item: Poll members on Options 1 and 2 and ask that they give reasoning behind their vote (preferably not money based).

Action Item: February 18 draft report.

Action Item: Doodle for meeting 3/4 – 5/12, Oklahoma City.

Action Item: Doodle for meeting 3/18 – 19/14, Oklahoma City.

Action Item: Correct B/C ratio on slide from presentation.

Action Item: Meeting with SPS and BMcD for line mileage.

Agenda Item 10: Other Items

Jay Caspary expressed his desire for the HPILS TF to discuss the merits and implications of potential double circuiting of select facilities, as appropriate. In addition, he expressed interest in a risk assessment to potentially justify spare EHV autotransformers with HPILS recommendations given facility lead times and the need for additional capability.

Agenda Item 11: Adjourn

With no other business, Al Tamimi thanked the group for their participation and adjourned the meeting at 5:05 PM.

Respectfully Submitted,

Jay Caspary
Secretary

Attachment 1 Attendance List:

Al Tamimi
Alan Myers
Ben Roubique (PWR Solutions)
Bennie Weeks
Chris Nugent (BMcD)
Duane Ripperger
Gimod Olapurayil(ITC)
Harold Wyble
Jason Hofer (NPPD)
Jeremy Severson (BEPC)
Jim Jacoby
Jody Holland
John Fulton
John Mills
John Payne (KEPCo)
Jon Shipman (OPPD)
Keith Tynes (ETEC)
Kyle Combes (BMcD)
Kyle Drees (WERE)
Matt Lind (BMcD)
Noumvi Ghomsi
Olu Fagbemirol (BMcD)
Sandeep Baidwan
Steve Gaw
Thanh Tran (BMcD)
Tim C. Smith
Tim Soles
Tom Burke
Tom DeBaun
Travis Hyde
Wayman Smith (AEP)
William Mauldin

Jay Caspary English Cook Rosemary Mittal Clayton Mayfield Harvey Scribner Lanny Nickell Kelsey Allen Caitlin Shank Cary Frizzell Alex Watkins Mitch (BMcD) Terri Gallup Bruce Cude
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