

Southwest Power Pool, Inc.

FERC ORDER 1000 INFORMATIONAL SEMINAR

March 17, 2014

Conference Call - Web Conference

• M I N U T E S •

Goal of Meeting: The purpose of this meeting was to serve as an informative call for interested parties regarding FERC Order 1000 compliance and processes within the SPP.

Agenda Item 1: Introductions/Administrative Items

Ben Bright (SPP) called the meeting to order and informed the group that due to the large attendance there would not be a round of introductions. The attendance was captured via the WebEx attendance. (See Attendance Section at the end of this document).

Agenda Item 2: Opening Remarks

Michael Desselle (SPP) opening remarks. Provided history and background of how Order 1000 originated and how it impacts SPP. He gave a brief overview of the Stakeholder process that was undertaken to incorporate SPP compliance with FERC Order 1000. Mr. Desselle informed the group that we would be discussing the Qualified RFP Participant (“QRP”) and Detailed Project Proposal (“DPP”) processes. He stated that the meeting was informational and not intended to be an opportunity to change language or debate processes. There will be a “lessons learned” opportunity to amend processes going forward following the first year.

Agenda Item 3: Overview of Order 1000 Process

Ben Bright (SPP) discussed the first slide of the presentation detailing that there are six (6) processes that make-up the implementation of Order 1000 in the SPP. Today’s meeting focused on, Process 1 – Qualified RFP Participants QRP and Process 3 – Detailed Project Proposal DPP. The Transmission Owner Selection Process (“TOSP”), effective January 1, 2015, requires organizations wishing to participate in the competitive bidding for new projects to obtain a QRP status during the 2014 cycle. During this meeting the application process and timelines to obtain this status were discussed in more detail under agenda item 4. Ben Bright informed the group that under agenda item 5, Tony Green (SPP) will be discussing the DPP process and how it relates to the competitive bidding process set to take effect January 1, 2015.

Agenda Item 4: Qualified RFP Participants (QRP) Process

Ben Bright gave a disclaimer and informed the group that the Tariff governs and ultimately has the final ruling for any disputes. If there is a doubt as to procedure, one should refer to the Tariff and follow accordingly.

Agenda Item 4(a): QRP Application Instructions

Ben Bright walked through the application instructions document that was provided in the meeting materials. The document will serve as a guide for applicants when applying for QRP status in the SPP, for the 2015 TOSP process. Several questions and answers were recorded for this section and can be reviewed at the end of the minutes under the Questions & Answers (“Q&A”) section, Agenda Item 4: Qualified RFP Participants Process.

Agenda Item 4(b): QRP Application

Ben Bright walked through the application that was provided in the meeting materials. This document is considered to be in “final form”; however, SPP reserves the right to amend as needed. Applicants will be able to use this form in combination with the instruction document to complete their application. It was noted that the Requested Management System (“RMS”) will be the primary tool for submitting applications. More information can be found about this in the Q&A section under, Agenda Item 4: Qualified RFP Participants Process.

Agenda Item 5: Detailed Project Proposal

Tony Green explained the background and provided specifics of the Detailed Project Proposal process. DPP applicants may receive bonus points in the competitive bidding process for DPP solutions chosen for the portfolio of projects approved by the SPP Board. Previously considered projects in the ITP process will not be eligible for consideration as a DPP. This will include any projects in the portfolio for the 2013 ITP20 and 2012-2013 ITPNT, as well as any projects discussed in the working groups.

Agenda Item 5(a): Detailed Overview

Tony Green discussed the timelines, submission requirements, model releases, and other items related to the overall DPP process. Many questions were asked that can provide more detail around this process; see Q&A section under Agenda Item 5: Detailed Project Proposal.

Agenda Item 6: Announcements and Adjournment

Ben Bright announced that there will be another opportunity for interested parties to hear the same information on March 17, 2014 via a conference call/WebEx session from 1-4 pm. The group was adjourned following the announcement.

FERC Order 1000 Summit Background Materials 031714

<http://www.spp.org/publications/FERC%20Order%201000%20Summit%20Background.zip>

QUESTIONS & ANSWERS

Agenda Items 3: Overview of Order 1000 Process – Ben Bright, SPP

No Questions

Agenda Item 4: Qualified RFP Participants (QRP) Process

Question: Liam Noailles, Xcel Energy - Is information being provided to become a QRP the same information used in the RFP process to award points or will there be different information supplied with the RFP proposal? Is it correct to assume the RFP application will require more detail than the QRP application?

Answer: It can be the same or similar information that is required per the Tariff for submission in the QRP and RFP processes. An applicant would be required to resubmit the information in the RFP process, as well.

Matt Binette, Wright & Talisman adding – The two processes have different requirements and are designed to address different issues - QRP is intended to determine if an entity is qualified in general to build projects generally. RFP is intended to determine which RFP respondent is the best entity to build a specific project, thus requiring more detail.

Question: Alan Myers, ITC Great Plains – Does paying the \$6,000 application fee for the QRP application make a non SPP member a member?

Answer: Ben Bright, SPP – Paying the \$6,000 QRP application fee does not make a non SPP member a member.

Agenda Item 4(a-b): QRP Application Instructions/Application

Question (Via WebEx): Randa Stephenson, NextEra - **When** will the application and instructions be final?

Answer: Ben Bright, SPP – Official documents will be finalized and posted by 3/30/14 to www.spp.org.

Question: Alan Myers, ITC Great Plains - Does the RMS require a digital certificate?

Answer: Ben Bright, SPP - No

Question: Charles Marshall, ITC Great Plains – If there are 2 entities that jointly want to submit a RFP, is that allowed and how would that work?

Answer: Ben Bright, SPP – Within the SPP process as long as both entities are QRP's they may submit a joint RFP.

Follow-Up (Charles Marshall, ITC Great Plains) - In terms of ATRR allocation, how would that be collected?

Answer: Matt Binette, Wright & Talisman - It depends on the actual proposal and who is taking responsibility. If two parties are both QRPs, presumably those entities will have an agreement as to who/how will be responsible for what responsibilities and receipt of payment.

Question: Michelle Gasper, DATC – If an entity is relying on expertise from a parent company for a joint venture, do both entities have to be QRPs?

Answer: Ben Bright, SPP – No, the parent company would not have to qualify however the joint venture company would need to be a QRP and may have to use some information from the parent company to qualify. (See Attachment Y Section III Managerial Criteria for full description of qualification criteria.)

Attachment Y Section III b

An Applicant can demonstrate that it meets the managerial criteria either on its own or by relying on one or more entities to satisfy any of the managerial criteria (“Alternate Qualifying Entity (ies)”). If the Applicant seeks to satisfy the managerial criteria in whole or in part by relying on one or more Alternate Qualifying Entity(ies), the Applicant must submit: materials demonstrating to the Transmission Provider’s satisfaction that the Alternate Qualifying Entity(ies) meet(s) the managerial criteria for which the Applicant is relying upon the Alternate Qualifying Entity(ies) to satisfy.

Agenda Item 5: Detailed Project Proposal

No Questions

Agenda Item 5(a): Detailed Overview

Question: Renee Miranda, SPS – Is there any indication on the DPP Form of how the different information will be weighted for scoring?

Answer: Tony Green, SPP – No, there is no weighting information on the form.

Question: Michael Hutson, RES Americas – What level of detail will be required to evaluate the detailed project proposal?

Answer: Tony Green, SPP - The tariff lists what information is required for a DPP submission (SPP Tariff Attachment O). SPP would defer to the Tariff, however the cure period is meant to rectify any deficiencies deemed by SPP with the original submission.

Question: Kyle Nelson, Sunflower Electric – Can there be multiple DPPs deemed electrically equivalent?

Answer: Tony Green, SPP – Yes. Business Practice 050 details the process that will be followed to determine what proposal is selected. Each submitter will be eligible to receive the 100 bonus points but only the selected proposal will receive the bonus points.

Question: Ranald Christen, Xcel Energy - Is a cost estimate required as part of a DPP submittal?

Answer: Tony Green, SPP - No cost estimates will be required with a DPP submission. SPP will perform a +/- 30% cost estimate.

Question: Tom Stuchlik, Westar – What information will be used to determine if SPP accepts a proposal, not **select** but **accepts** to the cycle.

Answer: Tony Green, SPP - A completed submittal form is all that will be required to be a qualified DPP. The required information needed for a DPP submittal is detailed in Attachment O. See Attachment O for requirements.

Question: Liam Noailles, Xcel Energy – Is there an advantage to be submitting a DPP early for credit?

Answer: Tony Green, SPP – No. For the DPP response window SPP will not be making any decision/ bonus points based on when a proposal is submitted in the window.

Question: Wayne Smith, AEP – Will any incentive points be given to projects previously submitted?

Answer: Tony Green, SPP – There will not be any incentive points given to a previously submitted projects.

Follow-Up (Wayne Smith, AEP) – Is SPP going to provide a list of previously considered projects that would not be eligible for incentive points?

Answer: Tony Green, SPP – SPP is working with its Legal Department to ensure we are properly interpreting the SPP Tariff. We are currently working towards providing this list but will not make any commitments to providing this list at the current time.

Question: Bruce Cude, Xcel Energy – For updates/corrections to models, is there a process for corrections so everyone gets them at the same time?

Answer: Tony Green, SPP - SPP will follow the current process. Important upcoming model dates are as follows:

Models: ITP 10 – 3/21 + 3 weeks = 4/17

ITP Near Term – 4/17 + 4 weeks = 5/17

Question: Noman Williams, Sunflower Electric – Will the model dates be posted?

Answer: Tony Green, SPP – Yes.

Question: John Olson, Westar – Will SPP let the proposer know if their proposal was accepted/selected?

Answer: Tony Green, SPP – SPP will let the proposer of a project know at the end of the DPP response window if their proposal was accepted.

Follow-Up (John Olson, Westar) - Why would SPP reject a DPP during the Response window?

Only if the form was not completely filled out, or if the submittal was made after the response window had closed.

Question: Bret Myers, AEP – Are there any major changes to the DPP forms expected?

Answer: Tony Green, SPP – No.

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