

The Org Report

A monthly summary of organizational group activities.



October 2014

[Project Pinnacle](#)
[September Meeting Summaries](#)
[Other Meetings](#)
[October Meetings](#)

North American Electric Reliability Organization

The [North American Electric Reliability Corporation](#) (NERC) hosted its second annual Reliability Leadership Conference Sept. 11 in Washington, D.C., with a focus on bulk-power system reliability issues confronting the industry. The topics included [Environmental Protection Agency](#) (EPA) regulations and coal-fired plant retirements, system recovery and resilience, and gas-electric industry interdependencies. NERC will use the presentations and participant feedback to determine any actions to investigate or address reliability-impacting topics. One of the most concerning issues, the EPA's proposed [Clean Air Plan](#) (Rule 111(d)) and its impact on coal-unit retirements, presented two strong points of view: those pushing NERC to champion reliability risks resulting from the clean-air regulations, and those wishing to maintain regulatory authorities' independence.

Project Pinnacle: Test environments now open to other projects

- [Project Pinnacle](#) continues to progress well, with its three remaining projects all on track for on-time implementation by March 1, 2015. Factory acceptance testing is mostly complete, and the program is now focused on site acceptance testing.
- The Environment Build-Out project has built out the Member Test Environments (MTE) and completed connectivity testing Oct. 3. The MTE has opened the testing environments to the other projects' usage. The Regulation Compensation and Long-Term Congestion Rights projects are both using the MTE to test their systems.

September Meeting Summaries

[Business Practices Working Group:](#) The BPWG discussed Business Practice Revision (BPR) 054 (FERC Order 1000 Request for Proposal); BPR 061 (Tag Denial Criteria); BPR 062 (Schedule Timing Requirements); BPR 063 (Loss Provision Requirements for NITS); and BPR 064 (Back-up Procedures for Tag Submission). The BPRs are scheduled for presentation during the October Markets and Operations Policy Committee (MOPC) meeting. The group also reviewed the new Revision Request process.

[Change Working Group:](#) The CWG had an opportunity to review and comment on Marketplace Protocol Revision Request (MPRR) 196 (Ancillary Service SPP Manual Override on Regulation), MPRR 204 (Compliance and Additional Changes FERC Order 755), and MPRR 206 (Repricing Flag). SPP staff updated the group on the LSA-to-LSA Management Enhancement project and on Project Pinnacle.

[Cost Allocation Working Group:](#) The CAWG approved Option 1 for cost allocation for non-[Order 1000](#) seams projects 100 kilovolts (kV) and above. The group set its 2015 meeting schedule, was updated on the August Regional State Committee call, reviewed the [Capacity Margin Task Force's](#) (CMTF) draft charter, and was briefed on EPA Rule 111(d) state workshops. The CAWG also reviewed the third-quarter Project Tracking report and the Aggregate Study waiver process for BPR-051 (Aggregate Study Procedures).

[Critical Infrastructure Protection Working Group:](#) The CIPWG was briefed on the NERC Critical Infrastructure Protection Committee's programs and held a call for nominations for the group's vice chair. The CIPWG heard updates from the Critical Infrastructure Protection (CIP) Version 5 Revisions Standard Drafting Team and the CIP Version 5 Transition Users Group, and was notified of a planned regional-response exercise (SPPEX).

[Finance Committee:](#) The FC approved clarifications to three aspects of the Order 1000 competitive-bidding process: 1) The committee agreed the Regional Tariff Working Group should make the participating bidder's financial requirements' language related to its performance bonds and letters of credit consistent with the FC report, such that the tariff language "demonstrates conclusively the ability to obtain either a performance bond or letter of credit." 2) The committee agreed the time frame for scoring bidders' financial strength would begin with the issuance of the transmission line's Notice to Construct through commercial operation. 3) In recovering SPP's start-up costs for Order 1000, the FC agreed development costs should be recovered from the bidders by including an amortized cost of \$2,000/bidder in the Request for Proposals process' annual cost. The cost is

to be added until the development cost is fully recovered. The committee also completed two reviews of SPP's draft 2015 operating and capital budgets. It took no action on the draft budgets other than confirming the budget must conform to an administrative fee rate of no more than 39 cents per megawatt hour.

Market Working Group: The MWG focused its efforts on reviewing and approving Marketplace Protocol Revision Requests (MPRRs) for consideration during the October MOPC meeting. Much of its attention was devoted to MPRR 212 (Over-Collected Losses in Marketplace) and MPRR 204 (Compliance and Additional Changes FERC Order 755).

Operating Reliability Working Group: The ORWG reviewed MPRRs for the MWG and the Market Monitoring Unit's Violation Relaxation Limit report. SPP staff presented a proposed adjustment to the Integrated Transmission Plan's (ITP) 10-Year Assessment/Near-Term model's development timeline and updated the group on the TOP/IRO NERC Standard Revisions' current status. The ORWG was updated on the Gas/Electric Coordination Task Force's activities and reviewed several BPRs cleaning up language coincident to the Integrated Marketplace. The group also discussed Out of Merit Energy (OOME) language in the market protocols. When the Consolidated Balancing Authority Steering Committee ceases operations in November, it will be replaced by the Balancing Authority Operating Committee (BAOC), pending MOPC approval. The BAOB will report up to MOPC through the ORWG. Finally, the group reviewed and approved the Ensign Wind Farm's special protection-system design, which was delayed from its original 2012 in-service date.

Oversight Committee: The committee's regular quarterly meeting was focused on selecting entities for recommendations to the Order 1000 Industry Expert Pool; these recommendations will be presented to the Board of Directors later this month. This panel will review bids submitted as part of the Order 1000 process. The Oversight Committee also heard quarterly activity reports from Compliance, Internal Audit, and the MMU, and agreed to engage Boston Pacific for a looking-forward report in 2015.

Regional Compliance Working Group: The RCWG is collaborating with the Generation Working Group on Criteria Revision Request (CRR) 014 (Align with MOD 025-2); it provided feedback for the latter's next meeting, and will continue work with the group until the CRR is finalized. The group's industry reports included updates from other SPP working groups and NERC's Reliability Assurance Initiative (RAI) committee. The RAI update gave entities a chance to speak to the initiative's upcoming changes.

Regional State Committee: The RSC reviewed the CAWG's summary recommendations on cost allocation for non-Order 1000 interregional projects. The committee discussed SPP's efforts on EPA's proposed Rule 111(d) and the Strategic Planning Committee Task Force's work on new members. Staff also updated the RSC on the [Regional Allocation Review Task Force](#) and the CMTF.

Seams Steering Committee: The SSC revised the Seams Projects Policy paper, which outlines seams projects' approval process and cost allocation. The committee approved the paper with one dissenting vote; it will be presented for approval to the MOPC and RSC in October.

Strategic Planning Committee: The SPC was briefed on SPP's reliability assessment of the EPA's Clean Power Plan, with staff presented its study findings to stakeholders. The committee concurred with a staff-proposed moratorium for a delay in beginning the next ITP10 study until at least mid-2015, pending issuance of the EPA's final Clean Power Plan rule.

Other Meetings

[Credit Practices Working Group](#)

[Economic Studies Working Group](#)

[Generation Working Group](#)

[Operations Training Working Group](#)

[Model Development Working Group](#)

[Project Cost Working Group](#)

[Regional Tariff Working Group](#)

[Transmission Working Group](#)

October Meetings

Oct. 7 – Regional Tariff Working Group

Oct. 7 – Project Cost Working Group

Oct. 7 – Operations Training Working Group

Oct. 8 – Planning Summit

Oct. 9 – Transmission Working Group
Oct. 10 – Seams Steering Committee
Oct. 13 – Finance Committee
Oct. 14-15 – Markets and Operations Policy Committee Meeting
Oct. 16 – Credit Practices Working Group
Oct. 16 – Strategic Planning Committee
Oct. 21-22 – Market Working Group
Oct. 22 – Change Working Group
Oct. 22 – Human Resources Committee
Oct. 22 – Transmission Working Group
Oct. 23 – Economic Studies Working Group
Oct. 23 – Operations Training Working Group
Oct. 27 – Regional State Committee
Oct. 27 – SPP RE Trustees
Oct. 28 – Board of Directors and Annual Meeting of Members
Oct. 29 – Regional Tariff Working Group

November Meetings

Nov. 3 – Operations Training Working Group
Nov. 4 – Project Cost Working Group
Nov. 5-6 – Operating Reliability Working Group
Nov. 6 – Business Practices Working Group
Nov. 6 – 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*.

[SPP Calendar](#)

[The Org Report Back Issues](#)

[SPP Governing Documents](#)