

Southwest Power Pool
STRATEGIC PLANNING COMMITTEE TASK FORCE ON ORDER 1000 MEETING
In-Person Meeting - AEP Office, Dallas, Texas
Thursday, October 9, 2014

• **MINUTES** •

Agenda Item 1 – Administrative Items

SPP Chair Bill Grant called the meeting to order at 8:30 a.m. The SPCTF members attending in-person included: Noman Williams (Sunflower), Terri Gallup (AEP), Jake Langthorn (OG&E), Dennis Reed (Westar), Bill Grant (SPS), Chuck Marshall (ITC). Paul Malone (NPPD) attended via teleconference. Also present in-person were Kip Fox (AEP) proxy for Todd Fridley (Transource Energy, LLC), Mike Moffatt (Sunflower), Patrick Hayes (Ameren), Tom Hesterman (Sunflower), Trent Carlson (MCN), Beth Emery (MCN), Justin Campbell (Edison Transmission), Bruce Cude (SPS), Adam McKinnie (Missouri PSC), and Tom Anthony (Oncor). SPP staff in attendance included Michael Desselle, Ben Bright, Sam Loudenslager, Aaron Shipley, and Sherri Maxey. Matt Binette from Wright and Talisman was also present. Other guests and staff participated via phone (Attendance – Attachment 1).

Mr. Grant referenced the minutes from the September 4-5, 2014 meetings needed to be approved. A task force member requested that the individual names be removed from the minutes to focus just on the discussions. Minutes were approved with those revisions and accepted as submitted.

Action Item: SPP staff to modify September 4-5, 2014 SPCTF Meeting Minutes to remove specific names.

Agenda Item 2 – Review of Past Action Items

SPP staff reviewed the action item list from the previous meeting. For Action Item 1, SPP staff distributed a sample RFP and RFP response form on 9/17/14 and to date have received a limited number of responses. Staff encouraged anyone who has comments or would like to respond to the sample RFP to do so and submit comments to Ben Bright or Aaron Shipley. Additional discussion around the RFP and RFP response form was deferred until later in the day.

Action Item 2 was stated as complete based on a decision in the previous SPCTF meeting to define the date regulatory approvals were complete as six (6) months prior to the financial expenditure date. Additional discussion ensued regarding how SPP staff will determine the date regulatory approvals are complete, as required by Section III.2(c)(iv) of Attachment Y, and exactly what regulatory approvals were to be complete by that date. Mr. Binette read paragraphs 441 and 442 from Order 1000-A. Stakeholders were concerned about some regulatory approvals not having defined timelines.

A motion was made and seconded to review the Tariff language for modification to provide clarity around the definition of the date regulatory approvals complete. Mr. Grant took a vote and the motion was approved. Paul Malone (NPPD) abstained. LS Power requested that it be noted they opposed this motion.

Action Item 13 was addressed as complete and that the RFP documents had been updated. A discussion regarding outages and how those would be handled in the RFP process developed as part of this item. Stakeholders acknowledged that today, outages are performed via coordination, adding the incumbent transmission owner requests an outage, and the RC evaluates the outage and then approves or denies.

A determination was made that the RC should be consulted with regard to procedures around taps and outages, and a decision made whether or not to remove "outages" from the RFP forms.

Action Item: SPP staff to confer with RC regarding current procedures around taps and outages. Subsequently, a decision should be made whether to include information regarding outages in the RFP documents.

Agenda Item 3 – Finance Committee Action Items

Action Item 10, TRR 141 will address some of the Finance Committee items. Staff added that the Finance Committee reviewed the language on September 25, 2014, and took no action to change the 30% contingency language. Stakeholders commented that this amount is very restrictive and onerous compared to other RTOs.

A motion was made and seconded to make a Tariff modification to change the 30% contingency to 20%, consistent with the current SPP project tracking process. All were in favor with one abstention by Dennis Reed (Westar).

Action Item: Recommend to SPP SPC to modify the Tariff language to change the 30% contingency language to 20%, consistent with the current SPP project tracking process.

Agenda Item 4 – Deposit Refund of Withdrawn Projects

Staff began discussion of Action Item 17 related to the clarification and recoverability of SPP staff time for the development of Order 1000 processes. The task force asked for clarification on what costs were being included, and staff provided that this was mainly staff headcount for the last year and a half. Stakeholders were in general agreement that the process for amortizing the development and start-up costs associated with Order 1000 was acceptable. SPCTF is making a recommendation to the SPC that QRP fees are not refundable and should not be included in the amortization.

A motion was made and seconded to accept in principle the amortization of SPP Order 1000 start-up costs through fees collected from TOSP Deposits. No dollar amount was specified. All voted in favor.

Action Item: SPCTF will recommend to SPC that QRP costs not be included in any amortization of SPP Order 1000 start-up costs and review what Tariff modifications will be needed to clarify amortization of the SPP Order 1000 start-up costs.

Agenda Item 5 – MDSTF Update

Jeff Stebbins presented an update on the Minimum Design Standards Task Force (MDSTF), stating it is the goal of the task force to be complete with their work by December 1, 2014. The MDSTF met in Dallas for two days on October 1st and 2nd, and was meeting with the System Protection & Control Working Group on October 14th. They will then develop a schedule for different working groups to review. MDSTF should have something for review by October 17, 2014.

Agenda Item 6 – Sample RFP Review (Review Working Groups Feedback)

The SPCTF Order 1000 task force requested feedback from various Working Groups and Task Force on the Request for Proposal Template (RFP Template) prior to this meeting. The group reviewed the comments that were provided and determined that section 1.2 of the RFP Template be removed as the RFP did not require any Order 1000 introductory language. The task force determined that adding any DPP information that was used to select the project be added to the RFP. This requirement will need to be added to BPR059 and reviewed at the BPWG.

Attachment Y Section III.2(c)(iv) of the Tariff requires that the Transmission Provider include a date that regulatory approvals are required to be completed.. After much discussion a motion was unanimously passed to define what regulatory approvals complete date means and include the definition in BPR059. Regulatory approval complete date was defined as having the state approvals necessary to operate in a state, including state public utility status and the right to eminent domain. This date is consistent with FERC Order 1000-A. Furthermore, it was decided that the date SPP will provide in the RFP for the Date Regulatory Complete will be equal to the estimated project start date as defined by SPP.

There was discussion about what should be considered competitive versus non-competitive when issuing a RFP. Legal analysis showed that it would be difficult to support issuing non-competitive work to “one-span out” from current substations. Other RTOs define work within the four existing walls as incumbent and non-competitive work, while work outside the four walls including any necessary expansion work to meet new projects is competitively bid. It was determined that BPR059 should further clarify the distinction between competitive and non-competitive portions of a project.

Minor suggestions were made to the RFP Template to change from MVA to Amperage, define emergency as always being a B rating, and to provide existing T.O. ownership information so that RFP respondents will know who to communicate with during the proposal process.

Before moving to the RFP Response Form, an Action Item was taken to better define what should be and can be considered confidential information. The action item included researching other RTO Orders and to report back to the task force the findings. This will be used in BPR059 to define what items can and shall be considered confidential during the proposal process. The business practice should also address what can and shall be consider confidential once a proposal has been selected.

Action Item: SPP staff to research other RTO Orders and report back to the task force the findings of what can and cannot be considered confidential information for both a RFP Proposal and once a proposal has been selected.

Agenda Item 7 – RFP Response Form Review (Review Working Groups Feedback)

The task force determined that when issuing the RFP, SPP Staff should include any specific requirements that are desired or known at the time of issuance in the RFP Template as well as the pre-populated places on the RFP Response Form.

There was discussion about how a RFP should be issued when the project(s) crosses state lines. The consensus was that this is a policy question that needed to be discussed in more detail and eventually included in a Business Practice (presumably BPR059).

Staff walked through each tab of the RFP Response Form and made minor edits per the request of the task force. During discussion on Tab1A, the task force determined that more discussion needs to happen to determine how losses should be accounted for and to define how reliability metrics would be determined.

Time constraints prohibited concluding discussions on the final two tabs of the RFP Response Form. Instead of rushing through conversations it was decided that these reviews will continue at the next SPCTF meeting along with more discussions on the SCERT tabs of the RFP Response Form.

Staff discussed the work it is undertaking to better define how ATRR calculations should be made with RFP Responses. The task force clarified that for a respondent that has an accepted formula rate filing with FERC that should be the information provided in a response. For proposals that do not have formula rates, staff is developing an ATRR Template that will include set assumptions that should be used when responding. The purpose of establishing this template is to standardize responses and limit the potential of “gaming” the ATRR calculations.

Meeting adjourned.

Agenda Item 8 – Summary of Action Items

- SPP staff to modify September 4-5, 2014 SPCTF Meeting Minutes to remove specific names.
- SPP staff to confer with RC regarding current procedures around taps and outages. Subsequently, a decision should be made whether to include information regarding outages in the RFP documents.
- SPP staff to explore possible Tariff modification to change the 30% contingency language to 20%, consistent with the current SPP project tracking process.
- SPCTF will recommend to SPC that QRP costs not be included in any amortization of SPP Order 1000 start-up costs and review what Tariff modifications will be needed to clarify amortization of the SPP Order 1000 start-up costs.
- SPP staff to research other RTO Orders and report back to the task force the findings of what can and cannot be considered confidential information for both a RFP Proposal and once a proposal has been selected.

Agenda Item 9 – Discussion of Future Meetings

The next meeting of the Task Force will be at the AEP offices in Dallas, Texas on Monday, November 10-11.