

# The Org Report

A monthly summary of organizational group activities.



November 2014

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## NERC, NAESB continue their focus on multiple issues

The [North American Electric Reliability Corp.](#) (NERC) Board of Trustees and Members Representative Committee meetings Nov. 12-13 contain several strategic reliability directions. NERC's Reliability Assurance Initiative, Critical Infrastructure Protection Standards Version 5, and Risk Based Registration all contribute to directing manpower and time to maximize reliability benefits. In the past, NERC and the industry have expended great efforts in complying and demonstrating compliance with over 1,200 mandatory requirements. The three projects embody the culmination of almost two years of work developing more efficient compliance and enforcement processes that will focus industry resources on the most critical reliability needs.

NERC's assessment of the [Environmental Protection Agency's Clean Power Plan's](#) impact on electric reliability is expected to gain support from stakeholders and members, but NERC's ability to remain an independent voice with its technical studies will be key to moving forward effectively. Finally, the Electric Reliability Organization Enterprise and Corporate Metrics will provide NERC with more evidentiary data to determine reliability risks and possible gaps, so that NERC programs and standards can be developed to address these risks.

The North American Energy Standards Board's (NAESB) Wholesale Electric Quadrant continues its work on business practices to complement Interchange Distribution Calculator improvements that identify parallel flows of generator-to-load pairings. NAESB's Business Practices Subcommittee updated the Executive Committee on its work developing mitigation procedures for parallel flows. An ad hoc task force will address the subcommittee's outstanding issues and return findings to the Executive Committee by February, allowing a decision for mitigating parallel flows.

## Project Pinnacle: ECC project delayed until 2015; all else on schedule

- SPP's Board of Directors approved a Market and Operations Policy Committee recommendation to renew the Enhanced Combined Cycle (ECC) project's development in the fourth quarter of 2015. The ECC's new implementation date will be March 1, 2017, with a budget set at \$6.7 million.
- [Project Pinnacle's](#) remaining three projects are all on track. Market participants have successfully demonstrated connectivity with SPP's Member Test Environments (MTE) during the Environment Build-Out project, and the Regulation Compensation and Long-Term Congestion Rights (LTCR) projects will begin functional testing this month. Training is underway and available for both projects; market participants can sign up for the courses through SPP's [Learning Management System](#).
- SPP received a [Federal Energy Regulatory Commission](#) (FERC) response to its Order 681 compliance filing (LTCRs) Oct. 28. Staff is currently assessing the order's impacts. LTCR testing is scheduled to begin Nov. 10.
- SPP continues to work closely with [MISO](#) on the Market to Market project. Integration testing is set to begin this month. Computer-based training modules will be available in December.

## October Meeting Summaries

**[Board of Directors/Members Committee:](#)** The Board of Directors/Members Committee approved the 2015 budget and administrative fee, set at 39 cents per megawatt hour (MWh). The Board approved the appointment of Kevin Burke ([ITC Holdings](#)) to the Human Resources Committee, and Laura Kapustka ([Lincoln Electric System](#)) to the Finance Committee. The cooperative members selected Jason Atwood (Northeast Texas Electric Cooperative) to replace Ricky Bittle ([Electric Cooperatives of Arkansas](#)) as their representative on the Corporate Governance Committee representative, effective Jan. 1. The Board also approved several Strategic Planning Committee Task Force recommendations on [FERC Order 1000](#). The Oversight Committee recommended the first Industry Expert Pool to support assessment of bidders in the Order 1000 process.

The following were elected to new three-year terms (commencing Jan. 1) during the Annual Meeting of Members: Josh Martin and Larry Altenbaumer (Board of Directors); Gerry Burrows (Regional Entity Trustee); Phil Crissup, Duane Highley, Dave Osburn, Jon Hansen, and Kristy Ashley (Members Committee). SPP President and CEO Nick Brown provided a year-end report.

**Business Practices Working Group:** The BPWG reviewed Integrated Marketplace operational updates, including options for improved customer notification of specific ramp-failure data; 15-minute scheduling procedures; Ramp Reservation requirements; and Pseudo-Tie Redirection. The group also discussed loss provisions for the Integrated System (IS) and a long-term competition proposal from NAESB. The BPWG will discuss Business Practice Revision 059 (Request for Proposal Evaluation and Scoring) in November.

**Change Working Group:** The CWG reviewed Marketplace Protocol Revision Request (MPRR) 212 (Over Collected Losses Design Change) and was updated on Project Pinnacle, with a focus on the Market-to-Market and Regulation Compensation projects. The group also discussed its 2015 meeting schedule.

**Finance Committee:** The FC approved SPP's 2015 operating and capital budget and established the 2015 administrative fee rate. The 2015 operating budget results in a net revenue requirement of \$141.2 million, and a 39 cents per MWh administrative fee rate.

**Markets and Operations Policy Meeting:** The MOPC continues to work through numerous requests to change or update SPP's [operating tariff and protocols](#); it approved 20 revision requests through consent approval. Separately, the MOPC approved intra-day mitigation measures, FERC Order 755 compliance, over-collection of losses design, and transmission facility inclusion. The committee did not act on MPRRs related to the Ancillary Service Manual Override on Regulation and VOM Cost Clarification MPRRs and will have a special teleconference for those requests. The MOPC approved Order 1000 process modifications and revised the response window; request for proposal (RFP) deposit refund, assignment of competitive upgrades, and multi-owner RFP proposals. Approval of a seams-project policy paper prepares SPP for future cost sharing of Order 1000 and other projects with neighboring systems. MOPC also group approved an Integrated Transmission Planning (ITP) Near-Term schedule change and the ITP10-Year Assessment's scope, with flexibility to meet the EPA's impending Clean Power Plan.

**Market Working Group:** The MWG considered Mitigated Offer Task Force recommendations on MPRRs 197 and 213 proposing clarifications on representing Integrated Marketplace variable operating and maintenance cost. This work is in preparation for an MWG recommendation to MOPC during a [special conference call](#) Dec. 2. The group also provided direction on a transitional Auction Revenue Rights allocation proposal to accommodate the IS' integration; for adjustments to Transmission Congestion Rights outage-scheduling practices; and for re-direction of transmission service for pseudo-tied resources.

**Model Development Working Group:** The MDWG finalized the 2014 Series MDWG Dynamic models and reviewed procedure-manual updates.

**Operations Training Working Group:** The OTWG posted the [2015 Customer Training Calendar](#) and [Reliability Training Catalog](#); class registration begins November 20. The group is continuing to develop Project Pinnacle training initiatives.

**Project Cost Working Group:** The PCWG reviewed and approved its quarterly report to MOPC, but without making recommendations (updated cost estimates for applicable projects did not exceed any established bandwidth thresholds during the quarter). The group reviewed and approved draft changes to BPR 7060 that codifies the process to formally close out Notification to Construct projects through the project-tracking process. The BPR will be presented to pertinent working groups for their review and approval prior to the January MOPC meeting. The PCWG was also updated on the Minimum Design Standard Task Force's (MDSTF) progress; the MDSTF expects to complete a Minimum Design Standards draft by Dec. 1.

**Regional Tariff Working Group:** SPP staff presented Tariff Revision Request 142, updating the references to seams agreements in the [operating tariff's](#) Attachment C. The RTWG reviewed and revised its charter, making minor edits. Legal counsel briefed the group on the Order 1000 rehearing and compliance filing, while Omaha Public Power District staff gave an update on the Billing Determinant Task Force and its work on point-to-point revenue-treatment tariff revisions. Staff also updated the RTWG on the Aggregate Transmission Service Study Improvement and the Z2 Crediting projects.

**Seams Steering Committee:** The SSC discussed the ongoing freeze-date replacement conversations at the congestion-management process meetings. MOPC has tasked the SSC with reviewing the process creating new permanent flowgates on tie lines; the work has begun and additional coordination language will be proposed at future meetings. The committee also reviewed additional market-to-market Joint Operating Agreement language addressing a flowgate issue.

**Regional Entity Trustees:** The trustees reviewed the Winter Reliability Assessment, Critical Infrastructure Protection updates, the [System Protection and Control Working Group's](#) Misoperations white paper, 2014's stakeholder survey results, 2015's implementation plan, recent system events; and the RE's enforcement and compliance programs, staff metrics performance, and financial/budget information.

## Other Meetings

[Cost Allocation Working Group](#)

[Credit Practices Working Group](#)

[Economic Studies Working Group](#)

[Generation Working Group](#)

[Human Resources Committee](#)

[Operating Reliability Working Group](#)

[Regional State Committee](#)

[Strategic Planning Committee](#)

[Transmission Working Group](#)

## November Meetings

Nov. 7 – Regional Tariff Working Group

Nov. 10 – Market Working Group

Nov. 11-13 – System Protection and Control Working Group

Nov. 12 – Business Practices Working Group

Nov. 12 – Cost Allocation Working Group

Nov. 12 – Regional Tariff/Cost Allocation/Market Working Groups

Nov. 12-14 – Model Development Working Group

Nov. 13 – Settlement User Group

Nov. 14 – Corporate Governance Committee

Nov. 14 – Generation Working Group

Nov. 18-19 – Market Working Group

Nov. 18-19 – Transmission Working Group

Nov. 19 – Change Working Group

Nov. 19-21 – Regional Tariff Working Group

Nov. 20 – Credit Practices Working Group

Nov. 20 – Economic Studies Working Group

## December Meetings

Dec. 2 – Markets and Operations Policy Committee Meeting

Dec. 3 – Cost Allocation Working Group

Dec. 4 – Business Practices Working Group

Dec. 4 – Operating Reliability Working Group

Dec. 4 – Seams Steering Committee

Dec. 5 – SPP-MISO JOA Joint Stakeholders

Dec. 8 – Finance Committee

Dec. 8 – Operations Training Working Group

Dec. 8 – Oversight Committee

This is a summary of recent SPP organizational group meetings. For more information about a group, please visit [SPP.org](http://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](#)