

Memorandum from the SSC to SPP Staff
NEGOTIATIONS BETWEEN SPP AND SPP'S NEIGHBORS

November 6, 2014

The SPP stakeholders, via the Seams Steering Committee (SSC), direct SPP staff to negotiate in good faith on behalf of the SPP region with SPP's neighbors to develop and/or enhance agreements to improve the reliable and equitable operation and planning of the transmission grid. Staff should protect the interests of the SPP membership while cooperating with SPP's neighbors to incorporate mutually beneficial procedures and policies.

Objectives:

Specifically, SPP staff negotiations should abide by the following objectives:

1. All agreements must be consistent with the policies and standards of the applicable jurisdictional entity (FERC, NERC, states, etc.);
2. No provision shall put the collective SPP membership at a competitive disadvantage;
3. Ensure that SPP members are not responsible for a share of costs associated with the management of transmission congestion that is disproportionate to the benefits;
4. Ensure that SPP members are not responsible for a share of costs associated with transmission development that is significantly disproportionate to the benefits;
5. Maintain relatively consistent policies between SPP and each of SPP's neighbors while respecting regional differences;
6. Facilitate the development of transmission projects along SPP's seams; and
7. Provide for reciprocal compensation procedures for transmission system usage (including, but not limited to, usage resulting from intentional unscheduled flows) with other parties.

SPP will negotiate in good faith and in a manner that is transparent with SPP's membership. However, to protect SPP's negotiating position it is not reasonable for SPP staff to declare at open stakeholder meetings SPP's bottom line positions; however any deviation from the above objectives must be discussed and approved by the SSC before being pursued to conclusive negotiations with SPP's neighbor(s).

Process

To guide SPP staff in negotiations with SPP neighbors, SPP members will have the opportunity to provide input and feedback throughout the negotiations. Below is the process SPP staff will follow, to the extent possible, in order to allow SPP members to provide that input and feedback.

1. Early in a negotiation, SPP staff will present to the SSC, and other appropriate stakeholder groups as recommended by the SSC, an overview of the concepts and issues being negotiated.
2. Staff will solicit feedback and policy direction from stakeholders. The direction can be in the form of a policy paper developed by the SSC, a steering team of SPP members, or less formal feedback through the SSC meetings.
3. SPP will keep the SSC updated via updates at regular SSC meetings. If necessary due to legal or strategic requirements, the updates will be made in executive session.
4. SPP will provide sufficient information, studies, and/or analysis to support these efforts as directed by the SSC.

At times negotiations take place quickly and without notice. SPP staff will make every reasonable effort to provide the SSC an opportunity to provide input and feedback throughout the negotiations.