



Southwest Power Pool

REGIONAL STATE COMMITTEE

Conference Call

March 9, 2015

• MINUTES •

ADMINISTRATIVE ITEMS:

The following members were in attendance:

Dana Murphy, Oklahoma Corporation Commission (OCC)
Donna Nelson, Public Utility Commission of Texas (PUCT)
Lamar Davis, Arkansas Public Service Commission (APSC)
Stephen Lichter, Nebraska Power Review Board (NPRB)
Shari Feist Albrecht, Kansas Corporation Commission (KCC)
Patrick Lyons, New Mexico Public Regulation Commission (NMPRC)

Adam McKinnie was in attendance on behalf of Commissioner Steve Stoll and the Missouri Public Service Commission.

President Dana Murphy called the Regional State Committee (RSC) meeting to order at 1:06 p.m. with roll call and a quorum was declared. She then requested introductions of those in attendance. There were 41 in attendance on the conference call (Attendance & Proxies – Attachment 1).

President Murphy noted that this might be Tom DeBaun's (KCC staff) last meeting and expressed appreciation to Tom for his commitment and involvement with the RSC and assisting Commissioner Albrecht. Chair Nelson also expressed her appreciation to Tom for his years of service.

5. REPORTS/PRESENTATIONS

SPC Task Force on New Members:

Kristine Schmidt, chairman of the Strategic Planning Committee Task Force on New Members (SPCTF on New Members) provided an update on the task force. This update was requested following the submission by the Oklahoma Corporation Commission (OCC), Kansas Corporation Commission (KCC), and the Public Utility Commission of Texas (PUCT) of input to the SPCTF on New Members draft process document.

Ms. Schmidt provided a recap of the SPCTF on New Members activities including a series of recommendations made after a number of meetings that took place during the fall of 2014 and brought to the RSC three specific items:

1. Attendance by the RSC at Strategic Planning Committee (SPC) meetings to include those in Executive Session;
2. Attendance by the RSC at the Membership meetings. The RSC understands the cost concern associated with having a single meeting but reserves the right to have a separate meeting for the RSC; and
3. Brightline date. The SPCTF on New Members decided this is outside the scope of the task force. There was a discussion among the members to what role the RSC had with regard to cost allocation and the brightline date. The RSC would take this issue up as an action item in 2015.

Ms. Schmidt noted that the SPCTF on New Members has been directed to have its final report to the SPC at the April 2015 meeting and then to the Board in April 2015. She noted that some of the items that were proposed are significant changes in the process already approved by the SPC and SPP Board in the draft report. For this reason, the proposed changes would need to be submitted to MOPC and to the full Membership as well for further consideration. Ms. Schmidt suggested that the RSC collaborate and incorporate all of the proposed changes into one document. Ms. Schmidt indicated that the initial goal was to complete this process in 2014.

Jason Chaplin, OCC staff and Chairman of the Cost Allocation Working Group (CAWG), stated that SPP staff is putting together a presentation for CAWG in April and CAWG could provide input on the Brightline issue at the RSC educational session in April.

Chairman Nelson commented about concerns with the RSC's need for involvement earlier in the new member process including cost allocation issues involved with bringing on a new member. Commissioner Albrecht asked for more clarification about the Brightline date. Paul Suskie (SPP staff) explained that "brightline" is just a phrase to describe cost allocation or how the highway/byway methodology would apply to the Integrated System (IS) entities. He noted that it is not really a process.

President Murphy discussed efforts to include the RSC in the front end and referenced RSC input being sought out earlier such as when the negotiations are occurring with prospective entities. The draft process document of the SPCTF on New Members does appear to address the issue of early RSC involvement. Commissioners expressed concerns with cost allocation and how that affects the new members and existing members, which is not addressed in the draft process document.

Kristine Schmidt expressed her appreciation for the input from the RSC. She requested clarification on the following questions: Is there some additional language the RSC would propose to see put in place? Are there work processes that the RSC needs to have in place? Ms. Schmidt said she would take the document produced by the RSC back to the SPCTF on New Members.

Commissioner Albrecht agreed to put together a draft document to distribute to the RSC. Chairman Nelson volunteered Meena Thomas and Laura Kennedy from her staff to assist with drafting language. Jason Chaplin will also help provide input. President Murphy requested a draft be circulated to the RSC by Monday, March 23.

2015 RSC Goals:

President Murphy reported on status of the 2015 RSC goals (2015 RSC Goals – Attachment 2):

1. Long-term Congestion Rights: This goal was completed in January.
2. Provide RSC Input to the SPCTF on New Members: Still in the process.
3. Add new members to the Regional State Committee:
 - a. Incorporating in the New Members. Commissioner Murphy thanked Brian Kalk for listening in and participating. The Bylaw group is meeting at the conclusion of the RSC call.
4. EPA Clean Power Plan: Moving forward. Lanny Nickell will discuss this in some detail on the SPC conference call next week, Monday, March 16 at 1:30.
5. RSC Retreat: The retreat will be held in Kansas City in July.
6. Communication: Ongoing.

RSC Draft Agenda – April 2015:

President Murphy reviewed the draft agenda, noting that at this time there are no voting items on the agenda for April (Draft Agenda – Attachment 3).

Topics for April Educational Session and July Retreat:

President Murphy discussed possible topics for the April Educational Session and July Retreat. (Potential topics for April Education Session and July Retreat – Attachment 4). In April, the educational session will include the Brightline concept for the integration of new members and will include comments from CAWG and a summary

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and historical information from SPP Staff. In addition, Staff will provide a high level overview of cost allocation and rates. In addition, President Murphy discussed that some entities like Wal-Mart and Google are interested in discussing the issues they have in purchasing power which may make a good education item. Commissioner Steven Lichter mentioned a possible topic for the July retreat that has come up at the Regional Allocation Review Task Force (RARTF) which is the modeling process, which is the basis for benefit analysis. Other areas of interest for topics are:

1. High Level Overview of Cost Allocation and Rates
2. Process for Project Reevaluation
3. SPP "Building Blocks"
4. Bright Line date for new members
5. Company Perspective on Renewables

SCHEDULING OF NEXT REGULAR MEETINGS. SPECIAL MEETINGS OR EVENTS:

President Murphy noted that the next meeting will take place in April in Tulsa, OK.

April 27, 2015	Tulsa, OK
July 27, 2015	Kansas City, MO
October 26, 2015	Little Rock, AR

With no further business, the meeting adjourned at 2:07 p.m.

Respectfully Submitted,

Paul Suskie

Monday, March 9, 2014

1:00 - 2:00 p.m.

Conference Call

1. CALL TO ORDER
2. PRELIMINARY MATTERS
 - a. Declaration of a Quorum
3. UPDATES
4. BUSINESS MEETING
5. REPORTS/PRESENTATIONS
 - a. **SPC Task Force on New Members**.....Kristine Schmidt \ Dana Murphy
Discuss Draft of Final Report and Comments Submitted by RSC Members.
 - b. **2015 RSC Goals**.....Dana Murphy
Update Status of 2015 RSC Goals.
 - c. **April 27, 2015 RSC Meeting**Dana Murphy
Discuss Draft Agenda.
 - d. **Topics for April Educational Session and July Retreat**..... Dana Murphy
Discuss Potential Educational Session Topics and Retreat Topics.
6. OTHER RSC MATTERS
7. ACTION ITEMS
8. SCHEDULING OF NEXT REGULAR MEETINGS, SPECIAL MEETINGS OR EVENTS
RSC Meetings:
April 27, 2015 – Tulsa, OK
July 27, 2015 – Kansas City, MO
October 26, 2015 – Little Rock, AR
9. ADJOURN

Regional State Committee Meeting Attendance		3/9/2015	
Company	Last Name	First Name	
Oklahoma Corporation Commission	Murphy	Dana	
EAD, Inc.	Lichter	Stephen	
Kansas Corporation Commission	Albrecht	Shari	
New Mexico Public Regulation Commission	Lyons	Patrick	
Public Utility Commission of Texas	Nelson	Donna	
Missouri Public Service Commission	McKinnie	Adam	for Steve Stoll
Arkansas Public Service Commission	Davis	Lamar	
Southwest Power Pool	Suskie	Paul	
Southwest Power Pool	Barker	Tamika	
Southwest Power Pool	Cullum	Erin	
Southwest Power Pool	Loudenslager	Sam	
Kansas Corporation Commission	Bell	John	
Sunflower Electric Power Corporation	Bergmeier	Raymond	
Oklahoma Corporation Commission	Chaplin	Jason	
Public Utility Commission of Texas	Claiborn-Pinto	Shawnee	
Federal Energy Regulatory Commission	Clarey	Patrick	
Southwestern Public Service Company	Cude	Bruce	
Kansas Corporation Commission	DeBaun	Tom	
Occidental Energy Ventures	Harris	Brenda	
Ameren Services Company	Hayes	Patrick	
Arkansas Public Service Commission	Ireland	Cindy	
American Electric Power	Jacoby	Jim	
North Dakota Public Service Commission	Kalk	Brian	
Public Utility Commission of Texas	Kennedy	Laura	
Empire District	Blalock	Sherri	
	Madden	Jack	
Nebraska Public Power District	Malone	Paul	
Arkansas Public Service Commission	Marchand	Michael	
Golden Spread Electric Cooperative, Inc.	Matos	Chris	
Sunflower Electric Power Corporation	Moffet	Michael	
ITC Great Plains, LLC	Schmidt	Kristine	
Southwest Power Pool	Scott	Shaun	
	Shumate	Walt	
SPP Board of Directors	Skilton	Harry	
Westar Energy, Inc.	Smith	Patrick	
	Smith, Jr.	William	
Missouri Joint Municipal EUC	Starnes	Heather	
	Svanda	David	
Public Utility Commission of Texas	Thomas	Meena	
Arkansas Public Service Commission	Thomas	Ted	
The Empire District Electric Company	Warren	Bary	

2015 RSC Goals

- I. **Long-term Congestion Rights** - Complete all approvals of the work of the LTCRTF necessary for SPP's compliance filing per FERC's order on SPP's LTRC filing. Complete no later than January 2015.

- II. **Provide RSC Input to the SPCTF on New Members** - The SPCTF has sought guidance on SPP's proposed process improvement on new member integration. The input relates to how the RSC can be informed about possible new membership in SPP. Complete no later than January 2015.

- III. **Add new members to the Regional State Committee** - With the addition of the Integrated System (IS) to the SPP RTO the Regional State Committee is expected add new members on to the RSC on October 1, 2015. This goal has three (3) main aspects:
 - (a) **RSC Bylaws** - Update the RSC bylaws as it relates to clarification of membership. Complete no later than July 2015.

 - (b) **Outreach and Education for New RSC members** - Incorporate new RSC member states in educational sessions and invite to RSC meetings.

 - (c) **Add New RSC Members** - Seat new RSC members upon IS transmission facilities being placed under the SPP Tariff.

- IV. **EPA Clean Power Plan** – Monitor EPA proposed Rule 111(d) for consideration of a need for further RSC action related to the final rule.

- V. **RSC Retreat** - Hold a RSC Retreat in 2015 (Tentatively Kansas City in July).

- VI. **Communications** - Maintain effective communications amongst RSC, CAWG, SPP Board, SPP Staff and SPP Members.

Monday, April 27, 2015

1:00 - 5:00 p.m.

Hyatt Regency Tulsa Downtown

Tulsa, Oklahoma

1. CALL TO ORDER
2. PRELIMINARY MATTERS
 - a. Declaration of a Quorum
 - b. Adoption of Minutes from January 26, 2015 and March 9, 2015
3. UPDATES
 - a. RSC First Quarter Financial Report
 - b. SPP
 - c. FERC
4. BUSINESS MEETING
5. CAWG REPORT AND VOTING ITEMS
 - a. CAWG Report.....Jason Chaplin
This report provides an update on CAWG activity.
6. REPORTS/PRESENTATIONS
 - a. Seams Update.....Carl Monroe
This report will provide an update on the pending matters at FERC related to the MISO Seam, as well as an update on the completed SPP-AECI Join Coordinated System Plan Study.
 - b. Strategic Planning Committee Task Force on New Members
.....Dana Murphy and Kristine Schmidt
This report will include an update on the Task Force's Final Report.
 - c. Regional Allocation Review Task Force.....Steve Stoll
This report will provide an update on the activities of the RARTF.
 - d. EPA Rule 111(d) Update.....Lanny Nickell
This report will update the RSC on SPP's analysis related to proposed Rule 111(d).
 - e. Integrated Marketplace Update.....Bruce Rew
This report will update the RSC on the Integrated Marketplace.
7. OTHER RSC MATTERS
8. ACTION ITEMS
9. SCHEDULING OF NEXT REGULAR MEETINGS, SPECIAL MEETINGS OR EVENTS

RSC Meetings:

 - April 27, 2015 – Tulsa, OK
 - July 27, 2015 – Kansas City, MO
 - October 26, 2015 – Little Rock, AR

10. ADJOURN

* NOTE: ADDITIONAL INFORMATIONAL MATERIAL ATTACHED

Attached to the RSC's meeting agenda and background material is additional material that is either for informational or reporting purposes.

DRAFT

Regional State Committee Conference Call

March 9, 2015



POTENTIAL TOPICS FOR APRIL EDUCATIONAL SESSION AND JULY RETREAT



Potential Topics for April Educational Session and July Retreat :

- **High Level Overview of Cost Allocation and Rates**
- **Process for Project Reevaluation**
- **SPP “Building Blocks”**
- **Bright Line Date for New Members**
- **Company Perspective on Renewables**
- **Others?**