



Southwest Power Pool
ECONOMIC STUDIES WORKING GROUP
May 1st, 2015
Net Conference

• SUMMARY OF ACTIONS TAKEN •

1. Approved a motion to develop a waiver process for the ITP10 and 20 to replace the current process in addressing generation that has no GIA or TSR as identified by SPP Staff, with detailed criteria to be developed no later than 60 days from now.
2. Approved a motion that for the sake of modeling brevity and with the exception of the HPILS loads, accept staff's recommendation that the ESWG approve the status quo hourly load profiles for the 2017 ITP10.

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• **MINUTES** •

Agenda Item 1 – Administrative Items

Agenda Item 1a - Call to Order, Introductions

Chair Alan Myers (ITC Great Plains) called the meeting of the Economic Studies Working Group (ESWG) to order at 8:00 AM, welcomed those in attendance, and asked for introductions.

There were 46 web conference participants representing 10 of 13 ESWG members. (Attachment 1 – May 1st, 2015 Attendance List)

Agenda Item 1b – Receipt of Proxies

Alan Myers (ITC Great Plains) asked for any proxy statements. No proxies were identified.

Agenda Item 1c – Review of Agenda

Chair Alan Myers (ITC Great Plains) presented the agenda for review and asked for any additions or corrections. (Attachment 2 – May 1st, 2015 Agenda)

Paul Dietz (Westar) made a motion; seconded by Tim Owens (NPPD) to adopt the agenda. The motion was approved unanimously.

Agenda Item 2 – 2017 ITP10 Generation and Load Review Update

Kelsey Allen (SPP Staff) gave an update on the status of the Generation and Load review. He informed members that the MDWG submittal period is complete and that staff is working to incorporate all changes. The Economic portion of the data submittal is still out for review, and feedback is due May 6th.

The ESWG would like a broader discussion of how data submittals are done going forward.

ACTION ITEM: ESWG to discuss how staff will request generation and load data in future studies.

Agenda Item 3 – Siting Strawman Update

Kelsey Allen (SPP Staff) gave an update to the group that Staff is working on proof of concept analysis and will be bringing this item back for discussion at the next face to face meeting in May.

Agenda Item 4 – ITP Resource Expansion Methodology

Liz Gephardt (SPP Staff) presented a recap of the changes planned for the renewable survey. There was discussion on replacing the “other” category in the survey, and making up the block of data through a waiver process for stakeholders to request generation to be included in the models and generation from the GI queue. The group discussed ways to fill the gap between what has made it into the model through the stricter near term criteria, and how to add in things that should be included in the 10 and 20 studies. Stakeholders agreed there should be a waiver process to address additional generation. Kip Fox (AEP-Transource) made a motion; seconded by Bennie Weeks (SPS) to develop a process for the ITP 10/20, to address generation that has no GIA or TSR as identified by SPP staff with detailed criteria to be developed no later than 60 - 90 days from now. During discussion, there was concern that this motion did not direct staff on the current process. The motion was withdrawn by Kip Fox (AEP-Transource). Kip Fox (AEP-Transource) made a new motion; seconded by Bennie Weeks (SPS) to develop a process for the ITP 10/20 to replace the current process in addressing generation that has no GIA or TSR as identified by SPP staff, with detailed criteria to be developed no later than 60 - 90 days from now. Additional discussion pointed out that if the criteria was not completed for 90 days it could impact the schedule. Tim

Owens (NPPD) made a friendly amendment to remove the 90 days, and limit it to 60 days. (Attachment 3 – ITP Resource Expansion Methodology)

Kip Fox (AEP-Transource) made a motion; seconded by Bennie Weeks (SPS) to develop a waiver process for the ITP10 and 20 to replace the current process in addressing generation that has no GIA or TSR as identified by SPP Staff, with detailed criteria to be developed no later than 60 days from now. The motion passed with one abstention, Alan Myers (ITC Great Plains). Alan Myers (ITC Great Plains) abstained from voting due to the following reason: it is my belief that the changes to renewable survey approved by ESWG represent a de facto policy change in how SPP plans for renewables which is not within ESWG's purview to make.

ACTION ITEM: ESWG to develop criteria for including non-firm generation in the ITP 10 and 20 models, within 60 days.

Agenda Item 5 – ITP Hourly Profiles

Kelsey Allen (SPP Staff) presented to the group, he went over the options for creating hourly profiles. Status Quo of using a single year hourly data, or changing the source of the data to member submittals, SPP operations data, or FERC form 714. Staff outlined the benefits and concerns with each option, and recommended continuing with the status quo. Kip Fox (AEP-Transource) made a motion to approve the status quo hourly profiles and staff recommendation. There was discussion among the group that this motion didn't directly address HPILS loads. Kip withdrew his motion. Paul Dietz (Westar) made a motion; seconded by Kip Fox (AEP-Transource) that for the sake of modeling brevity, with the exception of the HPILS loads, that the ESWG approve staff's recommendation to continue with status quo. (Attachment 4 – ITP Hourly Profiles)

Paul Dietz (Westar) made a motion; seconded by Kip Fox (AEP-Transource) that for the sake of modeling brevity and with the exception of the HPILS loads, accept staff's recommendation that the ESWG approve the status quo hourly load profiles for the 2017 ITP10. The motion passed unanimously.

Closing Items

Chair Alan Myers (ITC Great Plains) requested other items meriting discussion. Chair Alan Myers (ITC Great Plains) gave an update on the BOD meeting. The Board has directed the ESWG and Staff to use futures 1-3, and include normal load growth in the third future. The ESWG will be bringing the scope for MOPC approval in July.

List of action items from the meeting:

1. ESWG to discuss how staff will request generation and load data in future studies.
2. ESWG to develop criteria for including non-firm generation in the ITP 10 and 20 models, within 60 days.

The meeting was adjourned at 9:55 AM.

Respectfully Submitted,

Kelsey Allen
ESWG Secretary

Name	Attendance	Email
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Juliano Freitas	Webex	SPP
Liz Gephardt	Webex	SPP
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ECONOMIC STUDIES WORKING GROUP

May 1st, 2015

Net Conference

• A G E N D A •

1. Administrative Items
 - a. Call to Order, Introductions..... Alan Myers (5 minutes)
 - b. Receipt of Proxies Kelsey Allen (1 minute)
 - c. Review of Agenda Alan Myers (1 minute)
2. 2017 ITP10 Generation and Load Review Update..... Kelsey Allen (15 minutes)
3. Siting Strawman Update Chris Jamieson (15 minutes)
4. ITP Resource Expansion Methodology Liz Gephardt (45 minutes)
5. ITP Hourly Profiles SPP Staff (45 minutes)
6. Closing Items All

ITP Resource Expansion Methodology

ESWG

Liz Gephardt
May 1, 2015



RENEWABLE SURVEY

Renewable Survey Process Improvements

Data Submittal Form

- **Existing Renewables in Generation Review**
 - Allows all information on existing generation to be in one data request
- **Consolidate Mandates and Goals into One Sheet**
 - Utilities have either a Mandate or a Goal in each state
 - Central place to “house” requirements, yet allow flexibility for utilities’ needs
- **Submit Renewable Mandates or Goals as Required**
 - Capacity (MW) or Energy (MWh)
 - Allows Staff to determine any shortfall with more certainty of what is needed
 - Reduces confusion in overall completion of the survey

Renewable Survey Process Improvements

Data Submittal Form

– Remove Other Renewables

- Allow Staff to calculate policy vs. non-policy information for reporting
- Reduces data being requested
- Reduces confusion in overall completion of survey
- This “block” would be made up through other means
 - Waiver process for utilities
 - Set of generation from GI queue for merchant facilities

– Siting Considerations Optional

- Allows flexibility for Staff or utilities to site resources
- Feeds into Strategist for Conventional Resource Plan
- Reduces confusion in overall completion of survey



April 7th CAWG Update

CAWG does not oppose the changes to the Renewable Survey and recommends taking an action item to discuss before the next ITP cycle, expected to begin in 2017: the purpose of the Renewable Survey, how the Renewable Survey is used in Transmission Planning, and whether it is still appropriate for the CAWG to be responsible for the Renewable Survey.

RESOURCE PLAN

Policy Issues

- **Non-Policy Wind Projections**
 - OTHER Renewables
 - Requested by CAWG
 - Inconsistent across zones
 - No requirements
 - GIAs and TSRs are not mandatory
 - Inconsistent with ITPNT
- **Transmission Service Impacts of New Generation**
 - Cost allocation of projects related to new units
 - Currently eligible for regional funding
 - Possibly need to be direct assigned

Initial Options for Consideration

- **Allow members to submit Other as desired (Status Quo)**
 - May not meet CAWG expectations
 - Confusing
- **Remove OTHER altogether**
 - May not accurately reflect renewable expansion
- **Require utilities to submit valid renewable expansion plans**
 - Some members have implied they don't want to do this
 - Inconsistent with other pieces of resource plan

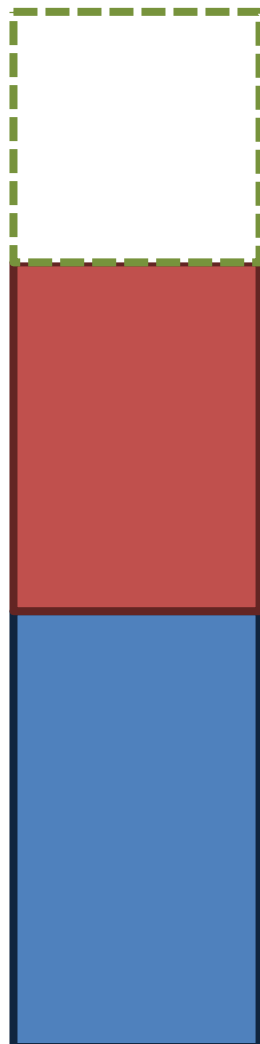
Resource Expansion Recommendation

Resource Plan for Mandates/Goals (RP1)

These renewable requirements may or may not be greater than Existing + Waiver.

Waiver

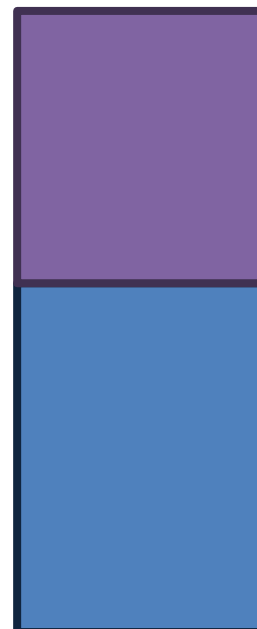
This is any renewable resource a utility would like to add that is not currently included in Existing. This will go through a waiver process.



If **Existing + Waiver** > **Mandate + Goal**, the surplus will be reported to CAWG as non-policy resources.
 If **Existing + Waiver** < **Mandate + Goal**, SPP will add to the resource plan (**RP1**).
 In the end,
Existing + Waiver + RP1 ≥ **Mandate + Goal**

Existing

This is any renewable resource currently allowed to be in the ITPNT models.



Other Firm GI

Renewable resources that have a signed GIA. These resources do not have a TSR and are not assigned to a specific utility.

**Note: Graph not to scale*

Utility

Not Designated

Resource Expansion Recommendation

Resource Plan for Capacity Margin (RP2)

The capacity margin requirement may or may not be met by resources listed below.

Resource Plan for Mandates/Goals (RP1)

Waiver

This is any resource a utility would like to add that is not currently included in Existing. This will go through a waiver process.

If **Existing + Waiver + RP1** > **Capacity Margin**, no additions will be made to the resource plan.

If **Existing + Waiver + RP1** < **Capacity Margin**, SPP will add to the resource plan (**RP2**).

In the end,

Existing + Waiver + RP1 + RP2 ≥ **Capacity Margin**

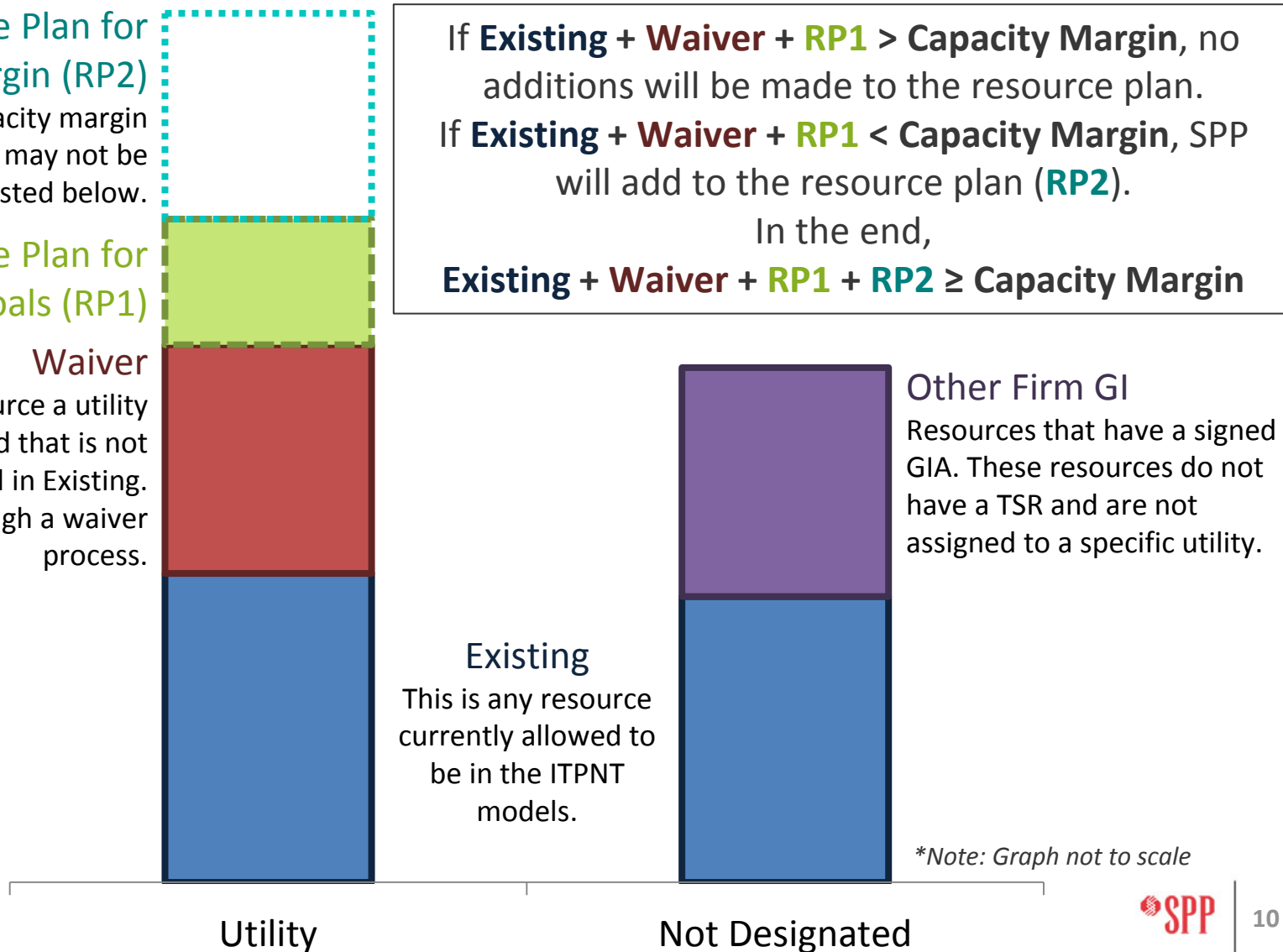
Other Firm GI

Resources that have a signed GIA. These resources do not have a TSR and are not assigned to a specific utility.

Existing

This is any resource currently allowed to be in the ITPNT models.

**Note: Graph not to scale*



Additional Block Details

- **Waiver**
 - **Utilize ITPNT waiver process**
 - **Add ESWG vetting**
 - **Process defined in ITP Manual Section 3.3.1.2**
 - **Stakeholder-driven**
 - **Results in utility designation**

Additional Block Details

- **Other Firm GI**
 - **Resources with signed GIAs**
 - Not in ITPNT models
 - On schedule with minimal network upgrade costs
 - **Staff-driven**
 - **Results in designated and not designated resources**

Service Status	Designated?	Wind Capacity (MW)	Non-Wind Capacity (MW)
Existing	No	238.5	24.2
Projected	Yes	200.1	0
Projected	No	4040.4	324.5

Table shows resources that could have been added to the 2015 ITP10 (less Other Renewables) today with the proposed methodology.

Next Steps

- Staff is hosting WebEx tutorial for utilities right after May 1st meeting
- Staff will send Renewable Survey to utilities mid-May
- Resource Plan will begin in June



Staff Recommendation

SPP Staff recommends that the ESWG approve the proposed resource expansion methodology for the 2017 ITP10.

ESWG Motion

- **Develop a waiver process for the ITP10 and 20 to replace the current process in addressing generation that has no GIA or TSR as identified by SPP Staff, with detailed criteria to be developed no later than 60 days from now**

ITP Hourly Profiles

ESWG

May 1, 2015

SPP Staff



Status Quo of Load Profiles

- **Single-year (2005) hourly data**
- **SPP Operations**
- **Some FERC Form 714 data to fill gaps**
- **Has desired granularity**
- **Corresponding wind profiles are developed**

Load Profile Data Options

- **Sources**
 - Member submittals
 - SPP Operations
 - FERC Form 714
- **Single year or multiple years**
 - “Matching” wind profiles to be developed
- **Concerns**
 - Determining what set to use
 - Granularity of data
 - Time to gather and process data

Considerations for Each Source

- **Member-submittals**
 - **Time constraints: May 15th deadline**
 - Stakeholders to gather and provide data
 - Staff to process data
 - **Potential for ideal granularity**
- **SPP Operations Data**
 - **Not as granular as desired**
- **FERC Form 714**
 - **Not as granular as desired**
 - **Can't use in future updates (reported on BA basis)**



Staff Recommendation

SPP Staff recommends that the ESWG approve the Status Quo Hourly Load Profiles for the 2017 ITP10.