



**Southwest Power Pool, Inc.**

**CORPORATE GOVERNANCE COMMITTEE MEETING**

**July 28, 2015**

**Kansas City, MO**

**• A G E N D A •**

**3:00 – 6:00 p.m. CDT**

1. Call to Order and Administrative Items.....Nick Brown
2. Vacancies .....Nick Brown
  - a. Members Committee – Open Seats (1)
    - i. Independent Transmission Company Sector (1)
      1. Brett Leopold: ITC Great Plains, LLC
  - b. Human Resources Committee – Open Seats (1)
    - i. Transmission User Vacancy
      1. Noman Williams: South Central MCN, LLC
3. Board of Directors Executive Search.....Nick Brown
4. Potential Bylaws Revisions – SPP Regional Entity..... Nick Brown and Ron Ciesiel
  - a. Expansion of the Regional Entity Trustees
  - b. Eligibility to Vote on Trustee Election, Removal, and Compensation
5. Section 8.4 Bylaws Revision Discussion.....Nick Brown and Carl Monroe
6. Review/Approval of Charters .....Nick Brown
7. Future Meetings
  - a. August 27, 2015      Kansas City, MO

*Relationship-Based • Member-Driven • Independence Through Diversity  
Evolutionary vs. Revolutionary • Reliability & Economics Inseparable*

**INFORMATIONAL MEMO  
TO THE CORPORATE GOVERNANCE COMMITTEE  
Filling Vacancies on the Members Committee and Human Resources Committee**

July 21, 2015

This informational memo addresses the Corporate Governance Committee's role in filling vacancies on the Members Committee and Human Resources Committee, respectively.

Members Committee

In the event of a vacancy on the Members Committee, Bylaws Section 5.1.4 permits the Corporate Governance Committee to "elect an interim representative from the same sector to serve until a replacement representative from the same sector is elected and takes office," with a special election to "be held at the next meeting of Members to fill the vacancy for the unexpired term."

In accordance with Bylaws Section 5.1.2, Members Committee representatives are nominated by the Corporate Governance Committee and elected annually at the meeting of Members to staggered three-year terms.

Human Resources Committee

In the event of a vacancy on the Human Resources Committee, Bylaws Section 6.3 directs the Corporate Governance Committee to "fill the vacancy on an interim basis until the next meeting of the Board of Directors."

In accordance with Bylaws Section 6.3, Human Resources Committee representatives are appointed by the Board of Directors to open-ended terms (until successors are appointed), upon Corporate Governance Committee nomination of those representatives from the Transmission Owning Member<sup>1</sup> sector and Transmission Using Member<sup>2</sup> sector.

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<sup>1</sup> Bylaws Section 1.0 defines the term "Transmission Owning Member" as, "[a] Member that has placed more than 500 miles of non-radial facilities operated at or above 60 kV under the independent administration of SPP for the provision of regional transmission service as set forth in the Membership Agreement."

<sup>2</sup> Bylaws Section 1.0 defines the term "Transmission Using Member" as, "[a] Member that does not meet the definition of a Transmission Owning Member."

# Nomination Form

<b>Nominee Name &amp; Title:</b>	Brett Leopold – Director of Regulatory Policy
<b>Company:</b>	ITC Great Plains, LLC
<b>Type of Experience &amp; Responsibilities with Company:</b>	
<b>Nominee's Phone Number &amp; Email Address:</b>	785.783.2228 / bleopold@itctransco.com
<b>Nominated by:</b>	Daniel J. Oginsky – Executive Vice President
<b>Position for Nomination:</b>	Members Committee – Independent Transmission Company Sector

# Nomination Form

<b>Nominee Name &amp; Title:</b>	Noman Williams – Senior VP-Engineering & Operations & COO
<b>Company:</b>	South Central MCN, LLC
<b>Type of Experience &amp; Responsibilities with Company:</b>	Sr. VP Engineering & Operations/COO. Executive oversight and responsibility for all operating and maintenance functions for the transmission facilities, engineering development and design for existing and new transmission facilities and all transmission planning for the Company and our utility partners.
<b>Nominee's Phone Number &amp; Email Address:</b>	785.259.5110 / <a href="mailto:nwilliams@gridliance.com">nwilliams@gridliance.com</a>
<b>Nominated by:</b>	Self
<b>Position for Nomination:</b>	Human Resources Committee

**INFORMATIONAL MEMO  
TO THE CORPORATE GOVERNANCE COMMITTEE  
Election of External Directors to the Board of Directors**

July 21, 2015

This informational memo addresses the procedural requirements for electing external directors to the SPP Board of Directors. The duties, composition and qualifications of the Board of Directors are specified in Bylaws Sections 4.1 and 4.2, respectively.

Bylaws Section 4.3 requires that an external director be elected at the meeting of Members to a three-year term, with such director to take office immediately upon election and to continue in such position until his or her duly elected successor takes office. An overview of the procedural steps to elect external directors to the SPP Board of Directors is provided below, with an emphasis given to the timing of those actions required of the Corporate Governance Committee (“CGC”) and Corporate Secretary.<sup>1</sup>

First, at least ninety calendar days prior to the meeting of Members in which election of external directors to the SPP Board of Directors is required, the CGC is to commence the nomination process.<sup>2</sup>

**CGC Scope Document:** *Per provision (b) of the CGC Organizational Group Scope Statement, dated October 29, 2013, the CGC is to “provide candidates identified by an **independent executive search firm** for consideration to the Members for election to the Board of Directors.”*

Importantly, the CGC may limit attendance at a meeting by an affirmative vote as necessary to safeguard confidentiality of sensitive information.<sup>3</sup>

Second, at least forty-five calendar days prior to the meeting of Members, the CGC is to identify those individuals it will nominate to the Members for election as directors.<sup>4</sup>

Third, at least thirty calendar days prior to the meeting of Members, the Corporate Secretary shall prepare and deliver the ballot to the Members.

Fourth, additional nominees may be added to the ballot upon receipt by the Corporate Secretary, at least fifteen calendar days prior to the meeting of Members, of a petition evidencing support of at least 20% of the existing Membership.<sup>5</sup>

The Chair of the Board of Directors is to convene and preside over the meeting of Members,<sup>6</sup> with each group of Members with Affiliate Relationships<sup>7</sup> to be considered a single Member for purposes of electing external directors to the Board of Directors.<sup>8</sup>

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<sup>1</sup> The process for filling vacancies on the Board of Directors is set forth in Bylaws Section 4.5.

<sup>2</sup> Bylaws Section 4.3(a).

<sup>3</sup> Bylaws Section 3.5.

<sup>4</sup> Bylaws Section 4.3(b).

<sup>5</sup> Bylaws Section 4.3(d).

<sup>6</sup> Bylaws Section 3.14.

If only one candidate is nominated for a seat, each Member is entitled to cast a vote for or against the nominee, with the votes to be calculated in accordance with Bylaws Section 3.9,<sup>9</sup> which requires a super majority.<sup>10</sup>

If multiple candidates are nominated for a seat, each Member is entitled to cast a vote in favor of only one nominee, with the votes to be calculated in accordance with Bylaws Section 3.9, except that a simple majority will determine which nominee is elected.<sup>11</sup>

In either case, should a director position remain unfilled, the CGC is to determine a new nominee for recommendation for election by the Membership at a special meeting of Members to be held no later than the next regular Board of Directors/ Members Committee meeting.<sup>12</sup>

Per Bylaws Section 3.8, the quorum for a meeting of the Membership shall be those Members present.

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<sup>7</sup> The term “Affiliate Relationships” is defined in Bylaws Section 1.0 as follows:

Affiliate Relationships are relationships between SPP Members that have one or more of the following attributes in common:

- (a) are subsidiaries of the same company;
- (b) one Member is a subsidiary of another Member;
- (c) have, through an agency agreement, turned over control of a majority of their generation facilities to another Member;
- (d) have, through an agency agreement, turned over control of a majority of their transmission system to another Member, except to the extent that the facilities are turned over to an independent transmission company recognized by FERC;
- (e) have an exclusive marketing alliance between Members; or
- (f) ownership by one Member of ten percent or greater of another Member.

<sup>8</sup> Bylaws Section 4.3(c).

<sup>9</sup> Bylaws Section 3.9.1 stipulates that the “Transmission Owning Members” and “Transmission Using Members” sectors of the Membership are to vote separately, with the result for each sector being a percent of approving votes to the total number of Members voting. Approval requires that the two percentages average at least 66%. In the event no Members are present within a sector, the single present sector-voting ratio is to determine approval.

<sup>10</sup> Bylaws Section 4.3(e)(1).

<sup>11</sup> Bylaws Section 4.3(e)(2).

<sup>12</sup> Bylaws Section 4.3(e)(1) and (2).

## **9.7 Regional Entity Trustees**

### **9.7.1 Functions and Duties of the Regional Entity Trustees**

The Regional Entity Trustees shall at all times act in the best interests of SPP's role as the SPP Regional Entity in its management, control, and direction of the general business of the Regional Entity functions. In reaching any decision and in considering the recommendations of an appropriate entity, the Regional Entity Trustees shall abide by the principles in these Bylaws. Its duties shall include, but are not limited to oversight of the following:

- (a) Select, oversee and review the performance of the SPP RE General Manager in carrying out the statutory functions and duties as defined in the Delegation Agreement between ERO and SPP;
- (b) Approve the annual RE business plan and budget;
- (c) Perform function assigned by the SPP Compliance Monitoring and Enforcement Program;
- (d) Track and review Regional Standards from MOPC for submission to the ERO and FERC for approval and implementation.
- (e) Complete a self-assessment annually to determine how effectively the Regional Entity Trustees are meeting their responsibilities; and
- (f) Provide an annual report to the Board of Directors regarding the effectiveness of the Regional Entity function and processes.

### **9.7.2 Composition and Qualifications**

#### **9.7.2.1 Composition**

The Regional Entity Trustees shall consist of up to four (4) persons, but no less than three (3) persons. The trustees shall be independent of the SPP Board of Directors, any Member, industry stakeholder, or SPP organizational group. Regional Entity Trustees do not serve as members of the SPP Board of Directors. A trustee shall not be limited in the number of terms he/she may serve.

#### **9.7.2.2 Qualifications**

Regional Entity Trustees shall have relevant senior management expertise and experience in the reliable operation of the bulk electric transmission system in North America.

#### **9.7.2.3 Conflicts of Interest**

Regional Entity Trustees shall not be a director, officer, or employee of, and shall have no direct business relationship, financial interest in, or other affiliation with, a Member, a customer of services provided by SPP, or a Registered Entity in the SPP footprint. Trustees may invest in accordance with the SPP Standards of Conduct. Participation in a pension plan of a Member, customer, or Registered Entity in the SPP footprint shall not be deemed to be a direct financial benefit if the Member's, customer's, or Registered Entity's financial performance has no material effect on such pension plan.

#### **9.7.3 Term and Election**

Regional Entity Trustees shall be elected at the meeting of Members to a three-year term commencing upon election and continuing until his/her duly elected successor takes office. The election process shall be as follows:

- (a) At least 90 calendar days prior to the meeting of Members when election of a new trustee is required, the Corporate Governance Committee shall commence the process to nominate persons for the position to be elected;
- (b) At least 45 calendar days prior to the meeting of Members, the Corporate Governance Committee shall determine the person it nominates for election as a trustee, specifying the nominee for any vacancy to be filled. The Corporate Secretary shall prepare the ballot accordingly, leaving space for additional names, and shall deliver same to Members at least 30 calendar days prior to the meeting of Members;
- (c) For purposes of electing or removing trustees only, only Members that are Registered Entities in the SPP Regional Entity footprint shall be considered a Member, and Members with Affiliate Relationships shall be considered a single Member;
- (d) Any additional nominee(s) may be added to the ballot if a petition is received by the Corporate Secretary at least 15 calendar days prior to the



meeting of Members and evidencing support of at least 20 percent of the existing Members; and

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- (e) 1) If only one candidate is nominated for a seat, each Member shall be entitled to cast a vote for or against the nominee. The votes will be calculated in accordance with Section 3.9 Voting of these Bylaws, which requires a super majority. In the event a trustee position is not filled the Corporate Governance Committee will determine a new nominee for recommendation for election by the Members at a special meeting of Members to be held but no later than the next regular Board of Directors/Members Committee meeting;

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- 2) If multiple candidates are nominated for a seat, each Member shall be entitled to cast a vote for only one nominee, but may vote against each candidate. The votes will be calculated in accordance with Section 3.9 Voting of these Bylaws, with the exception that a simple majority of votes cast will determine which nominee is elected. In the event a trustee position is not filled, the Corporate Governance Committee will determine a new nominee for recommendation for election by the Members at a special meeting of Members to be held no later than the next regular Board of Directors/Members Committee meeting.

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#### 9.7.4 Resignation and Removal of Regional Entity Trustees

Any Regional Entity Trustee may resign by written notice to the President noting the effective date of the resignation. The Members may remove a trustee with cause in accordance with Section 3.9 Voting of these Bylaws. Removal proceedings may only be initiated by a petition signed by not less than twenty percent of the Members. The petition shall state the specific grounds for removal and shall specify whether the removal vote is to be taken at a special meeting of Members or at the next regular meeting of Members. A trustee who is the subject of removal proceedings shall be given fifteen days to respond to the Member petition in writing to the President.

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#### 9.7.5 Vacancies

If a vacancy occurs, the Corporate Governance Committee will present a nominee to the Members for consideration and election to fill the vacancy for the unexpired term

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at a special meeting of Members following 30 calendar days notice from the corporate Secretary. The election will be held in accordance with Section 9.7.3 Term and Election of these Bylaws. The replacement trustee shall take office immediately upon election.

#### 9.7.6 Meetings and Notice of Meetings

Regular Regional Entity Trustees' meetings will be scheduled in conjunction with the regularly scheduled SPP Board of Directors meetings, provided the meeting schedule may be adjusted for good cause and with sufficient notice, and additionally upon the call of the chair or upon concurrence of at least a majority of trustees. Except as otherwise provided in these Bylaws, all meetings will be open to any interested party. At least fifteen days' written notice shall be given by the chair to each trustee, the Board of Directors, and the Members Committee of the date, time, place and purpose of a meeting, unless such notice is waived by the trustees. Telephone conference meetings may be called as appropriate by the chair with at least one-day prior notice. The chair shall grant any party's request to address the Regional Entity Trustees.

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#### 9.7.7 Chair

The Regional Entity Trustees shall elect from its membership a chair for a two-year term commencing upon election and continuing until the chair's duly elected successor takes office or until the chair's term as a trustee expires without re-election. The panel may elect to rotate the chair to the senior member of the panel when the initial, or subsequent, chair's term expires.

#### 9.7.8 Quorum and Voting

A majority of the trustees shall constitute a quorum of the Regional Entity Trustees necessary for a binding vote. Decisions of the Regional Entity Trustees require a simple majority vote. Trustees must be present at a meeting to vote; no votes by proxy are permitted. All Regional Entity Trustee decisions regarding the Regional Entity are final except as subject to oversight by the ERO and FERC.

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#### 9.7.9 Compensation of Regional Entity Trustees

Regional Entity Trustees shall receive compensation as recommended by the Corporate Governance Committee, and approved by the Members that are Registered Entities in the SPP Regional Entity footprint, submitted for approval as part of the ERO

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budget process. Trustees shall be reimbursed for actual expenses reasonably incurred or accrued in the performance of their duties.

**9.7.10 Executive Session**

Executive sessions (open only to Trustees and parties invited by the chair of the Regional Entity Trustees) shall be held as necessary upon agreement of the Regional Entity Trustees to safeguard confidentiality of sensitive information regarding employee, financial or legal matters, or confidential information related to compliance matters.

**INFORMATIONAL MEMO  
TO THE CORPORATE GOVERNANCE COMMITTEE  
Review/Approval of Charters**

July 21, 2015

This informational memo addresses the Corporate Governance Committee's role in the review and approval of SPP Organizational Group<sup>1</sup> charters/scopes (referenced hereafter as "scopes").

Per Bylaws Section 6.6, the Corporate Governance Committee is charged with responsibility for SPP's "overall governance structure" in accordance with its Board of Directors-approved scope. This scope requires, among other things, that the Corporate Governance Committee conduct, together with Organizational Group Chairs, an annual review of each Organizational Group scope, with changes to be recommended to the Board of Directors, as appropriate.<sup>2</sup> (The only item expressly required by the Bylaws to be included in an Organizational Group's scope is the criteria for serving on the Organizational Group.<sup>3</sup>)

In August 2014, the Corporate Governance Committee clarified that, prior to the committee recommending Organizational Group scope changes to the Board of Directors for approval:

- (i) "Forming groups" should review any scope changes and recommend such changes to the Corporate Governance Committee, and
- (ii) "Board committees" should review any scope changes and submit such changes directly to the Corporate Governance Committee.<sup>4</sup>

For example, the Markets and Operations Policy Committee would review any changes to the Transmission Working Group scope and recommend such changes to the Corporate Governance Committee; whereas, the Human Resources Committee would review its own scope changes and submit such changes directly to the Corporate Governance Committee.

The Board of Directors is expressly charged with approving the scopes of Organizational Groups that report to the Board of Directors,<sup>5</sup> and, pursuant to Bylaws Section 4.1(a) and (g), is otherwise responsible for directing activities of all SPP Organizational Groups and reviewing, approving, disapproving, or recommending revisions to the actions of any Organizational Group.

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<sup>1</sup> The term "Organizational Group" is defined in Bylaws Section 1.0 as, "[a] group, other than the Board of Directors, comprising a committee or working group that is charged with specific responsibilities toward accomplishing SPP's mission."

<sup>2</sup> Provision (l) of the Corporate Governance Committee Organizational Group Scope Statement, dated October 29, 2013.

<sup>3</sup> Bylaws Section 3.1.

<sup>4</sup> See CGC Meeting Minutes No. 51 at Agenda Item 4 posted at: <http://www.spp.org/publications/CGC%20Minutes%20082814.pdf>.

<sup>5</sup> See Bylaws Sections 6.1 (Markets and Operations Policy Committee), 6.2 (Strategic Planning Committee), 6.3 (Human Resources Committee), 6.4 (Oversight Committee), and 6.5 (Finance Committee), and 6.6 (Corporate Governance Committee).



**Southwest Power Pool, Inc.**  
**Markets & Operations Policy Committee**  
**Recommendation to the Corporate Governance Committee**  
**August 27, 2015**  
**Charter Change**

**Organizational Roster**

Paul Johnson, AEP  
Steve Haun, LES  
Noman Williams, SEPC  
Jessica Tucker, KCPL  
John Stephens, CUS  
John Allen, CUS  
Bryan Taggart, Westar  
Amber Metzker, Xcel Energy  
Mike Stafford, GRDA  
Kim Morphis, OGE  
Ron Gunderson, NPPD

Jim Jacoby, AEP  
Kyle McMenamain, Xcel Energy  
David Pham, EDE  
Gregory Mcauley, OGE  
Bob Adam, BPU  
Rick McCord, EDE  
Randy Root, GRDA  
Bill Nolte, SEPC  
Alan Derichsweiler, WFEC  
Douglas Collins, OPPD

The following stakeholders participated in group discussions:

Jerin Purtee, BPU  
Mike Anderson, AEP  
Paul Lampe, INDN  
Mark Trumble, OPPD

Jim Useldinger, KCPL; Chair, ORWG  
Jason Smith, SPP; Staff Secretary, ORWG  
Carl Stelly, SPP; Staff Secretary, CBASC  
Dennis Sauriol, AEP

**Background**

The MOPC recommends the CGC cease actions of the CBASC since it's exhausted its responsibilities as laid out in its original Charter. In addition, representatives of the CBASC and the ORWG recommend the Balancing Authority Operating Committee (BAOC) be formed under the direction of the ORWG to meet the requirements identified in the SPP Open Access Transmission Tariff, Attachment AN. The requirement for representation is different than the ORWG membership, so a separate group is needed. Benefits to reliability issues can be realized by leveraging the expertise of the former SPP Balancing Authorities whose representatives would comprise the membership of the BAOC. This makes the ORWG a natural working group for the BAOC to operate under.

**Analysis**

This recommendation was put forth by representatives of both the CBASC and the ORWG.

**Recommendation**

1. The CBASC cease to exist, due to the completion of its responsibilities.
2. The CGC direct ORWG to form the Balancing Authority Operating Committee, pursuant to the requirement as stated in the SPP OATT, Attachment AN.

**Approved:** MOPC October 14-15, 2014  
Passed Unanimously

**Approved:** CBASC September 30, 2014



14 For, 0 Against

**Action Requested:** Approve Recommendations



**Southwest Power Pool, Inc.**  
**Markets and Operations Policy Committee**  
**Recommendation to the Corporate Governance Committee**  
**August 27, 2015**

**Organizational Roster**

The Change Working Group members are listed below:

- Jessica Collins - Chairman, Xcel Energy
- Terry Gates - Vice-Chair, American Electric Power
- Greg DePratt, Empire District Electric Company
- Shane Jenson, Omaha Public Power District
- Adam Cochran, Tenaska Power Services Co.
- Brett Kruse, Calpine Energy Services, L.P.
- Mike Lindberg, Kansas City Board of Public Utilities
- Shawn McBroom, Oklahoma Gas and Electric Company
- Eric Alexander, Grand River Dam Authority
- Keith Tynes, East Texas Electric Cooperative, Inc.
- John Orr, Constellation Energy Commodities Group, Inc.
- Ryan Johnson, NRG Energy
- Mike Mushrush, Oklahoma Municipal Power Authority
- Ronald Gary, Lafayette Utilities System
- Aaron Rome, Midwest Energy, Inc.
- John Seck, Kansas Municipal Energy Agency
- Mark Worf, Sunflower Electric Power Corp.
- Jim Medford, Westar Energy
- Sanjay Wankhade, Kelson Energy
- Jim Jacoby, American Electric Power
- Stuart Bowles, Arkansas Electric Cooperative Corporation
- John Stephens, City Utilities of Springfield
- Byron Callies, Western Area Power Administration
- Mandi Howell, Western Farmers Electric Cooperative
- Lee Anderson, LES
- Jon Sunneberg, Nebraska Public Power District
- Joe Dan Wilson, Golden Spread Electric Cooperative, Inc.
- Kevin Carter, Duke Energy Americas
- Mitchel Krysa, Kansas City Power & Light Company
- Jim DeTour, Hastings Utilities

**Background**

At its March 14<sup>th</sup> meeting, the CWG approved modifications to its charter to:

1. Clarify and revise existing charter language to more accurately reflect the group's scope of work.



2. Clarify the group's representation to specifically state that the CWG expects to maintain a membership with diverse representation including Information Technology, Project Management, Operations and Business personnel.

**Recommendation**

The MOPC recommends that CGC approve the changes to the CWG charter.

**Approved:** MOPC 4/16-17, 2013

**Passed Unanimously**

**Approved:** CWG 3/14/2013

Passed Unanimously

**Action Requested:** Approve Recommendation





**Southwest Power Pool  
Operating Reliability Working Group  
Charter  
May 7, 2015**

**Purpose**

The Operating Reliability Working Group (ORWG) develops, maintains, and coordinates the implementation of policies related to the reliable and secure operation of the Bulk Electric System within the SPP Reliability Coordinator, Balancing Authority, and SPP Reserve Sharing Group (RSG) footprints. The ORWG ensures these operating policies are consistent with NERC and Regional Reliability Standards. The ORWG provides oversight and direction for the Reliability Coordinator and Balancing Authority functions of the SPP and assigned SPP working groups. The ORWG provides policy input to the MOPC and BOD and its committees, if requested.

**Scope of Activities**

In carrying out its purpose, the ORWG will:

1. Review, modify and develop any necessary SPP policies related to:
  - The reliable and secure operation of the bulk electric system within the SPP.
  - The development, maintenance, and compliance with NERC Standards of the SPP state-estimator model and ensure that the model adequately supports the needs of the SPP Reliability Coordinator, SPP Balancing Authority, regional Tariff Administration, and any Integrated Marketplace functions.
  - The real-time exchange of reliability related power system data, submission of one-line displays, and other system information.
  - The data exchange needs of SPP and between SPP and its members as it relates to the Reliability Coordination, Balancing Authority, and Reserve Sharing Group functions of SPP.
2. Review, modify and develop any Reliability Coordinator, Balancing Authority and Transmission Tariff procedures related to the operational implementation of the SPP OATT in cooperation with the Regional Tariff Working Group.
3. Direct and coordinate the activities of the SPP Reliability Coordinator as they relate to NERC and Regional Reliability standards, SPP policies, and the SPP OATT.
4. Direct and coordinate the activities of the SPP Balancing Authority through the administrative oversight of the SPP Balancing Authority Operating Committee (BAOC).
5. Direct and coordinate the activities and policies of the SPP Reserve Sharing Group (RSG).
6. Coordinate with the SPP RE and other SPP Working Groups on the development of SPP Regional Reliability Standards and Compliance. The ORWG will coordinate with other working groups on any changes that affect the groups.
7. Work with Staff and other SPP organizational groups to prioritize activities.

## **Representation**

The ORWG is comprised of at least 12 and up to 17 members, including the chairman and vice-chair. Meetings are open, however by sufficient notice; the ORWG may limit attendance during specific portions of a meeting by an affirmative vote of the ORWG for reasons that are consistent with the SPP Bylaws. Representatives should be experienced in operations related matters including but not limited to Balancing Authority functions, Transmission Operations, and system reliability.

## **Duration**

Permanent.

## **Reporting**

The ORWG reports to the SPP Markets and Operations Policy Committee (MOPC) for all activities. As necessary the ORWG may appoint a member of the ORWG as a liaison to other working groups for specific issues or action items being coordinated.

The BAOC reports to the ORWG for all activities. As necessary the ORWG may assign or receive action items from the BAOC.

## **Meeting Schedule**

Generally, meetings will be scheduled such that there will be an official meeting every month. Annually, there will be at least two face-to-face meetings with the other monthly meetings being conducted via a WebEx/Teleconference.



**Southwest Power Pool, Inc.**  
**Markets and Operations Policy Committee**  
**Recommendation to the Corporate Governance Committee**  
**August 27, 2015**  
**PCWG Charter Changes**

**Organizational Roster**

Terri Gallup (Chair), AEP	Brenda Jessop, Westar
David Kimball (Vice-Chair), NPPD	Lloyd Kolb, Golden Spread
Al Ackland, KCPL	Tom Littleton, OMPA
Brent Carr, AECC	Thomas Maldonado, SPS
Peter Day, OG&E	Jeff Stebbins, Tri-County Electric
Matthew Gomes, NextEra Energy Resources	Brian Studenka, ITC Great Plains
Tom Hestermann, Sunflower	John Krajewski, Nebraska Power Review Bd.
Larry Holloway, KPP	(CAWG Liaison)
Leland Jacobson, OPPD	Cary Frizzell, SPP Staff Secretary

**Background**

At its November 2014 meeting, the PCWG conducted a review of its charter to keep it current and ensure it accurately captures the functions of the group.

**Analysis**

The PCWG added verbiage to the charter to clarify that the PCWG will be responsible for the review of Competitive Upgrades if they are Applicable (cost estimate greater than \$20 million and nominal operating voltage greater than 100 kV) and for the maintenance of the Minimum Design Standards for Competitive Upgrades after they are approval by the MOPC.

**Recommendation**

The MOPC recommends that the CGC approve the charter as edited.

<b>Approved:</b>	MOPC	January 13-14, 2015
	Passed Unanimously	
<b>Approved:</b>	PCWG	November 4, 2014
	Passed Unopposed	
<b>Action Requested:</b>	Approve Recommendation	





**Southwest Power Pool, Inc.**  
**MARKETS AND OPERATIONS POLICY COMMITTEE**  
**Recommendation to the Corporate Governance Committee**  
**RTWG Charter**  
**August 27, 2015**

**Organizational Roster**

The following persons are members of the Regional Tariff Working Group:

Dennis Reed, WR (Chair)	Tom Littleton, OMPA
Michael Billinger, Midwest Energy	Bernie Liu, Xcel
Jim Bixby, ITC	Robert Pick, NPPD
Walt Cecil, MoPSC	Robert Pennybaker, AEP
Brian Coker, WFEC	Drew Robinson, KCP&L
Luke Haner, OPPD	Neil Rowland, KMEA
Tom Hestermann, Sunflower	Robert Shields, AECC
Rob Janssen, Dogwood	Keith Tynes, ETEC
David Kays, OGE (Vice Chair)	John Varnell, Tenaska
Lloyd Kolb, Golden Spread	Bary Warren, EDE
	Brenda Fricano, SPP (Secretary)

**Background**

Please see the RTWG Charter revisions that were included in the MOPC April 14 - 15, 2015 background materials.

**Analysis**

Please see the RTWG Charter revisions were included in the MOPC April 14 - 15, 2015 background materials.

**Recommendation**

The MOPC recommends that the Corporate Governance Committee approve its request regarding revisions to the RTWG Charter.

**Action Requested:** Approval of RTWG's request on revisions to the RTWG Charter.



**APPROVED:**

MOPC

April 14-15, 2015

Passed Unanimously

**Southwest Power Pool, Inc.**  
**Markets & Operations Policy Committee**  
**Recommendation to the Corporate Governance Committee**  
**August 27, 2015**  
**Charter Changes**

**Organizational Roster**

The following persons are members of the System Protection & Control Working Group (SPCWG):

Rick Gurley, American Electric Power (AEP); Chairman, SPCWG	Matthew Thykkuttathil, Sunflower Electric Brent Carr, Arkansas Electric Cooperative Corporation
Bud Averill, Grand River Dam Authority (GRDA); Vice-Chairman, SPCWG	Heidt Melson, Xcel Energy
Lynn Schroeder, Westar Energy (WR)	Tom Miller, ITC
Shawn Jacobs, OG&E Electric Services	Steve Wadas, Nebraska Public Power District
Louis Guidry, Cleco	Vacancy (1)
Ken Zellefrow, City Utilities of Springfield, Missouri	

The following stakeholders participated in group discussions:

Doug Bowman, Southwest Power Pool (SPP);  
Staff Secretary, SPCWG

**Background**

The SPCWG has had one member vacancy since October 2013. Before this vacancy occurred, the makeup of the SPCWG was 8 Transmission Owner (TO) members and 4 Transmission User (TU) members. The vacancy was previously a TO member. Two attempts have been made to fill this position, in February and May of 2014. Both attempts were a request for nominees from members who are Transmission Users. This was done in an effort to balance the makeup of the SPCWG, closer to the makeup of the overall SPP membership, as prescribed in the SPCWG charter. No TU nominees were submitted in either request.

People with knowledge and expertise in system protection typically are associated with companies that own and operate transmission equipment, i.e. TO companies. This is believed to be the reason why no TU nominees were submitted, and it is also illustrated in the current makeup of the SPCWG membership. Therefore, the SPCWG believes that its charter should be modified to remove the requirement that its membership be representative of the overall SPP membership.

**Analysis**

The SPCWG, during its November 2014 face-to-face meeting, made modifications to the "REPRESENTATION" section of the charter, to remove the requirement that its membership be representative of the overall SPP membership. Other minor changes were made to other sections to improve the readability of the document. A redlined copy of the charter is attached, with an electronic file name of SPCWG Charter 2010 Revised 11.11.14.docx. There was a unanimous vote of the SPCWG members in favor of the changes.

There were no minority opinions.



**Recommendation**

The MOPC recommends that CGC approve the changes to the SPCWG charter as shown in the attached modified document, with an electronic file name of SPCWG Charter\_2010\_Revised 11.11.14.docx.

**Approved:** MOPC January 13-14, 2015

Passed Unanimously

**Approved:** SPCWG November 11, 2014

11 For, 0 Against.

**Action Requested:** Approve Recommendation



**Southwest Power Pool, Inc.**  
**Markets and Operations Policy Committee**  
**Recommendation to the Corporate Governance Committee**  
**August 27, 2015**  
**SSC Charter Update**

**Organizational Roster**

The following persons are members of the Seams Steering Committee (SSC):

Paul Malone, Chairman, NPPD	Bary Warren, Empire
Roy Boyer, Xcel	Oliver Burke, Entergy
Jeff Knottek, Springfield	Jake Langthorn, OGE
Richard Ross, AEP	Chris Lyons, Exelon
Keith Tynes, East Texas	

**Background**

The SSC Charter outlines that the SSC membership is to be comprised of no more than 9 representatives. This makes the SSC one of the smaller SPP Organizational Groups. Other comparable groups include the Economic Studies Working Group, 13 members, the Transmission Working Group, 30 members, and the Markets Working Group, 18 members. There have been requests from multiple stakeholders to increase the size of the SSC membership.

In addition to the general desire to increase the SSC membership, the new members comprising the Integrated System will alter the size and complexity of SPP's existing seams, so in order to continue the geographic diversity on the SSC the SSC membership will need to be revised. The SSC desires that up to four additional members be added to the group in order to support stakeholder interest in seams issues and to continue the geographic diversity of the committee.

**Recommendation**

The MOPC recommends the CGC approve the change to the SSC Charter to increase the size of the SSC from "no more than 9 representatives" to "no more than 13 representatives".

<b>Approved:</b>	MOPC	April 14-15, 2015
	Passed Unanimously	
<b>Approved:</b>	Seams Steering Committee	April 2, 2015
	No opposition	

**Action Requested:** Approve Recommendation



**Southwest Power Pool, Inc.**  
**Markets and Operations Policy Committee**  
**Recommendation to the Corporate Governance Committee**  
**August 27, 2015**  
**TWG Charter**

**Organizational Roster**

The following members represent the Transmission Working Group (TWG):

Mo Awad (Chairman), WERE	Nate Morris, EMDE
Scott Benson, LES	Michael Mueller, AECC
John Boshears, CUS	Alan Myers, ITCGP
John Fulton, SPS	Gayle Nansel, WAPA
Joe Fultz, GRDA	John Payne, KEPCo
Travis Hyde, OG&E	Jason Shook, GDS Associates
Dan Lenihan, OPPD	Tim Smith, WFEC
Randy Lindstrom, NPPD	Jeff Stebbins, TCEC
Jim McAvoy, OMPA	Harold Wyble, KCPL
Matt McGee, AEP	Noman Williams, SCMCN

**Background**

The Transmission Working Group (TWG) is responsible for policy recommendations and implementation of regional planning efforts, review of transmission interconnections, and coordination with interregional transmission planning activities. In addition the TWG coordinates its activities with the RTO for the development of the SPP Transmission Expansion Plan. The TWG reviews its charter on a regular basis to ensure the charter accurately reflects the scope of activities performed by the group.

**Analysis**

TWG members reviewed the TWG charter and modified two sections.

The first change was to update the scope of activities. The scope of activities was modified to reflect additional reviews and approvals for items that align with the TWG knowledgebase. The TWG agreed that the following items should be reviewed by the TWG for endorsement, approval, or impacts to the reliability of the SPP system:

- Additions, modifications, or deletions to the SPP portion of the NERC Book of Flowgates
- Reviewing and developing rating criteria including the Minimum Design Standards
- Review and approve adequate study information for interconnections
- Review technical and reliability aspects of all policies, business practices, study scopes, SPP Criteria changes, and Tariff changes

The second change proposed by the TWG, was to increase the membership limit from 20 members to 24. Increasing the membership limit will allow the addition of a representative from BEPC requested upon becoming a member of SPP (WAPA already has a representative on the TWG). This will also allow current member companies who have expressed interested in a seat on the TWG the ability to apply for one of the new vacancies.



**Recommendation**

The MOPC recommends the CGC approve the revisions to the TWG Charter.

**APPROVED:** MOPC April 14-15, 2015  
Passed Unanimously

**Approved:** TWG 03/25/2015  
Passed unanimously

**Action Requested:** Approve Recommendation

**Southwest Power Pool, Inc.**  
**BUSINESS PRACTICES WORKING GROUP**  
**Recommendation to the MOPC**  
**7/14/2015**  
**Modification to the BPWG Charter**

**Organizational Roster**

The following persons are members of the Business Practices Working Group:

Grant Wilkerson (Chairman)	Westar Energy
Rick McCord (Vice Chair)	Empire District Electric
Joe Taylor	Xcel Energy
Rob Jones	Grand River Dam Authority
James Hotovy	Nebraska Public Power District
Richard Ross	American Electric Power
Tom Hestermann	Sunflower Electric Power Co.
Charles Marshall	ITC Great Plains
Anthony Lemaire	Tenaska
Ken Quimby	SPP Staff Secretary

The following stakeholders participated in group discussions:

Above listed BPWG membership

**Background**

SPP will welcome the addition of the Integrated Systems on 10/1/2015. Desire has been expressed, both by SPP and IS Entities, to expand the BPWG membership to reflect this addition.

**Analysis**

The IS Entities, primarily WAPA-Upper Great Plains region, Basin Electric and Heartland Consumers Power District, represent a significant addition to the SPP footprint. In addition to taking the WAPA-UGP transmission under the SPP OATT, SPP will also assume Transmission Service Provider responsibilities for certain facilities located in the Western Interconnect.

The BPWG proposes an expansion of their membership from a maximum of 10 to a maximum of 12. This proposal was passed unanimously by the BPWG at their 5/27/2015 meeting in Tulsa, OK.

**Recommendation**

BPWG recommends approval of the modified BPWG Charter

**Approved**

BPWG

5/27/2015

**Action Requested:** Approve BPWG Charter modification

**Southwest Power Pool (SPP)  
Event Analysis Working Group (EAWG)  
Organizational Group Scope Statement  
July 15, 2015**

**PURPOSE**

The Event Analysis Working Group (“EAWG”) will foster a culture of reliability excellence within the SPP region by reviewing all events and non-events analysis reports prepared by registered entities and SPP RC after a system disturbance event to ensure an appropriate root cause analysis has been performed and by sharing lessons learned within the SPP Region. For multi-entity NERC events and non-events within the region, the EAWG will prepare an event analysis report. The EAWG will provide an independent assessment using a team with expertise from each technical area within SPP.

**SCOPE OF ACTIVITIES**

In carrying out its purpose, the Event Analysis Working Group will:

1. Review all NERC events and non-event analysis report prepared by the affected entity after the system disturbance event is reported to ensure that it includes an appropriate root cause analysis, reaches sound conclusions and meets NERC guidelines.
2. For multi-entity NERC events and non-events within the region, perform a detailed technical assessment and prepare an event analysis report including appropriate root cause analysis meeting NERC guidelines.
3. Provide support to the entity(s) as needed to perform a compliance gap review related to NERC reliability standards and SPP criteria.
4. Work with the various working groups within SPP and coordinate with the SPP RE and NERC event analysis team on requirements related to the event analysis report.
5. Collect and maintain all the technical data in support of the event analysis.
6. Assist in development and the issuance of any “lessons learned” as a result of completed event analysis reports.
7. Review and assist in development of any NERC standards and SPP Criteria related to event analysis.
8. Create recommendations to minimize the likelihood of similar events in the future.

**REPRESENTATION**

The Working Group is comprised of six members, including a Chairman. Each of the members will be the chairman (or its appointee) of the following working groups:

- Critical Infrastructure Protection Working Group (CIPWG)



- Generation Working Group (GWG)
- Operating Reliability Working Group (ORWG)
- System protection and Controls working Group (SPCWG)
- Transmission Working Group (TWG)
- Regional Compliance Working Group (RCWG)

### **DURATION**

Permanent

### **REPORTING**

The Working Group reports to the SPP Markets and Operations Policy Committee

**Southwest Power Pool, Inc.**  
**RELIABILITY COMPLIANCE WORKING GROUP (RCWG)**  
**Organizational Group Scope Statement**  
**September 1, 2012**

**Purpose**

The SPP Reliability Compliance Working Group (RCWG) will:

- Provide guidance on policy issues to SPP on reliability compliance activities of federal and/or regional regulators, committees, or companies.
- Provide expertise to other SPP Working Groups on membership issues related to reliability compliance matters specific to execution, interpretation or implementation of federal or regional regulatory requirements.
- Provide a stakeholder forum to encourage membership discussion of reliability compliance issues and provide a means to communicate collective membership input to appropriate regulatory bodies, i.e., FERC<sup>1</sup>, NERC, RE Staff, etc.
- Provide a membership forum to interface with SPP RTO Compliance staff on matters of NERC Reliability Standards Compliance on process, procedures.

**Scope of Activities**

In carrying out its purpose, the RCWG will:

- Receive input from and represent the SPP membership on reliability compliance issues arising via FERC<sup>1</sup>, NERC, RE, or SPP RTO initiatives. These activities could include drafting “white papers”, advising SPP staff, Board, MOPC, and MOPC working groups and communicating back to regulatory or membership entities as appropriate or directed by SPP stakeholders.
- Monitor reliability compliance matters from NERC Board and Committees; SPP Board and Committees; and SPP Working Groups to identify emerging issues and appropriately communicate these issues to SPP staff, MOPC and membership. Provide guidance to SPP staff in review and submission of formal comments, responses, and balloting on any substantial federal and regional proposals where comments are invited.
- Serve as membership liaison with Regional Entities on issues affecting the SPP RTO or members, to include audit processes, interpretations, Compliance Monitoring and Enforcement Program (CMEP) concerns, new and/or changing Rules of Procedure, and general reliability compliance guidance.
- Coordinate with the SPP RTO, SPP RE, MRO, and SERC staff on stakeholder workshops to address existing and forthcoming important reliability compliance issues and experience/lessons learned.



- Provide timely input to working groups on existing and proposed changes to SPP Criteria and/or Regional Standards and SPP Tariff and SPP Business Practices as they potentially relate to NERC Reliability Standards.
- Meet with Regional Entities as needed to discuss reliability compliance concerns. Topics will include the Regional Entities expectations and interpretations of NERC standards that will improve compliance processes for SPP member companies.

*NOTE: RCWG should not cover issues isolated to individual members, or basic, rudimentary issues that can be addressed via standard SPP Quarterly Compliance Forums and/or monthly compliance calls.*

### **Representation**

The RCWG is composed of at least seventeen, with no maximum, non-affiliated members, including the chair and vice chair. The members will reasonably represent the various NERC Registered functions of the SPP membership. RCWG encourages representation with personnel directly responsible for member's reliability compliance activities and programs. The RCWG meetings will be open in accordance with SPP practices and may allow for an executive session as called by the chair.

### **Duration**

The term of the Chair shall coincide with the two-year term of the Chair of the Board of Directors. No Chair shall serve more than 2 consecutive terms unless otherwise approved by the SPP Corporate Governance Committee.

### **Reporting**

The RCWG reports to the SPP Markets and Operations Policy Committee (MOPC) for reliability compliance matters related to FERC<sup>1</sup>, NERC, Regional Reliability Standards and SPP Criteria. The RCWG collaborates with other SPP Committees or Working Groups for those activities assigned to the RCWG by the MOPC, Board of Directors, and other Board committees.

<sup>1</sup>FERC, for definition purposes in this document, will be considered as actions and issues resultant from the Office of Electric Reliability, Office of Energy Infrastructure Security and Office of Enforcement specific to Electric Reliability rules.



**Revision History:**

**Original Creation:**

September 1, 2012

**Annual Review and RCWG Approval:**

February 27, 2014

**Annual Review and RCWG Approval:**

April 23, 2015

**Annual Review and MOPC Approval:**

July 14, 2015



**Southwest Power Pool, Inc.**

**OPERATIONS TRAINING WORKING GROUP**

**Recommendation to the Markets and Operations Policy Committee**

**July 14, 2015**

**OTWG Charter Revision Recommendations**

**Organizational Roster**

The following members represent the Operations Training Working Group (OTWG):

Denney Fales, KCPL, Chair  
Robert Hirschak, CLECO, Vice-Chair  
Stanley Winbush, AEP  
Chris Dodds, WRI  
Sheldon Hunter, SECI  
Danny Johnson, Xcel

Mike Hood, AECC  
Edgar Rivera, LUS  
Michael Gaunder, OG&E  
Russell Moore, CUS  
Steve Tegtmeier, LES  
Margaret Q. Adams, SPP Secretary

**Background**

The existing and original OTWG Charter states the group shall be comprised of a minimum of 9 and not more than 11 members, including the chair and vice chair. The OTWG members and their colleagues are instrumental in the collaboration and coordination of the SPP Customer Training program. Their expertise and facilitation are particularly necessary for the success of the System Operations Conferences each year. Due to the growth of the SPP footprint over the years and now with the addition of the Integrated System, the OTWG also desires the capability to achieve more representation from across a wider area of the footprint. For these reasons, the OTWG recommends the maximum membership be increased from 11 to 15.

The OTWG would also like to clarify its scope of activities. In particular, existing scope item 1 states the OTWG will 'identify and manage training needs for operations personnel and market personnel'. The OTWG would like this statement of scope to be more representative of the collaboration of the OTWG with SPP Customer Training staff. The OTWG suggests this wording be modified to read, 'the OTWG will provide input to help SPP identify and manage training needs for operations personnel and market personnel'.

**Recommendation**

The OTWG recommends the MOPC approve the change to the OTWG Charter to increase the size of the OTWG from "not more than 11 members" to "not more than 15 members". The OTWG also recommends Scope of Activities Item 1 be reworded from "1. Identify and manage training needs" to "1. Provide input to help SPP identify and manage training needs".

**Approved:** Operations Training Working Group June 15, 2015  
No opposition

**Action Requested:** Approve Recommendation

**Southwest Power Pool  
Economic Studies Working Group  
Charter  
June 18<sup>th</sup>, 2015**

**PURPOSE**

The Economic Studies Working Group (ESWG) advises and assists Southwest Power Pool (SPP) Staff in the determination of the appropriate data, planning methods and processes to be used in the development and evaluation of economic transmission expansion options for the SPP region. The ESWG will be responsible for data, sources, models, economic planning methodology, timing and implementation, application, economic parameters and metrics to be used in the development and evaluation of economic expansion options in the SPP region. The ESWG will also review the economic planning processes used by SPP Staff and offer proposals for improvement of these processes. The ESWG will be responsible for all economic modeling parameters and data for the SPP region, and will conduct as needed updates to all data for the stakeholders on a regular basis as appropriate for regional planning needs. Additionally, the ESWG will be responsible for ensuring that third party consultants contracted by the SPP have access to the most appropriate, updated data.

**SCOPE OF ACTIVITIES**

In carrying out its purposes, the ESWG will:

1. Provide oversight, data inputs and review, as appropriate, of economic planning studies performed by the SPP, including but not limited to:
  - Integrated Transmission Planning (ITP) – provide input into the economic portions of the ITP process
  - Balanced Portfolio – Provide guidance to the CAWG on input assumptions and modeling techniques used in the Balanced Portfolio analysis
  - High Priority – support other high priority economic studies, as applicable
  - Coordinated System Planning – provide input into economic studies performed in coordination with neighboring regions or entities
  - Regional Cost Allocation Review (RCAR) – provide input into the RCAR analysis and provide guidance to the Regional Allocation Review Task Force (RARTF), as needed
2. Provide oversight of the economic study process performed by the SPP, including but not limited to, economic transmission plan development, project interaction and the overall economic planning process
3. Provide oversight of and review Loss of Load Expectation (LOLE) studies performed by the SPP
4. Provide input to the SPP in evaluation of the impact of market mechanisms on planning studies

5. Establish study standard assumptions for economic analysis; determine, update and vet the necessary data and inputs required to model, study, and evaluate economic alternatives
6. Define and update any terms used in the economic transmission planning process, including data, metrics and assumptions that provide clear understanding to conduct economic studies for SPP
7. Identify, review and modify the metrics for overall quantification and break-out of economic impacts beyond adjusted production cost savings
8. Review the solution techniques and provide recommendations for improvements and/or alternatives
9. Update and maintain the economic planning process documentation to provide controls for economic planning in SPP
10. Provide updates to the MOPC on the status and progress of economic studies and planning in the SPP

## **REPRESENTATION**

ESWG membership will consist of up to the following:

17 Voting members –

- 5 Transmission Owning
- 5 Transmission Using
- 5 Generation
- 2 Other

And 1 non-voting Regulatory Liaison member.

## **DURATION**

Permanent.

## **REPORTING**

The ESGW reports to the Market and Operations Policy Committee.

## **Other Notes:**

In light of FERC Orders 888 and 889 and the group composure of transmission and generation parties, the ESGW will have to observe the Standards of Conduct outlined in FERC Order 889. As such, there may be topics discussed by the ESGW that are privileged and confidential. Under such an event, appropriate measures will be taken to ensure that no Standards of Conduct are violated, including but not limited to, closed meetings, closed sessions, etc. Members and participants will be required to adhere to SPP's Nondisclosure Agreement.