

July Meeting Summaries

Balancing Authority Operating Committee: The BAOC is preparing for its face-to-face meeting Sept. 2 in Little Rock. The committee continues to edit and prepare the Emergency Operating Plan for a new in-use version due to be published Sept. 1.

Board of Directors/Members Committee: The Board of Directors and Members Committee held its quarterly meeting July 28 in Kansas City. 143 people attended the meeting either in person or by phone. Attendees included FERC Commissioner Cheryl LaFleur. The Board approved recommendations on the Consent Agenda from the Credit Practices Working Group, the Market Working Group, the Regional Tariff Working Group, the Competitive Transmission Process Task Force, Staff and the Human Resources Committee. The Board approved Revision Request (RR) 91-Annual Allocation Percent Change to increase the accuracy between forecasted system capacity allocated in the Annual Transmission Congestion Rights (TRC) process and capacity available during monthly TCR processes. The Board also approved RR 100-Gas Electric Coordination Market Timeline Changes to implement day-ahead market and timeline changes to comply with FERC Order 206. Additionally, the Board voted to suspend and re-evaluate seven transmission construction projects due to changes in cost estimates. The summary of actions taken and meeting minutes are available [here](#).

Business Practices Working Group: The BPWG reviewed current Revision Requests and upcoming initiatives. Topics included RR 56-Upgrade Determination and Short Term Reliability Project Process and RR 95-Modification to Business Practice 1500 DC Ties. RR 56 is slated for approval at the October 2015 Markets and Operations Policy Committee meeting. Also discussed were a series of updates on pending RRs as well as announcement of additional ramp violation notification on submitted tags and the Network Integration Transmission Service (NITS) on OASIS project, slated for implementation April 24, 2016. The BPWG is scheduled to reconvene via teleconference Aug. 21.

Change Working Group: The CWG discussed the Z2 Credit Stacking project and upcoming Markets, Markets Settlements and TCR releases. The group also received a brief demo of the SPP.org website, slated for go-live in the fall. SPP staff also updated the group on Integrated System's Market Trials completion and provided an overview of the stakeholder vetting and prioritization process defined by the Stakeholder Prioritization Task Force.

Cost Allocation Working Group: The CAWG voted to accept staff's recommendation and recommended to the Regional State Committee (RSC) not to approve the waiver request for South Waverly, and unanimously approved the New Member Cost Allocation Review Process Scope as amended. Additionally, the CAWG took no action on RR 91 – Annual Allocation Percent Change and proposed a recommendation to the RSC. Presentations on Electric Reliability Council of Texas (ERCOT) and other RTOs/ISOs Load Forecasting were shared with the group, as well as Aggregate Study Waiver Criteria and the SPP-MISO Coordinated Study Plan. The summary of actions taken and meeting minutes are available [here](#).

Economic Studies Working Group: The ESWG continued work on the scope for the 2017 ITP10.

Finance Committee: The Finance Committee received a detailed report on SPP's Business Process Improvement efforts, which have been instrumental in maximizing resources allowing staff to take on new responsibilities while maintaining low costs of service. The committee reviewed forecasts for 2016 and reached consensus to inform the Board of Directors that SPP should expect its administrative fee to equal 37-38¢/MWh in 2016. Finally, the committee continues to review its administrative fee rate strategy for the future. Agreed-upon guiding principles include: (i) maintain generational equity, (ii) reduce rate volatility and (iii) use debt for new capital expenditures providing enhanced or new services.

Gas Electric Coordination Task Force: In the July MOPC meeting, the GECTF presented the proposed response to FERC Order 206 and RR 100-Gas Electric Coordination Market Timeline Changes. After discussion, RR 100 was approved by MOPC and went to the Board of Directors. The GECTF meeting, scheduled for July 30, was canceled based on Board approval of the changes. The next step for the response to FERC is being drafted by SPP.

Markets and Operations Policy Committee: MOPC approved 16 revision requests, including RR 100-Gas Electric Coordination Market Timeline Changes and RR 91-Annual Allocation Percent Change. MOPC approved staff's recommendations on 14 projects and Notices to Construct (NTC's) withdrawals for two projects (Mingo and Ruleton)

and to deny the South Waverly Transformer Waiver. The summary of actions taken and meeting minutes are available [here](#).

Market Working Group: The MWG reviewed and approved the changes proposed by the MOPC on RR 91-Annual Allocation Percent Change. MOPC approved RR 91 with the ARR Allocation percentage to change from 60 percent to 80 percent for the fall, winter and spring seasons. The MWG reviewed an Overview of a Ramp Product, Comments to RR 82-Operating Reserve Post Deployment Constraints and JOU Combined Options market design changes. The MWG approved RR 106-Outage Deviation, which will exempt resources that have a minimum of zero from the allocation of Real-Time Outage Deviation charge type if the resource has a Day-Ahead cleared amount and SPP directs the resource to zero MWs in Real-Time.

Operating Reliability Working Group: Multiple Revision Requests were discussed by the ORWG. RR 99 and RR 100 were approved by the ORWG. RR58 will require additional discussion at a future ORWG meeting. Terry Oxandale presented how SPP will comply with the new COM-002-4 standard. RR 97 was discussed and modified. The ORWG requested two weeks' time to access the impacts of RR 97 as modified. An email vote on RR 97 was taken after this two-week period. The ORWG voted to reject RR 97.

Project Cost Working Group: The PCWG continued a discussion of an issue regarding the development of study estimates within the Integrated Transmission Planning (ITP) study processes. Based on a decision by the Strategic Planning Committee in October 2013, all study estimates in the 2015 ITP studies were developed by staff with help from an independent third party to indiscriminately evaluate all project proposals. Concern had been expressed that more re-evaluations could occur due to cost variances after Notifications to Construct (NTCs) were issued, because the study estimates were not developed by the incumbent Transmission Owners (TOs) who have the most knowledge of their respective systems. Staff presented four potential solutions to the issue to the PCWG for consideration. The group unanimously approved to recommend one of the solutions with some modifications involving moving the determination of whether a project would be eligible for the Transmission Owner Selection Process (TOSP) up in the process so those projects deemed ineligible for the TOSP at that time would have study estimates developed by the incumbent TOs rather than staff and the independent third party.

The PCWG also reviewed and approved RR 84, which enforced the retirement of Business Practice No. 7050 regarding the NTC process. This Business Practice was made obsolete with the MOPC's January 2014 approval of a revision to the newer Business Practice No. 7060 defining the NTC process that moved all transmission projects issued NTCs by SPP from the purview of 7050 to 7060.

Regional Compliance Working Group: The RCWG submitted their first Revision Requests, RR 97 and RR 98. The following task forces and subcommittees have been formed to assist the group: Revision Request Task Force, Predicted Generation Report Task Force, Grid Resiliency Task Force, Events Analysis Task Force, Risk Based Compliance Monitoring Task Force, Misoperations Task Force, RTO Outreach Subcommittee and Reliability Standards Coordination Subcommittee. The group's next meeting is Sept. 28 in Dallas.

Regional Entity Trustees: The Trustees heard presentations on two NERC reports, the 2015 Long Term Reliability Assessment and the State of Reliability Report. Staff presented quarterly updates on system events, the Facility Ratings Alert program, CIP, Enforcement, Outreach, Finance, Goals/Metrics and Compliance. Westar's Eric Ervin, the new SPP RE representative on NERC's Critical Infrastructure Protection Committee, also provided a quarterly report. To ensure that NERC and stakeholders are confident in SPP RE's independence from the SPP RTO, SPP RE is proposing some changes to the SPP, Inc. Bylaws: expanding the SPP RE Trustees from three to four members and establishing that only SPP RE Registered Entities that are members of SPP, Inc. will be able to vote on the SPP RE Trustees. This issue will be further considered by the Corporate Governance Committee.

Regional State Committee: The RSC held its annual retreat July 26-27 and its quarterly meeting July 27 in Kansas City. During the RSC quarterly meeting, the RSC voted unanimously to accept the RSC's 2014 Audit Report, related letters, IRS Form 990 and to authorize the RSC president to execute such documents. In addition, the RSC voted unanimously to approve the New Member Cost Allocation Review Process Scope document proposed by the Cost Allocation Working Group (CAWG). The RSC considered a request by Kansas City Power and Light for waiver of the eligibility requirements of Attachment J, Section III of the SPP Open Access Transmission Tariff related to the South Waverly Transformer and voted to approve SPP staff's recommendation to deny the request with six votes in favor and one abstention. The RSC also voted to approve the Strategic Planning Committee's New Member Task Force with an additional recommendation, which would allow the RSC to initiate the process outlined in the New Member Process document for matters over which the RSC is responsible. The RSC discussed potential revisions to its bylaws and heard a report of the CAWG on load forecasting, Aggregate Study waiver criteria and Revision Request 91. Updates on several topics were presented to the RSC, including the work of the Regional Allocation Review Task Force, SPP's state-by-state analysis of the EPA Clean Power Plan proposed Rule 111(d), the work of the Capacity Margin Task Force, seams matters and the Integrated Marketplace. The next regular meeting of the RSC will be a teleconference Sept. 21, and the next in-person meeting will be Oct. 26 in Little Rock.

Regional Tariff Working Group: The RTWG continued to monitor the progress of the Z2 Crediting Project. The Crediting Practice Task Force is working with SPP staff to implement and verify the Z2 Crediting tool. A new task

force (Z2 Payment Plan Task Force) is being formed to discuss the possible implications of the “catch-up” payments that will impact the various entities when the Z2 Crediting tool is operational.

The Process Improvement Tariff Task Force is being formed to draft the appropriate Tariff modifications to implement policies approved by the MOPC from the CMTF White Paper. The Billing Determinant Task Force is working with SPP staff to draft a Business Practice to address meter generation taking into account concerns voiced at the Strategic Planning Committee meeting in July.

Strategic Planning Committee: Noman Williams reported on the MOPC’s July meeting. Carl Monroe provided status reports on the Integrated Systems’ integration and also the NWPP EIM development.

Staff presented the final report and recommendation of the SPC New Member Task Force noting the report is the culmination of meetings held since September to revise SPP’s process document for adding prospective transmission-owning members. The Task Force discussed improvements in the SPP staff process and documenting a recommended Communication Process for future transmission-owning member additions. After discussions for staff to further clarify the triggering threshold language that invokes the process and to make minor edits to the language in the legal analysis section, a motion was unanimously passed to forward the final report (with the changes) to the Board for its approval. The recommendation and final report (as revised per the SPC direction) was approved at the July Board meeting.

The SPC discussed policy-related questions associated with the Capacity Margin Task Force effort underway in the MOPC. While the CMTF has advanced to the MOPC the concept of a Load Responsible Entity that would ensure that all load served by the Balancing Authority has sufficient capacity through a contractual agreement (ensuring compliance with the reserve margin requirements), there are other areas of consideration, including: Reserve Margin Reduction potential; Deliverability of all reserve margin; and an Enforcement Policy. This will be a continuing SPC agenda item and participants were encouraged to participate and have discussions with CMTF members.

Finally, the SPC endorsed the recommendation of the Competitive Transmission Process Task Force (approved by the MOPC) to make timing and process changes that would enable better transmission cost estimations for noncompetitive transmission projects.

Transmission Working Group: The TWG approved the constraint list for the Regional Review process, the 2015 Flowgate Assessment Report and revisions to the MDWG Charter. The TWG also heard discussions on the 2017 ITP10, BRR-056, TRR-067 and TRR-071. The group expects to approve revision requests at its August face-to-face meeting.

Upcoming Meetings

To view the current schedule of meetings, visit the [SPP Calendar](#).

For more information about an SPP organizational group, go to [Org Groups](#).

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