



THE ORG REPORT: OCTOBER 2016

A monthly summary of organizational group activities.

BOARD OF DIRECTORS AND MEMBERS COMMITTEE MEETING SUMMARY: OCT. 25

At their Oct. 25 meeting in Little Rock, the board of directors and members committee approved the Oversight Committee's recommendation to engage Bates White to provide SPP's Looking Forward Report, a document used in the board's strategic planning efforts. The report's previous vendor, Boston Pacific, recently merged with Bates White, an economic consulting firm.

The group approved RRs 173 (Instantaneous Peak Load), 175 (Ramp Shortage Compliance Filing), 185 (VRL Annual Update 2016) and 193 (VRL Solar Generation).

- RR 173 simplifies and clarifies the terms "head-room" and "floor room" by replacing them with the term "instantaneous load capacity" and clarifies inputs to the calculation.
- RR 175 incorporates language to comply with Federal Energy Regulatory Commission (FERC) Order 825 to trigger shortage pricing for any interval in which a shortage of energy or operating reserves is indicated during the pricing of resources for that interval.
- RR 185 updates operating constraining violation relaxation limits (VRL) based on results of annual analysis by SPP staff.
- RR193 proposes rules necessary for solar-powered generation resources (SGR), which is expected to facilitate the integration of solar generation via economic dispatch while maintaining the reliability of the grid.

The board also approved a consent agenda including recommendations from the Corporate Governance Committee, Oversight Committee, Markets and Operations Policy Committee, Market Working Group, Operating Reliability Working Group, Business Practices Working Group, Regional Tariff Working Group, Project Cost Working Group, Strategic Planning Committee, and staff.

ANNUAL MEETING OF MEMBERS: OCT. 25

At the 2016 Annual Meeting of Members, SPP President and CEO Nick Brown provided his annual President's Report, which noted the following:

- Revenues are down 3.3 percent and expenses are up 0.3 percent due to higher pension, medical and cyber personnel expenses and added that Fitch renewed SPP's "A" debt rating with a stable outlook.
- Related to audits:
 - The SERC Operations and Planning 693 audit resulted in no findings, multiple noted examples of excellence and a few recommendations. The financial audit was clean.
 - FERC audited Integrated Marketplace operation, reporting requirements and the Market Monitoring Unit (MMU) and had no findings or recommendations on Integrated Marketplace or reporting. There were no findings in MMU independence. There were recommendations to improve the appearance of independence. These improvements have been noted and will be implemented.
 - Testing is complete for the controls audit. Nothing was noted and an unqualified opinion with no exceptions is expected. There have been ten self-reports from the internal "What does the tariff say?" program with no FERC action.
 - The CIP V5 audit was expected to begin this fall but has been delayed until next year pending completion of the current CIP V3 audit.
- Wind is at 14,300 MWh of installed wind capacity in the SPP footprint, with a 50 percent penetration.
- In 2016, SPP experienced excellent IT infrastructure service availability.
- In September, the Integrated Marketplace exceeded \$1 billion in savings since its implementation in March 2014.
- The Integrated Systems' integration completed one year ago this month, with millions of dollars in savings to members.
- The Order 1000 bidding process was completed in 2016. There were many lessons learned, and it was a robust process.
- SPP engaged with the federal government's Commodity Futures Trading Commission (CFTC) in 2016. SPP sought an exemption for its day-ahead market, specifically from private rights of action (meaning any party could sue an ISO/RTO directly for noncompliance or interpretation of the administration of its tariff). On Oct. 18, the CFTC granted SPP's petition for waiver of their oversight and exempted all ISOs/RTOs from private rights of action.
- Two new board members joined SPP in 2016: Graham Edwards and Bruce Scherr. Two new Regional Entity Trustees also were added: Steve Whitley and Mark Maher.
- Staff is currently at 575 with a rolling annual turnover rate of just over 5 percent and a vacancy rate of just under 6 percent. Every vacancy is reviewed by the officer team.

Brown's report included a look toward 2017. Cyber security is the biggest challenge the company will face in the future. Trying to stay ahead from a security perspective is going to place new demands on the company. The IT group has been tasked to present where the company stands in respect to a cyber-security maturity model level and go through the organizational groups for a review. The company is working toward outreach to entities to the west.

Minutes from these meeting include a summary of reports given by numerous other groups. Minutes from all of SPP's board meetings are available in SPP.org's document library in the [BOD/MC Meeting Materials folder](#).

MARKETS AND OPERATIONS POLICY COMMITTEE (MOPC) MEETING SUMMARY: OCT. 11-12

MOPC voted to approve 15 revision requests, the Z2 Task Force recommendation to reject Group B and C Waivers, and the Scenario 5 re-evaluation. One project was voted to be issued a Notice to Construct; one project was voted for no changes to the project. A Pre-MOPC educational session to discuss the synchrophasors at SPP was held Oct. 11.

Full minutes from the meeting are available on [SPP.org in the Markets and Operations Policy Committee Meeting Materials folder](#).

REGIONAL ENTITY (RE) TRUSTEES MEETING SUMMARY: OCT. 24

The SPP RE Trustees heard a presentation on the Winter Reliability Assessment, which did not identify any reliability concerns for the upcoming winter season. They also received updates on the NERC Compliance and Certification Committee; SPP RE Risk Assessment; 2016 Stakeholder Survey Results; third-quarter system events and financials; and the CIP, enforcement, and compliance teams.

Full minutes from the meeting are available on [SPP.org in the RE Trustee Meeting Materials folder](#).

OCTOBER MEETING SUMMARIES

[COST ALLOCATION WORKING GROUP \(CAWG\): OCT. 4](#)

CAWG unanimously approved the clean-up language for RR190 – Residual Transmission System Capability, received a status update on the Z2 Credit Settlement System, and received an update on the activities that took place at the Sept. 15, 2016, Z2 Task Force meeting. CAWG reviewed responses to questions provided by SPP staff regarding Base Plan Funding. Additionally, the group continued its Aggregate Study Criteria discussion on 125 percent of load and the five-year term requirement. Lastly, CAWG members heard updates on Transmission Congestion Rights (TCR)

underfunding, the Export Pricing Task Force, the Exit Study Task Force, and the Project Tracking Report.

ECONOMIC STUDIES WORKING GROUP (ESWG): OCT. 3

The ESWG has continued work on the final milestones of the 2017 ITP10. They made some progress on standardization of the ITP scope based on recommendations from the Transmission Planning Improvement Task Force (TPITF), in the form of methodology approvals at their October meeting in Edmond, Okla., to hand off to the ITP Manual Task Force for the development of manual language.

MARKET WORKING GROUP (MWG): OCT. 18

The MWG discussed analysis performed by SPP to assess the impact of applying scarcity pricing per RR175 – Ramp Shortage Compliance. The group discussed the changes proposed in the Variable Demand Curve Revision Request and voiced support. The group also discussed and voiced support of SPP staff's proposal to modify the Dispatchable Variable Energy Resource Regulation deployment and dispatch market design.

OPERATING CRITERIA REVIEW TASK FORCE (OCRTF)

Subsets of OCRTF members have held multiple teleconferences as individual review teams working to identify any recommended changes to each section of the SPP Operating Criteria. Individual review teams will continue to meet until each section of the SPP Operating Criteria has been thoroughly reviewed. Recommendation for revisions to each section of the SPP Operating Criteria will be presented at a future Operating Criteria Review Task Force meeting prior to being submitted as Revision Requests.

OPERATING RELIABILITY WORKING GROUP (ORWG): OCT. 6

The ORWG held a net conference Oct. 6, 2016 where the consent agenda was approved, which contained the Sept. 1st, 2016 ORWG meeting minutes. The ORWG unanimously approved RR193 Solar Generation, RR168 Short Term Emergency Rating, SPP MOPC Revision Request Process, and RR177 Remove Reference to NERC Standards. The ORWG also approved RR188 Include Instantaneous Load Capacity in DA Market with one abstention, and approved RR192 Remove Quarterly VRL Reporting with one opposition. The ORWG held discussions over RR182 Control Area Clarification RCWG Comments, Operating Criteria Review Task Force (OCRTF) Update, Draft RC/BA Data Specification, RR175 – Ramp Shortage Compliance, Notification of Pre-Approve Planned Outages, Posting of TOP Current/Next Day Studies TOP-002-4-R6, OPS1/Reporting Tools Page, Rating Submission Tool, and TOP Wind Forecast, ORWG Member Topic List, and TOP-001-3, R13 30 Minute Assessment Plans.

OPERATIONS TRAINING WORKING GROUP (OTWG): OCT. 3

The OTWG met twice in Oct. to discuss strategic planning outcomes, reliability training, and marketplace training. Members continued their review of the charter and approved several revisions. The group membership is changing a little with the retirement of Dan O'Neill (WAPA) and both the chair, Denney Fales (KCPL), and vice-chair, Robert Hirschak (CLECO), stepping down

from their positions but not leaving the group. The group has elected Chris Dodds (Westar) as their new vice-chair, and he will lead the group until a new chair is confirmed by the board of directors.

The group continues to study the outcomes from its Strategic Planning Session on Sept. 29. The group decided that an ad hoc group of a few members will propose a prioritization to the whole group by Dec. 5. The format for the 2017 System Operations Conferences (SOC) will be centered on an official North American Electric Reliability Corporation (NERC) Event Analysis to introduce several training topics requested by the OTWG. The first SOC will take place in March 2017 at SPP's corporate campus. Marketplace training is being planned for 2017 on a quarterly basis, which will enable training to be more targeted to the immediate needs of our members and market participants. All 2017 Reliability Training offerings can be found [here](#).

PROJECT COST WORKING GROUP (PCWG): OCT. 7

The PCWG reviewed and approved the Minimum Transmission Design Standards for Competitive Upgrades document developed by the Minimum Design Standards Task Force (MDSTF). The PCWG also reviewed a presentation summarizing the cost variance of the Valiant – NW Texarkana 345 kV project being presented to the (MOPC).

RELIABILITY COMPLIANCE WORKING GROUP (RCWG): OCT. 17

The agenda included a review and open discussion of the Reliability Coordinator (RC) and Balancing Authority (BA) Data Specification Document. This documentation is being aligned with the implementation of the IRO-010-2 and TOP-003-3 NERC Standards which will come into effect on Jan. 1, 2017. All comments provided by the RCWG will be sent to the Operating Reliability Working Group (ORWG) for their consideration.

RCWG Chair, Jennifer Flandermeyer, KCPL, discussed upcoming items that will be on the agenda for the face to face meeting on Nov. 9 &10, 2016, in Springfield, MO. These include a charter review, a data protection discussion, action item work plans, and the Risk-Based Compliance Monitoring Task Force (RBCMTF) updates on their activities to date.

REGIONAL STATE COMMITTEE (RSC): OCT. 24

The committee approved its 2017 budget and held officer elections. Stephen M. Stoll, Commissioner with the Missouri Public Service Commission, was elected chairman; Shari Feist Albrecht, chair of the Kansas Corporation Commission, was elected vice-chairman; and Kristie Fiegen, commissioner with the South Dakota Public Utilities Commission, was elected secretary/treasurer.

Updates presented to the RSC included the work of the Cost Allocation Working Group, including the New Member Cost Allocation Review Process and Aggregate Study Waiver Criteria; the Regional Allocation Review Task Force and the Z2 Task Force. SPP staff reports to the RSC included integrated transmission planning, seams matters; and the Integrated Marketplace. The committee also discussed its goals and objectives for 2017.

REGIONAL TARIFF WORKING GROUP (RTWG): OCT. 18-20

SPP staff presented updates to the Z2 Project noting the board-approved Z2 Payment Plan was approved by FERC with the exception that interest will vary quarterly rather than remaining fixed as was proposed. The group continued review of RR187 – Planning Reserve Margin.

SUPPLY ADEQUACY WORKING GROUP (SAWG): OCT. 26

The Supply Adequacy Group (SAWG) is newly established after its charter was approved by the Corporate Governance Committee in August 2016. It is responsible for development and implementation of policies and processes to ensure reliable supply of capacity necessary to meet demand and supply adequacy requirements/methodologies in SPP. In addition, the SAWG is responsible for ensuring that these processes and policies meet the compliance obligations of NERC Reliability Standards.

The second meeting of the SAWG was held Sept. 26, 2016, in Dallas, Texas. The meeting covered the following:

- Alex Crawford presented the results of the deliverability study.
- SPP staff covered questions about distributed generation, that will be included in the Resource Adequacy Workbook, which will be sent to the load-responsible entities later this year.
- Marisa Choate presented several policy questions to the SAWG that staff needed clarification on for Attachment AA. Attachment AA is the Tariff language that will implement the Resource Adequacy Requirement.

SPP FINANCE COMMITTEE

The SPP Finance Committee completed its first review of SPP's 2017 Operating and Capital budget. The committee requested additional information regarding SPP's spending on technology and how technology is deployed to support SPP's services.

TRANSMISSION WORKING GROUP (TWG): OCT. 19

The TWG discussed many important topics such as the SPP/AECI Joint Coordinated System Plan, the early results of the FAC-013-2 Assessment, additional analysis that staff is performing for the 2017 ITP10, and the criteria for development of operational Needs under the new Transmission Planning Improvement Task Force developed process. The TWG will hold its quarterly face-to-face meeting at SPP corporate headquarters in November.

VOLTAGE TASK FORCE (VTF): OCT. 26

The Voltage Task Force (VTF) discussed generation interconnection (GI) new resource impacts and system studies. The VTF recommend working towards the creation of a GI manual similar to the ITP manual to document the GI study process better. The VTF also recommended researching short circuit requirement needs for GIAs. The VTF discussed standard requirements for single and multiple contingencies as defined in TPL-001-4 and discussed redlines in the draft RR for Voltage



Stability Control OP-3. The VTF also discussed the Triangle Voltage Stability Index to determine if additional language would be required within the RR for Voltage Stability Control OP-3. The VTF also discussed the preliminary results of the Variable Generation Integration Study, and provided feedback to Powertech Labs for study adjustment needs.

UPCOMING MEETINGS

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

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

Please [contact Derek Wingfield](#) in the SPP Communications Department with questions or comments about The Org Report. Back issues of The Org Report are [available here](#).