

RSC AGENDA

REGULAR MEETING*

Monday, January 29, 2007

1:00-5:00 p.m.

Hilton Palacio Del Rio

San Antonio, TX

1. CALL TO ORDER

2. PRELIMINARY MATTERS

- a. Declaration of a quorum
- b. Adoption of October 23, 2006 Minutes

3. UPDATES

- a. RSC Financial Report
- b. Other RSC Officer Reports
- c. FERC
- d. SPP

4. BUSINESS MEETING (ALL ITEMS SUBJECT TO DISCUSSION AND ACTION)

- a. 2006 Regional State Committee Audit Results Chairman Sandra Hochstetter
- b. 2006 SPP Board of Directors Evaluation Results Les Dillahunty
2006 Stakeholder Satisfaction Survey Results
- c. Organizational Metrics Overview Michael Desselle
SPP Emergency Response Plan
- d. EIS Market Update Carl Monroe/Michael Desselle
- e. CAWG Report..... Dr. Mike Proctor
Whitepaper on Attachment Z
OG&E Waiver Recommendation to the MOPC
Alternative Approaches to Economic Upgrades
- f. RTWG's Unintended Consequences Review Dennis Reed
- g. Transmission Expansion Plan – 2006-2016 Jay Caspary
Transmission Overlay Assessment
Westar Waiver Request

5. SCHEDULING OF NEXT REGULAR MEETING, SPECIAL MEETINGS OR EVENTS

6. ADJOURNMENT

* Background materials will continue to be posted in advance of the scheduled meeting as they become available.

Regional State Committee
For the Twelve Months Ending December 31, 2006
Budget vs. Actual
DRAFT

	YTD Actuals	YTD Budget	Variance	
Income				
Other Income	72,112	448,530	(376,418)	(A)
Total Income	72,112	448,530	(376,418)	
Expense				
Meetings	72,112	248,530	(176,418)	(B)
Cost Benefit Studies		200,000	(200,000)	(C)
Total Expense	72,112	448,530	(376,418)	
Net Income (Loss)	-	-	-	

- (A) YTD revenue is less than budget given that ytd expenses are less than budget.
(B) YTD meeting costs are less than budget due to less than anticipated costs associated with meetings held in 2006.
(C) YTD study costs are less than budget as no studies have been conducted in 2006.



Board of Directors Evaluation

Overview

- Third year to conduct survey
- Sent to Board Members / Members Committee / MOPC Chair
- 15 completed surveys
- Survey opened Nov. 14 and closed Dec.1

Respondents:

Member	60%
Board Member	40%

Please see materials for answers to questions 2-13

Please list 3-5 points on which the Board of Directors should focus attention in 2007.

- Market Implementation
- Transmission Planning and Expansion
- Organizational Effectiveness
- Focus on Reliability
- Corporate Metrics
- Staff Role

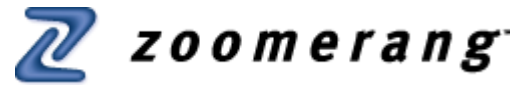
Please see materials for complete answers

Board of Directors Evaluation Results

Considerations	5 Strongly Agree	4	3	2	1 Strongly Disagree	2006 Results	2006 Average	2005 Average	2004 Average
Board members understand the organization's mission and its services	2 - D 1 - M	4 - D	5 - M	3 - M		4.33 D 2.89 M	3.47	3.64	3.50
Board has clear goals and actions resulting from relevant and realistic strategic planning	1 - D	2 - D 3 - M	3 - D 4 - M	2 - M		3.67 D 3.11 M	3.33	3.29	3.39
Board effectively represents the organization to the stakeholder community	1 - D 1 - M	4 - D 3 - M	1 - D 2 - M	2 - M	1 - M	4.00 D 3.11 M	3.47	3.57	3.28
Board meetings facilitate focus and progress on important organizational matters	1 - D 1 - M	4 - D 3 - M	1 - D 4 - M	1 - M		4.00 D 3.44 M	3.67	3.57	3.72
Board regularly monitors and evaluates progress toward strategic goals and objectives	1 - M	3 - D 2 - M	2 - D 4 - M	1 - M	1 - M	3.60 D 3.11 M	3.29	3.43	3.22
Board considers the diverse positions of the membership in a non-discriminatory manner	6 - D 1 - M	5 - M		3 - M		5.00 D 3.44 M	4.07	3.64	N/A

Board of Directors Evaluation November 2006



















Results Overview







Date: 12/4/2006 11:06 AM PST

Responses: Completes




Filter: No filter applied

1. I am a:			
Member		9	60%
Board Member		6	40%
Total		15	100%
2. Board has full and common understanding of the roles and responsibilities of a board.			
Strongly Disagree		0	0%
		1	7%
		3	20%
		7	47%
Strongly Agree		4	27%
Total		15	100%
3. Board members understand the organization's mission and its services.			
Strongly Disagree		0	0%
		3	20%
		5	33%
		4	27%
Strongly Agree		3	20%
Total		15	100%
4. Organization structure is clear (board, officers, committees, executive and staff).			
Strongly Disagree		0	0%
		2	13%
		3	20%
		8	53%
Strongly Agree		2	13%
Total		15	100%
5. Board has clear goals and actions resulting from relevant and realistic strategic planning.			
Strongly Disagree		0	0%
		2	13%
		7	47%
		5	33%
Strongly Agree		1	7%
Total		15	100%






6. Board attends to policy-related decisions that effectively guide operational activities of staff.

Strongly Disagree		0	0%
		3	20%
		5	33%
		4	27%
Strongly Agree		3	20%
Total		15	100%





7. Board receives regular reports on finances/budgets, performance and other important matters.

Strongly Disagree		0	0%
		0	0%
		1	7%
		11	73%
Strongly Agree		3	20%
Total		15	100%




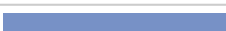

8. Board effectively represents the organization to the stakeholder community.

Strongly Disagree		1	7%
		2	13%
		3	20%
		7	47%
Strongly Agree		2	13%
Total		15	100%


9. Board meetings facilitate focus and progress on important organizational matters.

Strongly Disagree		0	0%
		1	7%
		5	33%
		7	47%
Strongly Agree		2	13%
Total		15	100%





10. Board regularly monitors and evaluates progress toward strategic goals and objectives.




Strongly Disagree		1	7%
		1	7%
		6	43%
		5	36%
Strongly Agree		1	7%
Total		14	100%

11. Board regularly evaluates and provides development plans for the chief executive officer.

Strongly Disagree		0	0%
		2	14%

		3	21%
		6	43%
Strongly Agree		3	21%
Total		14	100%

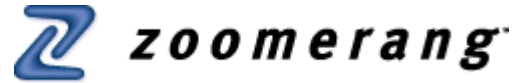
12. Each member of the board is involved and interested in the board's work.			
Strongly Disagree		0	0%
		1	7%
		1	7%
		6	40%
Strongly Agree		7	47%
Total		15	100%

13. The board considers the diverse positions of the membership in a non-discriminatory manner.			
Strongly Disagree		0	0%
		3	20%
		0	0%
		5	33%
Strongly Agree		7	47%
Total		15	100%

Thank you for your input!

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Board of Directors Evaluation November 2006 Results Overview



Date: 12/4/2006 11:07 AM PST
Responses: Completes
Filter: No filter applied

#	Response
14.	Please list three to five points on which the Board of Directors should focus attention in 2007. Please be as specific as possible in identifying these points.
1	The market implementation is a disaster. SPP (unclear if staff, or the committee structure is the issue) has not met budget, schedule, and there appears to be a lack of accountability at all levels, particularly the consultants.
2	SPP BOD needs to focus on ensuring market systems are stable. SPP BOD must ensure SPP meets the reliability standards being mandated by FERC.
3	1. Keeping the lights on, i.e., don't lose focus on reliability while worrying about a new market. 2. More timely responses to member transmission issues, i.e., can we make progress on improving the current study process for evaluating new transmission?
4	Budget for our new goals and objectives. Development of imbalance market. Focusing on the development of needed transmission projects within the plan.
5	Implementation of the EIS Market. Development of appropriate Matrix to measure SPP Success. Continue to work with the Officer Team to ensure that the right skill sets are in place for SPP Success in the future.
6	1. Total organization effectiveness. 2. Relationship with members, need to gain trust. 3. Balanced process to consider all stakeholders concerns.
7	1. Market operations 2. System reliability - ensuring SPP and its members have the tools needed to comply with NERC standards 3. Cost allocation - base plan projects being worked with no effective plan to implement 4. Any future markets consideration must have a valid cost benefit analysis for the end use customer
8	Each member of SPP has day to day business operation to perform in addition to SPP development, not just SPP development. Customers ultimately win or lose based on market success. Patience is a virtue, speed kills.
9	further refinement and improvement of staff generated performance reporting . Relevant metrics to monitor and measure SPP operations and market evolution.....single most pressing need
10	1. Implementation of control procedures and non-qualified audit of these procedures. 2. Process integrity 3. Customer relations
11	1. The board should focus more attention on operational results of the existing market structure (in addition to the development of the new market). This will help to heighten the board's awareness of existing operational issues (TLR's, lack of ATC, etc.) and it will help the board to understand the role of SPP in general. 2. The board needs to encourage the staff to take a more aggressive role in coordinating and managing the business of SPP. The board should encourage the staff not just to be "facilitators" but to be business leaders.
12	1. Strategic direction of SPP -- how does SPP do a better job on its fundamental transmission operations/planning and tariff administration responsibilities, given market launch that has diverted attention and resources from these responsibilities. 2. Understanding fundamental issues/problems as identified by market participants, and requiring solutions from Staff. 3. Keeping control of ever-increasing budgets/headcount. History of other RTOs is constantly increasing costs from market operations with little accountability; Board needs to ensure SPP doesn't go down this same path.

13	1. Building transmission. 2. Making RE work. 3. Implementing EIS market. 4. Starting focus on demand management. 5. Developing metrics for management.
14	Separating our board policy function from actual operations. Empowering CEO with goals and objectives such that he can implement policy and handle all operations. Regularly revisiting our annual goals and objectives for SPP. Focusing board attention on trends, forecasts, externalities and other policy considerations.
15	1. Organizational capabilities and development needs associated with a rapidly growing organization 2. Establishment of a CIO position 3. Advancement of a more proactive strategy regarding transmission expansion opportunities. 4. Better detailed strategic planning process with defined objectives, associated timelines, milestones and defined accountabilities 5. Revamping of committee structure to achieve a higher measure of effectiveness given the new requirements associated with market implementation

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2006 Stakeholder Satisfaction Survey

Stakeholder Satisfaction Survey

- Second year to conduct survey
- Survey results are one metric in employee performance compensation plan (with Reliability and Cost Control)
- Sent to 484 stakeholders (members, customers, regulators, vendors, organizational group members, contract services customers) (2005, 246 stakeholders)
- 164 completed surveys (2005, 87 completed)
- 34% return rate (2005, 35%)

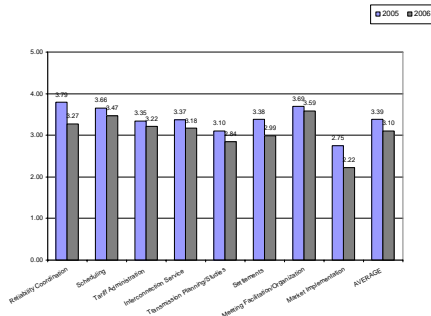
Relationship with SPP

Member	62% / 49%
Customer	20% / 17%
Regulatory	3% / 8%
Vendor	7% / 24%
Other	8% / 1%

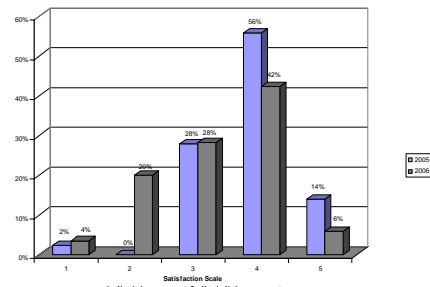
How Often do you Interact with SPP?

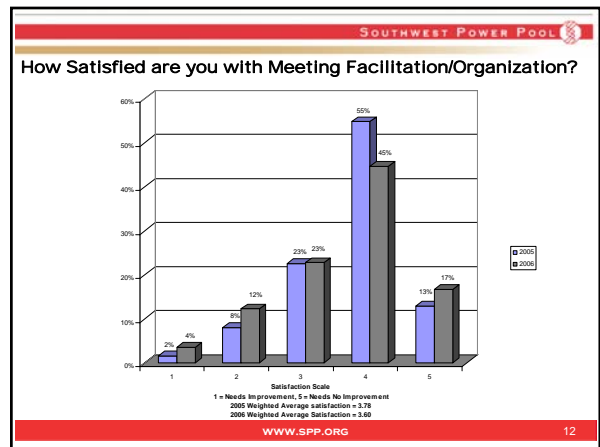
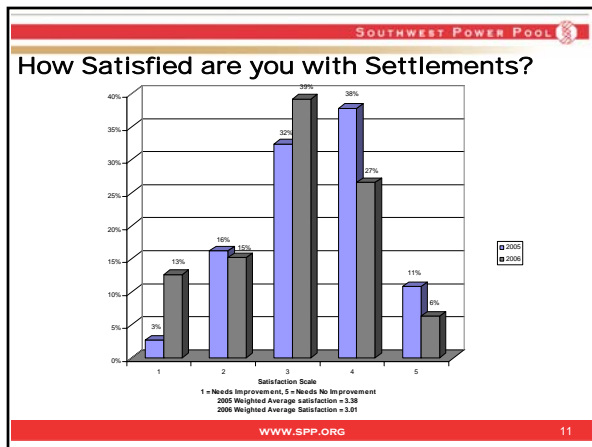
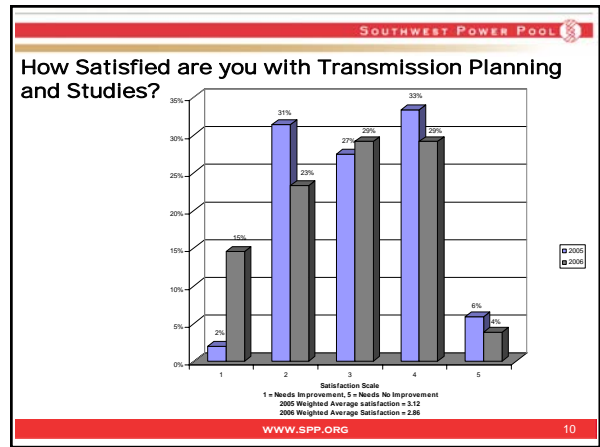
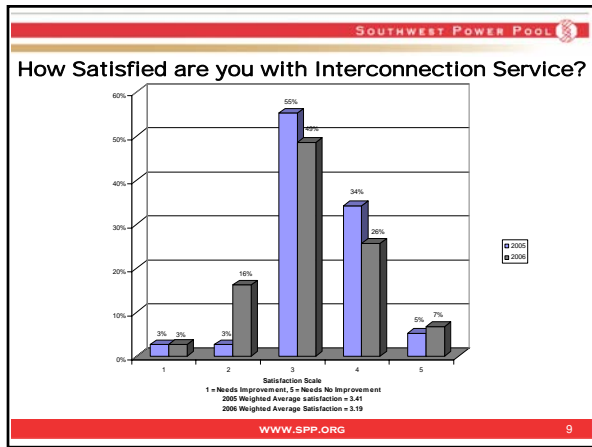
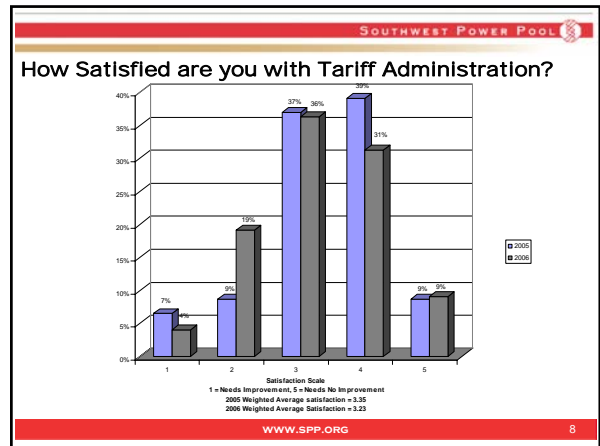
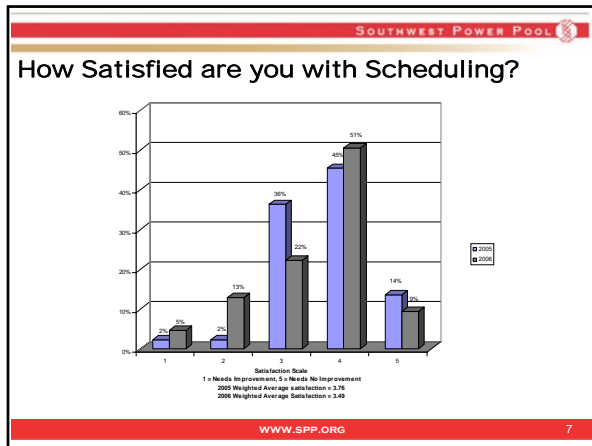
Daily	27%
Weekly	43%
Monthly	22%
A few times a year	10%
Rarely	2%

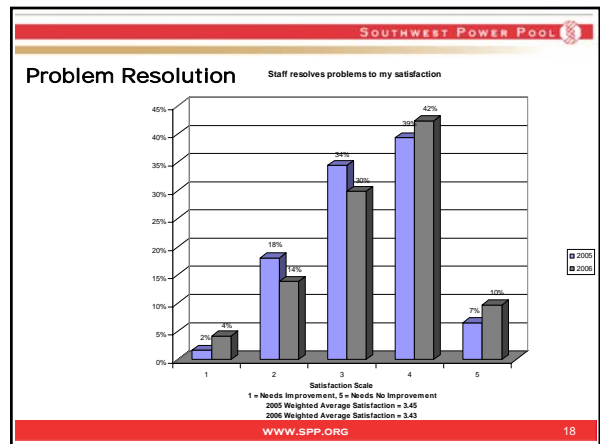
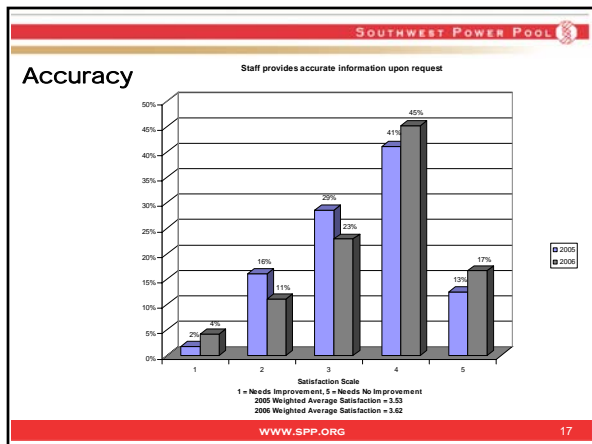
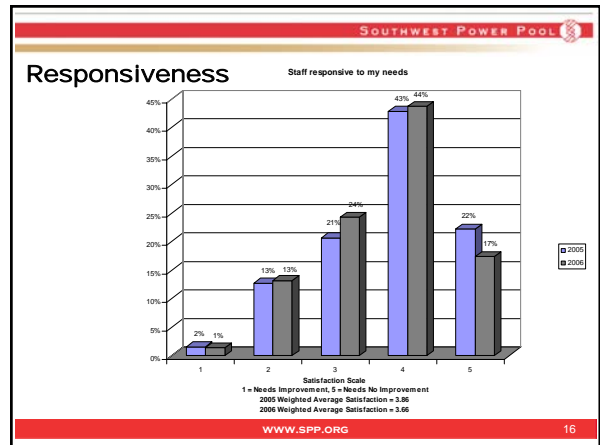
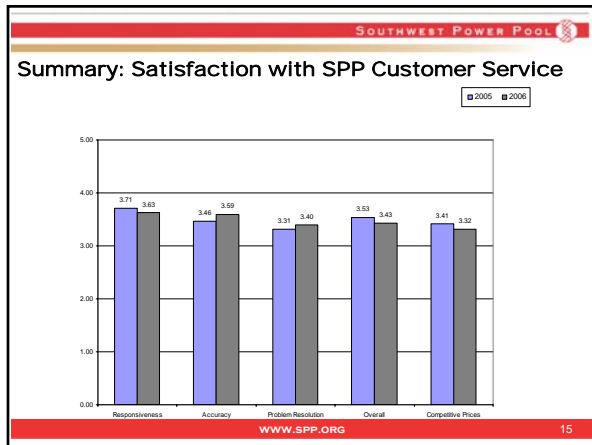
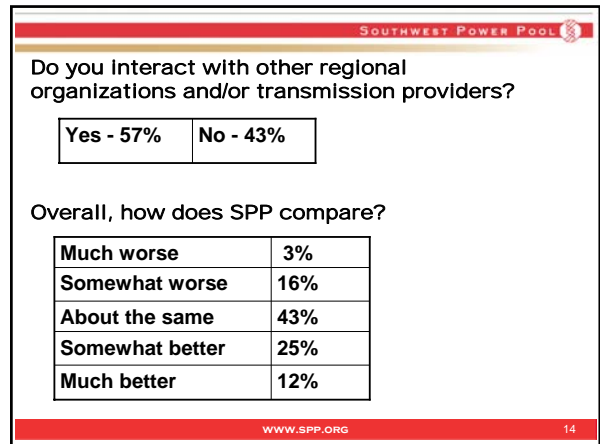
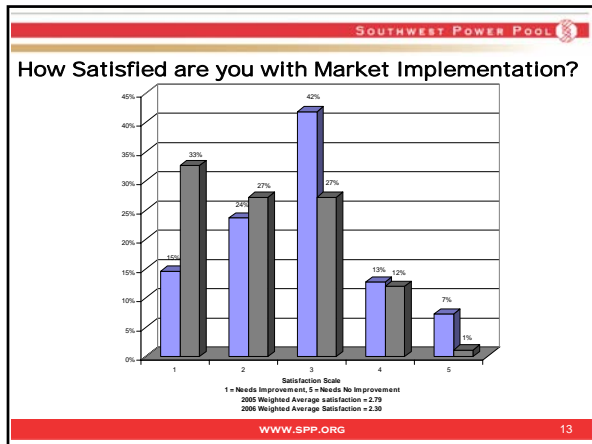
Summary: Satisfaction with SPP Services

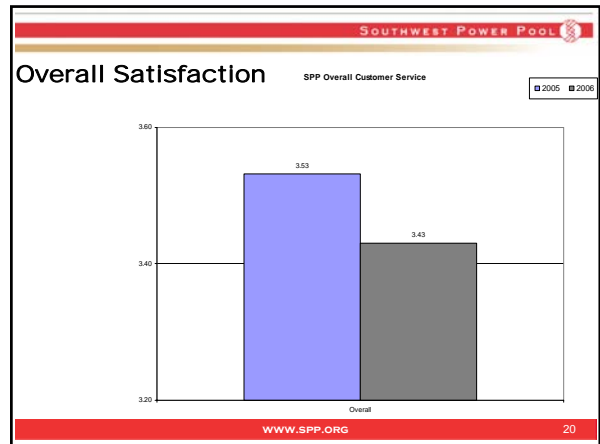
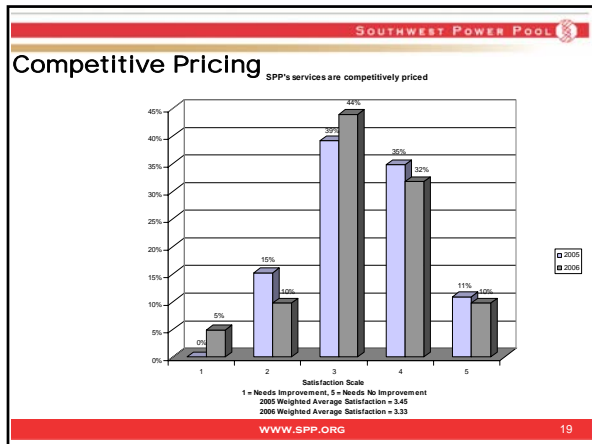


How Satisfied are you with Reliability Coordination?









SOUTHWEST POWER POOL

Do you participate in SPP committee, working group, or task force meetings?

Yes - 65% **No - 35%**

	Needs Improvement 1	2	3	4	Needs No Improvement 5
Schedules/ logistics communicated in timely and clear manner	4%	9%	15%	49%	24%
Facilities planned appropriately and meet group needs	1%	6%	19%	50%	25%
Materials well-prepared and distributed in timely manner	7%	17%	27%	35%	14%

WWW.SPP.ORG 21

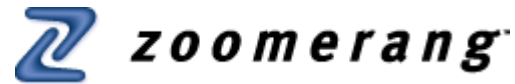
- SOUTHWEST POWER POOL
- ### Please list 1-2 characteristics of SPP with which you are satisfied (102 responses)
- Willingness to Help
 - Timely response
 - Staff members: friendly, polite, courteous, patient
 - Staff are knowledgeable and skilled
 - Regulatory and compliance support
 - Facilitation skills
 - Website / Webcasts
 - Reliability / Operations
- WWW.SPP.ORG 22

- SOUTHWEST POWER POOL
- ### Please list 1-2 characteristics of SPP with which you are dissatisfied (101 responses)
- Transmission studies and process
 - Settlements processes and Billing (outdated, lack of detail)
 - Focused on Market at expense of other services
 - Meeting materials not timely
 - Regional operations training
 - Perception that SPP lacks internal communication
 - Should be more active on new transmission construction and reconfiguration
 - Market Implementation
 - Responses not timely
- WWW.SPP.ORG 23

- SOUTHWEST POWER POOL
- ### Please share any remaining thoughts about your satisfaction with SPP (56 responses)
- Board of Directors needs to be more knowledgeable and responsive
 - "Very impressed with SPP staff"
 - Need to increase external communication
 - Aggregate study process needs improvement
 - "SPP staff seems stressed and overworked"
- WWW.SPP.ORG 24

2006 Customer Satisfaction FINAL

Results Overview



Date: 12/4/2006 12:52 PM PST
 Responses: Completes
 Filter: No filter applied

1. Type of relationship your organization has with SPP:			
Member		101	62%
Customer		33	20%
Regulatory		5	3%
Vendor		12	7%
Other, Please Specify		13	8%
Total		164	100%

2. Your role within your organization:			
Operations		41	25%
Engineering		28	17%
Technical / IT		11	7%
Policy / Regulatory / Legal		28	17%
Accounting / Finance / Settlements		23	14%
Executive (Director or Officer)		21	13%
Other, Please Specify		12	7%
Total		164	100%

3. How often do you interact with SPP?			
Daily		43	27%
Weekly		70	43%
Monthly		35	22%
A few times per year		16	10%
Rarely		4	2%









4. Overall, how satisfied are you with SPP's provision of the following services? Please use a rating scale where 1 means "needs improvement" and 5 means "needs no improvement".

Please choose N/A if your organization does not use the particular service listed.



Top number is the count of respondents selecting the option. Bottom % is percent of total respondents selecting the option.	Needs Improvement	2	3	4	Needs No Improvement	N/A
	Reliability Coordination	3 2%	17 11%	24 15%	37 24%	6 4%
Scheduling	4 3%	11 7%	19 12%	44 29%	9 6%	66 43%

Tariff Administration	4 3%	19 13%	36 24%	32 21%	9 6%	51 34%
Interconnection Service	2 1%	12 8%	36 24%	20 13%	5 3%	77 51%
Transmission Planning / Studies	15 10%	24 15%	30 19%	31 20%	4 3%	53 34%
Settlements	10 7%	12 8%	32 21%	21 14%	6 4%	70 46%
Meeting Facilitation/Organization	4 3%	14 9%	27 17%	52 33%	20 13%	39 25%
Market Implementation	30 20%	27 18%	26 17%	14 9%	2 1%	53 35%






5. Please mark the SPP staff and/or services with which you have the most interaction:

Reliability Coordination		33	22%
Scheduling		35	23%
Tariff Administration		51	34%
Interconnection Service		12	8%
Transmission Planning / Studies		56	37%
Settlements		34	23%
Meeting Facilitation / Organization		40	26%
Market Implementation		57	38%

6. Do you interact with other regional organizations and/or transmission providers?

Yes		94	57%
No		70	43%
Total		164	100%

7. Overall, how does SPP compare with the regional organization / transmission provider with which you interact most often?

Much worse		3	3%
Somewhat worse		15	16%
About the same		39	43%
Somewhat better		23	25%
Much better		11	12%

8. Based upon your experience, please rate SPP staff's customer service performance in the following areas:

Top number is the count of respondents selecting the option. Bottom % is percent of total respondents selecting the option.	Needs Improvement	2	3	4	Needs No Improvement	N/A
	SPP staff members are responsive to my needs.	2 1%	20 12%	35 22%	67 42%	29 18%
SPP staff members	6	16	36	68	28	7

provide accurate information upon request.	4%	10%	22%	42%	17%	4%
SPP staff members resolve problems to my satisfaction.	6 4%	20 12%	46 29%	64 40%	17 11%	8 5%
Overall, I am satisfied with SPP's service.	6 4%	16 10%	50 31%	61 38%	19 12%	9 6%
SPP's services are competitively priced.	4 3%	8 5%	36 23%	27 17%	8 5%	73 47%

9. Do you participate in SPP committee, working group, or task force meetings?

Yes		106	65%
No		58	35%
Total		164	100%

10. Please rate SPP's service and support of committee, working group, and task force meetings:

Top number is the count of respondents selecting the option. Bottom % is percent of total respondents selecting the option.	Needs Improvement	2	3	4	Needs No Improvement
Meeting schedules and logistics are communicated in a timely and clear manner.	4 4%	9 9%	16 15%	51 49%	25 24%
Meeting facilities are planned appropriately and meet the needs of the group.	1 1%	6 6%	20 19%	52 50%	26 25%
Meeting materials are well-prepared and distributed in a timely manner.	7 7%	18 17%	28 27%	37 35%	15 14%

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2006 Customer Satisfaction FINAL

Results Overview



Date: 12/4/2006 12:54 PM PST
 Responses: Completes
 Filter: No filter applied

#	Response
11.	Please list 1-2 characteristics of SPP with which you are satisfied (willingness to help customers, staffing levels, facilitation skills, planning and transmission studies, etc.)
1	A strong desire to do the right things for the right reasons, and a dedicated staff. Active engagement of members when their engagement is needed.
2	Regulatory support.
3	Professional Expertise of employees.
4	Relationship based Planning
5	- well designed helpful website
6	willingness to help and usually timeliness of response
7	Staff is friendly and helpful.
8	Meeting timelines
9	willingness to help customers/personal interaction
10	Willingness to help customers; friendliness of contacts
11	website, overall communications
12	planning staff are very helpfull
13	1-Willingness to listen 2-Provide system information in a timely fashion
14	Generally, the past performance of SPP has been positive. The reputation of the RTO to operate efficiently and with stakeholder input created loyalty to the organization that was of significant value to its success. The support of regulators was built upon this foundation. The involvement of State Commission staff in workgroups helps to perpetuate "buy in" to the process and helps build support for the organization itself.
15	Quality of staff and personnel
16	I find that the people I interact with are very friendly, understanding, and all around good people.
17	knowledge of company rep
18	All staff members are great to work with.
19	Staff works well with vendors and partners
20	- Relationship based approach - Honesty / Integrity in Interactions - Personal commitment of people in the organization to their work
21	facilitation skills, staffing levels and willingness to help customers
22	Great staff
23	willingness to help customers, staffing levels, facilitation skills, planning and transmission studies
24	Willing to work with members on problems and solutions. Good people.
25	N/A
26	Reliability coordination
27	Patient with questions

28	Staff always seems willing to answer questions no matter how stupid sounding. My customer service rep always finds someone who can help me.
29	work thru issues, hold to deadlines well
30	communicate back in a timely manner, willing to have "ono-on-one" conference calls
31	staff is friendly
32	My customer rep is responsive to any and all questions. Very willing to work with me on any issues I may have
33	willingness to help
34	There seems to be a general willingness to help individuals.
35	Open culture, responsiveness
36	Good responsiveness on interconnection side of house and willing to accept inputs from wind industry on long range planning exercises.
37	(1)SPP lets the stakeholders drive the processes (2) Staff availability to discuss problems, issues, and/or informational needs
38	facilitation skills, new web site
39	Staff's willingness to listen and react.
40	staffing levels of IT have surprised me. i recently visited with kevin perry and was shocked at the level of IT SPP has acquired within the last year. Over 60 people?
41	SPP is customer driven, and the culture is good. However, work loads are such that the staff can not always respond timely.
42	1 - I believe SPP is headed in the right direction. 2 - I believe SPP's interest is the same as that of the company I work for.
43	Willingness to help customers is fantastic among all groups I've encountered.
44	Willingness to help customers Polite and courteous Coordination on state RTO approvals very good
45	1) Willingness to help 2) Coordination of meetings
46	facilitation skills and willingness to work with us.
47	Knowledge of staff, willingness to help
48	quality of staff personnel, member orientation and reliance
49	SPP staff seems to care and willing to try and find a solution to customer issues. Provides forums to suggest changes.
50	Webcasts are great in lieu of face-to-face meetings. SPP is also supportive in transmission siting cases. SPP Regulatory coordinates FERC and state filings very well.
51	Staff response to questions.
52	The NERC Compliance department has been outstanding in answering my questions in a timely manner. I enjoy working with Ron and Kevin. I also enjoyed working with Robert Rhodes in the reliability coordination area.
53	courteous and helpful
54	I am satisfied with SPP's staff willingness to have an open door when MP's want to visit.
55	willingness to help customers
56	Reliability.
57	Staff knowledge, ability to resolve questions.
58	FACILITATION, HELPFULNESS
59	Willingness to help. (attempts are made) Facilitation skills good.
60	Willingness to answer questions Depth of SPP Staff tariff knowledge
61	Facilitation

62	Open dialogue,
63	Willingness to work with customers. Employees provide consistent service and response.
64	cooperative and competent staff expert facilitators..sensitive to stakeholder varied perspectives
65	Meals and hotels where SPP meetings are held are usually of good quality.
66	poor service, attitudes
67	Responsive to questions, post pertinent information on OASIS site
68	Staff has been very good to work with. Although everyone is very busy, they typically respond in a timely manner.
69	Willingness to help customers is positive.
70	SPP is very knowledgeable and is diligent to try to meet member operational needs in an equitable and fair manner.
71	SPP staff is generally responsive and helpful.
72	The OASIS folks at SPP are very responsive to customer needs and follow ups.
73	SPP staff is responsive to requests and questions.
74	Willingness to help customers,
75	Willingness to help, Quality of staff associated with doing the work.
76	Willingness to help customers
77	Quality People
78	Generally, SPP staff in RC, Scheduling, and Tariff Administration have been very helpful. There have been some challenges in billing for services per our agreement, but I believe the two organizations have resolved how best to proceed.
79	Meeting planning and execution. Knowledgeable staff.
80	I think that the SPP staff and its board is incredibly open and balanced. The operations staff, in particular, has always been extremely open to constructive feedback, and they do a great job at communicating the rationale for decisions that they make.
81	For the most part SPP is a solid organization. the people I have had contact with are professionals through and through. Good people. Reasons for tag denial should be communicated more clearly and that would clear up some confusion when working with some folks. But all in all, its a pretty good relationship.
82	Willingness of staff to help
83	Providing non-discriminatory services to all stakeholders.
84	SPP IT resources are dedicated to resolving the market implementation issues and seeing the market implementation become a reality.
85	Willingness to help customers. Pleasant to interact with.
86	1. Professionalization of the staff 2. Achieving excellence once assignment is firm.
87	Staff always will to help.
88	Staff support and willingness to work with us.
89	The real time security coordinators and operating personnel do a good job. These people continue to be the front line that will determine the successfulness of the SPP when the market launches. The SPP staff continues to be willing to help member customers.
90	I appreciate the responsiveness of SPP staff, the planning, and the openness of meetings
91	individual staff displays good expertise and professionalism meetings are well organized and executed effectively
92	website is helpful usually providing the needed documentation

93	willingness to help customers is greatly appreciated
94	SPP market implementation seems to be progressing well.
95	I believe SPP is honestly interested in our needs, but is not always successful in meeting those needs.
96	Staff are always willing to help when I call in, if they don't have the answer they will call back.
97	Good qualified people in the technical areas.
98	Sam Ellis is doing a great job. The market Implementation is very difficult. I see him as both reasonable and very hard working.
99	stamina to hold up under immense pressures; the ability to pursue difficult tasks and remain courteous with others
100	responsive to calls and questions
101	willingness to help customers dedication
102	good technical skillset good organizational depth

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2006 Customer Satisfaction FINAL

Results Overview



Date: 12/4/2006 12:54 PM PST
 Responses: Completes
 Filter: No filter applied

#	Response
	12. Please list 1-2 characteristics of SPP with which you are dissatisfied (willingness to help customers, staffing levels, facilitation skills, planning and transmission studies, etc.)
1	Governance structure - should be a stakeholder Board to have credibility. Transmission study process needs improvement.
2	Transmission presentations at other RTOs.
3	Electronic Accessibility of supporting documents such as notes to Working Group meetings and rosters.
4	- Meeting coordination leaves a lot to be desired; agendas and expectations need to be set in advance - The effectiveness of training programs needs improvement; goal should be get new hires up to speed in a timely manner
5	knowledge level of those not directly involved. For example Market Operators should understand the rules at least as good as the MPs. The surprises and short notification of changes. Surprises such as not having redunt application servers and short notices on changes that affect MPs Market Systems.
6	IT staff is helpful, but doesn't seem to have the time to do relatively simple things to help our operation.
7	Unknowledgable staff
8	inconsistencies when dealing with short and long term DC Tie requests
9	Incorrect data requests; not keeping members continually informed of status changes and future changes
10	transmission studies
11	aggregate study process is seriously flawed there needs to be some type of widely available screening tool so that aggregate studies are not utilized as a screening tool
12	1-Correcting issues when they arise 2-Communication internal to the SPP staff - it seems that everyone is not on the same page
13	Recently, the problems associated with market startup have raised concern about the job SPP has done in preparing for the market. Further questions have arisen about the work done by the RTO in building the confidence of stakeholders in the market startup. While I am satisfied with the responses given to Regulators when requests are made of them, I believe the SPP management would benefit from more outreach in communication.
14	None
15	As a contractor, I find it extremely difficult to get a rapid response from IT for requests that are critical for me to do my job. Some of the requests I have made are over 6 weeks old and would take less than 5 minutes to complete. Because of this, my effectiveness is significantly hampered. I would like to see better response time and tracking for help desk requests. Actually, I'd like to see a help desk.
16	The RSS system is troublesome and although many recommendations have been made to fix it, SPP never seems to get around to fixing it.
17	unable to get some long term trans
18	Sometimes it takes a long time to get a question answered, but it could be because all the staff members are so busy.
19	- One of the most valuable points about small organizations is the ability to be flexible. I would like to see this characteristic in tact, but do believe there needs to be a little more definition around organizational roles / responsibilities. - It would be nice to have some of the administration aspects simplified. - I believe vendor relationships and processes are critical for SPP, and would like to see mechanisms in place to facilitate these interactions (document management, etc...).
20	reliability coordination, planning and transmission studies
21	Lack of Regional provided training

22	Billing procedures for new counterparties.
23	understaffed. Solutions (IT) take to long to implement. Making changes that affect memebtrs without notification.
24	N/A
25	Willingness to help customers Market implementation Technical understanding of market issues
26	No dissatisfaction
27	Occasionally some of the newer staff forgets who is the member and who is the staff and can get quite arrogant.
28	Aggregate studies Market Implementation
29	tariff-related topics stealing most of SPP staff man-hours, reliability is back seat
30	sometimes receive conflicting information from multiple sources, meetings always start late
31	getting answers about mechanics of market data submissions that we can use is difficult.
32	SPP invoice / supporting documentation is difficult to discpher and not presented in a useful way as to aid in day to day settlement operations in our company. It is difficult to design processes and controls around SPP settlements, as they seem to have no processes in place.
33	planning and transmission studies
34	Sometimes SPP seems to be overworked and underprepared. The result of this is often chaotic schedules that are inconsistent or not adheared to.
35	n/a
36	Unable to provide concrete rapid answers during early stages of aggregate transmission study process. Cost allocation working group is a failure. SPP will not be competitive with other RTO's if the distinction between reliability (base funded) and economic upgrades perpetuates.
37	(1) At times, some Staff members are tough to catch and it may take a couple days to hear from them. (2) Might investigate a next generation of a multiple speaker system to use at meetings. Phone access to large meetings is difficult, at best.
38	willingness to answercustomers' questions, timely communications from staff
39	The ability to bring critical issues to closure ie cost allocation, formula rates.
40	getting some feedback from SPP operators that market implementation is the entire focus of management. this is a concern. other issues such as reliability are vastly more important.
41	In the service agreements NOA/NITS area, we do not get timely turnaround, or good answers to questions. Pat Bourne usually has to get involved before we can get a workable solution.
42	1 - continue to be appalled at its billing processes. 2 - do not get consistent answerers from different staff personnel on same question.
43	The transmission evaluation does not always reflect what the AFC analyzer reports. When submitting day ahead transmission the partial acceptance doesn't seem to be working. I'm not sure this was communicated to the market and whether or not it's been fixed.
44	1) Background information distribution to most working groups is on short notice. 2) Transmission Cost Allocation Implementation still pending. 3) Concerned about the type of financial incentives given to the SPP staff - majority, if not all, financial incentives should be based on 1) customer service/satisfaction 2)cost containment/control and 3)regulatory efficiency 4) The BOD should be held to the same standards as above. Annual meeting budgets for the BOD should be transparent and goals established to save dollars. 5) BOD should be compensated for "participation" in stakeholder meetings - not educational/listening. Entry level Board members are the exception,however after a period of time, the understanding of the SPP and how it works should be the responsibility of the BOD memeber. 5) Implementation/action plans need to be developed "prior" to a major initiative startup. A focus on implementation is critical for coninued success and expansion of services - as a stakeholder involved organization.
45	1) Timeliness of transmission study results 2) Explanation of the same outcomes
46	Training for Reliability appears to be underfunded and understaffed

47	seem to be understaffed, existing personnel overworked.
48	understaffing of tariff administration area, FERC counsel representation
49	Sometimes there appears to be a lack of empowerment to front line employees to make a call on issues. Staff gets stretch too thin at times to address issues quickly.
50	Some of the working groups have very late distribution of the papers prior to meetings. Webcasts should be considered for more meetings in lieu of face-to-face meetings.
51	When ask different RC's the same question or questions, you get different answers. If an RC makes a mistake, it is made right. If a customer makes a mistake the answer that you get is tough luck.
52	A few years ago when our company was not a full member, an issue came up concerning adding a router which I questioned. My reasoning was that we might be switching soon and did it make sense to make this investment. This question ensued with a series of dictatorial e-mails made in a very condescending manner. Shortly thereafter, one of our vice-presidents at the time told us how he was sitting next to a group of SPP personnel who were complaining about how our company was questioning the upgrade.
53	Customer Service- Transmission Planning
54	I am dissatisfied with the amount of patches being applied and to the level at which they are documented
55	I have no issues that I'm dissatisfied with.
56	Billing and settlement statements is antiquated, still using notepad in this day and age. OASIS is also antiquated and needs to be improved.
57	None.
58	Staffing levels sad, Operations and reliability taking a back seat to market implementation, lack of experienced personnel in reliability coordination.
59	Lack of resolution on cost allocation Postponing EIS market start-up dates
60	transmission studies/knowledge
61	Timliness of studies, depth and breadth of studies, concentration on short term bandaid fixes at the expense of long term regional transmission expansion. Planning activities take too long and process is review/approved by too many groups to effectively get anything done. Perpetual paralysis by analysis. Let's argue for another two years about rate treatment, cost recovery, whether a plan is "economic" or "reliability" while the transmission system capacity continues to decrease.
62	Meeting locations for some committees are not moved often enough. No matter where a meeting is held, travel arrangements will be expensive or difficult for some member(s). If meetings are always held in the same location, then a member may seldom participate because of this expense. Dallas is not convenient for everyone all the time!
63	Very slow in the development and effective articulation of regional transmission planning slow in taking more proactive approach to issue discussions so as to better facilitate and speed up issue resolutions
64	unwilling to help always must be right nonresponsive to our problems
65	Market deployment tests
66	DC Tie coordination with ERCOT, confusing requirements on NERC tags
67	Committee meeting information (agenda/background material) is usually very lengthy. Often there is not enough time to adequately review the data with other company staff prior to the meetings. If the info. could be sent sooner, it would be helpful.
68	Resolution of issues with OATI. Resolution of issues with RTOSS (SPP).
69	No comments.
70	Member review time for feedback to studies (too short). Also, meeting materials often are not posted with enough review time.
71	SPP could provide more direction/leadership on certain RTO issues.
72	Meeting materials distributions and coordination between departments at SPP is lacking. I have to supply the same data to different departments.
73	Lack of details on bills - at a minimum each item on a bill should show units and rate

74	How complex the models have become with groups and scenarios. This could be construed as being obstructionist in nature.
75	Timeliness in correction of billing errors
76	Planning Studies Reliability Studies / Analysis
77	<p>We are concerned about the willingness to reconfigure the transmission system (i.e., open lines) to address other overloading issues. We feel that this general practice causes more vulnerability. We have experienced other nearby RC's taken action based on their "study results" showing no problem when the action actually caused us significant problems. Therefore, we are quite cautious to accept the reasoning that "our studies don't show any negative impacts for opening a line".</p> <p>We are also concerned that in the training area, SPP needs to provide a schedule or plan for the next year's training schedule by around October 1 of each year. Since all System Operators in the region work rotating shift, the supervisors are trying to plan for how they will meet the new requirements for NERC CEH.</p>
78	Access to staff. Response to questions are slow.
79	<p>I feel that the focus on the market open has overwhelmed the staff, and that there has not been adequate focus on the existing business processes as a result.</p> <p>I am disappointed that the staff doesn't take a more aggressive role in encouraging and facilitating the construction of significant new transmission facilities in the region.</p> <p>I am disappointed that the staff doesn't seem to have been communicating with each other about issues that are going on within committees that they "manage". I indicated above that I appreciate the deference that the staff shows to the membership, but I feel that the staff must begin to assert its authority if it is truly to be an "independent" operator.</p>
80	The whole market implementation...It is not necessarily the fault of those creating the software, but it isn't very user friendly or intuitive. There shouldn't have to be several different screens to input information when it could be consolidated more efficiently.
81	Sometimes very reluctant to "push" a member to do what they should be doing concerning reliability
82	Don't seem to be as interested in understanding the customer's needs as once were.
83	Hard to get in touch with. Settlements
84	Notification and Description when making payment, i.e. Interest on Deposit.
85	<ol style="list-style-type: none"> 1. Proactive facilitation of meetings including advancing strawmen when necessary. 2. Use of metrics to define what is really happening.
86	Staff does not always have the answers to questions on new studies that SPP is requesting data or information.
87	Difficult to track which of the EIS market development efforts are relevant to us (as an independent generator)
88	<p>The SPP staff should be prepared to answer questions relating to any process that the SPP requires a customer to go through. If the SPP is unsure what or how to do something how can they expect a market participant to be prepared?</p> <p>If the SPP expects customers to use customer representatives, then the access to SPP expertise must be timely and at times it is not timely.</p>
89	Efficiency of decision making is lacking
90	a swelling staff with a lack of customer focus a very poor transmission study process
91	Staff fails to return calls and e-mails with information
92	nothing in which I would say I'm dissatisfied
93	Billing errors for transmission purchases. having issues resolved in a timely manner.
94	SPP's billing process is the worst I have ever encountered. Real work needs to be done to fix this problem and now.
95	<ol style="list-style-type: none"> 1)ATC reports are not accurate 2)Inconsistent response to questions
96	Customer reps are overworked and as a result do not respond very quickly unless it is an emergency. They should have cell phones for better accessibility.
97	Market Implementation has been slow and items seem to drag on.

98	staffing levels have improved; but I remain concerned about too much weight being placed upon staff when consultants should bear the major burden
99	the numerous delays in the market start
100	aggregate transmission study process time allowed to make changes/test new processes for EIS market
101	market implementation development and leadership information technology leadership

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2006 Customer Satisfaction FINAL

Results Overview



Date: 12/4/2006 12:55 PM PST
 Responses: Completes
 Filter: No filter applied

#	Response
	13. Please share any remaining thoughts about your satisfaction with SPP.
1	Too many ex-Entergy employees to avoid dillution of SPP culture.
2	No other thoughts to share.
3	RTWG materials sendout timeliness (early enough B4 meeting) has been improving. Thank you.
4	As your independent auditor I am limited in the areas where it is appropriate to provide feedback. However, during my two years of service to SPP I have been extremely impressed with the integrity of management and staff - even (and especially) when difficult issues have been addressed.
5	It seems that SPP is wanting to push the market even though they are not ready to do so.
6	EIS Market issues are the main problem with SPP. SPP needs to improve it's communication and organization when it comes to market testing.
7	I feel SPP does work to help its members with information but sometimes fails to make sure that the information is what a member is needing. When this happens it seems impossible to get return phone calls when requesting additional assistance.
8	The Aggregate study process needs improvement. There are way to many load growth requests in it, and customers should not be allowed to continually enter the same request into each Aggregate, then have it studied through 2-4 Facility Studies only to withdraw at the last minute.
9	SPP needs to address issues that adversely effect customers in a thorough, open, professional manner.
10	This is a critical time for SPP. Communication with all stakeholders should be stepped up significantly while the changes and challenges associated with market startup are ongoing.
11	We are very impressed with SPP and its people. The organization appears to have set very high ethical and professional standards.
12	On a lighter note, I am extremely dissatisfied with the lack of supply of donuts.
13	I am pleased, overall, with SPP. I think some of the customer service people are too busy to respond very quickly to questions.
14	SPP has a great group of staff members. Hats off to Jim Gunnell, John Taylor, Kim Williams and Terry Oxandale
15	Justed started talked to SPP last month for end of month checkout. Don't have alot of experience with SPP
16	Board members have little understanding of the electric industry and issues related to market implementation. Staff does not provide adequate informational/educational resources to the Board.
17	All in all a very good group of people.
18	Good group of people. Positives far out-weigh negatives.
19	the SPP staff appears to be overworked and stressed
20	n/a
21	Look at ERCOT. It works. SPP needs to make difficult policy choices now if they truly want a system that benefits consumers versus trying to please everyone with piece meal, lackluster tariff revisions that are not affecting positive change.
22	Generally, I find the Staff and Board to be highly professional, personable, and attentive to the concerns of the Membership.
23	In general doing satisfactory but new systems and processes are not being initiated smoothly.
24	Market implementation is consuming the organization and other critical issues are not being addressed
25	SPP had been rock solid up to the last 18 months. Since the MISO potential merger fell apart, SPP has not performed with the cooperation and clarity of past years.
	I believe SPP truly desires to meet the needs of its customers but has difficulty in processes that are not conducive to fair

26	treatment and comparability. May need to get someone on board that has experience with non-IOU needs so that these issues are properly addressed.
27	<p>We are seeing progress and improved customer service, however it seems as though certain members of the SPP BOD have lost sight of the history and culture of the SPP and just don't listen/trust the members-IOUs. The stakeholder process does take longer than a command and control organization, however the stakeholder process has been successful and "requires" patience and compromise.</p> <p>SPP is a "non-profit" organization and should be ran as such and driven based on the what the majority of the customers need and want while meeting regulatory requirements. This is a serious concern because as we go into the future - the SPP must not be driven solely by a Board of Directors, regulators and perception that the TOs are against the TDUs and the BOD's responsibility is to determine what they deem to be discriminatory, unjust, and unreasonable. To be successful, the organization must be driven by the BOD, regulators AND customers(load)(while receiving sound policy advise from staff and counsel), where customers should be the majority of the load - not an eloquent minority.</p> <p>I believe that to be more effective going forward- the BOD and MOPC must have the benefit of FERC legal counsel and/or consultants available to them during meetings when issues of great importance are to be discussed. Legal counsel should, at a minimum, be present via dial-in. If FERC counsel is not available, then the SPP staff should probably be given deference by the BOD.</p> <p>Thank you for the opportunity to share my thoughts. Bary Warren/EDE</p>
28	It is not always feasible to travel in person to some of the many meetings. It would be nice to have a public address system that tied into the phone line. It is nearly impossible to understand what is being said in such a meeting as the MOPC or BOD meetings if you dial in.
29	Overall, a good organization to work with.
30	SPP staff allows entities to have too much input on certain issues that get addressed when these entities either do not use, understand, or are not impacted by the issues that are being addressed. The ability to correct issues within the tariff are overly difficult to accomplish, at times staff needs to stand up and say this needs fixed to provide better service instead of waiting till the customer has the problem.
31	TLR procedures need to be looked at.
32	Overall, I am very pleased with SPP's effort. They might be understaffed, though.
33	<p>I am very concerned about the lack of reliability focus at SPP. The addition of the EIS Market, and the decision to perform an expansion to provide ICT services to others has taken away the focus from your long time members.</p> <p>This lack of focus and the resultant staffing changes the pool has made to accommodate the additional services mentioned above will come back to haunt us I fear.</p>
34	The ICT is on a steep learning curve. Ask me these questions next year. We'll have more accurate answers.
35	SPP has done a good job overall in helping members fulfill reliability and market needs while keeping a lid on costs. Because of the number of simultaneous efforts occurring in SPP, it is very difficult for small companies to stay in touch. Any efforts in communicating major SPP efforts to the broad audience are always appreciated.
36	<p>Need to rethink the customer service needs of the organization and how to measure it as we implement the EIS market..</p> <p>Develop new more relevant operational performance metrics to encompass new expanded responsibilities in Market</p>
37	none
38	No comments.
39	SPP has done well to provide phone conferencing for those who are unable to attend working group meetings in person. I would hope that in the future, this could be improved upon by providing a couple more (or better) microphones so that more of the discussion can be heard. Or perhaps if the speaker that is making a presentation always had a microphone nearby, that would help.
40	Great to work with and seem extremely customer focused.
41	Overall I think that they are trying to do a good job under tight deadlines beyond their control.
42	none
43	SPP has come a long ways since I first got involved with the organization. In some respects improvements have been made. But others like EIS market start up has been rushed.
44	While I am disappointed with the delay in the start of the market, I think that SPP has been very open with the issues that are causing the delay and I am convinced that the resulting market open will be more successful for the delays.
45	While I initially supported the concept of the aggregate studies process, I'm disappointed in the results to date. It takes a long time to get to an answer, and the results seem, at times, to be quite illogical. There are also issues with keeping all the various system models accurate and coordinated with each other. We have posted changes (or attempted to) only to find out those changes to current topology aren't being propagated to all models in use at SPP.

46	I don't like the fact that when there is a mistake on an invoice that a revised invoice can't be created and that discrepancies can be carried out indefinitely.
47	Overall helpful and pleasant to work with.
48	Hesitance and lack of coordination among the staff elements leads to sequential vs concurrent problem solving and is not a good go-forward methodology.
49	Needs to take a stronger position and make the difficult decisions to move the pool into better reliability.
50	I am pleased to work with SPP
51	The SPP exists to serve the collective needs of the membership and SPP staff needs to focus on establishing close working relationships with the members and developing programs, training and implementation plans that better assist the members in meeting their individual responsibilities to the organization as well as thier individual goals as entities doing business wihtin the SPP.
52	Very friendly staff but they do not follow through.
53	very useful and helpful
54	I feel that SPP is trying hard to complete many tasks, and my problems may be a result of manpower shortfalls.
55	I believe in the direction that SPP is going and their intense effort to minimize their costs and impact on its members.
56	Overall, a very solid organization with outstanding technical skills; generally, good quality collaborative skills; interface with various stakeholders is reasonably good; greater opportunities exist in taking more of a leadership role in areas such as transmission planning and development.

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SPP Emergency Response Plan

Michael Desselle
VP Process Integrity

January 29, 2007

Emergency Response Plan

- Created by inter-departmental team of employees
- Some content original; some content originated with plans from:
 - MISO
 - OGE
 - California ISO
 - ERCOT
 - AESO
 - Axiom

Major Areas of Focus

- Internal Coordination
- Crisis Communication
- Information Systems Incident Response
- Emergency Situations
- Building Evacuation (all employees)
- Operations Evacuation to Backup Center
- Power System Restoration

Internal Coordination

- Emergency Declaration
- Emergency Operations Center: supplies needed, suggested locations
- Emergency Response Team: executives and officers
- First Tasks of Emergency Response Team
- Crisis Worksheet


Crisis Communications

- Policies and Principles
- Crisis Communications Team:
executive, officers, communications, and customer relations staff
- Constituencies requiring communication:
 - ✓ BOD / Members Committee
 - ✓ Members and Customers
 - ✓ Regulators
 - ✓ State Departments of Emergency Management
 - ✓ Governors' Offices
 - ✓ Media: Industry, AP wire by state, Arkansas
 - ✓ Little Rock/Maumelle government
 - ✓ Federal agencies

Crisis Communications

- Crisis Communications Worksheet
- Sample news releases


- ✓ Widespread Blackout
- ✓ Rolling Blackouts
- ✓ Power Restored

SOUTHWEST POWER POOL 

Information Systems Incident Response

- Recommended policies
- Information Systems Incident Response Team
- Incident Notification and Analysis
- Remediation and Restoration


WWW.SPP.ORG 7

SOUTHWEST POWER POOL 

Emergency Situations

- Fire
- Tornado
- Medical emergency
- Bomb threat
- Hostage situation
- Chemical or biological agent exposure

WWW.SPP.ORG 8

SOUTHWEST POWER POOL 


Building Evacuation

- Safety First Teams for each floor
- Evacuation plan, rules, and map
- Drills and training

Operations Evacuation to Backup Center

- Process for moving to backup center
- Forms, checklists, phone tree, and maps


WWW.SPP.ORG 9

SOUTHWEST POWER POOL 

Power System Restoration

- Regional BlackStart Capability Plan
- Regional BlackStart Restoration Plan


WWW.SPP.ORG 10

SOUTHWEST POWER POOL 

Plan Implementation

- Assign a Project Manager
- Involve Training Department
- Write detailed Business Continuity plans
- Create Message 911 lists for broadcast messaging
- Purchase materials for Emergency Operations Center
- Create and train Floor Safety Teams
- Create employee handbook and evacuation maps for hallways

WWW.SPP.ORG 11

SOUTHWEST POWER POOL 

2007 Training and Drills

- Plaza West Building Evacuation drill: 1st or 2nd quarter
- Backup Site Drills: Jan, Feb, Oct, Nov
- Sub-Regional BlackStart training drills: March, April, May, Sept, Oct, Nov
- Regional BlackStart training drills: March and Dec
- Crisis Communications Team and Emergency Response Team Drills will occur with a BlackStart or Backup Site drill
- May engage vendor to assist with Crisis Communications Team and Emergency Response Team training and drills

WWW.SPP.ORG 12



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Alternative Approaches to Economic Upgrades in SPP

CAWG Report to
SPP RSC
January 29, 2007

Background

- At the October meeting of the SPP RSC the CAWG was directed to develop alternatives to the current policy of participant funding of Economic Upgrades.
- This was in conjunction with the SPP Strategic Planning Committees determination that Economic Upgrades to the transmission system were not getting built under the current policy, and that alternative approaches needed to be considered in order to expand construction of economic transmission in the SPP footprint.

2

Current Approach to Economic Upgrades

- Currently, SPP transmission planning for economic upgrades considers various proposals on a project by project basis.
- The Economic Modeling and Methods Task Force report details how proposed projects are screened:
 - Section 2.2. Screening Analysis: “During the creation of each Plan, SPP Staff will analyze a wide variety of possible transmission upgrades identified by SPP Staff or suggested by market participants. The purpose of the screening analysis is to identify those potential upgrades that are most likely to produce positive benefits and which, therefore, will be subject to more detailed analysis as described in this protocol.”
 - This screening analysis is performed using a security constrained dispatch model for summer only and multiplied by two (2) to estimate annual savings that are then compared to the estimated cost of the project..
 - Projects are ranked by the Screening analysis based on the benefit to cost ratio of the projects.
- If an entity requests, SPP will then perform a more complete analysis involving a year-round, security constrained dispatch model to measure multi-year benefits from a candidate project.

3

Current Approach Continued

- The benefits calculated by SPP from the security constrained dispatch model are then compared to the cost of the project, and the distribution of benefits among the generation owners are included in the report.
- With participant funding, the expectation is for those benefiting from a project to come forward and agree to fund upgrades that have proven to be cost beneficial.
 - This includes not only SPP members but also those outside the SPP who benefit from the proposed transmission upgrades.

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Alternative 1: Portfolio Approach

- CAWG recommends that instead of SPP transmission planning being done on a project-by-project basis, SPP should develop a PORTFOLIO of economic projects that provides **region-wide benefits** for the entire SPP footprint.
 - Instead of focusing on a single project, the emphasis should be on a set of projects that together provide region-wide benefits.

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Reasons for A Portfolio Approach

- A single project will have some load serving entities or pricing zones benefiting more than others.
 - Because of the difficulty of accurately estimating the distribution of benefits for various load **servicing entities or pricing zones** over the life of a project, the allocation of costs for a specific project will become highly contentious.
- A portfolio of projects should be designed to distribute benefits **in a uniform fashion** on a region-wide basis.
 - There will be less contention regarding the distribution of benefits if all load zones are receiving fairly uniform benefits from a portfolio of projects.

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Process Is Critical

- A regional planning process with the goal of developing a portfolio of projects that distributes benefits region wide should have a well designed process that allows stakeholders input at each stage.
- SPP should set out the various stages of its planning process, develop products/results for each stage, meet with stakeholders to obtain feedback and report back to stakeholders how their feedback was taken into account.
- Seams agreements with respect to determination of benefits and cost allocations for tier 1 entities is a crucial aspect of the process.

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Timing Is Crucial

- This regional planning process should begin as soon as reasonably possible.
- The planning process should be completed in a one-year time period.
- A Portfolio of projects should span a multi-year time frame.
 - It is not likely that an entire portfolio of projects can be implemented all at the same time.
 - We suggest that SPP provide a portfolio for approval over at least a 7-to-10 year period (i.e., A 7-to-10 Year Plan)
 - Each year, the 7-to-10 Year Plan can be revised with new or changed circumstances.

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Alternative 2: Higher Voltage Emphasis

- The emphasis of the SPP regional planning process should be on the development of Higher Voltage (345 kV or above) projects that are designed to better integrate the power grid within the SPP region and with its neighbors.
- However, a portfolio of economic upgrades will likely include lower voltage upgrades that are needed to deliver and distribute the benefits from these higher voltage projects.

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Alternative 3: Benefit Metrics

- The CAWG has reviewed several measures being used by other RTOs for measuring benefits.
 - Currently, the CAWG can recommend the use of what is called Adjusted Production Cost Savings (APCS):
 - Overall, APCS measures the savings in production cost for the entire SPP footprint, including outside transmission systems directly connected to SPP (1st tier systems), where adjustments to production costs are made for imports into and exports out of SPP and its 1st tier systems.
 - APCS can also be measured for each utility (load-serving entity) as the change in production costs adjusted for changes in off-system purchases or sales of energy.

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Development of Other Benefit Metrics is Essential

- Today's economic upgrades will mitigate future reliability upgrades.
 - It is essential to go beyond the shorter term benefits achieved by APCS in order to determine the long-term ramifications of economic upgrades.
- A more highly integrated power grid may result in lower levels of planning reserves needed to meet a targeted level of resource adequacy as measured by loss of load expectation.
- Increased transmission capability throughout the SPP footprint will likely result in greater levels of wholesale competition and reduce market power concerns.

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Sensitivity Analysis is Critical

- Measures of APCS depend heavily on several key driver variables.
 - Fuel Costs
 - Renewable Portfolio Standard
 - Carbon Tax
 - Location and MW of New Generation
 - Location and MW of New Load, including demand-side resources.
- It is important in its evaluation of economic upgrades that SPP develop measures of the robustness of the benefits with respect to the key driver variable.

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Alternative 4: Cost Allocation

- Cost allocation on a project-by-project basis is a contentious issue.
 - This is because specific projects are not seen as providing region-wide benefits. Thus, any discussion of a region-wide rate, whether it is for 20% (MISO) or 33% (SPP) raises significant concerns that some loads will be allocated more in costs than they can expect to receive in benefits.
 - This is also because dollar estimates of benefits are seen as short term, and allocations of costs are seen as long term.

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4A: Severe Congestion

- SPP needs to first identify “severe” congestion that is limiting the proper functioning of the market.
 - The benefits from addressing this type of congestion **may** make it difficult for SPP to plan a balanced portfolio of projects.
 - If so, the most difficult task facing the CAWG will be how to allocate the costs of projects needed to first bring the SPP system up to a level playing field.

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4B: Final Determination of Cost Allocation Should Wait Until the SPP Has Developed A Region-Wide Portfolio

- The CAWG recommends that no final determination be made on cost allocation until a portfolio of economic projects that provide region-wide benefits is developed.
 - Having a portfolio of projects will move the focus away from concerns that specific projects do not provide region-wide benefits and provide a basis for inclusion of a region-wide rate component.
 - This will also allow time for the development of long-term measures of benefits that will help to address concerns over just using short-term benefits to allocate long-term costs.
 - The CAWG will not wait for SPP to develop a portfolio to discuss various cost allocation alternatives, but does recommend that a final decision not be made until such a portfolio is available.

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