

Southwest Power Pool, Inc.
CORPORATE GOVERNANCE COMMITTEE
March 26, 2019
DFW Hyatt Regency – Dallas, TX

• M I N U T E S •

Agenda Item 1 – Call to Order and Administrative Items

Corporate Governance Committee (CGC) Chair Nick Brown called the meeting to order at 8:00 a.m. Members who participated were: Nick Brown (SPP), Larry Altenbaumer (Director), Denise Buffington (KCPL), Jason Fortik (LES), Rob Janssen (Dogwood), Brett Leopold (ITC), Jody Sundsted (WAPA - UGP), and Mike Wise (GSEC). Chris Hendrix (Walmart Inc.) and John McClure (NPPD) participated via phone.

There were a total of 21 participants in person and on the phone (Attendance – Attachment 1).

The CGC minutes from December 20, 2018 (CGC Minutes 12/20/18 – Attachment 2) were reviewed. Mike Wise asked that the minutes be amended to include the outcome of the votes from the executive session.

Mike Wise made a motion to approve the minutes with the requested modifications. Rob Janssen seconded the motion. The motion passed unanimously.

Paul Suskie reviewed the Action Items (Action Items – Attachment 3). He commented on action item number 25, the suggestion is to let stakeholders that regularly attend Organizational Group meetings opt in to complete the annual stakeholder survey distributed at the end of each year. Communications is working on options to provide this service. The other open items are on the agenda and will be addressed at the appropriate time.

ACTION ITEM: Nick Brown requested that staff remove from the action items list those items completed prior to 2019.

Agenda Item 2 – Org Group Scopes

Paul Suskie presented the scope information for the Model Development Working Group (MDWG) (MDWG Scope Recommendation and MDWG Scope Redline – Attachment 4). The proposed change is to increase the maximum size of the group from 14 to 24 members. Going forward, non-urgent scope changes will be held for discussion by the CGC at its November meeting. These MDWG scope revisions were initiated before the new scope standardization effort went into effect. The standardization effort was introduced as a CGC action item in late 2018 and discussed in detail at the Organizational Group chair and staff secretary conference held at the SPP corporate center in early March (Scope Standardization Effort Timeline – Attachment 5).

There was discussion focused on the size of the MDWG. The committee determined that the need for the size of the group may be reevaluated upon the findings of the Value and Affordability Task Force.

Rob Janssen made a motion to approve the modification to the MDWG Scope. Jody Sundsted seconded the motion. The motion passed unanimously.

Agenda Item 3 – Vacancies

Nick Brown reported that there was a notice distributed to the Membership about Duane Highley's move from Arkansas Electric Cooperative Corporation (AECC) to Tri-State. Under current policies, Duane must resign from his committee positions; Duane serves on the Members Committee and the Human Resources Committee (HRC). He completed the resignation process and requested to be nominated for the open positions (Committee Metrics – Attachment 6, Duane Highley MC Nomination – Attachment 7 and Duane Highley HRC Nomination – Attachment 8). AECC and Tri-State are both cooperatives and

both companies are Transmission Using Members. Mike Wise reached out to the cooperative Members and was asked to endorse Duane for both of the open positions.

Mike Wise made a motion to approve Duane Highley for the open cooperative position on the Members Committee and the open Transmission Using position on the Human Resources Committee. John McClure seconded the motion. The motion passed unanimously.

There are two additional openings, one for the HRC and one for the Members Committee. The CGC will be scheduling a call to discuss the nominations.

ACTION ITEM: Staff is to distribute a notification and request nominations for the Investor Owned Utility Member position on the Members Committee vacated by Mr. Blake Mertens (Liberty Utilities) and the Transmission Owning Member position on the HRC vacated by Mr. John Rhea (Oklahoma Gas & Electric Co.).

Agenda Item 4 – Number of SPP Directors

Nick Brown provided an update on the new changes that have been made on the Board and committee meeting schedules and the impact those schedules had on the ability of the Board to cover all of those concurrent meetings with the number of directors that we have (Board Committee Assignments – Attachment 9 and Board Schedule – Attachment 10). Over the past couple of years, the size of the Board has increased. This was done to acquire some new experience on the Board and to prepare for a more managed transition of terms with expiring terms and aging directors. With the changes in scheduling meetings in an effort to minimize the travel, it would be difficult to reduce the number of directors currently serving. The scheduling would be stressed if the two emeritus directors were not participating on the Markets and Operations Policy Committee (MOPC). That includes Jim Eckelberger and Harry Skilton agreeing to serve on the Strategic Planning Committee (SPC). Currently the bylaws require at least three and no more than four Board members on the SPC. Nick believes he could find another Board member to serve a dual role and serve on the SPC. Nick can also serve as a voting member of the SPC as the CEO. There are no requirements to have a Board member serve on the MOPC. The current practice is to have each Board member attend at least one MOPC meeting each year. Julian Brix was the liaison for years. It is good to have someone attend the meetings regularly for the continuity.

Agenda Item 7 – Stakeholder Voting, Action Items 18 and 19

Paul Suskie provided an update on action items 18 and 19. Information on affiliates is included in the background materials (Affiliates – Attachment 11 and Membership Breakdown – Attachment 12). The question that is often raised is how many affiliates are in the SPP Membership. Currently, SPP does not have all the data to answer the question. Staff has drafted a potential email with a survey proposed to be sent to the Members asking the question of which companies have affiliates (Affiliates Survey – Attachment 13). Currently, Members are not required to disclose affiliate relationships. The survey would be sent to gather this data for the CGC.

Nick Brown commented that there are three possibilities: 1) do nothing, 2) collect the affiliate data and clarify any questions before collecting the data, with the understanding that collecting the data will be an on-going process, and 3) when soliciting nominations, add a section on the nomination form that asks for affiliate relationships; it will be up to the nominating person to self-certify that information. This information will be added to committee and organizational group nomination forms.

ACTION ITEM: Each of the committee members is to forward to Paul their thoughts on any bylaws modifications that may provide additional clarity and certainty of understanding of the types of affiliate relationships. This information can be incorporated as part of the comprehensive bylaws review effort. Such bylaws proposals should be prepared and sent to Paul for discussion at the August CGC meeting.

ACTION ITEM: Denise Buffington is to draft a recommendation as to those Organizational Groups for which the committee would not want to allow affiliate relationships among representatives.

ACTION ITEM: Staff will add to the nomination form template a placeholder to capture whether the person being nominated represents a Member company that is an affiliate of another Member company, as defined by the SPP bylaws.

Agenda Item 10 – SPP Bylaws Review Effort

Paul Suskie introduced a proposed bylaws review effort (SPP Bylaws Review Effort Timeline – Attachment 14). Staff proposes to launch the effort following today’s meeting and to solicit proposals from stakeholders (this is to include the information requested from the CGC earlier in this meeting), with a proposal submission deadline of May 31. Between May 31 and August 22, the CGC will have a WebEx to review proposals in preparation of the August 22 CGC meeting. Those bylaws revisions approved by the committee in August will be taken to the Membership and Board of Directors, as appropriate, in October, and the approved revisions will be filed with FERC thereafter.

Four bylaws issues that have come up recently are: 1) the definition of affiliates, 2) nominations being from the floor, 3) clarification on voting, and 4) task forces (specifically, whether task forces may be permanent, and that Regional State Committee representatives are prohibited from serving on Organizational Groups but not on task forces).

There was some discussion on the issue of nominations being made from the floor. This item will be further evaluated during the bylaws review effort.

Agenda Item 8 – Update on AWEA/TWC Section 206 Complaint and Membership Withdrawal

Paul Suskie provided an update on the AWEA/TWC Section 206 complaint (AWEA-TWC Section 206 Complaint – Attachment 15). This is an informational item; no action needs to be taken. SPP is waiting for a decision from FERC.

Agenda Item 9 – Other RTO Governance Issues before FERC

Paul Suskie provided an update on other RTO governance issues before FERC (ISO-NE-NEPOOL Open Meetings – Attachment 16 and NYISO-LPGNY Section 206 Complaint – Attachment 17). These items are informational only. They do not affect SPP but are related by industry.

Agenda Item 5 – Directors Emeriti

Nick Brown provided some background on the emeritus contracts with Jim Eckelberger and Harry Skilton. The agreement was for a one-year term. The purpose for the open discussion is to allow everyone participating in the meeting a chance to share their observations of the contractual relationship with the emeriti members. Jim Eckelberger and Harry Skilton, take on a mentor relationship. They have a voice but no vote.

Additional Discussion Item

There was discussion about the recording of open Board and MOPC meetings for the purpose of adding value and accuracy to the minutes. The outcome was the recommendation to add a disclaimer to the bottom of the Board and MOPC agendas indicating that such meetings will be recorded.

ACTION ITEM: Staff is to add a disclaimer to the bottom of the Board and MOPC agendas indicating that these meetings will be recorded.

Agenda Item 11 – Future Meetings

2019

- August 22, 2019 – Kansas City, MO
- November 14, 2019 – Kansas City, MO

Corporate Governance Committee
March 26, 2019

Adjournment

Nick Brown thanked everyone for participating and adjourned the meeting at 10:40 a.m.

The committee continued in executive session and adjourned at 12:06 p.m.

Executive Session

The committee discussed Agenda Items 5 – Directors Emeriti and 6 – Expiring Terms for Directors in detail during the executive session.

Respectfully Submitted,

Paul Suskie, Secretary



Southwest Power Pool, Inc.
CORPORATE GOVERNANCE COMMITTEE MEETING

March 26, 2019

DFW Hyatt Regency – Dallas, TX

• A G E N D A •

8:00 a.m. – 4:00 p.m.

1. Call to Order and Administrative Items.....Nick Brown
 - a. Minutes (12/20/18)
 - b. August 22 and November 14 Meeting Locations
 - c. Action Item Review
2. Org Group Scopes.....Paul Suskie
 - a. Approval of Model Development Working Group Scope
 - b. Update on Scope Standardization Effort
3. Vacancies
 - a. Members Committee
 - i. Cooperative Sector
 - b. Human Resources Committee
 - i. Transmission Using Member
4. Number of SPP Directors.....Nick Brown
 - a. Board Committee Assignments and Schedule
5. Directors Emeriti.....Nick Brown
6. Expiring Terms for Directors.....Nick Brown
 - a. Phyllis Bernard
 - b. Julian Brix
 - c. Mark Crisson
7. Stakeholder Voting, Action Items 18 and 19.....All
 - a. Affiliates
 - b. Membership Breakdowns
8. Update on AWEA/TWC Section 206 Complaint and Membership Withdrawal.....Paul Suskie
9. Other RTO Governance Issues before FERC.....Paul Suskie
 - a. ISO-NE/NEPOOL – Open Meetings
 - b. NYISO – LPGNY Section 206 Complaint (RTO Membership and Market Participation)

Antitrust: SPP strictly prohibits use of participation in SPP activities as a forum for engaging in practices or communications that violate the antitrust laws. Please avoid discussion of topics or behavior that would result in anti-competitive behavior, including but not limited to, agreements between or among competitors regarding prices, bid and offer practices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that might unreasonably restrain competition.



10. SPP Bylaws Review Effort.....Paul Suskie

11. Future Meetings
 August 22, 2019
 November 14, 2019

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Southwest Power Pool, Inc.

CORPORATE GOVERNANCE COMMITTEE

DFW Hyatt Regency, Dallas, TX

March 26, 2019

• ATTENDANCE LIST •

Name	System
Paul Sustip	SPP S&H
LANNY NICKELL	SPP
Jody Sundt	WAPA-UGP
Tom NESTERMANN	Sunflower
CARL A. MONROE	SPP
Greg McAuley	OG&E
BRETT LEOPOLD	ITC GP
Rob Tausson	Dogwood Energy
Mike Wise	GSEC
Holly Carias	NEXTERA ENERGY
Jason Fortik	LES
Denise Bullington	Energy Companies
Mike Brown	SPA
Barbara Sugg	SPP
Lynn Auerbach	SPP Diogenes

Chris Hendrix Walmart, Inc.

John McClure Nebraska Public Power District

Dennis Reed Midwest Regulatory Consulting, LLC

Heather Starnes Healy Law Offices/MJMEUC

Ray Bergmeier Sunflower Electric Power Corporation

Shaun Scott Southwest Power Pool

ON
THE
PHONE

Southwest Power Pool, Inc.
CORPORATE GOVERNANCE COMMITTEE
Pending Action Items Status Report

March 26, 2019

No.	Action Item	Date Originated	Status	Comments
1.	a. Rob Janssen will provide a list of committee members that have missed a number of meetings from the various committees to be reviewed.	11/28/17	Complete	
	b. Carl will have a discussion with the chairs of the committees in which individuals have missed a large number of meetings.	11/28/17	Complete	Carl addressed the staff secretaries at the last educational session on 2/1/18.
	c. Going forward, the staff secretaries and group chairs will communicate the importance of consistent attendance and the consequences of not attending meetings.	11/28/17	Complete	Carl addressed the staff secretaries at the last educational session on 2/1/18.
	d. For the annual assessment review next year, the staff secretaries will work with group chairs and submit a report on the individuals that are not attending meetings, and what is being done to determine why the member is missing meetings.	11/28/17	Complete	Carl addressed the staff secretaries at the last educational session on 2/1/18.
	e. The importance of attending meetings will be communicated to the committee members and attendance will be reviewed.	11/28/17	Complete	Carl addressed the staff secretaries at the last educational session on 2/1/18.
2.	a. Review the SPC governance structure and consider adding a co-chair to the group or changing how long the chair can serve.	8/22/17	Complete	Survey results suggested this is not what the members want.
	b. Review placing a Board member as chair of the SPC.	8/22/17	Complete	
	c. Review the possibility of placing Member representatives on the SPC who are currently Member Committee Members.	8/22/17	Complete	
	d. Review the SPC representation – sector representations versus transmission user (TU) and transmission owner (TO) geographic split.	8/22/17	Complete	
3.	Add two additional questions to the Organizational Effectiveness Survey: 1. Would you like to see the Board assume more leadership on the SPC? 2. Should a Board member chair the SPC?	8/22/17	Complete	
4.	Complete an “apples to apples” comparison to see what other RTOs are doing.	8/22/17	Complete	On 2/22/18 CGC agenda.

5.	Complete some analysis and review the affiliate voting from the last MOPC meeting. Look at what companies SPP now considers affiliates. Review the definition of an affiliate.	11/28/17	Complete	Reviewed at the 11/28/17 meeting.
6.	Ask SPP organizational groups to review the working groups to review the working groups that have a technical need and request those changes be added to the charters. In particular, the Transmission Working Group (TWG) will be asked to review its charter and make a recommendation to that group.	8/22/17	Complete	The TWG has been asked to review its charter with the technical need as the focus when adding group members. SPP staff will follow up.
7.	Provide background materials and recommend modifications for the consideration of the committee on the Standards of Conduct in the area of Investments	2/22/18	Complete	On 2/22/18 CGC agenda
8.	As governing documents are revised the CGC can decide to add a term for the SPC representatives and leadership (SPC Chair). The terms could be staggered. It could be up to the CGC to notify the members at the end of the term to verify continued interest and commitment. All nominations could come before the CGC for selections. SPP staff should provide draft amendments to the CGC setting terms for the SPC Chair.	2/22/18 8/16/18	Completed	The CGC and Board adopted a policy statement to implement staggered four-year terms for all board committees.
9.	Term limits for SPC members can be redlined in for consideration. This topic would be up to the CGC to debate and propose.	2/22/18	Completed	See comments in number 8.
10	Research financial obligations for withdrawing from other RTOs	2/22/18	Completed	Provided on 11/20/18
11	Research the regulatory issues related to companies that would like to participate but cannot afford. Look at the companies that are current members but do not participate. Regulatory can research an amnesty period or provision.	2/22/18	In Process	Related to w/drawl obligations
12	Have the Finance Committee review the cost for every year of capital investments (the cost will decrease over time) and apply this decrease to the member's withdrawal fee to lower the withdrawal fee cost commitment. Provide the CGC with the Finance Committee's projected future debt for SPP.	2/22/18 8/16/18	Complete	Tom Dunn provided info Related to w/drawl obligations
13	Correct the date in the footer of the Board Survey results and have the Communications Department double-check the calculation at the bottom of page two of the survey. The correct survey will be posted in the minutes.	2/22/18	Complete	Sent back to Communications. Calculation was corrected as was the date.

14	Nick will provide Strategic Board Solutions and Peter Kenny's contact information with links for the CGC members to review.	4/4/18	Complete	Interviews completed and nominees selected.
15	Nick will contact Peter Kenny to inform him the CGC is ready to begin the search for two new Board members.	4/4/18	Complete	Interviews completed and nominees selected.
16	Scott Hempling's paper will be added to the CGC agenda for confidential discussion at the August 16, 2018 meeting.	4/4/18	Complete	
17	Paul Suskie will provide and update on the filing of the open Independent Power Producer (IPP) position on the Members Committee.	4/4/18	Complete	A member was nominated and elected to fill the position at the July 31 Board meeting.
18	Review affiliate relationships in Members serving on committees. Review to include legal relationships, two or more votes by the same company memberships	7/2-3/18	In Process	Tabled for discussion with membership voting and stakeholder participation 11/20/18.
19	Review a breakdown on membership. The breakdown is to include: Transmission Owner, (500+ miles), Transmission Owner (-500 miles), and Transmission User. The breakdown is also to look at the types of Members (IOU, Coop, IPP, etc.).	7/2-3/18	In Process	Provided in 8/16/18 background materials. Tabled for discussion 11/20/18.
20	Consider the RTWG and TWG charter at a future CGC meeting.	7/2-3/18	Completed	These and other charters were approved and went before the board for approval on 12/4/18
21	Add a question to the board effectiveness survey: The board effectively engages with the stakeholder community	8/16/18	Complete	
22	An email will be sent soliciting chair and vice chair candidates for the open MOPC positions. This item will be discussed and voted on during a future CGC conference call.	11/20/18	Complete	This was completed during a special conference call on 12/20/18
23	SPP Staff is to establish goals and a timeline to standardize the charter/scope documents for organizational groups.	11/20/18	In Process	A grid will be completed for the working groups by the Organizational meeting of the working group chairs, vice chairs, and staff secretaries
24	Consider including the policy statement of the proposed changes to Section 3.10 of the bylaws.	11/20/18	Complete	The board approved this revision during the 1/29/19 board meeting
25	It was requested to allow stakeholders that regularly attend working group meetings to participate in the annual survey of that working group.	12/20/19	In Process	Logistics need to be discussed with Communications to see if this can be accomplished.

Southwest Power Pool, Inc.
CORPORATE GOVERNANCE COMMITTEE
December 20, 2018
Conference Call

• M I N U T E S •

Agenda Item 1 – Call to Order and Administrative Items

Corporate Governance Committee (CGC) Chair Nick Brown called the meeting to order at 1:00 p.m. Members who participated were: Nick Brown (SPP), Larry Altenbaumer (Director), Denise Buffington (KCPL), Jason Fortik (LES), Chris Hendrix (Walmart, Inc.), Rob Janssen (Dogwood), Brett Leopold (ITC), John McClure (NPPD), Jody Sundsted (WAPA - UGP), and Mike Wise (GSEC).

There were a total of 27 participants in person and on the phone (Attendance – Attachment 1).

The CGC minutes from November 20, 2018 (CGC Minutes 11/20/18– Attachment 2) were reviewed. There were no changes or corrections.

Brett Leopold made a motion to approve the minutes. Jason Fortik seconded the motion. The motion passed unanimously.

ACTION ITEM: Denise Buffington asked to have an action item added to have the annual organization group surveys sent out to individuals that regularly participate but are not on the group.

Agenda Item 2 – Vacancies

Members Committee

Nick Brown presented the open seats for the Members Committee (Committee Metrics – Attachment 3). There are two open cooperative sector seats (Nomination Forms – Attachment 4). The nominees for the Members Committee are:

- Cooperatives Sector (2 Seats)
 - Matt Caves – Western Farmers Electric Cooperative
 - Tom Christensen – Basin Electric Power Cooperative
 - Zac Perkins – Tri-County Electric Cooperative

John McClure made a motion to nominate Tom Christensen (Basin Electric Power Cooperative) for one of the open cooperative seats. Jason Fortik seconded the motion. The motion passed unanimously.

Denise Buffington made a motion to nominate Matt Caves (Western Farmers Electric Cooperative) for the second open cooperative seat. Rob Janssen seconded the motion. At this point in the meeting the motion was tabled and moved to executive session.

Markets and Operations Policy Committee (MOPC) Chair and Vice Chair

There are five nominees for the MOPC chair and vice chair positions. All nominees have expressed interest in working in either position (MOPC Nominations – Attachment 5). Each of the candidates were invited to introduce themselves and say something on their behalf. More discussion and the vote will take place during executive session.

- Denise Buffington – KCP&L and Westar, Evergy Companies
- Holly Carias – NextEra Energy Resources, LLC
- Bill Grant – Xcel Energy/SPS
- Lloyd Linke – Western Area Power Administration
- Al Tamimi – Sunflower Electric Power Corporation

Agenda Item 3 – Governance Changes: Appeals

Nick Brown opened the discussion of the governance changes and appeals process (Recommendation – Revision to Bylaws/Governance Changes: Appeals – Attachment 6). Three options were presented in the materials for the CGC to review and consider (Options 1, 2, and 3 – Attachment 7). Option one has the fewest changes but does require an appeal be put in writing to the corporate secretary.

Rob Janssen made a motion to approve Option 1 with spelling correction. John McClure seconded the motion. Lincoln Electric System voted no. The motion passed.

Agenda Item 4 – Future Meetings

Meeting dates for 2019

- March 26, 2019 – Dallas
- August 22, 2019 – Location TBD
- November 14, 2019 – Location TBD

Adjournment

Nick Brown thanked everyone for participating and adjourned the meeting at 2:06 p.m.

The committee continued in executive session and adjourned at 3:20 p.m.

Executive Session

The CGC nominated Zac Perkins, Tri-County Electric Cooperative for the Members Committee nomination to go before the Membership at a special meeting of members in January.

The CGC voted to approve the nominations of Holly Carias, NextEra Energy Resources, LLC for the MOPC chair position and Denise Buffington, KCP&L and Westar, Evergy Companies for the MOPC vice-chair position.

Respectfully Submitted,

Nick Brown

Southwest Power Pool, Inc.
MODEL DEVELOPMENT WORKING GROUP
Recommendation to the Corporate Governance Committee
March 26, 2019
MDWG Charter Revision

Organizational Roster

The following persons are members of the Model Development Working Group (MDWG):

Nate Morris (Chairman)	Empire District Electric Company
Derek Brown (Vice-Chairman)	Westar Energy
Alex Mucha	Oklahoma Municipal Power Authority
Andrew Berg	Missouri River Energy Services
Dustin Betz	Nebraska Public Power District
Holli Krizek	Western Area Power Administration
Jason Shook	GDS Associates
Jerad Ethridge	Oklahoma Gas & Electric
Joe Fultz	Grand River Dam Authority
John Boshears	City Utilities of Springfield
Liam Stringham	Sunflower Electric Power Corporation
Reené Miranda	Southwestern Public Service
Scott Rainbolt	American Electric Power
Scott Schichtl	Arkansas Electric Cooperative Company

Background

The MDWG is responsible for the coordination, development, and maintenance of transmission system planning models in accordance with Southwest Power Pool (SPP) Planning Criteria, Regional Standards, and procedures. As part of the annual Charter review and feedback received from MOPC at the 2018 April MOPC discussion for MDWG Charter revisions, the MDWG membership identified the need to update the Charter. The purpose of the Charter revision is provide additional opportunity for membership to ensure a balanced representation of the group.

Analysis

The MDWG identified the need to revise and update the Charter over the course of the 2018 calendar year as part of its annual Charter review. Additionally, feedback received from MOPC at the 2018 April MOPC discussion for MDWG Charter revisions were considered in the current MDWG Charter revision. MDWG membership started the revision discussion during the May 2018 MDWG meeting. After several discussions, the working group identified revisions to recommendation for adoption. The recommendations included language changes for expanding its voting membership from 14 to "up to" 24. The increase in voting representation provides interested NERC registered Transmission Planners within the SPP transmission footprint an opportunity for membership. Transmission Planners have a significant responsibility to NERC compliance and to SPP model development. Additionally the increase to membership provides an opportunity for other interested active model data submitting entities an opportunity.



MDWG voting representatives approved the motion to the modified Charter language on November 12, 2018 via email voting protocols as discussed at the November 1st, 2018 MDWG conference call.

Recommendation

MDWG and TWG recommends the CGC approve modifications to the MDWG Charter. The MDWG Charter was approved at January 2019 MOPC unanimously on the consent agenda.

Approved:	Transmission Working Group	12/19/2018
	Unanimously approved	
	Model Development Working Group	11/12/2018
	Unanimously approved	
	Markets and Operation Policy Committee	1/15/2019
	Unanimously approved	

Action Requested: Approve Recommendation



**Southwest Power Pool
Model Development Working Group
Charter
July 31, 2018**

Purpose

The Model Development Working Group (MDWG) is responsible for the coordination, development, and maintenance of transmission system planning models in accordance with Southwest Power Pool (SPP) Planning Criteria, Regional Standards, and procedures. The MDWG is also responsible for supporting development of interconnection wide models by providing SPP transmission system planning models and related information to the Eastern Interconnection Reliability Assessment Group (ERAG) Multiregional Modeling Working Group (MMWG).

Scope of Activities

In carrying out its purposes, the MDWG will:

1. Provide oversight and coordination of the activities of MDWG-initiated task forces.
2. Develop and maintain the MDWG Model Development Procedure Manual.
3. Develop, maintain, and coordinate steady state, short circuit, dynamic, and geomagnetic disturbance models in accordance to the SPP Planning Criteria, SPP Regional Standards, and procedures.
4. Work with SPP Staff and the Transmission Working Group (TWG) to determine the models that should be used in SPP, basis for the models, and how they are modified to ensure that the transmission system planning models support the needs of SPP and SPP Organizational Groups.
5. Review and monitor existing and proposed NERC Reliability Standards for impacts to the development, maintenance, and coordination of SPP transmission system planning models. Coordinate responses to new and proposed standards with SPP and other SPP Organizational Groups.
6. Support the SPP submission of modeling data to the ERAG MMWG for the SPP transmission system. Coordinate the incorporation of ERAG MMWG modeling information for facilities external to the SPP transmission system into the SPP models.
7. Respond to assignments from the TWG, Markets and Operations Policy Committee (MOPC), or the Board of Directors.

Representation

The MDWG membership consists of a minimum of 8 and up to ~~24~~ representatives from the SPP membership, including the chair and vice-chair.

Deleted: 14

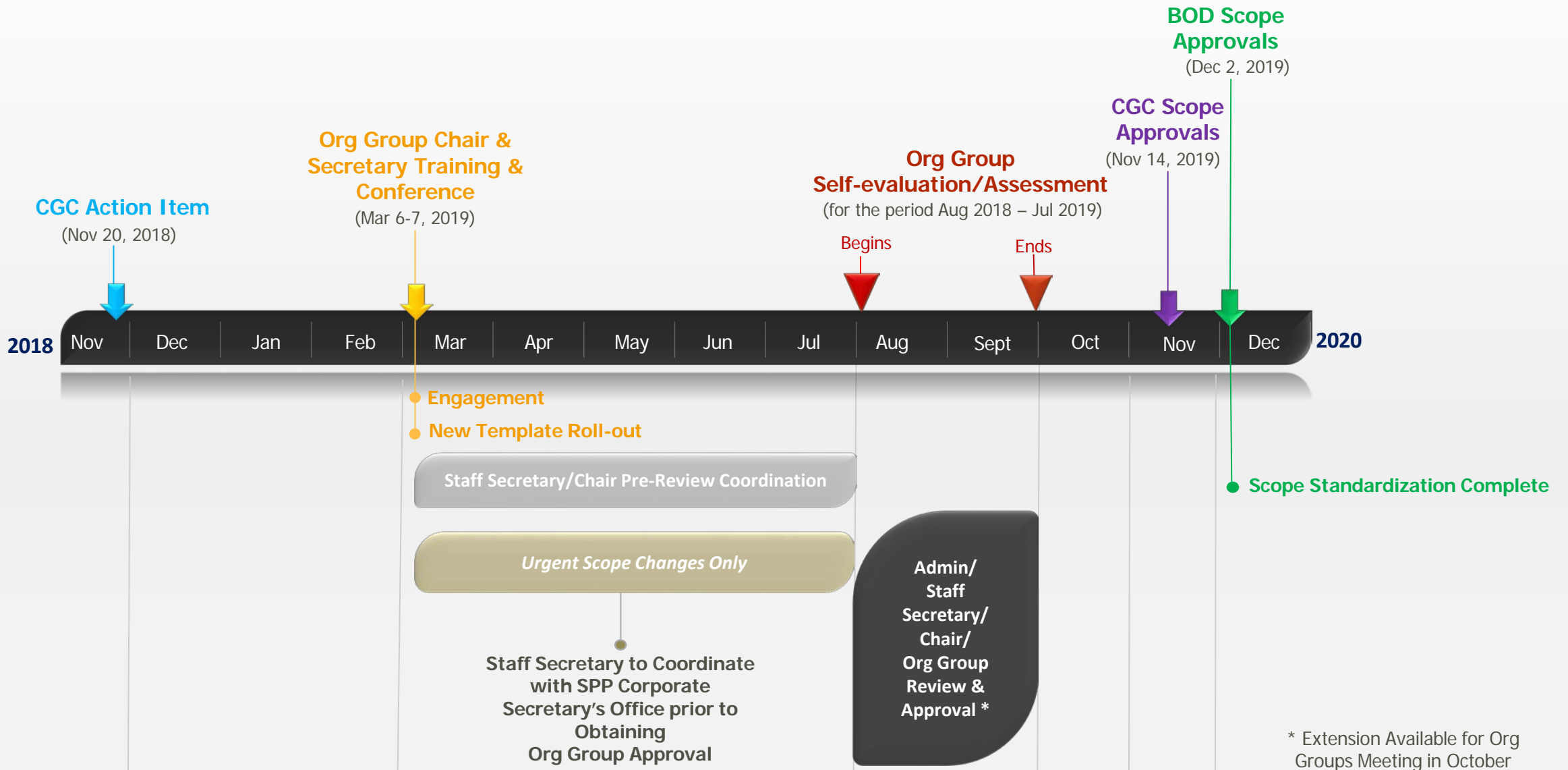
Duration

Permanent.

Reporting

The MDWG reports to the TWG. As necessary the MDWG may appoint a member of the MDWG as a liaison to other working groups.

Scope Standardization Effort



MEMBERSHIP REPRESENTATION ON SPP COMMITTEES

20190301

Member Company	MC	CGC	FC	HRC	SPC
Arkansas Electric Coop Company (Cooperative) (TU)	1 Duane Highley			1 Duane Highley	
AEP/PSO/SWEPCO (Investor-Owned Utility) (TO)	1 Peggy Simmons		1 Sandra Bennett		1 Richard Ross
Basin Electric Power Cooperative (Cooperative)(TO)	1 Tom Christensen				1 Mike Risan
City Utilities of Springfield (Municipal) (TU)	1 Jeff Knottek				
Dogwood (IPP) (TU)	1 Rob Janssen	1 Rob Janssen			1 Rob Janssen
Golden Spread (Cooperative) (TU)	1 Mike Wise	1 Mike Wise	1 Mike Wise		1 Mike Wise
GridLiance High Plains, LLC (Independent Transmission Company) (TU)				1 Noman Williams	
ITC Holdings (Independent Transmission Company) (TU)	1 Brett Leopold	1 Brett Leopold			
KCPL and Westar, Evergy Companies (Investor-Owned) (TO)	1 Kevin Noblet	1 Denise Buffington			1 John Olsen
Kansas Electric Power Cooperative (Cooperative) (TU)					1 Les Evans
Liberty Utilities (Empire District) (Investor-Owned) (TO)	1 Blake Mertens				
Lincoln Electric System (Municipal) (TU)		1 Jason Fortik	1 Laura Kapustka		1 Dennis Florom
Missouri River Energy Services (Municipal) (TU)					1 Ray Wahle
Nebraska Public Power District (State Agency) (TO)	1 Tom Kent	1 John McClure		1 Tom Kent	1 Traci Bender
NextEra Energy Resources, LLC (IPP) (TU)	1 Holly Carias				
NorthWestern Energy (Investor-Owned Utility) (TU)	1 Bleau LaFave				
Oklahoma Gas & Electric Company (Investor-Owned Utility) (TO)	1 Greg McAuley		1 Jerry Peace	1 John Rhea	
Oklahoma Municipal Power Authority (Municipal) (TU)	1 David Osburn				
Omaha Public Power District (State Agency) (TO)	1 Joe Lang				
Sunflower Electric Power Corporation (Cooperative) (TO)	1 Stuart Lowry				
Tenaska (Independent Power Producer) (TU)	1 Kevin Smith				
Western Area Power Administration (Federal Power Marketing Agency) (TO)	1 Jody Sundsted	1 Jody Sundsted			
Tri-County Electric Cooperative, Inc. (Cooperative) (TU)	1 Zac Perkins				
SPS/Xcel Energy (Investor-Owned Utility) (TO)	1 David Hudson				1 Bill Grant

Walmart (Large Retail Customer) (TU)	1 Chris Hendrix	1 Chris Hendrix			
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Members Committee Nomination Form

Nominee Name & Title:	Duane Highley, CEO
Company:	Tri-State Generation and Transmission Association
Type of Experience & Responsibilities with Company:	<p>Duane Highley has been named CEO of Tri-State G&T. He was the President, CEO and Chief Affordability Officer for Arkansas Electric Cooperative Corp. (AECC) and Arkansas Electric Cooperatives, Inc. (AECI). Through its 17 member cooperative systems AECC provides reliable and affordable power to 500,000 homes, farms and businesses in Arkansas. AECI provides energy services and electrical equipment in Arkansas, Missouri and Oklahoma. The AECI subsidiaries ERMCO and ECI manufacture transformers and electrical components for utilities and OEM's nationwide. Duane is a registered professional engineer with bachelors and master's degrees in engineering from the Missouri University of Science and Technology and has completed the Harvard Business School Advanced Management Program. Prior to working with the Electric Cooperatives of Arkansas Duane led the Power Production Division for Associated Electric Cooperative, developing over \$2 billion in new plants and air quality controls. He serves on the Board of the Electric Power Research Institute (EPRI) and serves as vice chair of the Electric Subsector Coordinating Council (ESCC), working with cabinet-level administration officials at DOE, DHS and DOD on electric system reliability, security and resiliency. Duane has appeared in testimony before committees of the U.S. Senate and the U.S. House of Representatives. Along with the electric cooperatives of Arkansas he is working to bring electricity to the people of rural Guatemala.</p>
Nominee's Phone Number & Email Address:	303.514.6321 / dhighley@tristategt.org
Nominated by:	Self
Sector:	Cooperative
Term Expires:	2020

Nomination Form - HRC

Nominee Name & Title:	Duane Highley, CEO
Company (TO/TU):	Tri-State Generation and Transmission Association / TU
Type of Experience & Responsibilities with Company:	<p>Duane Highley has been named CEO of Tri-State G&T. He was the President, CEO and Chief Affordability Officer for Arkansas Electric Cooperative Corp. (AECC) and Arkansas Electric Cooperatives, Inc. (AECI). Through its 17 member cooperative systems AECC provides reliable and affordable power to 500,000 homes, farms and businesses in Arkansas. AECI provides energy services and electrical equipment in Arkansas, Missouri and Oklahoma. The AECI subsidiaries ERMCO and ECI manufacture transformers and electrical components for utilities and OEM's nationwide. Duane is a registered professional engineer with bachelors and master's degrees in engineering from the Missouri University of Science and Technology and has completed the Harvard Business School Advanced Management Program. Prior to working with the Electric Cooperatives of Arkansas Duane led the Power Production Division for Associated Electric Cooperative, developing over \$2 billion in new plants and air quality controls. He serves on the Board of the Electric Power Research Institute (EPRI) and serves as vice chair of the Electric Subsector Coordinating Council (ESCC), working with cabinet-level administration officials at DOE, DHS and DOD on electric system reliability, security and resiliency. Duane has appeared in testimony before committees of the U.S. Senate and the U.S. House of Representatives. Along with the electric cooperatives of Arkansas he is working to bring electricity to the people of rural Guatemala.</p>
Nominee's Phone Number & Email Address:	303.514.6321 / dhighley@tristategt.org
Nominated by:	Self
Sector:	Cooperative
Term Expires:	2020

SPP Board of Directors Committee Assignments

Committee	Proposed & Approved 2019
Board Leadership	Chair – Altenbaumer Vice Chair – Edwards
Finance Committee	Chair – Scherr Member – Certoma
Human Resources	Chair – Brix Member – Crisson
Oversight	Chair – Martin Members: <ul style="list-style-type: none"> • Bernard • Edwards • Ortiz
Strategic Planning	Chair – Altenbaumer Members: <ul style="list-style-type: none"> • Eckelberger • Skilton
Corporate Governance	Chair – Brown Member – Altenbaumer
MOPC	Board Liaisons: <ul style="list-style-type: none"> • Eckelberger • Skilton <p>In addition, each Director will be assigned to attend one meeting annually</p>
RARTF	Skilton
HITT	Edwards Eckelberger

Board Week Activities

Day	Time	Activity	Activity	RSC	MEM
SUNDAY	6:00 p.m.	Board – Stakeholder Dinner (see quarterly schedule) <ul style="list-style-type: none"> • January – Board ¹ • April – RSC • July – Members ² • October – Officer Team 			
MONDAY	8:00 a.m.	Board Committee Meetings ³ (see quarterly schedule) <ul style="list-style-type: none"> • Finance Committee • Human Resources Committee • Oversight Committee 	Regional State Committee Development Session		
	12 noon	Lunch (Can be structured as a working lunch, if time is needed)	RSC Lunch (Can be structured as a working lunch, if time is needed)		
	12:30 p.m.	Joint meeting of the Board / Members Committee and RSC ⁴ Joint Informational and Background Presentations			
	2:30 p.m.	Regional State Committee Meeting	↕ ⁵		
	4:30 p.m.	RSC Executive Session with Board and / or Members Committee (Optional) ⁶ Topics may include: <ul style="list-style-type: none"> • Update and follow-ups on key issues, action items, other activities • Presentations on key strategic considerations • General questions and communications 			
	5:30 p.m.	Adjourn			
	6:00 p.m.	Board / Members Committee and RSC Hosted Dinner			

Board Week Activities

Day	Time	Activity	Activity	RSC	MEM	
TUESDAY	8:00 a.m.	Board – Members Committee Meeting <ul style="list-style-type: none"> • Committee Reports • Consent Agenda • Action Items • Other Reports and Business Items 				
	11:00 a.m.	Board – Members Committee Executive Session ^{8,9} <ul style="list-style-type: none"> • Items for Executive Session Consideration and Action • Member Feedback and Debrief • Board – Members Committee Follow-ups and Action Items 	▲ 7 ▼			
	12:30 p.m.	Lunch ⁷	▲ 7 ▼	▲ 7 ▼		
	1:30 p.m.	Board Development Session ⁹ <ul style="list-style-type: none"> • Board Development • Strategic Issues • Strategic Plan Status Review 	▲ 7 ▼			
	4:30 p.m.	Adjourn				
	5:30 p.m.	Board Debrief and Dinner				

SCHEDULED SPECIAL TOPICS

TUESDAY	12:30 p.m.	<p>JANUARY</p> <ul style="list-style-type: none"> • Annual review of prior year’s performance 	APRIL	JULY	OCTOBER
	2:00 p.m.	<p>BOARD EXECUTIVE SESSION</p> <ul style="list-style-type: none"> • Consideration of HRC recommendation on CEO compensation • Consideration of the overall corporate Performance compensation from the HRC. 	<ul style="list-style-type: none"> • Board / Members Committee Strategic Planning Session ¹¹ 	<ul style="list-style-type: none"> • Presentation of Management’s proposed Operating Plan for the upcoming fiscal year. ¹² 	<ul style="list-style-type: none"> • Presentation of Management’s proposed Budget for the upcoming fiscal year. ¹⁴
WEDNESDAY	8:00 a.m.	<ul style="list-style-type: none"> • Board Development Session ¹³ <ul style="list-style-type: none"> ○ Adjourn by 12 noon 	<ul style="list-style-type: none"> • Board / Members Committee Strategic Planning Session ¹¹ <ul style="list-style-type: none"> ○ Adjourn by 3 p.m. 	<ul style="list-style-type: none"> • Board Development Session ¹³ <ul style="list-style-type: none"> ○ Adjourn by 12 noon 	<ul style="list-style-type: none"> • Board Development Session ¹³ <ul style="list-style-type: none"> ○ Adjourn by 12 noon

1. The Sunday Board dinner in January will be used to:
 - a. Establish Board-level objectives for the upcoming year
 - b. Develop Board Development agendas for the balance of the year, incorporating feedback from the stakeholder effectiveness surveys. These quarterly development sessions will replace the current June Board meeting.
2. The Sunday Board dinner in July will include an overview of the agenda and discussion outline for the Operating Plan presentation that will be held on Tuesday afternoon with the Members Committee.
3. Board Committee meetings may begin as early as 7:30 a.m. and can run through lunch, or until 12:30 p.m. This provides a potential 5 hours of Committee meeting time.
4. This portion of the schedule will be used for the presentations that are currently provided separately to the RSC and the Board – Members Committee.
5. The designated ‘end’ time for the Board / Members Committee and RSC meeting and the ‘start’ time for the Regional State Committee can be adjusted to allocate appropriate time to each meeting, as needed.
6. Time is allocated for the RSC to meet with the Board in Executive Session (with or without attendance by the Members Committee).
 - a. Paul Suskie will serve as the staff liaison for these meetings.
7. Scheduled end / start times for the designated sessions can be adjusted to meet the specific time requirements of each meeting’s agenda. The designated lunch period can also be used as additional time for the Board – Members Committee Executive Session.
8. The Members Committee may elect to hold a Members Committee-only Executive Session at the beginning of this scheduled session.
 - a. Nick Brown will serve as the Board / Staff liaison for these meetings.
9. Certain scheduled topics will be covered in either or both of the Board – Members Committee Executive Session and the Board Development Session. These specific topics are listed in the table that follows. In certain cases, these sessions may extend to include additional meeting time on Wednesday.
 - a. In some cases, the Board Development Session will be open to members of the Members Committee; in other cases, it will be treated as an executive session of the Board.
10. The October Board debrief dinner will be used for the comprehensive annual performance review with Nick; this is the session that has customarily been held in December. Most of the year’s results will be known by the October meeting, and any updates can be addressed during the Board teleconference session that will be held in December to review the results of the stakeholder surveys. This teleconference call replaces the in-person December meeting.
11. The Chair of the Strategic Planning Committee will also attend this Strategic Planning Session in April.
12. This presentation of Management’s proposed Operating Plan will be an open meeting for all Members. The Operating Plan will incorporate feedback from the Board – Members Committee annual review (conducted in January), the Board – Members Committee Strategic Planning Session (conducted in April) and the results of the Strategic Planning Committee’s annual retreat (held in May).
13. The Members Committee may participate in all or part of these development sessions depending on the planned agenda. The agenda for these meetings will be made public; however, the meeting will be structured as a Board Executive Session, with the ability of the Board to invite additional participants.
14. An overview of the proposed budget will be provided during the morning Board – Members Committee meeting during which feedback from other stakeholders will be invited. The Members Committee may elect to address the proposed budget in more detail and take final action in this Board – Members Committee Executive Session.
- 15.

Affiliates
Corporate Governance Committee
March 26, 2019

The issue of Affiliate Relationships is addressed within SPP's Bylaws on file with FERC, as well as SPP's Standards of Conduct. An overview as to these governing provisions is set forth below. Significantly, SPP Members are not presently required to formally identify their Affiliate Relationships to SPP.

First, Section 1.0 of the SPP Bylaws define the term “**Affiliate Relationships**” as relationships between SPP Members that have one or more of the following attributes in common:

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

Under SPP's Bylaws, Members with Affiliate Relationships vote as a single Member only for purposes of:

- 1. electing or removing directors (Bylaws § 4.3(c)),
- 2. electing or removing representatives to the Members Committee (Bylaws § 5.1.2(c)), and
- 3. selecting or removing representatives to the Corporate Governance Committee (Bylaws § 6.6).

Affiliate Relationships in other categories of Membership also renders a Member representative ineligible to serve as the independent transmission company representative on the Members Committee (Bylaws § 5.1.1.1) and Corporate Governance Committee (Bylaws § 6.6).

Second, the “affiliate” issue arises in the contexts of:

- 1. consolidating “**affiliate memberships**” with respect to the computation of a withdrawing or terminated Member's Existing Obligations, *i.e.*, Section 8.7.2 of the SPP Bylaws provides that, “In the event of consolidation of *affiliate memberships* or the transfer of membership from one corporate entity to another, whereby one entity remains a member of SPP, the withdrawal obligation for the departing company(ies) may be waived at SPP's sole discretion.” (Emphasis added).

2. identifying those securities in which SPP’s employees, directors, and their spouses, minor children, and any person from whom they have power of attorney or guardianship rights may invest (*See* Bylaws §§ 3.11 and 4.2.3 and SPP’s Standards of Conduct).

In the latter context, “**Affiliates**” include any two or more entities where one entity controls the other or the entities are under common “control.” The Bylaws and SPP’s Standards of Conduct define such control as, “the possession, directly or indirectly, of the power to direct the management or policies of an entity,” and go on to clarify that:

Ownership of publicly-traded equity securities of another entity shall not result in *control or affiliation* for purposes of these Standards if the securities are held as an investment, the holder owns (in its name or via intermediaries) less than 10% of the outstanding securities of the entity, the holder does not have representation on the entity's board of directors (or equivalent managing entity) or vice versa, and the holder does not in fact exercise influence over day-to-day management decisions. Unless the contrary is demonstrated to the satisfaction of the Corporate Governance Committee, *control* shall be presumed to arise from the ownership of or the power to vote, directly or indirectly, 10% or more of the voting securities of such entity. Bylaws §§ 3.11 and 4.2.3 and SPP’s Standards of Conduct (employee version, § 7.2(a); director version, §6.2(a) (emphasis added)).

TO/TU Breakdown	
Transmission Owners: More than 500 miles of transmission line as per the Tariff:	18
Trnasmission Owners: Less than 500 miles of transmission line as per the Tariff:	27
Transmission Users:	52
TOTAL	97

Sector Breakdown	
Cooperative	20
Federal Agency	1
Investor-Owned Utility	16
Independent Power Producer	14
Independent Transmission Company	11
Large Retail Customer	1
Marketer	12
Municipal	14
State Agency	8
TOTAL	97

Transmission Owner	
More than 500 miles of transmission line as per the Tariff	
Basin Electric Power Cooperative	Cooperative
Liberty Utilities (Empire District)	Investor-Owned Utility
Grand River Dam Authority	State Agency
Kansas City Power & Light	Investor-Owned Utility
Kansas City Power & Light - GMO	Investor-Owned Utility
Kansas Gas & Electric (Westar)	Investor-Owned Utility
Mid-Kansas Electric Company	Cooperative
Midwest Energy, Inc.	Cooperative
Nebraska Public Power District	State Agency
Oklahoma Gas & Electric	Investor-Owned Utility
Omaha Public Power District	State Agency
Public Service Company of Oklahoma (AEP)	Investor-Owned Utility
Southwestern Public Service (Xcel Energy)	Investor-Owned Utility
Sunflower Electric Power Corporation	Cooperative
Southwestern Electric Power Company (AEP)	Investor-Owned Utility
Western Area Power Administration - UGP	Federal Agency
Western Farmers Electric Cooperative	Cooperative
Westar Energy	Investor-Owned Utility

Transmission Owner	
Less than 500 miles of transmission line as per the Tariff	
AEP Oklahoma Transmission Company, Inc.	Investor-Owned Utility
AEP Southwestern Transmission Company, Inc	Investor-Owned Utility
Arkansas Electric Cooperative Corporation	Cooperative
Central Nebraska Public Power & Irrigation District, The	State Agency
Central Power Electric Cooperative, Inc.	Cooperative
City of Coffeville, KS	Municipal
City Power & Light, Independence, MO	Municipal
City Utilities, Springfield, MO	Municipal
Corn Belt Power Cooperative	Cooperative
East River Electric Power Cooperative	Cooperative
East Texas Elec Cooperative, Inc.	Cooperative
GridLiance High Plains LLC	Independent Transmission Company
Harlan Municipal Utilities	Municipal
Heartland Consumers Power District	State Agency
ITC - Great Plains, LLC	Independent Transmission Company
Kansas Power Pool	Municipal
Lea County Electric Cooperative, Inc.	Cooperative
Lincoln Electric System	Municipal
Missouri River Energy Services	Municipal
Mor-Gran-Sou Electric Cooperatives, Inc	Cooperative
Mountrail-Williams Electric Cooperative	Cooperative
Northwest Iowa Power Cooperative	Cooperative
NorthWestern Energy	Investor-Owned Utility
Oklahoma Municipal Power Authority (OMPA)	Municipal
Prairie Wind Transmission LLC	Independent Transmission Company
Transource Missouri, Inc.	Independent Transmission Company
Tri-State Generation & Transmission Association, Inc.	Cooperative

Transmission User	
Acciona Wind Energy, LLC	Independent Power Producer
Board of Public Utilities of Kansas City, Kansas	Municipal
Boston Energy Trading & Marketing, Inc.	Marketer
Calpine Energy Services, LP	Independent Power Producer
Cargill Power Markets	Marketer
City of Clarksdale, MS-Clarksdale Public Utilities	Municipal
City of Lafayette, LA-Lafayette Utilities System	Municipal
Cleco Corporation	Investor-Owned Utility
CPV Renewable Energy Company, LLC	Independent Power Producer
Crockett Wind Farm, LLC	Independent Power Producer
Dogwood Energy, LLC	Independent Power Producer

DTE Energy Trading, Inc.	Marketer
Duke-American Transmission Co. LLC	Independent Transmission Company
Duke Energy Transmission Holding Company LLC	Marketer
Dynegy Marketing & Trading	Marketer
EDP Renewables North America LLC.	Independent Power Producer
El Paso Merchant Energy	Marketer
Enel Green Power North America, Inc.	Independent Power Producer
Entergy Asset Management	Independent Power Producer
Entergy Services	Investor-Owned Utility
Exelon Generation Company, LLC	Independent Power Producer
Flat Ridge 2 Wind Energy, LLC	Independent Power Producer
Grain Belt Express Clean Line, LLC	Independent Transmission Company
Golden Spread Electric Cooperative, Inc.	Cooperative
Hunt Transmission Services, LLC	Independent Transmission Company
Kansas Electric Power Cooperative, Inc.	Cooperative
Kansas Municipal Energy Agency	Municipal
Louisiana Energy & Power Authority	State Agency
Luminant Energy Company LLC	Marketer
Mercuria Energy America, Inc	Marketer
Midwest Gen, LLC	Independent Power Producer
Missouri Joint Municipal Electric Utility Commission	State Agency
Municipal Energy Agency of Nebraska (MEAN)	Municipal
Northeast Texas Electric Cooperative	Cooperative
NextEra Energy Resources, LLC	Independent Power Producer
Next Era Energy Transmission, LLC	Independent Transmission Company
Next Era Energy Transmission Southwestern, LLC	Independent Transmission Company
Northeast Nebraska Public Power District	State Agency
NRG Power Marketing	Marketer
OGE Transmission, LLC	Investor-Owned Utility
Plains and Eastern Clean Line LLC	Independent Transmission Company
Public Service Commission of Yazoo City, MS	Municipal
Rayburn Country Electric Cooperative	Cooperative
Shell Energy North America	Marketer
Southern Power Company	Independent Power Producer
Tenaska Power Services	Independent Power Producer
Transource Energy, Inc.	Independent Transmission Company
Tri-County Electric Cooperative, Inc.	Cooperative
Walmart Inc.	Large Retail Customer
WPX Energy Marketing	Marketer
Xcel Energy Southwest Transmission Company	Investor-Owned Utility
XO Energy SW, LP	Marketer

Subject: Affiliates Survey for the CGC – Response Requested by [Insert Date]

Members,

As a means of research to inform the Corporate Governance Committee on the issue of affiliates under SPP's governing documents tariff, SPP would appreciate your assistance in identifying (if any) your:

1. Affiliate Relationships, as defined in section 1.0 of SPP's Bylaws –

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

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

2. Affiliates, as defined in sections 3.11 and 4.2.3 of SPP's Bylaws –

"Affiliates" include any two or more entities of which one controls the other or they are under common control. "Control" shall mean the possession, directly or indirectly, of the power to direct the management or policies of an entity. Ownership of publicly-traded equity securities of another entity shall not result in control or affiliation for purposes of these Standards if the securities are held as an investment, the holder owns (in its name or via intermediaries) less than 10% of the outstanding securities of the entity, the holder does not have representation on the entity's board of directors (or equivalent managing entity) or vice versa, and the holder does not in fact exercise influence over day-to-day management decisions. Unless the contrary is demonstrated to the satisfaction of the Corporate Governance Committee, control shall be presumed to arise from the ownership of or the power to vote, directly or indirectly, 10% or more of the voting securities of such entity.

If there are no Affiliate Relationships and/or Affiliates, please indicate that in your response.

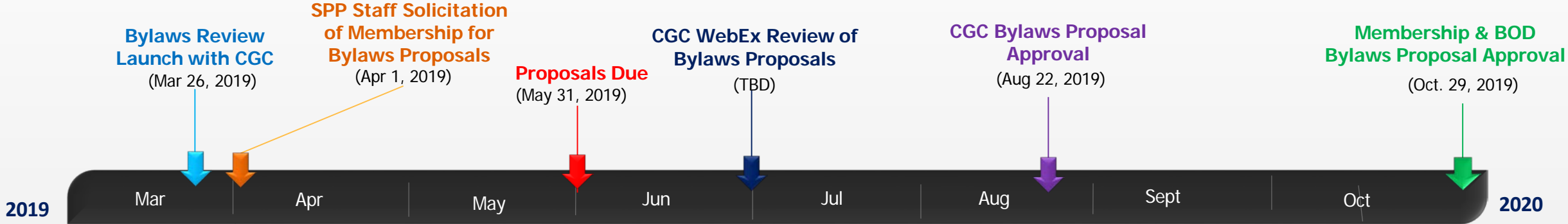
We would respectfully request that you direct your response to Shaun Scott, Assistant Corporate Secretary (smscott@spp.org) by [Insert Date].

Your time and assistance in responding to our survey is greatly appreciated.

Please let me or Shaun know should you have any questions. We look forward to receiving your survey response.

Sincerely,
Paul

SPP Bylaws Review Effort



SPP Staff/CGC Comprehensive Bylaws Review

(Mar 26 – Aug 22, 2019)

SPP Membership Bylaws Review

(Apr 1 – May 31, 2019)

item

AWEA/TWC Section 206 Complaint

Corporate Governance Committee

March 26, 2019

On November 5, 2018, the American Wind Energy Association and The Wind Coalition (collectively “AWEA/TWC”) filed a section 206 complaint against Southwest Power Pool, Inc. (“SPP”) alleging that sections of SPP’s Bylaws and Membership Agreement are unlawful as applied to Independent Power Producers (“IPPs”) and other similarly situated non-transmission owners (“non-TOs”) and non-load-serving entities (“non-LSEs”). Specifically, AWEA/TWC claim that SPP’s exit fee provisions, when applied to these entities, are unjust, unreasonable, unduly discriminatory, and discourage Regional Transmission Organization (“RTO”) membership, causing IPPs and other non-TOs/non-LSEs to be underrepresented in SPP. AWEA/TWC further claim that the “excessive” fees that are imposed on withdrawing Members of SPP are unique among RTOs and bear no relationship to cost causation principles. Consequently, AWEA/TWC have requested that the Commission summarily grant the Complaint and order SPP to “cease and desist” from enforcing against non-TO/non-LSE Members the SPP Bylaws and Membership Agreement exit fee provisions alleged by AWEA/TWC to be unlawful. AWEA/TWC also propose revisions to the SPP Bylaws and Membership Agreement and request that the Commission direct SPP to adopt these changes.¹

SPP answered the Complaint on November 30, 2018, proffering the affidavit of its Senior Vice President of Finance and Chief Financial Officer, Mr. Tom Dunn, and, further, rebutting the allegations as entirely unsupported and requesting that the Commission summarily deny the Complaint with prejudice. AWEA/TWC answered on January 3, 2019, and SPP answered in kind on February 14, 2019, offering the additional affidavit of Mr. Steven D. Purdy, SPP’s Manager of Generator Interconnection to rebut allegations set forth in the affidavit of Mr. Derek Sunderman Tradewind Energy, Inc.’s Vice President of Transmission, as set forth in the comments in support of the Complaint filed by the “SPP Generation Market Participants”² and cited by AWEA/TWC in its answer.

Several parties have moved to intervene and comment in this proceeding, including the “SPP Load Serving Entities”³ and the SPP Generation Market Participants, referenced above, who

¹ Complaint to Revise the Membership Exit Fees in the Southwest Power Pool, Inc., Docket No. EL19-11-000 (Nov. 5, 2018) (“Complaint”).

² The SPP Generation Market Participants are EDF Renewables, Inc.; Enel Green Power North America, Inc.; E.ON Climate & Renewables North America, LLC; and Tradewind Energy, Inc.

³ The SPP LSEs are American Electric Power Service Corporation, The Empire District Electric Company, the Evergy Companies, Golden Spread Electric Cooperative, Inc., Basin Electric Power Cooperative, Western Farmers Electric Cooperative, Sunflower Electric Power Corporation, Mid-Kansas Electric Company, Inc., Nebraska Public Power District, City Utilities of Springfield, Missouri, Grand River Dam Authority, Lincoln Electric System, Omaha Public Power District, Midwest Energy, Inc., Missouri Joint

on November 30, 2018, filed comments in protest and comments in support of the Complaint, respectively. The SPP Generation Market Participants filed an answer to SPP's second answer on March 15, 2019.

As of the time of this writing, this matter remains pending before the Commission, with no deadline established for Commission action.

Municipal Electric Utility Commission, Oklahoma Gas & Electric Company, and Xcel Energy Services, Inc., and various affiliates.

ISO-NE/NEPOOL Open Meetings
Corporate Governance Committee
March 26, 2019

In late January, the Federal Energy Regulatory Commission (“FERC” or “Commission”) rejected proposed revisions filed by the New England Power Pool Participants Committee (“NEPOOL”)¹ to its Second Restated NEPOOL Agreement to stipulate that members of the press are not eligible to become NEPOOL members² and to define the term “press”³ (the “Press Amendments”).⁴ FERC found that the Press Amendments denied NEPOOL membership to members of the press serving any role directly connected with news collection and reporting and that, “Because *some such members of the press otherwise would be eligible for NEPOOL membership as end-use participants*, this prohibition unjustly denies them the ability to vote on NEPOOL matters despite their stake in the outcome.”⁵

Contrary to NEPOOL’s primary argument in support of exclusion of the press (i.e., concerns with the reporting of its stakeholder discussions), the Commission determined the record did not support a finding that allowing members of the press to become participating members of NEPOOL would inhibit NEPOOL’s operations or undermine stakeholder deliberations.⁶ In rejecting the Press Amendments, the Commission opined that,

¹ NEPOOL is a private, voluntary organization of some 480+ members whose participants include the electric utilities rendering or receiving services under the ISO New England, Inc. (“ISO-NE”) Transmission, Markets and Services Tariff; independent power generators, marketers, load aggregators, brokers, consumer-owned utility systems, demand response providers, a merchant transmission provider, developers, and end users (including, direct participants in the wholesale electricity markets, public interest organizations, and consumer advocates). The Participants Committee is NEPOOL’s “principal governing body” and is responsible for “consider[ing] and act[ing] on all matters affecting the New England region’s wholesale electric power arrangements, either directly or by delegation.” New England Power Pool, http://nepool.com/Home_Page.php.

² NEPOOL proposed to add a new section 6.5 to the NEPOOL Agreement, providing “[n]otwithstanding any other provision of this Agreement to the contrary, Press is not eligible to be or to become a Participant [member], a voting member for a Participant, or an alternate or temporary alternate to that member for a Participant.” NEPOOL Transmittal, Attachment 1 at Sheet No. 30A.

³ NEPOOL proposed to define the term “Press” as,

any individual who is (i) an employee, agent, or representative of any person or entity whose principal business or operations include developing common news reports for the purposes of publishing, broadcasting, or making available news to the public, whether for a fee or free of charge, including without limitation through electronic distribution, paper distribution, and television or radio stations broadcasting to the public at large; and (ii) serving any role directly connected with the news collection and reporting. *Id.* at Sheet No. 17A (Proposed Revised NEPOOL Agreement, section 1.67).

⁴ *New England Pw. Pool Participants Comm.*, 166 FERC ¶ 61,062 (Jan. 29, 2019 (January Order)).

⁵ *Id.* At P 49 (emphasis added).

⁶ *Id.* at P 50.

NEPOOL has not demonstrated that barring members of the press from exercising the privileges unique to NEPOOL membership—i.e. attending, speaking, and voting at NEPOOL meetings—will meaningfully advance its aim for candid deliberation in light of these existent provisions. *The NEPOOL Press Amendments do, however, as discussed above, prevent the participation of individuals otherwise eligible for membership solely based on their profession.*⁷

Importantly, however, the Commission’s ruling does not alter the existing Participants Committee Bylaws and Standard Conditions -- approved by the Participants Committee in June 2018 -- which prohibit all NEPOOL members from reporting on deliberations or reporting on statements to other NEPOOL members. Failure to comply with such understanding may result in the suspension of a member’s right to attend NEPOOL meetings until such rights are restored by an affirmative act of the Participants Committee to permit the member to attend future NEPOOL meetings.

NEPOOL’s Press Amendments were prompted by an RTO Insider LLC (“RTO Insider”) press reporter applying for NEPOOL participation as a Governance Only End User, and the existing NEPOOL prohibitions are presently the subject of a section 206 complaint filed in August 2018 against NEPOOL by RTO Insider (Docket No. EL18-196), in which RTO Insider asks that the Commission direct NEPOOL to end the prohibitions.

In February, NEPOOL petitioned the Commission to request that the Commission clarify the extent to which it seeks to assert jurisdiction over the NEPOOL Agreement and, alternatively, to seek rehearing of the January Order. RTO Insider answered NEPOOL’s request on March 15, informing the commission that its press reporter applicant had been admitted as a NEPOOL participant on March 13, 2019 and requesting that the Commission act on RTO Insider’s complaint in Docket No. EL18-196-000.

⁷ *Id.* (emphasis added).

NYISO-LPGNY Section 206 Complaint

Corporate Governance Committee

March 26, 2019

In January, Light Power & Gas of NY LLC (“LPGNY”) filed a section 206 complaint against the New York Independent System Operator, Inc. (“NYISO”) requesting fast track processing and expedited disposition on the pleadings and alleging that the NYISO violated its Open Access Transmission Tariff (“OATT”) by discriminating against LPGNY by refusing to process LPGNY’s application for registration to participate in NYISO’s markets.¹

Specifically, in December 2018, the NYISO declined to process LPGNY’s market registration application, informing LPGNY that its application was being held in abeyance pending payment by bankrupt former NYISO market participant North Energy Power LLC (“North Energy”) of its outstanding and unpaid obligations to the NYISO (due to the NYISO’s determination that LPGNY is a continuation of North Energy, with successor liability for North Energy’s debts to the NYISO). The NYISO cited its denial as being in accordance with section 27.4 of the NYISO OATT, which provides that a Transmission Customer defaulting on a payment obligation must first cure the default and remit payment in full prior to being re-admitted to participate in NYISO markets. LPGNY has disputed the NYISO’s determination.

LPGNY represents that North Energy is a separately owned and operated limited liability company that served retail electricity customers in New York retail markets until filing for Chapter 11 bankruptcy in September 2018. Significantly, the NYISO had previously asserted claims against North Energy for unpaid amounts exceeding the collateral held by NYISO per its tariff related to North Energy purchases in NYISO markets, and received an order from the bankruptcy court permitting NYISO to terminate North Energy’s ability to participate in the NYISO energy markets and to setoff collateral held by the NYISO against the NYISO claims.

The Complaint bears the potential to implicate broader policy issues as to whether Regional Transmission Organization (“RTO”)/Independent System Operator (“ISO”) tariffs may permit RTOs/ISOs to deny a new member or market participant application based on the prior negative enforcement history of an entity and its principals, officers, employees and agents (collectively, the Applicant).

¹ Complaint Requesting Fast Track Processing, Docket No. EL19-39-000 (Jan. 28, 2019) (“Complaint”).