

Southwest Power Pool
VALUE AND AFFORDABILITY TASK FORCE
May 1, 2019
Doubletree Warren Place - Tulsa, OK
• M I N U T E S •

Agenda Item 1 – Administrative Items and Meeting Objectives

The meeting was called to order by Larry Altenbaumer (Director) at 8:00 a.m. Task Force members present included: Holly Carias (NextEra), Mike Wise (GSEC), Jim Jacoby (AEP), Darrin Ives (KCPL/Evergy), Bruce Scherr (Director), Julian Brix (Director), Harry Skilton (Director), and Dennis Florum (LES). SPP Staff included Barbara Sugg, Carl Monroe, Nick Brown, Lanny Nickell, Michael Desselle, Paul Suskie, Tom Dunn, Malinda See, Carson Hampson, Scott Smith, Annette Holbert, Gary Cate and Erin Cathey. Other guests participated in person (Attendance – Attachment 1). Larry reviewed the agenda with the task force and discussed the plan for the meeting as well as the ground rules.

Agenda Item 2 – Definitions of Affordability and Value

The team leaders, Holly Carias, Darrin Ives, and Mike Wise shared the definitions of “value” their teams had established. The discussion on defining “value” included the net of benefit to cost, relative to the alternatives. The group identified the need to understand and more effectively communicate regional value as well as individual stakeholder value, recognizing that value from SPP membership differs across the footprint. Each team leader also shared their group’s proposed definition of “affordability” which included discussions about the cost to be engaged in SPP, and the varying ability for each individual member to pay for RTO services.

An action item was noted for Larry Altenbaumer and Barbara Sugg to draft proposed definitions for both “value” and “affordability” based on the discussion.

Agenda Item 3 – Action Plans Review Criteria

This agenda item was postponed to the June VATF meeting, though *an action item was noted for Larry Altenbaumer and Barbara Sugg to draft proposed criteria for evaluating action plans.*

Agenda Item 4 – Transmission Investments

Lanny Nickell led a discussion about the investments made to the transmission facilities in SPP, with nearly \$8 billion in completed transmission projects and nearly \$2 billion currently scheduled. Lanny estimated that the vast majority of these projects have been mandated for reliability needs. The group discussed whether SPP should consider requiring a higher benefit to cost ratio for economic projects to be approved for construction. Staff reminded the task force of the most recent Value of Transmission Study that indicated a \$3.50 benefit for every \$1.00 invested in transmission.

Agenda Item 5 – Market Initiative Roadmap Process strawman

Annette Holbert kicked off this agenda item with a high level overview of the SPP portfolio management process, identifying how system project and enhancement requests are received, evaluated and prioritized. The goal of this overview was to demonstrate the overarching process that all requests for changes funnel through leading to the SPP project pipeline.

Gary Cate and Erin Cathey presented a strawman approach for an annual process to be used in developing and maintaining a multi-year Market Initiative Strategic Plan, endorsed by the SPP Market Working Group. Also included in this overview was a process for developing new market initiatives. The

task force members were receptive to this approach and noted that they'd like to see other groups, such as the SPP Operating Reliability Working Group, implement the same process for their initiatives.

Agenda Item 6 – Action Plans Review and Discussion

Darrin Ives kicked off this agenda item with a review of the 4 draft action plans being developed by the Budget team. These action plans include reviewing HR processes, IT costs and philosophies, Budget processes and Travel & Meeting philosophies. The task force discussed the need for coordination with existing internal and stakeholder groups that own these responsibilities.

Mike Wise shared the draft action plans being developed by the Mission, Strategy, Value and Governance team. These action plans include reviewing the relevance and necessity of SPP working groups and task forces as well as ensuring that existing groups have the right balance of SPP membership. Mike also discussed the action plan related to Metrics and Measurements for demonstrable value and understanding affordability. The final action plan for this team considers evaluating the potential for providing additional value-added services for members as well as considering alternative contract services for nonmembers.

Holly Carias reviewed the draft action plans for the Process team which includes a deep dive into the process for considering new work at SPP. Additional action plans for this team include a review of the process for conducting ad hoc transmission, and other, studies being performed as well as a review of additional, ongoing process improvement efforts at SPP that lack visibility with members.

Agenda Item 7 – Breakout Session

This agenda item was postponed to the June VATF meeting.

Agenda Item 8 – Next Steps and Meeting Debrief

Once again, Larry complimented the high level of engagement by all participants. The teams were encouraged to continue to refine their action plans and, where appropriate, include the entire VATF in their discussions. The next meeting will be held on June 20, 2019 from 8 a.m. – 2 p.m. in the Hyatt Regency at the DFW airport. The meeting was adjourned at 1:30 p.m.

Respectfully Submitted,

Barbara Sugg
Secretary

Southwest Power Pool, Inc.

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May 1, 2019

• ATTENDANCE LIST •

Name	System
Jim Jacoby	AEP
HARRY SKILTON	SPP Director
Dennis Florom	LES
LANNY NICKELL	SPP
CARL A. MONROE	SPP
Annette Holbert	SPP
GARY CATE	SPP
Erin Cothran	SPP
Holly Carias	SPP NEXTERA ENERGY
Mike Wise	GSEC
Tim Hall	Southern Power
Greg McAuley	OGIE
Michael Dessette	SPP
Barbara Sung	SPP
Lynn Anderson	Director
Nick Brown	SPP Staff/Director
Carson Hampson	SPP
Tom Dunn	SPP
Bruce Scherr	SPP Director
STUART LOWRY	SUNFLOWER

