

2019 and Beyond Operational Objectives

Regional State Committee

Who We Are

The Southwest Power Pool (“SPP”) Regional State Committee (“RSC”) provides collective state regulatory agency input in areas under the RSC’s primary responsibilities and on matters of regional importance related to the development and operation of the bulk electric transmission system. Any regulatory agency having utility rates or services jurisdiction over a Member may participate fully in all SPP activities, including participation at the SPP Board of Directors meetings. These representatives shall have all the same rights as Members except the right to vote. Participation includes the designation of representatives by each of the regulatory jurisdictions to participate in any type of committee, working group, task force, and Board of Directors meetings. The SPP RSC is comprised of retail regulatory commissioners from agencies in Arkansas, Iowa, Kansas, Louisiana, Missouri, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota and Texas. For further background information on the RSC, please see The History of the RSC for the SPP, Inc. document found on the SPP website here:

[https://www.spp.org/documents/58610/history%20of%20the%20rsc%20\(oct.%2010%202018\).pdf](https://www.spp.org/documents/58610/history%20of%20the%20rsc%20(oct.%2010%202018).pdf)

RSC Responsibilities

Section 7.0 of the SPP Bylaws comprise the regulatory involvement and the RSC within the SPP Regional Transmission Organization, with Section 7.2 specifically containing the RSC’s primary responsibilities. The RSC has primary responsibility for determining regional proposals and the transition process in the following areas:

- (a) Whether and to what extent participant funding will be used for transmission enhancements;
- (b) Whether license plate or postage stamp rates will be used for the regional access charge;
- (c) FTR allocation, where a locational price methodology is used; and
- (d) The transition mechanism to be used to assure that existing firm customers receive FTRs equivalent to the customers’ existing firm rights.

The RSC will also determine the approach for resource adequacy across the entire region. In addition, with respect to transmission planning, the RSC will determine whether transmission upgrades for remote resources will be included in the regional transmission planning process and the role of transmission owners in proposing transmission upgrades in the regional planning process.

As the RSC reaches decisions on the methodology that will be used to address any of these issues, SPP will file this methodology pursuant to Section 205 of the Federal Power Act. However, nothing in this section prohibits SPP from filing its own related proposal(s) pursuant to Section

205 of the Federal Power Act. For more information on the SPP Bylaws, please use the e-tariff viewer on the SPP website at the following link:

http://app.spp.org/etariff_viewer.html

2019 RSC Operational Objectives	Issue/Potential Steps/Status	RSC Primary Responsibility	Timeline	Potential Outcome
<p>Cost Allocation: HITT – Issue No. 1B: Review Existing Cost Allocation Methodologies, and Cost Allocation for Byway facilities in Wind Rich Areas</p>	<p>Issue: HITT Goal for Issue No. 1B: Review existing transmission cost allocation methodologies in light of the implementation of the Integrated Marketplace and significant changes in generating resources. Upon completing the review, and in consideration of recommendations from the HITT for Issue No. 1, the Team will develop any needed high-level cost allocation policy recommendations for the consideration of the RSC/CAWG.</p> <p>CAWG action from 02/11/19. CAWG continue its work on cost allocation for Byway facilities in Wind Rich Areas.</p> <p>Suggestion: Based on any cost allocation recommendations from HITT, the RSC will work with SPP, members, and stakeholders to perform analysis and bring recommendations to MOPC, RSC, and BOD.</p>	<p>Cost Allocation: SPP Bylaws: Section 7.2</p> <p>(a) whether and to what extent participant funding will be used for transmission enhancements; and</p> <p>(b) whether license plate or postage stamp rates will be used for the regional access charge.</p>	<p>TBD based on RSC discussion, HITT recommendation, and CAWG analysis. HITT has a goal to provide high level recommendations to the RSC and BOD in April 2019.</p>	<p>TBD based on RSC discussion, HITT recommendation, and CAWG analysis.</p>

<p>HITT – Issue No. 1A: Transmission Planning, and Issue No. 2: Review of Integrated Marketplace and Essential Reliability Services</p>	<p>Issue: HITT Goal for Issue No. 1A: Develop high-level policy recommendation as to how SPP can align its transmission planning processes and resource adequacy needs with SPP’s Integrated Marketplace and tariff requirements.</p> <p>HITT Goal for Issue No. 2: Develop a holistic understanding of the SPP’s Integrated Marketplace and the essential services needed for the region in light of significant changes in generating resources and developing technology. Additionally, develop a better understanding of market products in other regions/markets. Upon obtaining this understanding, develop high-level policy recommendation as to how to enhance SPP’s Integrated Marketplace and tariff requirements.</p> <p>Suggestion: Based on any market recommendations from HITT related to items under RSC purview, the RSC will work with SPP, members, and stakeholders to perform analysis and bring recommendations to MOPC, RSC, and BOD.</p>	<p>SPP Bylaws: Section 7.2</p>	<p>TBD based on RSC discussion, HITT recommendation, and CAWG analysis. HITT has a goal to provide high level recommendations to the RSC and BOD in April 2019.</p>	<p>TBD based on RSC discussion, HITT recommendation, and CAWG analysis.</p>
--	---	--------------------------------	---	---

<p>OMS/RSC Seams Liaison Committee:</p>	<p>Issue: Identify potential improvements in Seams areas and work with SPP and MISO on implementation.</p> <p>Status: Currently reviewing and discussing stakeholder responses, consider additional questions for SPP/MISO, discuss request for FERC analysis or an independent analysis (SPP/MISO Market Monitors) to identify transmission solutions that benefit both MISO and SPP customers.</p>	<p>SPP Bylaws, Section 7.0: Regulatory Involvement and Regional State Committee</p> <p>Joint Committee of the Organization of MISO States and the SPP Regional State Committee</p>	<p>TBD based results of analysis, recommendation from the Joint Committee, and RSC/OMS action.</p>	<p>Outcome: Identify potential improvements in the following areas and work with SPP and MISO on implementation:</p> <ul style="list-style-type: none"> • Increase benefits to ratepayers in both markets by improving market-based transactions and operations across the seam. • Ensure equal consideration of beneficial regional and inter regional projects in transmission planning, including evaluation of projects identified in the Coordinated System Plans. • Support the timely interconnection of new resources that includes consideration of the dynamics of the interconnection queue in both RTOs. • Improve inter-RTO relations through state-led cooperation.
<p>Z2 Credits – FERC Order on Remand: Docket No. ER16-1341-003</p>	<p>Issue: FERC directs SPP to provide refunds, with interest calculated pursuant to 18 C.F.R. § 35.19a (2018). FERC also directs SPP to file a report within 120 days of the date of this order detailing how it proposes to make the refunds.</p>	<p>Cost Allocation:</p> <p>SPP Bylaws: Section 7.2</p> <p>(a) whether and to what extent participant funding will be used for transmission enhancements</p>	<p>TBD: Order on Remand issued 02/28/2019.</p>	<p>TBD</p>

2019 and Beyond Considerations and Focus Points				
--	--	--	--	--