



**Southwest Power Pool**  
**BOARD OF DIRECTORS/MEMBERS COMMITTEE MEETING**  
**Teleconference**  
**June 21, 2007**

**- Summary of Action Items -**

1. Approved revisions to the SPP Bylaws to implement the SPP Regional Entity.
2. Approved the Markets and Operations Policy Committee's recommendation of PRR 137a and the applicable agreement for incorporation into the Market Protocols. Approved the use of PRR 197a in drafting tariff language to be presented at the July Board of Directors meeting.



**Southwest Power Pool**  
**BOARD OF DIRECTORS/MEMBERS COMMITTEE MEETING**  
**Teleconference**  
**June 21, 2007**

**Agenda Item 1 - Administrative Items**

SPP Chair Mr. Jim Eckelberger called the meeting to order at 2:55 p.m. The following Board of Directors/Members Committee members were in attendance via teleconference or represented by proxy:

Mr. Larry Altenbaumer, director  
Ms. Phyllis Bernard, director  
Mr. Nick Brown, director  
Mr. Robin Morecroft, for Mr. Harry Dawson, Oklahoma Municipal Power Authority  
Mr. Mike Kiefner, for Mr. Kevin Easley, Grand River Dam Authority  
Mr. Jim Eckelberger, director  
Ms. Trudy Harper, Tenaska Power Services Company  
Mr. Quentin Jackson, director  
Mr. Rob Janssen, Redbud  
Mr. Jeff Knottek, City Utilities of Springfield  
Mr. Joshua Martin, director  
Mr. Steve Parr, Kansas Electric Power Cooperative, Inc.  
Mr. Mel Perkins, OG+E Electric Services  
Mr. Gary Roulet, Western Farmers Electric Cooperative  
Mr. Harry Skilton, director  
Mr. Stuart Solomon, American Electric Power  
Mr. Richard Spring, Kansas City Power & Light  
Mr. John Olsen, for Mr. Tom Stuchlik, Westar  
Mr. Gary Voigt, Arkansas Electric Cooperative Co  
Mr. Rich Wolfinger, Constellation Energy Commodities Group, Inc.

There were 42 persons in attendance via phone representing 23 members (Attendance List - Attachment 1). Ms. Duckett reported proxies and a quorum was declared (Proxies - Attachment 2).

**Agenda Item 2 – SPP Bylaws to Implement the SPP Regional Entity**

Mr. Eckelberger referred to the SPP Bylaws to implement the SPP Regional Entity (SPP Bylaws Recommendation – Attachment 3). SPP applied and was approved by the Federal Energy Regulatory Commission (the Commission) to serve as a Regional Entity under the North American Electric Reliability Corporation (NERC) as authorized by the Energy Policy Act of 2005. The Commission's order took effect June 18. To fully implement this change, certain revisions must be made to the organization's Bylaws. These revisions, as developed by the Strategic Planning Committee, were previously reviewed and endorsed by the Board of Directors and Members Committee for submission to NERC with SPP's Delegation Agreement. Approval and implementation of these changes was tabled pending Commission approval of SPP serving as a Regional Entity. Ms. Bernard moved to approve the SPP Bylaws as revised. Mr. Jackson seconded the motion. The Members were in unanimous favor. As required, the Board of Directors voted by secret ballot. Ms. Duckett reported via email on Monday, June 25 that the motion passed.

**Agenda Item 3 – Markets and Operations Policy Committee Report**

Mr. John Olsen provided the Markets and Operations Policy Committee Report (MOPC Report – Attachment 4). The MOPC was directed by the Board of Directors to revise the PRR 137a

recommendation as presented at the April meeting. The following motion was approved by the MOPC:

PRR 137a and the associated agreement "Agreement Establishing External Generation Non-physical Electrical Interconnection Point" to be approved to be included in the Market Protocols and to include the requirement for Firm Transmission service on the external transmission providers or non-firm service if the external BA would provide backup and not require a tag so that the pseudo tie is not curtailed except by the market and the proposed ORWG additional MW restrictions of limiting the External Generation that is offered into the market that SPP can accept into the market to the sum of the RSS largest unit plus half of the next largest unit and limiting the External Generation that is offered into the market that SPP can accept into each internal Balancing Authority to the largest unit in that BA. In case the pseudo tie for the External Generation is curtailed instantaneously when using non-firm transmission service from an external transmission provider, the sink BA could replace it with RSS. Also the RTWG is directed to prepare tariff language including using the suggested associated agreement to reflect this approval.

Mr. Olsen asked that the Board approve PRR 137a and the applicable agreement for incorporation into the Market Protocols and also for use in drafting tariff language to be presented at the July Board of Directors meeting. Following discussion, Mr. Nick Brown was asked to talk with Mr. Craig Roach, the Market Monitor Advisor from Boston Pacific, regarding any opinions he may have on this subject. Mr. Eckelberger moved to approve the MOPC recommendation with a second from Mr. Brown. A roll call vote of the Members Committee was held; the Members Committee was in support of the motion with Mr. Jeff Knottek in abstention. As required, the Board of Directors voted by secret ballot. Ms. Duckett reported via email on Monday, June 25 that the motion passed.

#### **Future Meetings**

The next Board of Directors meeting will be July 24 in Kansas City.

#### **Adjournment**

With no further business, Mr. Eckelberger thanked everyone for participating and adjourned the meeting at 3:55 p.m.

Stacy Duckett, Corporate Secretary



**Southwest Power Pool  
SPECIAL MEETING OF MEMBERS AND  
BOARD OF DIRECTORS/MEMBERS COMMITTEE MEETING**

**June 21, 2007**

**Teleconference**

**• A G E N D A •**

2:00 p.m. – 5:00 p.m. CDT

Membership

1. Call to Order and Introduction ..... Mr. Jim Eckelberger
2. Regional Entity Bylaws ..... Ms. Stacy Duckett
3. Corporate Governance Committee Report ..... Mr. Nick Brown
  - a. Election of RE Trustees
  - b. Compensation of RE Trustees
  - c. Compensation of Board's MOPC Representative

Adjourn

Board of Directors/Members Committee

1. Call to Order and Introduction ..... Mr. Jim Eckelberger
2. Regional Entity Bylaws ..... Ms. Stacy Duckett
3. Markets and Operations Policy Committee Report ..... Mr. John Olsen
  - a. PRR 137A – External Generators



**Southwest Power Pool, Inc.**  
**SPECIAL MEETING OF MEMBERS AND**  
**BOARD OF DIRECTORS/MEMBERS COMMITTEE MEETING**  
**Teleconference**  
**June 21, 2007**

**ATTENDANCE LIST**

Jim Eckelberger	Director
Harry Skilton	Director
Quentin Jackson	Director
Phyllis Bernard	Director
Nick Brown	Director
Joshua Martin	Director
Larry Altenbaumer	Director
Jeff Knottek	City Utilities of Springfield, MO
John Olsen	Westar
Gary Voigt	AECC
Rob Janssen	Kelson Energy
Stuart Solomon	AEP
Robin Morecroft	OMPA
Rick Wolfinger	Constellation Energy
Steve Parr	KEPCo
Mel Perkins	OG+E
Richard Spring	KCPL
Gary Roulet	Western Farmers
Trudy Harper	Tenaska
Mike Kiefner	GRDA
Mike Palmer	Empire
Darrell Dorsey	Board of Public Utilities
Earl Watkins	Mid Kansas Electric
Carl Huslig	ITC Great Plains
David Douglass	Aquila
Steve Ferry	Sunflower
Tim Woolley	Xcel
Gary Newell	Lafayette Utilities
Bill Dowling	Midwest Energy
David Fleischaker	Oklahoma Dept of Energy
Charles Yeung	SPP
Carl Monroe	SPP
Dennis Reed	Westar
Richard Ross	AEP
Barry Warren	Empire
Tracey Stewart	SWPA
Ed Stoneburg	Trans-Elect Development
Stacy Duckett	SPP
Tom Dunn	SPP
Michael Desselle	SPP
Richard Dillon	SPP
Cheryl Robertson	SPP

**From:** Roland Dawson [mailto:[rdawson@ompa.com](mailto:rdawson@ompa.com)]  
**Sent:** Monday, June 18, 2007 2:42 PM  
**To:** Cheryl Robertson; Stacy Duckett  
**Cc:** Morecroft, Robin; Holman, Cindy  
**Subject:** RE: Special Meeting of Members and SPP Board of Directors/Members Committee Meeting 6/21/07

This email is to advise you that I am giving OMPA's proxy for both OMPA and the Members Committee meeting on 6/21/07 to Robin Morecroft, OMPA's Director of Engineering. Please advise if any other information is required. Thank you.

Roland Dawson  
[rdawson@ompa.com](mailto:rdawson@ompa.com)  
OMPA  
Box 1960  
Edmond, OK 73013-1960  
405-630-0542

**From:** Easley, Kevin [mailto:keasley@grda.com]  
**Sent:** Thursday, June 21, 2007 9:49 AM  
**To:** Stacy Duckett; Cheryl Robertson  
**Cc:** Kiefner, Mike  
**Subject:** RE: SPP Regional Entity Trustees - additional nomination

Stacy I will be in court this afternoon and unavailable for this call. I have given my proxy to Mike Kiefner our COO at GRDA. He will be registering today. Please let me know if we have a problem by email since my phone will be off. thanks

From: Tom.Stuchlik@westarenergy.com [mailto:Tom.Stuchlik@westarenergy.com]  
Sent: Monday, May 21, 2007 5:02 PM  
To: Stacy Duckett  
Cc: Olsen, John  
Subject: Fw: SPP Special Meeting of Members and Special Board of  
Directors/Members Committee Teleconference 6/21/07

I will not be able to participate in this call. Please give my proxy for  
the Members Committee and the Membership to John Olsen.

Thanks

----- Forwarded by Tom Stuchlik/WRI on 05/21/2007 05:00 PM -----





Southwest Power Pool, Inc.

Recommendation to the Board of Directors/Members Committee

June 21, 2007

### Regional Entity Bylaws Revisions

#### Background

SPP applied and was approved by the Federal Energy Regulatory Commission (the Commission) to serve as a Regional Entity under the North American Electric Reliability Corporation (NERC) as authorized by the Energy Policy Act of 2005. The Commission's order took effect June 18. To fully implement this change, certain revisions must be made to the organization's Bylaws. These revisions, as developed by the Strategic Planning Committee, were previously reviewed and endorsed by the Board of Directors and Members Committee for submission to NERC with SPP's Delegation Agreement. Approval and implementation of these changes was tabled pending Commission approval of SPP serving as a Regional Entity.

#### Analysis

SPP sought to become a Regional Entity at the direction of its Membership and as part of the strategic initiative to maintain one organization providing both reliability and transmission services to the region. The Energy Policy Act of 2005 allows for an ISO or RTO to serve as a Regional Entity, but requires clear and distinct separation of duties to ensure the independent execution of the Regional Entity duties (compliance and enforcement, and standards development). The Bylaws revisions reflect the necessary independence for governance, administration, and standards development to satisfy the Commission's threshold requirements as evidenced by its approval of SPP as a Regional Entity.<sup>1</sup>

Pursuant to SPP's Bylaws, the Board of Directors may adopt revisions to the Bylaws, except for certain sections, and following a 30-day notice to the Membership of the pending action. That notice was provided, and in a separate action, approval by the Membership of the remaining sections of the Bylaws is solicited.

There is no minority opinion to report.

#### Recommendation

Approval of revisions to the SPP Bylaws to implement the SPP Regional Entity.

---

<sup>1</sup> The Commission's Order requires additional clarification/revisions to the Bylaws. These will be developed by the Corporate Governance Committee in conjunction with the Regional Entity Trustees for submission in a compliance filing required within 180 days of the date of the Order, which was April 19.

**Southwest Power Pool, Inc.**  
**MARKETS AND OPERATIONS POLICY COMMITTEE**  
**Recommendation to the Board of Directors**  
**June 21, 2007**

**Organizational Roster**

The following members represent the Market Working Group:

Richard Ross, AEP, Chairman  
Gene Anderson, OMPA  
Doug Base, WFEC  
Gary Clear, OG&E  
Terri Eaton, Xcel Energy  
Robert Janssen, Redbud Energy  
Charles Locke, KCPL  
Rick McCord, EDE  
Tambra Offield, ETEC  
Tom Saitta, Aquila  
James Stanton, Calpine  
John Stephens, Springfield MO  
Tom Stuchlik, Westar  
Keith Sugg, AECC  
Emily Davis, SPP, Secretary

**Background**

Paragraph 277 of the March 20, 2006 FERC Order states:

*“We believe that participation of external generators<sup>1</sup> in SPP’s proposed imbalance market is key to addressing issues of market power and bid insufficiency. As an initial matter, we note that there is no restriction on load serving entities including external generators in their day-ahead and hourly resource plans as long as the load-serving entities make the appropriate Resource and transmission arrangements for these resources. Further, we note that in its answer, SPP states that it supports accommodating external generators in the imbalance market and commits to address this issue in the future. Based on SPP’s commitment to address this issue, we will direct SPP to make a filing two months after the start of market operations that incorporates tariff revisions to allow participation of external generators in SPP’s imbalance market. Also, SPP’s provisions for external generator participation must be in effect within six months of the start of SPP’s imbalance market, at the same time that system-wide bid caps are removed”.*

Also, the SPP Board of Directors in their April 24, 2007 meeting directed: “that SPP should file for an extension and that the working groups should work expeditiously to find solutions to the remaining pending issues. A teleconference will be scheduled in mid June to address this topic. Tariff language will be drafted and presented at the July Board meeting for approval.”

---

<sup>1</sup> External Resource as defined by PJM in their 3<sup>rd</sup> revised rate schedule number 24 states: “External Resource” shall mean a generation resource located outside the metered boundaries of the Region.

## Analysis

The consensus of MWG and ORWG is to move forward with, PRR 137a, the pseudo tie approach. This belief stems from the lower cost (time and money) for implementation. Although there was a consensus among the groups, there were two issues that were not resolved and prevented a motion and/or vote.

1. A requirement for Firm Transmission service on any intermediate third party systems up to the SPP border.
  - a. PRR 137a and the applicable agreement have existing language related to Firm Transmission.
  - b. This issue stems from two concerns:
    - i. The internal Balancing Authorities in the market are concerned about what they would do if the external generation pseudo tie is curtailed instantaneously by the external Balancing Authority based on the loss of the external generator or rare IROL curtailment. The ORWG feels that Firm Transmission is required so that according to SPP Criteria 6 they can use the Reserve Sharing System to replace the energy. Other parties do not see that Firm Transmission should be required for non-firm energy sales to the market and this would prevent most external generators from participation in the EIS market.
    - ii. NERC, for curtailment, assumes that the transmission service for pseudo ties is Firm. If the external generator uses other priority of transmission service, the transfer would have to be tagged and there would need to be some priority of service represented within SPP which is different than the way internal generators are represented to curtailment as well as additional system changes are required that could delay the implementation and increase the costs.
2. MW limits requested by the ORWG so that the volume of External Generation does not exceed certain thresholds.
  - a. PRR 137a and the applicable agreement do not yet reflect the MW limits.
  - b. The limits discussed in meetings are effectively two tiered.
    - i. Limit to the amount of External Generator MWs offered into the EIS market that SPP will accept. There is a concern from the ORWG that if there could be external events that would require the curtailment of a large portion of the external generation into SPP and the internal BAs would be stressed to recover from a large amount of energy loss in that case. There was some discussion that additional study work may be able to assert which External Generators face coincident events.
    - ii. Limit to the amount of External Generator MWs offered that SPP will accept in any individual BA's area. This was a concern because SPP holds out transmission capacity for use in case of loss of the largest unit (TRM) in an individual BA so that when that unit is lost, the reserves can be delivered into that area. If an External Generator is lost that is greater, the ORWG feeling was that it may be more than the transmission capacity held out.

During the MOPC discussion, there were numerous discussions about each of these limitations. The negative votes for the motion reflect the concern that either requiring firm or even non-firm with an agreement with the external BA may prevent External Generators from participating. Some members worked on the recommendation that was approved below to try to relax those requirements while still meeting the reliability

needs of NERC and SPP and keep the schedule implementation time and cost of implementation in line. Further work was offered to continue work on relaxing each of these limits.

### **Recommendation**

The MWG recommends the MOPC resolve the issues addressed above and approve PRR 137a and the applicable agreement for incorporation into the Market Protocols.

The Markets and Operations Policy Committee met on June 13, 2007 and approved the following motion to resolve the issues noted by the Market Working Group regarding PRR137a.

PRR 137a and the associated agreement "Agreement Establishing External Generation Non-physical Electrical Interconnection Point" to be approved to be included in the Market Protocols and to include the requirement for Firm Transmission service on the external transmission providers or non-firm service if the external BA would provide backup and not require a tag so that the pseudo tie is not curtailed except by the market and the proposed ORWG additional MW restrictions of limiting the External Generation that is offered into the market that SPP can accept into the market to the sum of the RSS largest unit plus half of the next largest unit and limiting the External Generation that is offered into the market that SPP can accept into each internal Balancing Authority to the largest unit in that BA. In case the pseudo tie for the External Generation is curtailed instantaneously when using non-firm transmission service from an external transmission provider, the sink BA could replace it with RSS. Also the RTWG is directed to prepare tariff language including using the suggested associated agreement to reflect this approval.

Motion was approved by 80% in a roll call vote. There were six (6) no votes (Calpine, City of Clarksdale, City of Lafayette, LEPA, Williams Power and Yazoo City) and two (2) abstentions (Cargill and KEPC).

**Action Requested:** Approve PRR 137a and the applicable agreement for incorporation into the Market Protocols and also for use in drafting tariff language to be presented at the July Board of Directors meeting.

**Attachments:** PRR137a, Agreement Establishing External Generation Non-physical Electrical Interconnection Point

## Protocols Revision Request

<b>PRR Number</b>	137a	<b>PRR Title</b>	<b>External Generation – Pseudo Tie Methodology</b>
<b>Protocol Section(s) Requiring Revision</b> (include Section No., Title, and Protocol Version)	Section 3.1, 4.1, 5.1 and <del>create a new section 7 named External Resources in the SPP EIS Market (Current section 7 will move to 8 and so on)</del> <u>a new section 10.2.4 and 12.2.5.</u>		
<b>Impact Analysis Required</b> (Yes or No)	Yes		
<b>MMU Report Required</b> (Yes or No)	Yes		
<b>Requested Resolution</b> (Normal or Urgent)	Urgent		
<b>Revision Description</b>	Propose a solution for allowing External Resources to participate in the SPP Market within 3 months of market start.		
<b>Reason for Revision</b>	<p>Paragraph 277 of the March 20, 2006 FERC Order states:</p> <p><i>“We believe that participation of external generators<sup>1</sup> in SPP’s proposed imbalance market is key to addressing issues of market power and bid insufficiency. As an initial matter, we note that there is no restriction on load serving entities including external generators in their day-ahead and hourly resource plans as long as the load-serving entities make the appropriate Resource and transmission arrangements for these resources. Further, we note that in its answer, SPP states that it supports accommodating external generators in the imbalance market and commits to address this issue in the future. Based on SPP’s commitment to address this issue, we will direct SPP to make a filing two months after the start of market operations that incorporates tariff revisions to allow participation of external generators in SPP’s imbalance market. Also, SPP’s provisions for external generator participation must be in effect within six months of the start of SPP’s imbalance market, at the same time that system-wide bid caps are removed.”</i></p>		
<b>Tariff Implications or Changes (Yes or No; If yes include a summary of impact and/or specific changes)</b>	Yes		

<sup>1</sup> External Resource as defined by PJM in their 3<sup>rd</sup> revised rate schedule number 24 states: “External Resource” shall mean a generation resource located outside the metered boundaries of the Region.

# Protocols Revision Request

<b>Criteria Implications or Changes (Yes or No; If yes include a summary of impact and/or specific changes)</b>	Yes
<b>Credit Implications (Yes or No, and summary of impact)</b>	No

<b>Sponsor</b>	
<b>Name</b>	Richard Ross and SPP Staff on behalf of the MWG
<b>E-mail Address</b>	
<b>Company</b>	
<b>Company Address</b>	
<b>Phone Number</b>	
<b>Fax Number</b>	

<b>Proposed Protocol Language Revision</b>
--

### 3.1 Introduction

The Resource Plan is submitted by Market Participants with registered Resources to enable the SPP Market Operation System (MOS) to assess Resource and Ancillary Service adequacy for the SPP region, each SPP control area, and each Market Participant. The operator of the Control Area remains responsible for the balance of Load and Resources within the Control Area boundary. See Appendix 7 of SPP Criteria for requirements of data submission.

External Resources have the same requirements for submitting a Resource Plan as those Resources within the SPP Market Footprint, except as specified below. For such External Resource capacity as is offered into the SPP Market, (i) only status available to External Resources is “Available” or “Unavailable”; and (ii) the Min MW ~~should~~ must be set to zero and (iii) the Max MW may not exceed the firm transmission service arrangements associated with the External Resource. If Tagged, the Max MW may not exceed the Tag value, including the curtailment limit adjusted by the NERC Interchange Distribution Calculator (IDC).

Formatted: Font: Not Bold

Formatted: Font: Not Bold

Formatted: Font: Not Bold

Formatted: Font: (Default) Times New Roman

Formatted: Font: (Default) Arial

# Protocols Revision Request

## 4.1 Introduction

Each MP submits its Ancillary Service Plan to enable the SPP Market Operation System to confirm each MP is satisfying its Ancillary Service obligations. The Ancillary Service Plan indicates transfers of Energy Obligations between MPs and, when self provided, which Resources are providing these services. Ancillary services are supplied and procured in accordance with the provisions of the SPP tariff and applicable SPP criteria.

MP's must indicate on the AS Plan Reserves and Regulation (Spin, Supp, Upreg, Downreg) sufficient to meet their Energy Obligations. MP's may also designate Reserves and Regulation in excess of their Energy Obligations for reliability purposes. It is recognized that in some instances a party may indicate capability being held for Regulation or Reserve service that is actually being reserved to indicate emergency operating capabilities or other operating capabilities and commercial limitations of the Resource.

## 5.1 Introduction

To submit an offer an Market Participant must have executed the service agreement as specified in Tariff Attachment AH. Offer Curves are submitted by Resource. Resources that offer energy into the SPP EIS market must specify an offer price. The price is specified using an Offer Curve. The Offer Curve allows Resources to offer multiple points at different prices. An Offer Curve is submitted for each Resource with up to ten monotonically increasing pairs of MWh and price. The price may be positive or negative and may be capped. See Section 11 for further details. Owners of Joint Owned Units may agree to register the units as separate Resources.

## 10.2.4 Calculation of Settlement Locations for External Resources

The LIP calculated for the External Resource Settlement Location is the product of (i) the estimated distribution of modeled energy flows across specific interface points between SPP and adjacent Balancing Authorities and (ii) the Locational Imbalance Price at each interface point.

Formatted: Font: Bold

Formatted: Font: Bold

## 7 12.2.5 INTRODUCTION REGISTRATION OF AN EXTERNAL RESOURCE

External Resources wishing to participate in the SPP Energy Market will pseudo-tie into an SPP market Balancing Authority (BA) utilizing the ~~proforma SPP pseudo tie agreement SPP OATT Attachment~~ or an equivalent agreement approved by the SPP. In addition to the

Formatted: Font color: Blue

Formatted: Font color: Blue

Formatted: Bullets and Numbering

Formatted: Font color: Blue

# Protocols Revision Request

~~responsibilities outlined in the proforma pseudo-tie Attachment agreement, the External Resource will be responsible for registering and performing all responsibilities that are required of any other Resource in the SPP Market. Market Participants representing External Resources (External Resource MP) and BAs are responsible for validation and synchronization of the use of the External Resource. The Resource will be dispatched similar to an internal Resource with some notable exceptions.~~

Formatted: Font color: Blue

## TARIFF CHANGES/ADDITIONS

### 1.1.28 Resources

Assets which are defined within the EIS Market systems ~~as being within the SPP Market Footprint~~, which inject energy into the transmission grid, or which reduce the withdrawal of energy from the transmission grid, and may be self-dispatched or directly dispatchable by the Transmission Provider. These Resources ~~may~~ include generation ~~and or~~ controllable load ~~that is part of the SPP Market Footprint through its physical interconnection and External Resources included in the SPP Market Footprint through a Generation Pseudo-Tie.~~

#### 1.1.25b Generation Pseudo Tie

~~A telemetered reading or value that is updated in real time and used as a “virtual” tie line flow in the AGC/ACE equation but for which no physical tie or energy metering actually exists. The integrated value is used as a metered MWh value for interchange accounting purposes. A non-physical electrical interconnection point between balancing authorities, whereby a all or a portion of a generating Resource is electronically moved from one Balancing Authority to another Balancing Authority. Using a Generation Pseudo-Tie, energy delivered from a generating Resource to the Pseudo-Tie Point is treated as a balancing authority interchange from the source Balancing Authority to the sink Balancing Authority.~~

Formatted: Indent: Hanging: 36 pt

Formatted: Font: Times New Roman, 12 pt

Formatted: Justified, Indent: Left: 108 pt, Line spacing: 1.5 lines

Formatted: Font: Times New Roman, 12 pt

Formatted: Font: Times New Roman, 12 pt

Formatted: Font: Times New Roman, 12 pt

Formatted: Font: Times New Roman, 12 pt

Formatted: Font: Times New Roman, 12 pt

#### 1.1.132a External Resource



# Protocols Revision Request

~~Resources, other than a Designated Resource, physically located outside of the SPP Market Footprint that are also modeled within the SPPEIS Market systems as being outside of the SPP EIS Market Footprint and that participate in the EIS Market through the use of a Dynamic Dispatchable Schedule pseudo tied into an included in an SPP market Balancing Authority (BA) through a Generation Pseudo-Tie and participates in the EIS Market through the use of a NERC IDC Tag.~~

## **1.1.3418 SPP Market Footprint**

~~The registered Loads and Resources of Market Participants that are located included within a Balancing Authority Area subject to Attachment AN under this Tariff.~~

Formatted: Font: Bold

Formatted: Font: Bold

Formatted: Indent: Left: 108 pt

**2.2.1** A Market Participant's Resource Plan shall be submitted according to the following:

- (a) Resource Plans shall be submitted using the data formats and procedures defined in the Market Protocols
- (b) A Market Participant's Resource Plan shall contain the following information associated with each of that Market Participant's Resources:
  - i. Resource type, either generation, controllable load, or plant;
  - ii. Resource's physical minimum sustainable capacity limit in megawatts per hour for each Operating Hour and physical and maximum sustainable capacity limit in megawatts per hour for each Operating Hour. ~~External Generators Resources shall submit their minimum sustainable capacity limit as zero megawatts per hour and their maximum sustainable capacity limit in megawatts per hour in an amount up to the maximum transmission service available under their Dynamic Dispatchable Schedules for an hour may not exceed the tag value, including the curtailment limit~~

Formatted: Indent: Left: 0 pt, Hanging: 144 pt

## Protocols Revision Request

- ~~adjusted by the NERC IDC not exceed the firm transmission service arrangements associated with the External Resource;~~
- iii. Resource hourly forecasted generation in megawatts per hour for the next seven days; ~~this value is zero for External Resources;~~
  - iv. Resource status for SPP dispatch for the next seven days. ~~External Resources are limited to “Available” and “Unavailable” status only;~~ and
  - v. A planned operating schedule in the absence of a market. ~~This value is zero for External Resources. Note: Check with Lanny and Richard—Is this acceptable from a reliability point of view]~~

Formatted: Indent: Left: 0 pt,  
Hanging: 144 pt

~~QUESTION—What happens when a VRL violation causes an external resource’s ramp rate to be violated and/or max capability to be violated?~~

**AGREEMENT ESTABLISHING EXTERNAL GENERATION NON-PHYSICAL  
ELECTRICAL INTERCONNECTION POINT**

This Agreement Establishing External Generation Non-Physical Electrical Interconnection Point (including its exhibits, this “Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_ 200\_\_ by and among [PARTY 1 Name (source balancing authority)], an [PARTY 1 State and type of entity] (“\_”), [PARTY 2 Name (sink balancing authority)], an [PARTY 2 State and type of entity] (“\_”), [PARTY 3 Name (Market Participant)], a [PARTY 3 State and type of entity] (“\_”), and the Southwest Power Pool, Inc. (SPP) Regional Transmission Organization. [PARTY 1], [PARTY 2] [PARTY 3] and SPP are hereinafter referred to individually as a “Party” and collectively as the “Parties.”

WHEREAS, in order to facilitate the foregoing, the Parties desire to establish a new non-physical electrical interconnection point between the balancing authorities of [PARTY 2] and [PARTY 1] on the terms and conditions set forth in this Agreement; and

WHEREAS, The Southwest Power Pool (SPP) is a Regional Transmission Organization (RTO) approved by the Federal Energy Regulatory Commission operating an Energy Imbalance Service (EIS) market; and

WHEREAS, [PARTY 3] is responsible for generation outside of the boundaries of the SPP market and desires to participate in the SPP EIS market as an External Generator; and

WHEREAS, [PARTY 3] desires to deliver to [PARTY 2] and [PARTY 2] desires to accept delivery power into the SPP EIS market from [PARTY 3], energy from the Facility (as defined below) ; and

WHEREAS, [PARTY 3] is a generator operator located in the Eastern Interconnection and physically located within the balancing authority boundaries of [PARTY 1]; and

WHEREAS, [PARTY 3] is a generator operator registered with SPP and meeting all of the SPP qualifications in order to operate in the SPP EIS market and abiding by all the respective market protocols and rules as set forth by SPP; and

WHEREAS, [PARTY 2] is a balancing authority that is a member of SPP, is located within the footprint of the SPP and a member participating in the SPP EIS market;

NOW THEREFORE, in consideration of the mutual covenants and agreements in this Agreement and of other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. Creation of Non-Physical Pseudo-Tie Point. From and after the effective date hereof, the point at which non-physical electrical interconnection (pseudo tie) is made between the [PARTY 3] [NAME OF GENERATION FACILITY] [GENERATION FACILITY LOCATION] (the “Facility”) and [PARTY 2] system, which shall be at the high side of the step-up transformer at the Facility substation at the location denoted “Point of Change of Ownership (Of Energy)” in the one-line diagram attached hereto as Exhibit A, shall be a new non-physical electrical interconnection point between the balancing authorities of [PARTY 2] and [PARTY 1] (the “Pseudo-Tie Point”), whereby any energy delivered from the Facility to the Pseudo-Tie Point for the account of [PARTY 1], shall be treated as a balancing authority interchange from the balancing authority of [PARTY 1] to the balancing authority of [PARTY 2] (for the avoidance of doubt, whether or not, at the time of delivery of such energy, the metering, data processing, telemetry and other equipment associated with the Pseudo-Tie Point is properly functioning). For the avoidance of doubt, [PARTY 2] will not be taking title to any energy delivered from the Facility to the Pseudo-Tie Point for the account of [PARTY 1].

2. Implementation. Each Party shall design, construct, operate and maintain the equipment for which it is responsible under this Agreement, and shall take all other actions required of it, to create and have the Pseudo-Tie Point recognized by the Southwest Power Pool as a balancing authority interchange from the balancing authority of [PARTY 1] to the balancing authority of [PARTY 2] for the purpose of allowing the Facility to be treated as being in the balancing authority of [PARTY 2]. Without limiting the foregoing, each Party shall undertake the design, construction, operation and maintenance for which it is responsible under this Agreement according to North American Electric Reliability Corporation standards. A basic block diagram of the communications equipment required for the Pseudo-Tie Point is set forth in Exhibit B. As among the Parties:

(a) [PARTY 3] Shall register with the SPP to become a market participant in the SPP EIS market. Registration shall be done in accordance with the SPP EIS Market Protocols. Each Facility must be registered separately with SPP and registration information shall be provided to both [PARTY 1] and [PARTY 2].

(b) This Agreement does not provide for the reservation or sale of Transmission Service under the SPP’s Open Access Transmission Tariff (OATT) or on any other transmission system. [PARTY 3] shall secure and pay for all cost associated with firm transmission service across all transmission service providers necessary to deliver power from the Facility to [PARTY 2]’s balancing authority within the SPP footprint and consistent with the registration of the resource with SPP. [PARTY 3] shall secure Firm Transmission Service from where it is physically located through the path to [PARTY 2]’s transmission system. SPP shall confirm that the appropriate Transmission Service reservations are in place and maintained prior to granting participation and for continued participation in the SPP EIS market. **[\*\*\* Issue – Requirement for firm transmission service to the SPP system. \*\*\*]**

(c) The use of this Agreement is intended for the purposes of providing Energy Imbalance Service into the SPP EIS market.

(d) [PARTY 3] is solely responsible for all requirements as set forth for a market participant in the SPP EIS Market Protocols.

(e) [PARTY 3] shall design, construct, operate and maintain systems and communications equipment in order to receive SPP deployment instructions in accordance with the SPP EIS Market Protocols.

(f) [PARTY 3] shall design, construct, operate and maintain real-time and historical systems and communications equipment, at [PARTY 3]'s expense, in order to provide [PARTY 1] and [PARTY 2] with the corresponding real-time pseudo tie value. [PARTY 3]'s systems shall provide this signal per [PARTY 2]'s ICCP communication standards. [PARTY 3]'s system shall provide this signal to [PARTY 1] in a manner mutually agreed to between [PARTY 1] and [PARTY 3].

(g) SPP, in accordance with the SPP EIS Market Protocols, will provide [PARTY 3] with the Dispatch Instruction MW for the next dispatch interval (currently dispatch interval is 5 minutes).

(h) SPP will also provide the EIS Net Schedule Interchange ("NSI") to [PARTY 2] on a 4 second basis that includes the impacts of dispatch instructions for all Resources, including the Facility, within the balancing authority area of [PARTY 2].

(i) The real time pseudo tie value will be based upon the Dispatch Instruction issued by the SPP to [PARTY 3]. This real time pseudo tie value shall be the straight line ramp beginning at the Dispatch Instruction for the prior dispatch interval and ending at the Dispatch Instruction for the current dispatch interval. [PARTY 3] shall calculate and simultaneously provide this value to [PARTY 1] and [PARTY 2]. The real-time pseudo tie value shall be calculated and communicated on a frequency no less than 4 seconds and synchronized with the target interval of the SPP dispatch interval. Any Out of Merit Energy (OOME) requests as defined in the SPP EIS Market Protocols shall be included in the real time pseudo tie values.

(j) [PARTY 1] and [PARTY 2] will include this real time pseudo tie value in their respective calculations of Net Actual Interchange ("NAI") and Area Control Error ("ACE").

(k) Except as provided in section (l) failure by [PARTY 3] to provide real-time pseudo tie values consistent with the SPP dispatch instruction constitutes a breach of this Agreement and in such an event this Agreement can be terminated at the discretion of [PARTY 1] or [PARTY 2].

(l) If communication is lost between any of the Parties (including communication between SPP and [PARTY 3]), [PARTY 1] and [PARTY 2] will freeze at the last known value and it is the responsibility of [PARTY 3] to verbally communicate changes with the other Parties consistent with the SPP instructions.

(m) [PARTY 3] Shall notify Parties of any real-time circumstances that affect [PARTY 3]'s obligation or ability to meet the SPP Dispatch Instructions. If [PARTY 3] or [PARTY 1] deviate from the anticipated real time pseudo tie value [PARTY 3] is responsible for any costs incurred by [PARTY 2] as a result of the deviation including any cost associated with [PARTY 2]'S request for assistance from the SPP Reserve Sharing Group.

(n) [PARTY 1] and [PARTY 2] shall integrate the real time pseudo-tie value on an hourly basis and maintain this information for balancing authority checkout, inadvertent calculations and payback purposes in accordance with the applicable NERC standards. It is the responsibility of [PARTY 1] to checkout these hourly integrated values with [PARTY 3] prior to [PARTY 1]'s final daily checkout with [PARTY 2].

(o) [PARTY 2] shall act as the Meter Agent on behalf of [PARTY 3] in the settlement process of the SPP EIS market in accordance of the SPP EIS Market Protocols. [PARTY 2] shall perform this obligation unless mutually agreed upon by both [PARTY 2] and [PARTY 3]. The settlement meter data will be the hourly integrated real time pseudo tie value as calculated by [PARTY 2] and checked out between the parties.

3. Losses. [PARTY 3] will be responsible for loss compensation to transmission provider(s) to deliver their EIS energy to the SPP market footprint. Pseudo tie value(s) will be considered net of losses external to SPP. Losses within the SPP market footprint attributable to Party 3's participation in the SPP EIS market shall be handled in the same manner as other EIS market transactions.

4. Compensation. [PARTY 3] shall compensate [PARTY 1] and [PARTY 2] for any and all reasonable implementation and operations related costs borne by [PARTY 1] and [PARTY 2] as a result of this Agreement.

5. Auditing. Each Party reserves the right to audit records necessary to permit evaluation and verification of claims submitted, and the other Party's compliance with this Agreement. The Parties shall retain for a period of three years all information and records relating to the performance of this Agreement. Each Party may examine and copy such information and records at the other Party's premises during regular business hours and upon advance notice given no less than 15 calendar days prior to such examination.

6. Termination. Notwithstanding 2f, this Agreement shall terminate on [Date], unless extended by agreement of all the Parties.

7. Governing Law. The interpretation and performance of this Agreement and each of its provisions shall be governed and construed in accordance with the applicable Federal and or State laws without regard its conflicts of laws provisions that would apply the laws of another jurisdiction.

8. Interpretation. In this Agreement:

(a) the words "include", "includes" and "including" are deemed to be followed by the words "without limitation";

(b) references to contracts, agreements and other documents and instruments shall be references to the same as amended, supplemented or otherwise modified from time to time;

(c) references to laws or standards and to terms defined in, and other provisions of, laws or standards shall be references to the same (or a successor to the same) as amended, supplemented or otherwise modified from time to time; and

(d) references to a person shall include its successors and permitted assigns and, in the case of a governmental or other authority (including the Southwest Power Pool and the North American Electric Reliability Corporation), any person succeeding to its functions and capacities.

9. Severability. If any provision of this Agreement is held invalid, illegal or unenforceable in any jurisdiction, then, the Parties agree, to the fullest extent permitted by law, that the validity, legality and enforceability of the remaining provisions hereof in such or any other jurisdiction and of such provision in any other jurisdiction shall not in any way be affected or impaired thereby. With respect to the provision held invalid, illegal or unenforceable, the Parties will amend this Agreement as necessary to effect the original intent of the Parties as closely as possible.

10. Complete Agreement; Amendments. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter of this Agreement and supersedes other prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter of this Agreement. This Agreement may be amended, supplemented or otherwise modified only by an instrument in writing signed by all Parties.

11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original but all of which, taken together, shall constitute only one legal instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one counterpart. The delivery of an executed counterpart of this Agreement by facsimile shall be deemed to be valid delivery thereof.

[remainder of this page intentionally left blank]

The Parties have caused this Agreement to be signed by their authorized representatives on the day and year first above written.

**[PARTY 1]**

By: \_\_\_\_\_  
Name:  
Title:

**[PARTY 2]**

By: \_\_\_\_\_  
Name:  
Title:

**[PARTY 3]**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

Southwest Power Pool, Inc. (SPP)



**EXHIBIT A**  
**ONE-LINE DIAGRAM**

**EXHIBIT B  
BLOCK DIAGRAM**