



Southwest Power Pool, Inc.
CREDIT PRACTICES WORKING GROUP MEETING
January 20, 2022
Teleconference

• A G E N D A •

1:30 – 3:30pm

- 1. Call to Order Caleb Head
- 2. Approval of Minutes from December Meeting Caleb Head
- 3. Surety Bond Update Scott Smith
- 4. 2021 CPWG Year in Review Caleb Head
- 5. 2022 Upcoming CPWG Topics..... Caleb Head
- 6. New/Old Business Caleb Head
- 7. Action Item Review Jared Barker
- 8. Next Meeting February 17th Caleb Head
- 9. Adjournment Caleb Head

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.



**Southwest Power Pool
CREDIT PRACTICES WORKING GROUP
December 16, 2021
Teleconference
Minutes**

Agenda Item 1 – Call to Order

Caleb Head called the meeting to order at 1:30 p.m. The following members were in attendance: Caleb Head (NTEC); Mark Breese (Xcel); Terri Wendlandt (Evergy); Kip Mathena (Proxy for Jason Regehr, Springfield); Justin Riddell (TEA obo NPPD); Tom Hestermann (Sunflower); Matthew Simon (Basin); and LaGena O'Neal (OMPA). Also in attendance were: Zach Doran (LES); Jason Mazigian (Basin); Joshua Kearby (ACES); Evan Truitt (Xcel); Agnes Dubas (Powerex); Matt Holstein (Duke); and Scott Smith (SPP); Jared Barker (SPP); Phil McCraw (SPP); Peyton Greenwald (SPP); Joe Ghormley (SPP); Patti Kelly (SPP); and Will Vestal (SPP MMU).

Agenda Item 2 – Approval of Minutes from November Meeting

Caleb Head presented the November meeting minutes (CPWG Minutes 111821 - DRAFT) for approval. Tom Hestermann made a motion to accept the minutes and Terri Wendlandt seconded. The minutes were unanimously accepted.

Agenda Item 3 – Surety Bonds (ACTION)

Scott Smith presented the Surety Bond revision request form to the CPWG for discussion. After discussion, two minor edits provided by Tom Hestermann were incorporated in to the final revision request. Terri Wendlandt made a motion to approve the Surety Bond revision request as presented which included the two edits provided by Tom Hestermann. Mark Breese seconded. The floor was opened for questions or comments but none were observed. A roll call vote was taken and the motion passed unanimously.

Agenda Item 4 – Action Item Review

No action items were identified by the group.

Agenda Item 5 – Next Scheduled Meeting January 20, 2021

Our next scheduled CPWG meeting will be January 20, 2021.

Agenda Item 6 – Adjournment

There being no further business, the meeting was adjourned at 2:11 p.m.

Respectfully submitted,

Jared Barker, Secretary



CPWG: PIPELINE OF UPCOMING ACTIVITIES FOR DISCUSSION

JANUARY - 2022

*Helping our members work together to keep
the lights on... today and in the future.*



SouthwestPowerPool



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CPWG INITIATIVE PIPELINE

CURRENT / FUTURE INITIATIVES	DRIVER	Description	2021		2022												
			N	D	J	F	M	A	M	J	J	A	S	O	N	D	
Surety Bonds for Market Collateral	<i>FC Directive</i>	SPP's FC has directed the CPWG to analyze the potential use of surety bonds to collateralize market transactions															
Uplift Allocation	<i>CPWG Member Request</i>	Provide absolute value of total weekly market invoice bills so members may continually understand their default allocation															
DAIRT Exposure Calculations	<i>Winter Weather Event</i>	Determine if the current RT/DA exposure calculations are still appropriate for pricing stress															
Virtual Energy Exposure Calculations	<i>Winter Weather Event</i>	Determine if the current Virtual Energy exposure calculations are still appropriate for pricing stress															
Use IFRS for Unsecured Allowance	<i>Stakeholder Initiative</i>	Determine if IFRS financial statements are appropriate to use for extension of unsecured allowance															
TCR Ref Prices for New Settlement Locations	<i>Phase II of Greenhat</i>	New settlement locations use system average for TCR ref prices. This could result in insufficient collateral in some															
Events of Default Tariff Language Clarity	<i>Winter Weather Event</i>	SPP staff noted instances where language in different parts of the Tariff were inconsistent during potential default															
Education, Training & Credit Portal	<i>Winter Weather Event</i>	Results from the credit survey indicated SPP should potentially revisit training opportunities and credit portal															
ISQRTD Credit Technical Conference	<i>Unknown</i>	Potential FERC actions may require SPP to amend credit policy or processes. Timeline may be dictated by FERC order.															
SPP Unknown Initiatives	<i>Unknown</i>	Potential SPP initiatives such as TCR enhancements may require credit staff/stakeholders to research and take action															

COMPLETED / INACTIVE / FILED INITIATIVE	DRIVER	Description	STATUS		
			N	D	
Forward Looking TCR Reference Prices	<i>MMU Recommendation</i>	Currently, TCR ref prices only use historical data for collateral requirements. MMU has recommended SPP adopt forward-looking prices as a potential component.			With no viable forward-looking TCR exposure ideas, the group will discontinue discussions on this topic until other ideas are presented for analysis
2022 Q1 Virtual Energy Ref Prices	<i>Winter Weather Event</i>	Absent intervention, 2022 Q1 VEP calculations will be extremely high due to the 2021 winter weather event			SPP filed a 205 filing waiver request with the FERC on 10/26. Docket ER22-212.

