

Summary of September CAWG Meeting

A. Benefit Calculations

1. PROMOD model will be benchmarked against actual data
 - Start with a summer month from 2006 and 2007
 - Also need to include a shoulder month from each year
 - Expect to take about 6 weeks
 - Update at October 2007 CAWG meeting
2. Screening of potential economic projects will be rerun using PROMOD.
 - Can be performed simultaneously with benchmarking
3. Full modeling will be performed on portfolios of projects, not individual projects
 - Alternative portfolios will be compared w.r.t. B/C and regional balance
 - Alternative portfolios will be analyzed under alternative scenarios for key uncertainties
4. Discussion approving direction on benefit metrics related to adjusted production costs and allocations of external congestion cost revenues.
5. Discussion of key uncertainties – Les presented survey to be distributed concerning perspectives on the values for these uncertainties. This survey may help to determine the various scenarios to use for these inputs to the planning process. Discussion centered on to whom SPP should send the surveys.

B. Discussion of EDE waiver: Empire District Electric has submitted a waiver that would move the safe harbor level for upgrades required to deliver wind power as a designated resource from the current calculation of \$1.8 M based on 10 MW of accredited capacity to \$18 M based on 100 MW of requested transmission service based on the maximum output from the wind turbines.

1. The RSC will need to formulate a recommendation on this prior to the December SPP Board meeting, but this could be taken up as early as the October SPP Board meeting.
2. Discussion on the consistency between the 125% limit and the safe harbor limit of \$180,000/MW both being based on accredited capacity. The purpose was to keep the focus on reliability upgrades by limiting upgrades for purposes of primarily improving energy costs.
3. With a subsequent change in perspective related to renewables, it might be the time for the RSC to reconsider the prior policy.
4. The CAWG determined that there are two relevant decisions for the RSC
 - 1) Approve/Deny EDE's waiver request – immediate issue
 - 2) Reconsider the tariff rules regarding renewables – to apply a change consistently on a going forward basis.