



STAKEHOLDER REPORT

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SPP's Stakeholder Report: November 2021

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**FROM THE
DESK OF...**

*a quarterly note from
SPP's officer team*

Barbara Sugg, President and CEO of SPP

This has been a promising and exciting quarter for SPP. Our new [strategic plan](#) is up and running, and we're implementing a suite of recommendations to make SPP a more diverse, equitable and inclusive place to work.

The Strategic and Creative Re-engineering of Integrated Planning Team's (SCRIPT) plan to re-engineer our transmission planning processes is groundbreaking. The board approved their [recommendations](#), which will add value for stakeholders and streamline our planning. Another transmission planning project was approved: an industry expert panel recommendation for NextEra Energy Transmission Southwest, LLC to build the Wolf Creek-Blackberry project in Kansas/Missouri.

Our Western Energy Imbalance Services (WEIS) market is providing significant benefits to participants, and our [agreement](#) with Northwest Power Pool will benefit additional stakeholders in the Western Interconnection. These cooperative regional efforts are setting a precedent for increased collaboration in the West.

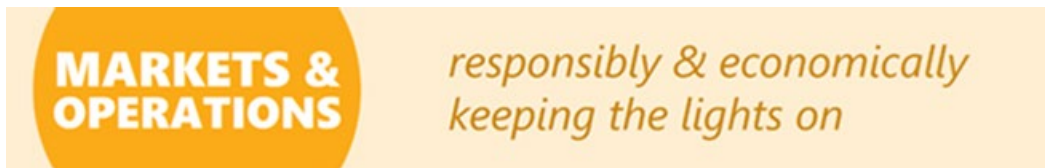
We continue to feel the effects of the winter storm that struck our region in February. We've begun work on a comprehensive suite of [recommendations](#) to mitigate the risk of similar events in the future. We

will make the improvements that are under our control to make, and we must improve coordination between the gas and electric industries.

It was bittersweet to say goodbye to outgoing directors Darcy Ortiz, Graham Edwards and Julian Brix this quarter. Though their seats will be filled, and our board search process is underway, I'll stop short of saying they will be replaced.

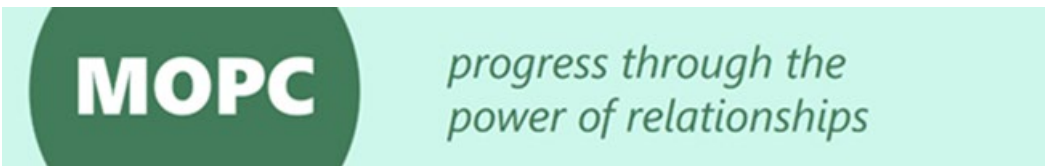
I'm looking forward to January, when SPP's entire team will return to SPP's campus and a hybrid workplace. I hope to see you in person for our January board and committee [meetings](#) in Oklahoma City and Little Rock.

[Meeting Materials: Oct. 26 Board Meeting](#)



SPP's Integrated Marketplace is operating efficiently with 283 participants and high system availability. Wind and coal are competing to be SPP's top fuel source for 2021. Coal usage has been higher than expected, and increased gas prices led to a decline in gas generation.

Staff and stakeholders are prioritizing [recommendations](#) the board approved following the February winter storm. The new Improved Resource Availability Task Force ([IRATF](#)) is addressing Tier 1 recommendations related to fuel assurance. Subscribe to the IRATF [exploder list](#) to keep up with this group's activities. Multiple groups are working through the full list of 81 initiatives associated with Tier 2 and Tier 3 recommendations.



During the October **Markets and Operations Policy Committee (MOPC) meeting**, the group approved 13 revision requests (RR), recommendations from the Generator Outage Task Force, and the 2020-2021 violation relaxation limits analysis.

The **Market Working Group's** RRs correct energy storage resources (ESR) loss factors, correct ESR production protocols in alignment with FERC Order 841, and clarify electrically equivalent settlement locations in SPP's auction revenue rights allocation process. The **Regional Tariff Working Group's** RRs will change the Schedule 1-A rate cap, clean up the tariff's Attachment W-Index of Grandfathered Agreements, implement a new study approach for the Regional Cost Allocation Review analysis and clean up SPP's Transmission Owner Selection Process governing document. The **Transmission Working Group's RRs** mitigate the generator interconnection (GI) backlog and revise the tariff's attachment AQ in alignment with HITT T3.

Other approved RRs address hybrid storage market resources, minimum design transmission standards, standalone energy storage resource accreditation, and the timing for issuing notices to construct (NTC).

To get involved in SPP's stakeholder-driven process, find meeting registration, contact information and materials at the stakeholder group links below:

[MOPC](#) | [DSC](#) | [ESWG](#) | [ESRSC](#) | [MWG](#) | [ORWG](#) | [2222](#)
[PCWG](#) | [RARTF](#) | [RTWG](#) | [SAWG](#) | [TOSPTF](#) | [TWG](#)



SPP's **Western Reliability Coordination** (RC) and **WEIS**, are going strong. We added eight resources to the Western RC service earlier this year, and Colorado Springs Utilities will join the WEIS in April 2022.

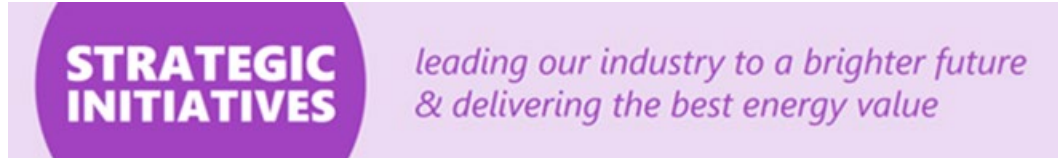
Some Western parties are **evaluating membership** in the SPP Regional Transmission Organization. We expect they will be ready to sign

commitment agreements in the first half of 2022 with western RTO operations commencing in 2024.

Earlier this year, SPP fulfilled an agreement to design the Northwest Power Pool's (NWPP) Resource Adequacy Program. NWPP **announced** its intent to retain SPP to serve as the program's operator. With this addition to our Western Energy Services, SPP will be active in every state in the Western Interconnection.

SPP continues to hear from western utility leaders who are eager to explore the potential value of both real-time and day-ahead markets. We've termed a conceptual new service "Markets+", and like we've done many times before we're engaging in discussions with these potential new customers to evaluate whether and to what degree a market solution could benefit current and new stakeholders alike. Learn more about [Markets+](#) on SPP.org.

[ECCWG](#) | [New Member](#) | [QOO](#)
[WMEC](#) | [WMWG](#) | [WREC](#) | [WRWG](#)



Strategic & Creative Re-Engineering of Integrated Planning Team (SCRIPT)

The MOPC endorsed, and the board **approved, the SCRIPT's [final report](#)** of 35 recommendations and 11 sub-recommendations. These policies are expected to reduce administrative costs, create more equitable cost sharing, increase value of transmission investment, facilitate access to new markets for energy, create more timely processes and enhance reliability and grid resiliency.

SPP's board created the Consolidated Planning Process Task Force to work with staff and stakeholders on implementing these recommendations

through SPP's [Comprehensive Roadmap](#) and prioritization processes. We expect the SCRIPT's recommendations to be implemented by 2024.

Holistic Integrated Tariff Team (HITT)

MOPC and the board approved [RR 467](#) to revise Attachment AQ of the SPP tariff per [HITT T3](#). These revisions improve transparency of delivery point network studies, shorten turnaround time of AQ request preliminary studies, and redirect NTC issuance under certain conditions.

SPP has now approved solutions for or completed 12 of the HITT's 21 recommendations, with five more expected to be complete in 2022.



Governance and Leadership

Susan Certoma was elected to a new term on SPP's [board of directors](#) starting in January. The board celebrated the service of three members retiring at the end of the year: Darcy Ortiz (2019), Graham Edwards (2016) and Julian Brix (2008). The [Corporate Governance Committee](#) is conducting a board search and has a strong applicant pool for new directors.

Seven members were elected to the [Members Committee](#):

- Denise Buffington (Evergy)
- Tom Kent (Nebraska Public Power District)
- Zac Perkins (Tri-County Electric Cooperative)
- Kevin Smith (Tenaska Power Services)
- Usha Turner (Oklahoma Gas and Electric)
- Tim Wilson (Liberty Utilities)
- Mike Wise (Golden Spread)

[BOD/MC](#) | [CGC](#) | [Finance](#) | [HRC](#) | [Oversight](#) | [SPC](#)

Regulatory Oversight

At its third quarter meeting, the [Regional State Committee](#) elected its officers for 2022. Randel Christmann (North Dakota Public Service Commission) was elected president, Andrew French (Kansas Corporation Commission) was elected vice president and Geri Huser (Iowa Utilities Board) was elected treasurer.

Stewardship and Value

In the third quarter, SPP updated its gross revenue requirement forecast for 2021 to \$179.5 M, compared to a budget of \$177.3 M. This increase is due to engaging consultants to work the GI study backlog. The forecast for SPP's Net Revenue Requirement (NRR) *decreased* to \$150 M, the lowest NRR in more than five years. Despite global increases in fuel and energy prices, and high services demand, SPP is delivering lower NRR and strong overall value.

Have questions? Contact [SPP Communications](#)

Southwest Power Pool: working together to responsibly and economically keep the lights on today **and in the future.**

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