

# MARKETS



## GOVERNANCE DESIGN TEAM

February 28, 2022



*Working together to responsibly and economically  
keep the lights on today and in the future.*



SouthwestPowerPool



SPPorg



southwest-power-pool



Southwest Power Pool  
**WESTERN  
ENERGY  
SERVICES**

# WELCOME AND OVERVIEW

KARA FORNSTROM, SPP

# AGENDA

<b>Welcome and Overview</b>	Kara Fornstrom, SPP
<b>Review of February 14 GDT Meeting</b> <ul style="list-style-type: none"><li>• GDT Topic Scope</li><li>• Proposed Governance Objectives</li></ul>	Lea Fisher, PGP
<b>SPP Board of Directors</b> <ul style="list-style-type: none"><li>• Corporate Governance Committee</li></ul>	Barbara Sugg, SPP CEO
<b>SPP RC and WEIS Governance Frameworks</b>	Steve Johnson, SPP
<b>Introduction of Governance Options</b>	Kara Fornstrom, SPP Stakeholder Leads
<b>Participant Feedback</b>	Stakeholder Leads
<b>Next Steps</b>	Kara Fornstrom, SPP
<b>Future Meetings</b>	Kara Fornstrom, SPP

# REVIEW OF FEBRUARY 14 GDT MEETING

LEA FISHER, PGP

# GDT TOPIC SCOPE

- Our Issues

- Board of Directors
- Committee Framework  
(Participants, Nominating,  
Technical, Regulators and  
Stakeholders)
- Voting Structures
- Jurisdiction
- Exit Provisions

- Not Our Issues

- Market Monitor
- Green House Gas Tracking
- (Both Issues are separate  
design elements that will be  
addressed by other teams)

# GOVERNANCE OBJECTIVES

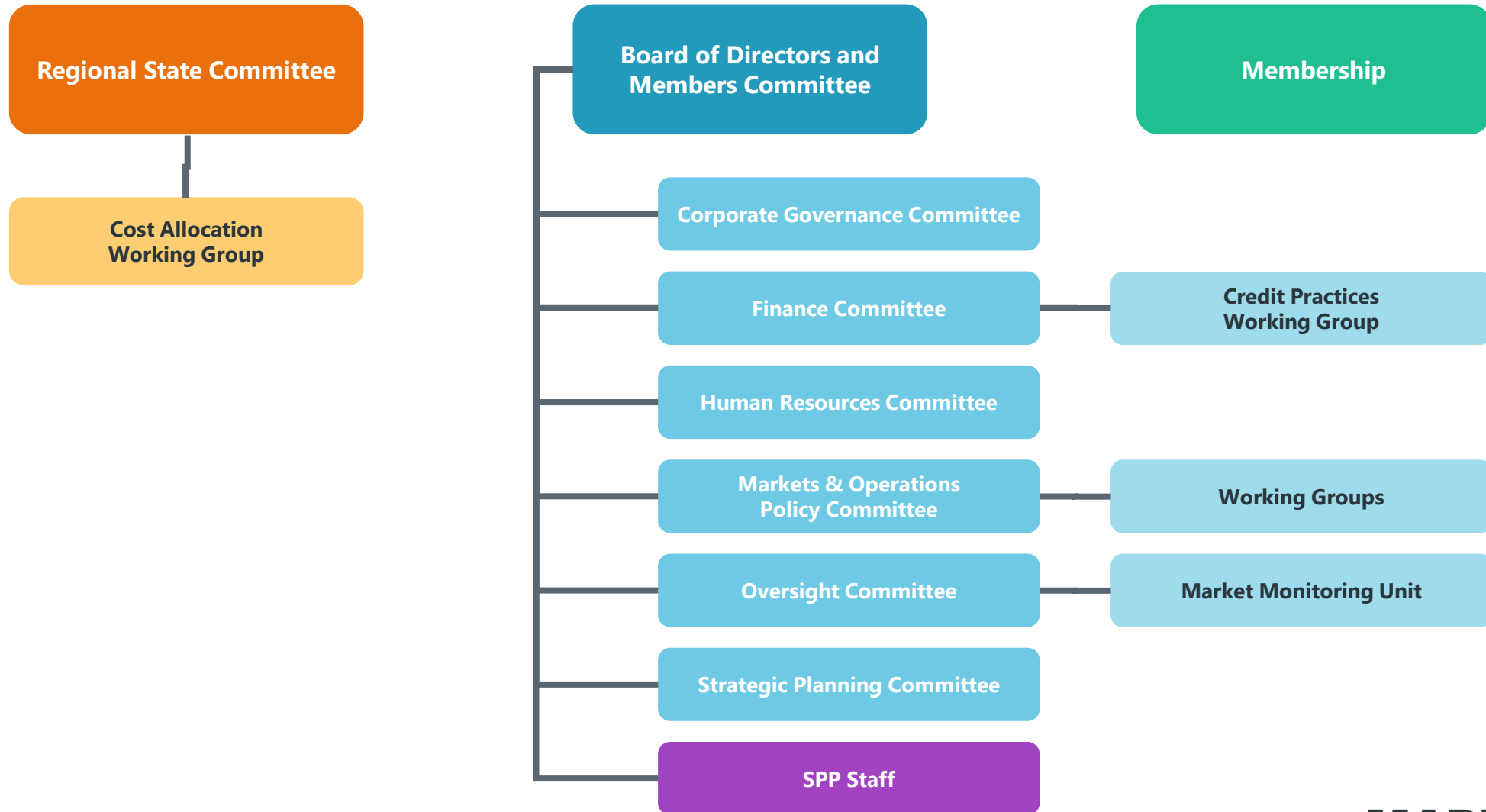
- Independent Board of Directors with Skills and Experience Reflective of All Regions, Market Participants and Interests within Its Oversight
- Open, Transparent Stakeholder Process that Balances Diverse Interests
- Board Nominating Process that is Clearly Defined and Geographically/Sector Representative
- Effective Forums for Stakeholders within the Governance Framework

# SPP BOARD OF DIRECTORS

# CORPORATE GOVERNANCE COMMITTEE

BARBARA SUGG, SPP CEO

# RTO GOVERNANCE STRUCTURE



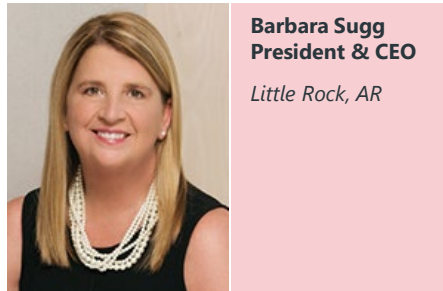


# BOARD OF DIRECTORS

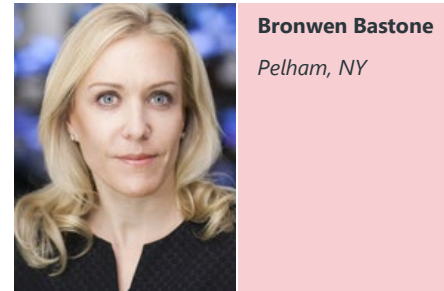
# SPP'S INDEPENDENT BOARD OF DIRECTORS



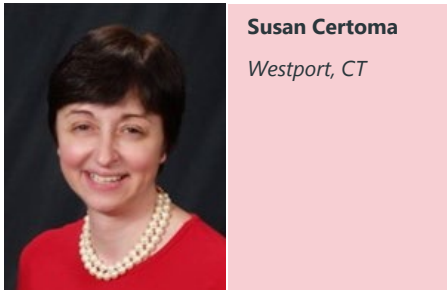
**Larry  
Altenbaumer,  
Chairman**  
*Decatur, IL*



**Barbara Sugg  
President & CEO**  
*Little Rock, AR*



**Bronwen Bastone**  
*Pelham, NY*



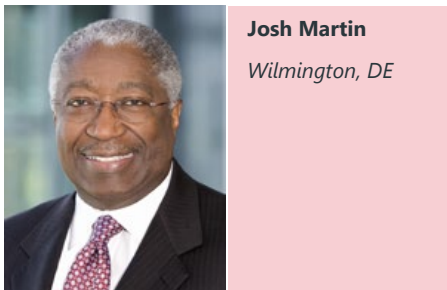
**Susan Certoma**  
*Westport, CT*



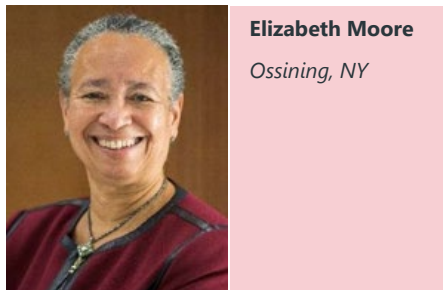
**Mark Crisson**  
*Coronado, CA*



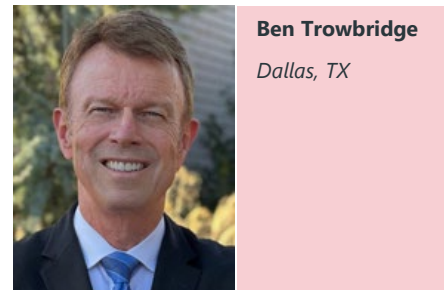
**John Cupparo**  
*West Linn, OR*



**Josh Martin**  
*Wilmington, DE*



**Elizabeth Moore**  
*Ossining, NY*



**Ben Trowbridge**  
*Dallas, TX*

# COMPOSITION OF THE BOARD

- Shall consist of up to 10 persons, but not less than 7 persons
- Shall be independent of any Member
- One Director shall be the President of SPP
  - Excluded from voting on business related to office of President
- Comply with conflicts of interest policy
- Three year terms
- No term limits

# BOARD OF DIRECTORS



**Qualifications:** Recent and relevant senior management expertise and experience in one or more of these disciplines:

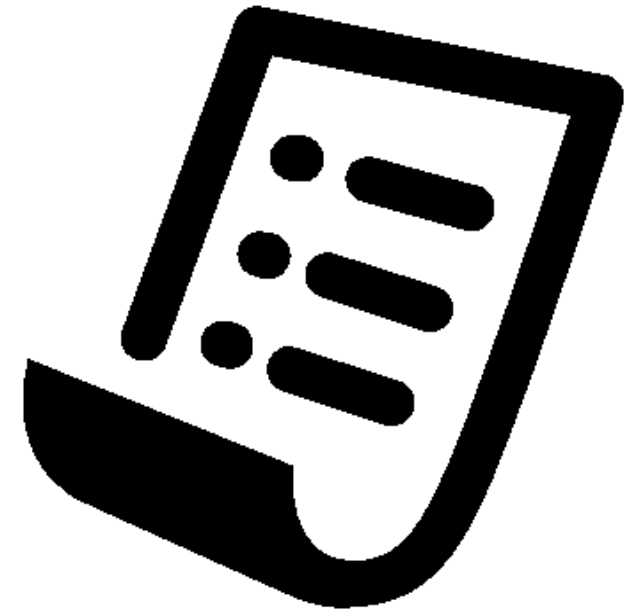
- Finance
- Accounting
- Electric transmission or generation planning or operation
- Law and regulation
- Commercial markets
- Trading and associated risk management



**Purpose:** The board of directors will manage the general business of SPP pursuant to the SPP bylaws.

# SPP BOARD OF DIRECTORS: DUTIES

- Direct activities of all SPP organizational groups
- Serve on SPP organizational groups
- Authorize all substantive contracts and debt
- Select and review the performance of SPP officers
- Approve amendments to the SPP bylaws
- Approve amendments to the SPP membership agreement
- Authorize regulatory filings
- Solicit and consider straw vote of Members Committee in advance of taking any action
- Appeals: any member can appeal to the board of directors if they disagree with an action or inaction from a committee



# CORPORATE GOVERNANCE COMMITTEE

# SPP CORPORATE GOVERNANCE COMMITTEE

- Oversee the BOD election process
- Monitor the composition of the Board of Directors to ensure:
  - Balance
  - Independence
  - Maintenance of qualifications under any applicable laws
  - Avoidance of conflicts of interest
  - Periodic review of the criteria for independence
- Recommend compensation levels for the Board of Directors to the Membership



# CORPORATE GOVERNANCE COMMITTEE REPRESENTATION

Member Type	Member
SPP president – chair	Barbara Sugg, SPP
SPP chair of the board	Larry Altenbaumer
(1) Investor-owned utility	Denise Buffington, Evergy
(1) Cooperative	Mike Wise, Golden Spread
(1) Municipal	Jason Fortik, LES
(1) IPP/Marketer	Betsy Beck, Enel
(1) State power agency	John McClure, NPPD
(1) Alternative power/public Interest	Steve Gaw, APA
(1) Independent transmission	Brett Leopold, ITC
(1) Large/Small retail	Holly Rachel Smith, Walmart
(1) Federal power marketing agency	Lloyd Linke, WAPA
Ex officio member	Josh Martin



# QUESTIONS ABOUT BOD AND CGC

# RC AND WEIS GOVERNANCE FRAMEWORKS

STEVE JOHNSON, SPP

# SPP'S RELIABILITY COORDINATION STAKEHOLDER GROUPS

Western Reliability Executive Committee (WREC)

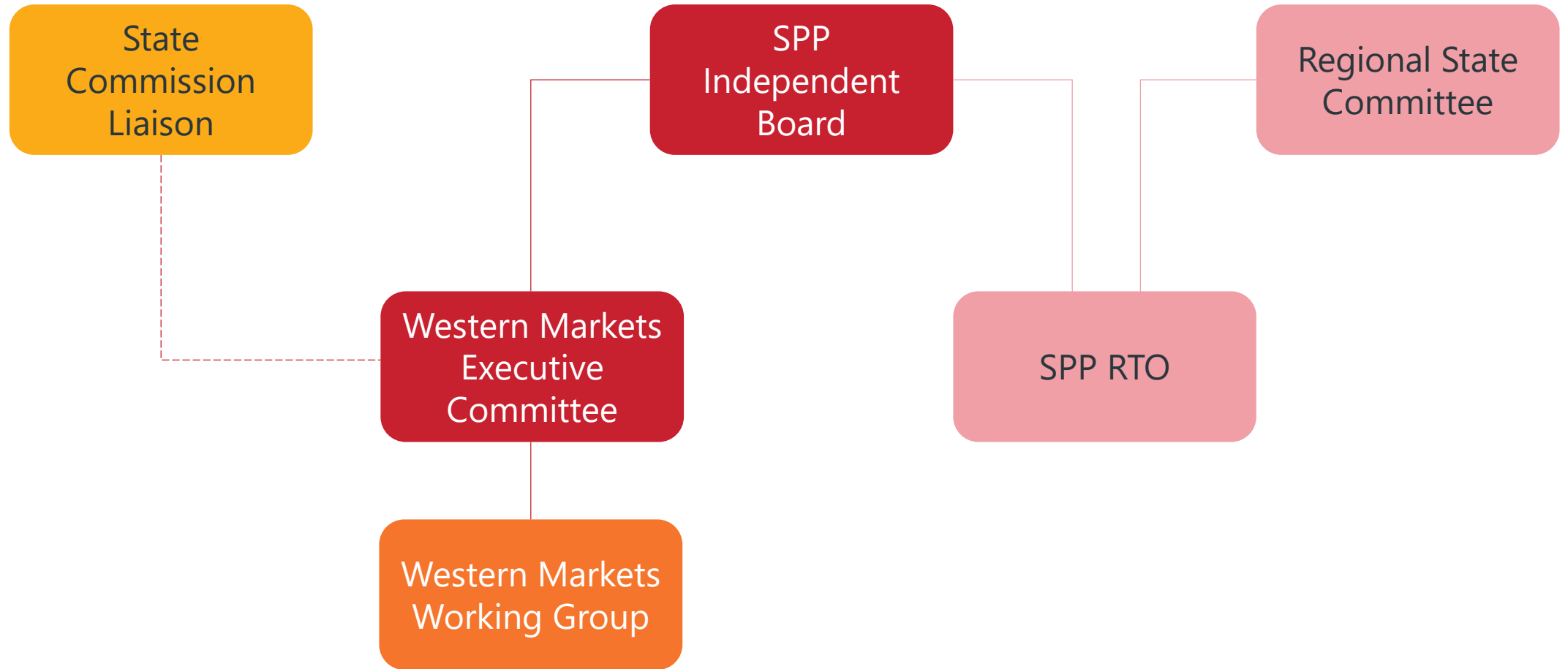
Western Reliability Working Group (WRWG)

West Modeling Task  
Force

RC Readiness Task Force

Congestion  
Management and Seams  
Task Force

# WEIS GOVERNANCE



# WESTERN MARKETS EXECUTIVE COMMITTEE (WMEC)

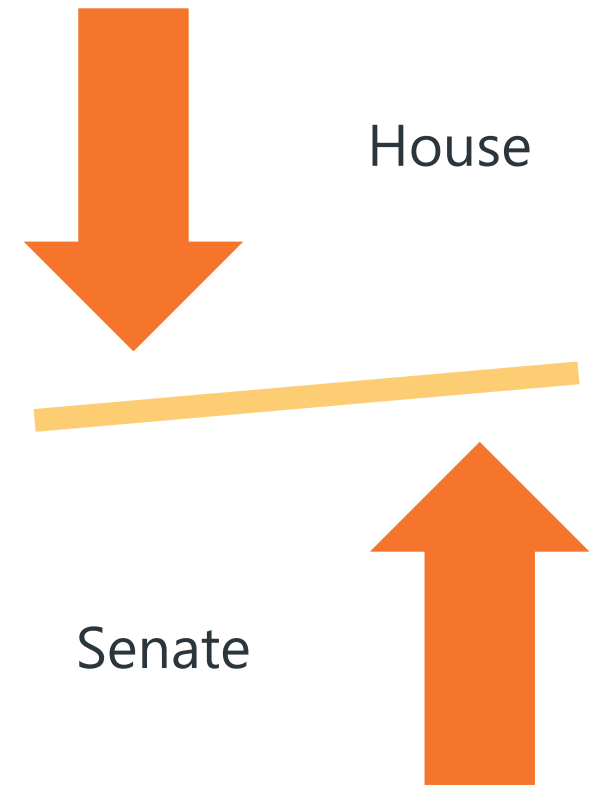
- Representatives of each non-affiliated WJDA signatory
- Forum in which SPP and WEIS participants collaborate to finalize market rules
- WMEC has authority to:
  - Approve/reject tariff amendments
  - Establish market protocols
  - Recommend proposed amendments to the WJDA
- SPP board gives significant recognition to WMEC in their ultimate oversight of WEIS



# WMEC VOTING

Voting – House and Senate style approach

- House vote weighted based on WMEC representatives NEL as a proportion of total NEL for all WEIS participants
- Senate vote equally weighted for all WMEC representatives
- Resolution must pass House and Senate to pass



# INTRODUCTION OF GOVERNANCE OPTIONS

# WHAT ARE WE TRYING TO ADDRESS?

Voting rights in Nominating Process for Board of Directors Selection

Effective, but not Overly Burdensome Committee Structure

Cooperative Governance on issues of Joint Concern (Optimization and WRAP)

Autonomy Related to Markets+ Exclusive Issues

Pathway for Markets+ Participants to Integrate into SPP RTO governance as Western RTO footprint expands



# INTRODUCTION OF GOVERNANCE OPTIONS

- **Option #1:** Modify existing SPP RTO governance structure
  - Include Markets+ Sector Representation, as SPP Members, on Standing RTO Committees
  - PLUS Minimal Autonomous governance framework for Markets+ exclusive issues
- **Option #2:** Robust autonomous Markets+ governance framework
  - Would establish Markets+ “governing body” with certain authorities and a nominating committee for the governing body for SPP board review
  - PLUS additional committee structures (participants committee, committee for states, other etc.)
- **Option #3:** Combination of Options #1 and #2
  - Robust autonomous Markets+ governance framework
  - PLUS Modifications to SPP Bylaws for SPP Board qualifications and Corporate Governance Committee composition
- **Other Options?**

\*Autonomous governance framework options could leverage WRAP governance concepts and structures or create new structures/concepts

# PARTICIPANT FEEDBACK

STAKEHOLDER LEADS

# NEXT STEPS

KARA FORNSTROM, SPP

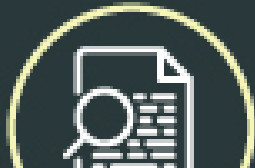
# Step 1

Seek interested parties  
Information gathering



# Step 2

Distribute gathered feedback  
Develop timeline and next steps  
Develop detailed service offering



# Step 3

Conduct inclusive stakeholder process with committed parties



# Step 4

Obtain Board approval  
Seek FERC approval

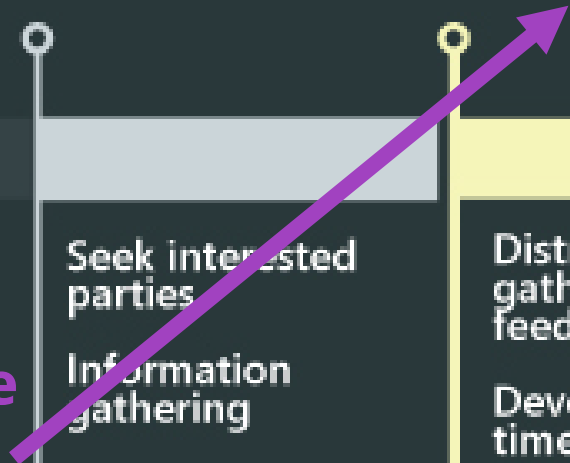


# Step 5

## Launch



We are here



# FUTURE MEETINGS

- March 2: Development Update
- March 14: Governance Design Team
- March 16: Joint Meeting of the Market Products/Price Formation and the Transmission Availability Design Teams
- March 29-30: In-Person in Phoenix

General Sessions and Design Team Breakouts

Questions or comments?

Contact us at:

[marketsplus@spp.org](mailto:marketsplus@spp.org)

[kfornstrom@spp.org](mailto:kfornstrom@spp.org)



Southwest Power Pool  
**WESTERN  
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