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## SPP's Stakeholder Report: May 2022

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**FROM THE  
DESK OF...**

*a quarterly note from  
SPP's officer team*

### **Barbara Sugg, President and CEO of SPP**

As we said goodbye to 2021, we celebrated a host of achievements: working together to protect the grid and maintain reliability during historic winter weather, launching our Western Energy Imbalance Service ([WEIS](#)), restructuring our stakeholder groups, welcoming five new members, blazing a path to re-engineer transmission planning and creating a new strategic plan. Working together, we accomplished all this and more.

While a resurging COVID meant we had to delay the return of in-person meetings to later in 2022, it has not slowed our progress. We have already made significant progress since the start of this year. The Federal Energy Regulatory Commission (FERC) approved our proposed generator interconnection (GI) queue backlog mitigation process. Our board approved modifications to the Western Joint Dispatch Agreement, paving the way for expansion of this service. MOPC and the Board of Directors approved a 2021 Integrated Transmission Plan. Though there was much debate among stakeholders, the board ultimately approved three more revision requests to address recommendations from Holistic Integrated Tariff Team (HITT).

We have several exciting additions to the SPP family in 2022. We welcomed two [directors](#) to our board, elected by SPP's membership, Ben Trowbridge and John Cupparo. We added two new members: independent transmission company Konza Transmission Company and public interest organization Lignite Energy Council, bringing our overall membership to 109 organizations. Our WEIS market is slated to grow as Xcel Public



Service Colorado (PSCO), Black Hills Colorado, and Platte River Power Authority **announced** their plans to join. The expansion of the WEIS will lead to a significant increase in benefits for all participants. SPP is built on the power of relationships, and I look forward to what these new stakeholders will bring to our collective work.

Looking ahead to the rest of 2022, I'm energized by the efforts of our internal Strategy Management Team to set five-year horizons for the key areas of our new **strategic plan**. This plan will guide us well beyond this year as we move our organization and industry toward a brighter future.

Together, we will address opportunities to make SPP stronger and bring benefits to all members: implementing Winter Storm Review **recommendations**, implementing FERC Order 2222, re-processing Z2 credits following FERC's waiver reversal and making substantial improvements in our GI queue processing and backlog.

We continue to focus on **organizational readiness** to ensure we have the right people, in the right jobs, with the right skills at the right time. I am proud of the work we've accomplished and am humbled to lead such an amazing group of people. Thank you for being a part of the collective SPP organization. It's through our collaborative relationships that we work together to responsibly and economically keep the lights on today and in the future.

### **Meeting Materials: Jan. 25 Board Meeting**

**MARKETS &  
OPERATIONS**

*responsibly & economically  
keeping the lights on*

SPP's Integrated Marketplace is operating efficiently with 281 participants and high system availability. Total wind generation in the market was 30.5 GW as of Jan. 1, 2022. During 2021, coal led all fuel types in real-time dispatch with 35.7% of total TWh. Wind was a close second at 34.6%, and gas (combined- and simple-cycle) provided 19.9% of energy dispatched last year. Monthly average market prices in Q4 2021 were up 59% over Q4 2020, but were down 5% from monthly average prices in Q3 2021. SPP's markets team is analyzing year-end data and will provide additional reports on 2021 market savings and other measures later in 2022.

Staff and stakeholders continue to prioritize **recommendations** the board approved following the February 2021 winter storm. The newly launched Improved Resource Availability Task Force (**IRATF**) is addressing Tier 1 recommendations related to fuel assurance and will seek stakeholder input. Subscribe to the IRATF **exploder list** to keep up with this group's activities. Multiple groups are working through the 81 initiatives associated with Tier 2 and Tier 3 recommendations.

The MOPC logo consists of the letters "MOPC" in a bold, white, sans-serif font, centered within a dark green circular shape.

*progress through the  
power of relationships*

During the January **Markets and Operations Policy Committee (MOPC) meeting**, the group approved 12 revision requests (RR). The Economic Studies Working Group added flexibility to the conventional resource planning process. The Market Working Group corrected settlements language in the market protocols. The Transmission Working Group established Operating Guides in the Integrated Transmission Plan (ITP) Manual. The Electric Storage Resources (ESR) Steering Committee wrote governing document language that allows ESRs to become transmission assets and implemented policy recommendations for accrediting hybrid facilities.

Regarding the **Transmission Owner Selection Process**: multiple groups revised the independent expert panel (IEP) "Direction to Respondents" document, documented IEP scoring methodology, clarified detailed project proposal selection criteria, addressed how suspensions will be implemented if a competitive re-evaluation is approved, and required the IEP to include incentive points in the scoring process.

The **Order 2222 Task Force** revised governing documents to comply with FERC's order on participation of distributed energy resource aggregations in wholesale markets. The Project Cost Working Group presented a cost estimate increase for the Neosho-Riverton 161 kV line.

MOPC approved the 2023 ITP scope and a plan for re-baselining the 2022-2024 ITPs. MOPC endorsed and the Board of Directors approved the 2021 ITP recommended plan, with the exception of approving the Crossroads-Phantom project for construction. The Crossroads-Phantom project will be further evaluated and brought back to MOPC by July 2022.

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](#)

**SEAMLESS  
BOUNDARIES**

*Neighbors, seams, transfers  
and Western services*

## Western Joint Dispatch Agreement

SPP's [Western Reliability Coordination](#) (RC) and [WEIS](#) are going strong. Colorado Springs Utilities will join the WEIS in April 2022. On Jan. 25, three other Colorado utilities — Xcel Energy-Colorado, Platte River Power Authority and Black Hills Colorado Electric, LLC — announced plans to join the WEIS. This move allows these utilities to provide cost savings to customers and improve operational efficiencies. The companies expect to join the WEIS in April 2023 and will continue to study long-term solutions for joining or developing an organized wholesale market.

## SPP Markets+

SPP is engaging in meetings with western utility leaders to develop a conceptual new service called [Markets+](#), which would centralize day-ahead and real-time unit commitment and dispatch, provide hurdle-free transmission service across its footprint and pave the way for the reliable integration of a rapidly growing fleet of renewable generation. SPP will provide a [Markets+ Development](#) (M+D) update webinar Feb. 16: [register on SPP.org](#).

Three teams of SPP staff and stakeholders are designing governance, market products and transmission availability structures for Markets+. Participation is open to any interested stakeholder. Links to each team's page are below. The new groups are:

- [Markets+ Governance Design Team \(GDT\)](#)
- [Markets+ Market Products and Price Formation Design Team \(MPPFDT\)](#)
- [Markets+ Transmission Availability Design Team \(TADT\)](#)

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

SPP's Consolidated Planning Process Task Force (**CPPTF**) held its first two meetings in December 2021 and February 2022. The group discussed the nine interdependent SCRIPT recommendations to develop a consolidated planning process, heard presentations on SPP's current ITP process and discussed a three-phase work plan to develop consolidated planning policies and tariff language to be implemented by 2024. At its next meeting, March 3, 2022, the CPPTF will provide an education session on Attachment AQ, transmission and generator interconnection services, as well as an update on NEDTF recommendations.

Additional SCRIPT recommendations are being coordinated by SPP's Project Management Office and **Comprehensive Roadmap** and prioritization processes. All recommendations are expected to be addressed by 2024.

### **Holistic Integrated Tariff Team ([HITT](#))**

While votes on RR477 for **HITT T2** (establish uniform Schedule 9 local planning criteria) and RR483 for **HITT C2** (establish byway facility cost allocation review process) narrowly failed passage at MOPC, the Strategic Planning Committee reviewed and approved both items. SPP's board approved RR477 and the Regional State Committee and board both approved RR483.

The MOPC, RSC and Board of Directors approved RR476 to fulfill **HITT C4** (study cost allocation for transmission storage). Additionally, SPP completed a report to address **HITT T4** (study three-phase GI process effectiveness). The paper was presented at MOPC, completing the HITT requirement.

SPP has now completed 22 of the 27 HITT **recommendations**. One revision to address recommendation HITT T3 (implement new load

attachment modifications) is anticipated to be considered in October 2022. SPP is working to combine two recommendations — R2 (implement ERS/ORS compensation model) and R3c (market enhancements: multi-day, longer-term) — with related **recommendations** from the Winter Storm Review. The Deliverability Steering Committee is creating timelines for completion of C1 (decouple Schedule 9 & 11 pricing zones) and T1 (NRIS modifications: long-term deliverability) completion.

**LEADERSHIP  
& STEWARDSHIP**

*Updates on SPP's board,  
leadership, finance & value*

## **Governance, Leadership**

At its January meeting, SPP **elected** John Cupparo and Ben Trowbridge to SPP's independent **Board of Directors**. Both directors are elected to three-year terms by a vote of SPP's membership.

Cupparo has extensive experience in the electric utility industry, ranging from finance to regional planning and competitive transmission solutions. Most recently, Cupparo served as senior executive at Berkshire Hathaway Energy.

Trowbridge served many cybersecurity and large enterprises across a variety of industries as a board member, founder CEO and consultant. He currently serves on the boards of Arctic Security, Working Solutions, Beyond Capital Fund and Abacode Managed Cybersecurity and Compliance.

**BOD/MC | CGC | Finance | HRC | Oversight | SPC | RSC**

## **Regulatory Oversight**

The **Regional State Committee** (RSC) and Cost Allocation Working Group (CAWG) concluded their collaborative work to re-address HITT C2 (byway cost allocation) through RR483, which includes the criteria that FERC suggested in their June 2021 order. They also addressed HITT C4 (storage as a transmission only asset) through RR476, which enables SPP to begin finding battery storage options to address transmission needs. The RSC will **meet in-person** April 25, 2022, in Kansas City, Missouri.

## **Stewardship and Value**



At the January board meeting, SPP reported a preliminary and unaudited gross revenue requirement for 2021 of \$176.5 M, compared to a budget of \$177.3 M. The projected final net revenue requirement (NRR) decreased to \$147.4 M, the lowest NRR in more than five years. Despite global increases in fuel and energy prices, and high services demand, SPP continues to deliver 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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201 Worthen Drive • Little Rock, AR 72223 • (501) 614-3200 • SPP.org