

**SOUTHWEST POWER POOL
REGIONAL STATE COMMITTEE
January 30, 2023**

Conference Call

SUMMARY OF MOTIONS AND ACTION ITEMS

MOTION: Move to approve the October 24, 2022 minutes. (Chair Christmann motioned/Commissioner Francis seconded) *Passed Unanimously*

MOTION: Move to approve the auditor cost for the audit and taxes for 2022 and prepare the annual federal tax return for the year ending December 31, 2022. (Secretary McAdams motioned/Commissioner Tate seconded) *Passed Unanimously*

MOTION: Move that the Safe Harbor should not be changed for 2023 and further assessment (by SPP staff and the CAWG) of the impact of various SAWG initiatives on the 20% wind rule and 125% of load resource limit be completed and determine if changes to the safe harbor criteria are necessary. (Commissioner Francis motioned/Secretary McAdams seconded) *Passed Unanimously*

MOTION: Move to accept the RCAR III Final Report as drafted and that the RCAR III study has been completed as required by the SPP Tariff and under the methodology approved by the RARTF, MOPC, and RSC. (Chairperson Fiegen motioned/Commissioner Tuma seconded) (In favor - 10; Opposed - 1 (Missouri Public Service Commission)) *Motion Passed*

MOTION: Move to approve Revision Request 537 Deficiency Payment Non-Violation. (Secretary McAdams motioned/Chair Hiett seconded) (In favor - 9; Opposed - 2 (North Dakota Public Service Commission, South Dakota Public Utility Commission)) *Motion Passed*

MOTION: Move to table consideration of RR536 until FERC rules on RR515. (Vice Chairman Hutchison motioned/Chair Christmann seconded) (In favor - 3; Opposed - 8 (Arkansas Public Service Commission, Iowa Utilities Board, Kansas Corporation Commission, Louisiana Public Service Commission, Minnesota Public Service Commission, Missouri Public Service Commission, Oklahoma Corporation Commission, Public Utility Commission of Texas)) *Motion Failed*

MOTION: Move to approve RR536 as modified by CAWG, SAWG, RTWG, and MOPC with non-substantive terminology edits to tariff and business practices as described at Jan. 30, 2023 RSC business meeting. (Commissioner Francis motioned/Secretary McAdams seconded) (In favor – 8; Opposed – 3 (Nebraska Power Review Board, North Dakota Public Service Commission, South Dakota Public Utility Commission)) *Motion Passed*

Motions and Action Items (Cont.)

MOTION: Move to approve the cost-sharing of this JTIQ portfolio's capital costs between generators and load to be 90% to generators and 10% to load. (Commissioner Tuma motioned/Chairman Rupp seconded) *Passed Unanimously*

MOTION: Move to approve the cost-sharing of the 10% load portion of the JTIQ portfolio ATRR between SPP and Midcontinent Independent System Operator (MISO) loads to be based upon APC benefits in accordance with the Joint Operating Agreement between MISO and SPP (JOA). (Chairman Rupp motioned/Commissioner Tuma seconded) *Passed Unanimously*

MOTION: Move to approve that SPP loads' allocable share of 10% of the JTIQ portfolio ATRR for this portfolio and the portfolio for the next study of the southern part of the SPP/MISO seam be allocated on a region-wide load-ratio share basis consistent with previous RSC policies. (Commissioner Tuma motioned/Chairman Rupp seconded) (In favor - 8; Opposed - 3 (Louisiana Public Service Commission, North Dakota Public Service Commission, Oklahoma Corporation Commission)) *Motion Passed*

MOTION: Move to recommend that the RSC directs SPP staff to ensure JTIQ is implemented in a manner that would reasonably maximize the likelihood of receiving DOE funding as a method of improving the benefit/cost ratio for all load within the SPP region. (Vice Chairman Hutchison motioned/Commissioner Tuma seconded) *Passed Unanimously*

MOTION: Move to approve that each building transmission owner recover the non-capital component of cost (i.e. O&M, A&G, etc.) associated with construction costs allocable to GI customers through the building transmission owner's formula rate template in the building transmission owner's respective region. (Commissioner Tuma motioned/Chairman Rupp seconded) *Passed Unanimously*

MOTION: Move that until executed generator interconnection agreements are sufficient to pay 50% of the project engineering and construction costs allocable to GI customers, the JTIQ portfolio shall not be eligible for authorization to construct. (Chair Christmann motioned/Vice Chair Hutchison seconded) (In favor - 4; Opposed - 7 (Arkansas Public Service Commission, Iowa Utilities Board, Kansas Corporation Commission, Minnesota Public Service Commission, Missouri Public Service Commission, South Dakota Public Utility Commission, Public Utility Commission of Texas)) *Motion Failed*

ACTION ITEM 23-01: CAWG to continue to study the impacts of performance based accreditation and other SAWG initiatives on the 20% wind rule and the 125% of load resource limit.

**SOUTHWEST POWER POOL
REGIONAL STATE COMMITTEE**

January 30, 2023
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MINUTES

ADMINISTRATIVE ITEMS

The following members participated:

Andrew French, Kansas Corporation Commission (KCC)
Geri Huser, Iowa Utilities Board (IUB)
Chuck Hutchison, Nebraska Power Review Board (NPRB)
John Tuma, Minnesota Public Utility Commission (MNPUC)
Justin Tate, Arkansas Public Service Commission (APSC)
Kristie Fiegen, South Dakota Public Utilities Commission (SDPUC)
Mike Francis, Louisiana Public Service Commission (LPSC)
Randy Christmann, North Dakota Public Service Commission (NDPSC)
Scott Rupp, Missouri Public Service Commission (MOPSC)
Todd Hiatt, Oklahoma Corporation Commission (OCC)
Will McAdams, Texas Public Utility Commission (PUCT)

AGENDA ITEM 1 – CALL TO ORDER

President French called the meeting to order at 1:00 PM.

AGENDA ITEM 2 – PRELIMINARY MATTERS

Commissioners' Roll Call and Declaration of a Quorum - Roll call and quorum was established. Mr. Matt Alvarado (IUB) will be proxy for Chair Huser after the first hour.

A. Adoption of Minutes from October 24, 2022

MOTION: Move to approve the October 24, 2022 minutes. (Chair Christmann motioned/Commissioner Francis seconded) (Passed Unanimously)

- B. Review of Ongoing action items – Ms. Kim O'Guinn (SPP) reviewed the open action items. Ms. O'Guinn reported action item 17-29 Annual Safe Harbor Criteria recommendation is on this January agenda. Action items 20-08 HITT Updated Timeline and 22-01 HITT M1 are in progress with agreement on 7 of 9 proposed market congestion hedging solutions. The goal is to reach consensus on the remaining 2 proposals by the end of April 2023. RR515 – Deficiency Payment Waiver was created in regards to action item 22-03 concerning development of a deficiency mitigation strategy for LREs unable to meet the 15% PRM. The deficiency payment waiver was filed at FERC December 2022. Action item 21-7 SPP Bylaw Review will be closed as FERC approved changes to the SPP and RSC bylaws November 2022.

AGENDA ITEM 3 – UPDATE

- A. Southwest Power Pool (SPP) Report – Ms. Barbara Sugg (SPP) recognized the work of the RSC in reviewing the RSC bylaws and FERC approved changes. Ms. Sugg discussed the collaboration between the RSC and stakeholders on improvements for SPP’s resource adequacy which resulted in RR536 Sufficiency Valuation Curve and RR537 Deficiency Payment non-violation. Ms. Sugg reported on the impacts of Winter Storm Elliott had on SPP, members and customers. SPP will take the opportunity to learn and improve from these issues. Ms. Sugg thanked the Cost Allocation Working Group for the extra meetings to ensure the Joint Targeted Interconnection Queue (“JTIQ”) projects were cost allocated in an equitable and appropriate manner. Finally, FERC approved HITT C2 – Byway Cost Allocation in November and SPP received the first waiver application from Sunflower.
- B. RSC Fourth Quarter 2022 Financial Report – Mr. Paul Suskie (SPP) reported that the RSC is under budget for the year ending 2022.

AGENDA ITEM 4 – BUSINESS ITEMS

- A. Auditor Cost for Audit and Taxes for 2022 and Engagement Letter- Mr. Paul Suskie discussed the Auditor Cost for Audit and Taxes for 2022 and Engagement Letter from Landmark Certified Public Accountants.

MOTION: Move to approve the auditor cost for the audit and taxes for 2022 and prepare the annual federal tax return for the year ending December 31, 2022. (Secretary McAdams motioned/Commissioner Tate seconded) *Passed Unanimously*

- B. Other Potential Business Items - none

AGENDA ITEM 5 – COST ALLOCATION WORKING GROUP (CAWG) REPORT

- A. CAWG Report - Ms. Shari Albrecht (KCC) provided an overview of CAWG’s work during the fourth quarter of 2022. The CAWG held six meetings in the fourth quarter focusing on JTIQ, HITT M1 – Congestion Hedging, Safe Harbor criteria review, RR536 – Sufficiency Valuation Curve and RR537 Deficiency Payment non-violation. The CAWG passed RR528: Business Practice 7060 Consistency Update to Section 11 and 13 on consent agenda as the changes were clerical in nature.
- B. Safe Harbor Review Update – Mr. John Krajewski (NPRB) reported on CAWG’s review of the Safe Harbor Criteria in Section III(B) of Attachment J of the SPP Tariff as directed by the RSC in action item number 17-29. CAWG reviewed the following Safe Harbor Criteria: \$180,000/megawatt; 20% or less of designated resources are wind; and designated resource greater than 125% of load. The CAWG recommends to the RSC to keep the current Safe Harbor Criteria and for the RSC to direct the CAWG to continue studying the impacts of performance based accreditation and other SAWG initiatives on the 20% wind rule and the 125% of load resource limit.

Agenda Item 5 – BUSINESS ITEMS (cont.)

MOTION: Move that the Safe Harbor should not be changed for 2023 and further assessment (by SPP staff and the CAWG) of the impact of various SAWG initiatives on the 20% wind rule and 125% of load resource limit be completed and determine if changes to the Safe Harbor Criteria are necessary. (Commissioner Francis motioned/Secretary McAdams seconded) *Passed Unanimously*

ACTION ITEM 23-01: CAWG to continue to study the impacts of performance based accreditation and other SAWG initiatives on the 20% wind rule and the 125% of load resource limit.

AGENDA ITEM 6 – RSC VOTING ITEMS

- A. RARTF – RCAR III Report – Chairperson Kristie Fiegen reported the RCAR III study is complete as required by the SPP Tariff. SPP staff continues discussions with City Utilities of Springfield and Empire/Liberty on improvements to the RCAR study. Chairman Scott Rupp expressed concerns that the RCAR report does not adequately reflect the issues on the system.

MOTION: Move to accept the RCAR III Final Report as drafted and that the RCAR III study has been completed as required by the SPP Tariff and under the methodology approved by the RARTF, MOPC, and RSC. (Chairperson Fiegen motioned/Commissioner Tuma seconded) (In favor - 10; Opposed - 1 (Missouri Public Service Commission)) *Motion Passed.*

- B. RR537 Deficiency Payment non-violation – Mr. David Kelley (SPP) reported if a Load Responsible Entity (LRE) is deficient of its Resource Adequacy Payment (RAR) and pays the Deficiency Payment outlined in Section 14 of Attachment AA of the SPP Tariff the LRE would still be considered in violation of the SPP Tariff. RR537 modifies the SPP Tariff so that an LRE will be considered sufficient for this year's RAR with the payment of the Deficiency Payment.

MOTION: Move to approve Revision Request 537 Deficiency Payment Non-Violation. (Secretary McAdams motioned/Chair Hiatt seconded) (In favor - 9; Opposed - 2 (North Dakota Public Service Commission, South Dakota Public Utility Commission)) *Motion Passed*

- C. RR536 Sufficiency Valuation Curve Method – Mr. John Luallen (MMU) reviewed RR536 which creates an alternative Deficiency Payment methodology for two (2) years after the approval of a PRM increase by the RSC and SPP Board.

Agenda Item 5 – BUSINESS ITEMS (cont.)

MOTION: Move to table consideration of RR536 until FERC rules on RR515. (Vice Chairman Hutchison motioned/Chair Christmann seconded) (In favor - 3; Opposed - 8 (Arkansas Public Service Commission, Iowa Utilities Board, Kansas Corporation Commission, Louisiana Public Service Commission, Minnesota Public Service Commission, Missouri Public Service Commission, Oklahoma Corporation Commission, Public Utility Commission of Texas)) *Motion Failed*

MOTION: Move to approve RR536 as modified by CAWG, SAWG, RTWG, and MOPC with non-substantive terminology edits to tariff and business practices as described at Jan. 30, 2023 RSC business meeting. (Commissioner Francis motioned/Secretary McAdams seconded) (In favor – 8; Opposed – 3 (Nebraska Power Review Board, North Dakota Public Service Commission, South Dakota Public Utility Commission)) *Motion Passed.*

- D. Joint Targeted Interconnection Queue (JTIQ) – Ms. Shari Albrecht reviewed the CAWG-endorsed cost sharing methodology for the JTIQ portfolio. The JTIQ identified a portfolio of projects totaling \$1 Billion. Based upon the proposal, 90% of the costs would be paid by generators and 10% of the costs paid by load. Of the 10% load costs, the split between SPP and Midcontinent Independent System Operator (MISO) would be based upon APC benefits. The proposal recommends that SPP loads’ allocable share of 10% of the JTIQ portfolio’s ATRR for this portfolio and the portfolio for the next JTIQ study of the southern part of the SPP/MISO seam be allocated on a region-wide load-ratio share basis.

MOTION: Move to approve the cost-sharing of this JTIQ portfolio’s capital costs between generators and load to be 90% to generators and 10% to load. (Commissioner Tuma motioned/Chairman Rupp seconded) *Passed Unanimously*

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MOTION: Move to approve that SPP loads’ allocable share of 10% of the JTIQ portfolio ATRR for this portfolio and the portfolio for the next study of the southern part of the SPP/MISO seam be allocated on a region-wide load-ratio share basis consistent with previous RSC policies. (Commissioner Tuma motioned/Chairman Rupp seconded) (In favor - 8; Opposed - 3 (Louisiana Public Service Commission, North Dakota Public Service Commission, Oklahoma Corporation Commission)) *Motion Passed*

Agenda Item 5 – BUSINESS ITEMS (cont.)

MOTION: Move to recommend that the RSC directs SPP staff to ensure JTIQ is implemented in a manner that would reasonably maximize the likelihood of receiving DOE funding as a method of improving the benefit/cost ratio for all load within the SPP region. (Vice Chairman Hutchison motioned/Commissioner Tuma seconded) *Passed Unanimously*

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Chair Christmann requested the minutes to reflect his dissent with the comprehensive JTIQ Cost Allocation package because of unknown factors embedded within individual motions.

AGENDA ITEM 7 – OTHER RSC MATTERS

None

AGENDA ITEM 8 – NEW ACTION ITEMS

Ms. Kim O'Guinn reported that Agenda Item 5b – Safe Harbor Review action item 23-01 has been opened which states CAWG to continue to study the impacts of performance based accreditation and other SAWG initiatives on the 20% wind rule and the 125% of load resource limit.

AGENDA ITEM 9 – SCHEDULE OF NEXT RSC BUSINESS MEETINGS

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|------------------|-----------------|
| April 24, 2023 | Kansas City, MO |
| July 24, 2023 | St. Paul, MN |
| October 30, 2023 | Little Rock, AR |

AGENDA ITEM 10 – ADJOURNMENT OF BUSINESS MEETING

President French adjourned the meeting.

ATTENDEES

Aaron Doll (Liberty Utilities)
Aaron Shipley (SPP)
Adam Schieffer (OPPD)
Adrian Rodriguez (Xcel)
Al Tamimi (Sunflower)
Alan Myers (ITC)
Alex Crawford (SPP)
Andrea Harrison (WFEC)
Andrew French (KCC)
Andrew Lachowsky (AECC)
Andy Barton (SPP)
Angie Anderson (Sunflower)
Antoine Lucas (SPP)
Bakhtawar Khan (Gabel Assoc)
Barbara Sugg (SPP)
Ben Bright (SPP)
Ben Trowbridge (SPP Board Members)
Bernard Liu (Xcel)
Bleau LaFave (Northwestern)
Brad Cochran (OG&E)
Brad Cox (Tenaska Power Services)
Brad Payne (SPP)
Brenda Prokop (LS Power)
Brett Leopold (ITC)
Brian A Johnson (AEP)
Brian Rounds (AESL)
Britney Lloyd (SPP)
Bronwen Bastone (SPP Board Members)
Bruce Rew (SPP)
Carrie Dixon (Xcel)
Casey Cathey (SPP)
Charles Hendrix (SPP)
Charles Locke (SPP)
Charles Yeung (SPP)
Chris Cranford (SPP)
Chris Hanson (NDEQ)
Chris Jones (CUS)
Chris Lyons (CES)
Christine Aarnes (Sunflower)
Chuck Hutchison (NPRB)
John Krajewski (NPRB)
John Luallen (SPP)
John Tuma (MNPUC)
Joseph Lang (OPPD)
Josh Martin (SPP Board Member)
Josh Verzal (OPPD)
Joshua Philips (SPP)
JP Maddock (BEPC)
Justin Hinton (SPP)
Justin Tate (ARPSC)
Kaye McCarty (SPP)
Keith Collins (SPP)
Kelly Carney (SPP)
Kelsey Allen (SPP)
Kim O'Guinn (SPP)
Kirk Hall (SPP)
Kristie Fiegen (SDPUC)
Kylah McNabb (Vesta)
Lane Sisung (LAPSC)
Lanny Nickell (SPP)
Larry Altenbaumer (SPP Board Members)
Lee Elliott (SPP)
Len Tao (SPP)
Lise Trudeau (MN PUC)
Lloyd Linke (WAPA)
Loren Ditsch (OPPD)
Maria Gingras (SPP)
Marisa Choate (SPP)
Mark Ahlstrom (Nextera)
Matt Alvarado (IUB)
Matt Caves (WFEC)
Matt Pawloski (Nextera)
Maurice Moss (BPU)
Micha Bailey (SPP)
Michael Desselle (SPP)
Michael Spencer (NPPD)
Michael Wise (Golden Spread)
Mike Francis (LAPSC)
Mike Kraft (BEPC)
Mike Riley (SPP)

Cindy Ireland (AR PSC)
Clint Savoy (SPP)
Dana Shelton (LAPSC)
Daniel Lenihan (OPPD)
Darren Prince (KMEA)
David Kelley (SPP)
David Mindham (EDP)
David Osburn (OMPA)
David Sonntag (WFEC)
Debbie Currie (SPP)
Denise Buffington (Evergy)
Denise Martin (SPP)
Dennis Floram (LES)
Dennis Reed (MW Reg Consult)
Derek Wingfield (SPP)
Don Frerking (SPP)
Dustin Smith (SPP)
Elizabeth Moore (SPP Board Members)
Emily Pennel (SPP)
Emily Shuart (OG&E)
Eric Bassingthwaighte (OPPD)
Erica Brooks (SPP)
Esat Serhat Guney (SPP)
Ethan Tedder (SPP)
Eugene Mauk (NPRB)
Gayle Freier (SPP)
Geri Huser (IUB)
Greg Rislov (SDPUC)
Heather Starnes (MJMEUC)
Hwikwon Ham (MN PUC)
James Okenfuss (Savion)
James Peters (SPP)
Jarred Cooley (Xcel)
Jason Chaplin (OCC)
Jason Fortik (LES)
Jason Mazigian (BEPC)
Jeremy Severson (BEPC)
Jeremy Voll (BEPC)
Jessica Kasperek (LES)
Jessica Meyer (LEC)
Jill Ponder (SPP)
Jill Rummel (BEPC)
Mike Ross (SPP)
Mo Awad (Evergy)
Natasha Henderson (Golden Spread)
Nate Morris (Liberty)
Nicole Wagner (SPP)
Patrick Clarey (FERC)
Paul Suskie (SPP)
Raleigh Mohr (SPP)
Randy Christmann (NDPSC)
Ray Bergmeier (Sunflower)
Ray Hepper (SPP Board)
Richard Dillon (SPP)
Richard Ross (AEP)
Robert Janssen (Dogwood)
Robert Pick (NPPD)
Robert Safuto (Customized Energy Solutions)
Rodney Massman (MOPSC)
Russell Carey (SPP)
Ryan Benton (OG&E)
Ryan Johnson (ACES)
Ryan S Kirk (AEP)
Sam Ellis (SPP)
Scott Rupp (MOPSC)
Shari Albrecht (KCC)
Shawn Geil (KEPCO)
Shawnee Claiborn-Pinto (PUCT)
Sherri Maxey (SPP)
Simon Mahan (SREA)
Steve Davis (SPP)
Steve Gaw (Advanced Power Alliance)
Steve Sanders (WAPA)
Steve Wright (SPP Board)
Susan Certoma (SPP Board Member)
Susanna Padilla (SPP)
Tammy Bright (SPP)
Tara Smith (SPP)
Temujin Roach (EDF Renewables)
Terri Pemberton (KMEA)
Tessie Kentner (SPP)
Tim Wilson (Liberty)
Tom Christensen (BEPC)
Tom Hestermann (Sunflower)



Jillian Janik (SPP)

Jim Flucke (Evergy)

Jim Jacoby (AEP)

Jim Krajecki (CES)

Jodi Woods (SPP)

John Cupparo (SPP Board Member)

Tom Kleckner (RTO Insider)

Trent Campbell (OCC)

Victor Schock (NDPSC)

Walt Cecil (MOPSC)

Walt Shumate (Shumate & Assoc)

Will McAdams (PUCT)