



# STAKEHOLDER REPORT

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## SPP's Stakeholder Report: November 2023

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**FROM THE  
DESK OF...**

*a quarterly note from  
SPP's officer team*

### **Barbara Sugg, SPP's President and CEO**

At our Oct. annual meeting of members, I traditionally recap the year's progress toward our corporate goals. The highlights were included in my president's report. Led by the [Resource and Energy Adequacy Leadership Team](#), we have made significant headway in mitigating resource adequacy risks by approving a winter resource adequacy requirement and developing policies on fuel assurance, demand response, and accreditation. We've improved grid resilience and prepared for extreme weather by including winter scenarios in our 2024 and 2025 transmission plans and completing numerous recommendations from our reviews of storms Uri and Elliot.

SPP has made great strides toward reforming the [generator interconnection \(GI\) queue](#), and we are still on track to meet our stated goal of clearing the original GI backlog plus the 2022 cluster by the end of 2024. So far this year, we have executed 33 GI agreements totaling 6,232 MW and have seen an additional 47 GW requested in the 2023 cluster.

SPP has made progress across all areas of our strategic plan, and we are excited the DOE has announced \$464 million in funding for our [Joint Targeted Interconnection Queue](#) projects. We have received commitments from nine utilities in the western interconnection to become SPP members, slated to go live in early 2026. We are also planning for the grid of the future with an exciting new report and recommendations.

In addition to all this work, SPP remains steadfast in our commitment to keeping the lights on. This summer's record-breaking heat was particularly challenging for our region's operators. We observed the lowest remaining capacity we've ever had during the summer, second only to what we saw in winter storm Uri. SPP also



experienced our lowest wind output ever in June with only 111 MW. This summer's all-time peak load of 56,184 MW really highlights the growth of the SPP region. These operating conditions demonstrate the importance of maintaining our generation fleet and continuing our work on critical resource adequacy policies.

Stakeholders play such a vital role in SPP's success. Thank you for engaging on these critical issues, and thank you for all you do keep the lights on across our region.

Thank you,  
Barbara

**MARKETS &  
OPERATIONS**

*responsibly & economically  
keeping the lights on*

Day-ahead prices increased from an average of \$24.17/MWh in Q2 2023 to \$33.13/MWh in Q3 2023, an increase of 37%. Real-time prices increased from an average of \$23.11/MWh in Q2 to \$31.26/MWh in Q3, an increase of 35%. Total revenue neutrality uplift (RNU) for Q3 decreased 36% from Q2 (\*this was mostly attributed to a reduction of the Real Time Congestion component).

New operational peaks set during the quarter include a new historical max load record of 56,184 MW on 8/21/23 at 4:27:36 PM, and a new historical renewable record (Wind + Solar + Hydro + Waste) of 25,024 MW on 9/4/23 at 8:54 PM.

SPP issued a **Conservative Operations Advisory** for its entire SPP Balancing Authority (BA) footprint in the Eastern Interconnection on six days in August.

In Q3 of 2023, SPP experienced four balancing authority area control error limit (BAAL) events lasting more than ten minutes, a slight increase from Q2, but with none recorded in Aug. or Sept. Nearly all operational systems retained availability above performance thresholds, except for the Real Time Balancing Market, which experienced three unplanned outages totaling 80 minutes over the course of Aug. Causes of outages were identified and addressed by staff.

The monthly average market price of energy in Q3 2023 was \$39.09, up 35% from \$28.89 in Q2 2023, but 48% lower than 2022's Q3 average of \$75.60. Average prices year-to-date through the end of June were \$30.77 per MWh, compared to the 2022 average of \$51.90 and the 2021 average of \$56.63.

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

*progress through the  
power of relationships*

The **Markets and Operations Policy Committee (MOPC)** met for its quarterly meeting Oct. 16-17 in Little Rock. The committee approved 15 revision requests, including performance-based accreditation for conventional resources and effective load carrying capability accreditation for wind, solar and storage.

Also related to resource adequacy, the group approved policy direction for demand response and fuel assurance. The SPP Board of Directors subsequently approved these policies but modified the years of historical data used in performance-based accreditation from ten years to seven.

The committee approved the 2023 Integrated Transmission Plan (ITP) portfolio of transmission projects and endorsed the recommended plan to issue notices to construct for projects within the four-year financial commitment window. The Board also approved the 2023 ITP.

The **MOPC will next meet Jan. 16 – 17** remotely.

*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 | MWG | ORWG | 2222  
PCWG | RARTF | RTWG | SAWG | TOSPTF | TWG**

The "SEAMLESS BOUNDARIES" logo features the words "SEAMLESS" and "BOUNDARIES" in white, bold, sans-serif font, stacked vertically inside an orange circle.

*Neighbors, seams, transfers  
and Western services*

On Nov. 1, the **Western Power Pool's WRAP** became operational. SPP is the program operator and responsible for technical implementation of the program's design. The program will remain non-binding for a period, meaning that no financial penalties or deficiency payments will be assessed, but it is now fully functional and available to enhance system reliability.

On Nov. 7-8, the **Markets+ Participant Executive Committee (MPEC)** and Interim **Markets+ Independent Panel (IMIP)** met to develop the rates, terms, conditions and protocols that will govern SPP's proposed day-ahead market. The groups reviewed and approved significant portions of draft tariff language developed collaboratively by participant-led working groups over the preceding weeks. SPP and the Markets+ participants intend to file the Markets+ tariff with the Federal Energy Regulatory Commission (FERC) in the first quarter of 2024,



anticipating a go-live date in the third quarter of 2026. The MPEC will next **meet** Dec. 6 -7 remotely. The IMIP will next **meet** Dec. 19 remotely.

On Nov. 9, SPP formally kicked off the effort to expand its **RTO** territory into the western interconnection by April 2026. SPP hosted utilities who have committed to joining as members of the SPP RTO at a kickoff **event** in Denver, CO.

**IMIP | MPEC | MDWG | MSWG | MTWG | MORWG  
MGHGTF | MCRTF | MRATF | MRTF**

*Learn more about SPP's **Western Services**. Find meeting registration, contact information and materials at the additional stakeholder group links below:*

**WMEC | WMWG | WREC | WRWG  
ECCWG | New Member | QOO**

**STRATEGIC  
INITIATIVES**

*leading our industry to a brighter future  
& delivering the best energy value*

## **Consolidated Planning Process Task Force (CPPTF)**

The **CPPTF** held regular monthly meetings over the last few months and added two ad-hoc meetings to keep initiatives moving forward. A sub-team of CPPTF members, the **Consolidated Needs Assessment Team (CNAT)**, is making progress on the consolidated planning process (CPP) framework needs assessment design, including integrating generator interconnection Energy Resource Interconnection Service (ERIS) and HITT T1 Capacity Resource Interconnection Service (CRIS) service types into the CPP framework. An additional sub-team of CPPTF members and rate experts was formed, the **Entry Fee Rate Team (EFRT)**. This team is focused on developing recommendations for the Entry Fee Rate for the CPP.

In Q3 the task force focused on Entry-Fee Rate Structure, HITT T1 CRIS Transition, Phase 1 Service Customer Inclusion, CPP Transition Approach, and the creation of the CPP Recommendation Report White Paper. The CPPTF also endorsed staff's proposed plan to seek MOPC approval in January for a set of items, pending CPPTF approval by December. The CPPTF will next **meet** Dec. 13 remotely.

## **Future Grid Strategy Advisory Group (FGSAG)**

The Future Grid Strategy Advisory Group ([FGSAG](#)) met Nov. 8-9 at the SPP Headquarters Office in Little Rock. They concluded efforts to analyze the ongoing work across the organization that addresses the 32 recommendations from the initial [Grid of the Future](#) report. They reviewed the work needed to implement each recommendation and ranked the recommendations from each report category in priority order.

The group will finalize its prioritization work during its **next (remote) meeting on Dec. 11**. The group will then submit the highest priority recommendations into SPP's Comprehensive Roadmap process and update the Strategic Planning Committee during its next meeting on Jan. 17, 2024.

A horizontal banner with a light blue background. On the left, there is a dark blue circle containing the text "LEADERSHIP & STEWARDSHIP" in white, bold, uppercase letters. To the right of the circle, the text "Updates on SPP's board, leadership, finance & value" is written in a dark blue, italicized serif font.

**LEADERSHIP  
& STEWARDSHIP**

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

## Leadership & Oversight

The **Regional State Committee (RSC)** and **Board of Directors and Members Committee (BOD/MC)** held their business meetings and quarterly joint stakeholder briefing Oct. 30 and 31 at the SPP Headquarters Office in Little Rock.

The **RSC** elected officers for 2024: President Will McAdams (PUCT), Vice-President John Tuma (MNPU) and Treasurer Chuck Hutchison (NPRB).

The committee then approved [RR 584](#). They approved a change to the resource limit in Attachment J, Section III. B from 125% to (100% + the higher of summer or winter season PRM + 10%), but not less than 125%. The RSC approved [RR 554](#) and [RR 568](#) as approved by the REAL Team, CAWG and MOPC, while amending RR 554 to use seven years of historical data and RR 568 to use seven years of historical data for allocation.

The RSC directed CAWG and SPP staff to develop an 'availability' definition along with the outage policy initiative for January 2024 and a subsequent Revision Request (RR). They endorsed the demand response policy paper and REAL Team and MOPC recommendation, and the Fuel Assurance SAWG direction, with support for the development of an RR enhancing fuel assurance requirements.

The **BOD** approved [RR554](#) (performance-based accreditation), as amended by the RSC and [RR568](#) (effective load carrying capability accreditation for wind, solar, & storage), as amended by the RSC for filing at FERC. They approved the demand response policy paper and the Fuel Assurance policy paper, as amended by the RSC, and directed the development of RRs.



The BOD authorized for filing the Tariff changes approved by the RSC contained in [RR584](#). They approved the 2023 ITP final portfolio and the “2023 ITP Assessment Report” as documentation of completion of the ITP planning process specified in SPP OATT Attachment O Section III.

Minutes from the meetings of the **Board** and the **RSC** can be found on [spp.org](http://spp.org). **The BOD will next meet on Dec. 5** remotely. The full schedule of 2024 board meetings can be found on [spp.org](http://spp.org).

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

## Stewardship and Value

In Oct., SPP began reporting pass-through expenses for engineering studies that are directly offset by revenues collected from study participants as a reduction in RTO operating expenses under gross revenue requirement (GRR), rather than net revenue requirements (NRR). This change resulted in a lower GRR in Q3. SPP updated GRR projections for 2023, estimating \$200.4 million for 2023 compared to a GRR budget of \$198.5 million. Other revenue and over recovery is currently projected to result in a net revenue requirement of \$172.5 million, an increase of only 1% from 2022’s NRR of \$170.4 million.

At its Oct. meeting, SPP’s Board of Directors approved the 2024 SPP operating budget resulting in total expenses of \$275.3 million, a NRR of \$192.1 million and a 2024 capital budget resulting in a \$17.0 million allocation.

SPP’s **2022 Member Value Statement** found that SPP provided \$3.787 billion in net savings to members in 2022. These benefits come at a 22-to-1 ratio when compared to the cost of membership in the SPP RTO. Members can use a **worksheet** to help estimate a portion of the unique value each of their organizations receive from SPP.

**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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