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**REGIONAL
STATE
COMMITTEE
2004 - 2024**



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FORMATION OF THE REGIONAL STATE COMMITTEE

Southwest Power Pool (SPP) plays a crucial role in managing the bulk electric transmission system across a vast region of the central United States. To ensure a smooth and regionally coordinated approach, the Federal Energy Regulatory Commission (FERC) played a key part in establishing the SPP Regional State Committee (RSC) in 2004. This committee serves as a vital platform for state regulatory agencies to collectively influence and participate in SPP's decision-making processes.

FERC's 2004 Order recognized the need for a mechanism that facilitated regional consensus on critical issues related to transmission planning and operation. The RSC emerged as that mechanism, empowering state regulatory agencies to have a say in several key areas. These areas include:

- **Financing Transmission Enhancements:** The RSC plays a decisive role in determining how transmission system improvements will be funded. They have the authority to decide whether participant funding or a regional access charge system will be used.
- **Financial Transmission Rights (FTR) Allocation:** The RSC plays a critical role in how FTRs, which represent the right to use the transmission system, are allocated within the SPP region, particularly when locational pricing methodologies are employed.
- **Transition for Existing Customers:** The RSC ensures a smooth transition for existing firm transmission service customers by determining the mechanism used to grant them FTRs equivalent to their pre-existing rights.
- **Resource Adequacy:** The RSC plays a vital role in establishing a regional approach to ensuring the power grid has sufficient resources to meet electricity demand.
- **Transmission Planning for Remote Resources:** The RSC has the authority to decide whether transmission upgrades needed for integrating remote generation resources will be included in the regional planning process.
- **Role of Transmission Owners:** The RSC determines the level of involvement transmission owners have in proposing transmission upgrades within the SPP region.

FERC's order emphasized that the RSC's role was not to usurp state authority, but rather to act as a collaborative platform where state commissions could reach consensus on regional matters and work effectively with FERC on these issues.

The SPP Bylaws further solidified the RSC's role and responsibilities. Membership in the RSC is open to all relevant state regulatory agencies, ensuring broad stakeholder participation. SPP is obligated to financially support the RSC's activities and provide necessary information and analysis to assist the committee in its decision-making processes.

The RSC also established the Cost Allocation Working Group (CAWG) to provide technical expertise and support for the committee's core areas of responsibility. This working group, comprised of staff members from each state regulatory commission represented in the RSC, ensures a collaborative and well-informed approach to addressing critical regional transmission issues.

The RSC serves as a powerful tool for state regulatory agencies to have a collective voice in shaping the development and operation of the region's bulk electric transmission system. Through its focus on areas like transmission financing, resource adequacy, and regional planning, the RSC contributes significantly to a well-coordinated and efficient electric grid across the SPP footprint.

"I was on the inaugural Regional State Committee. We had just started the RSC when I joined, and no one really knew what to make of us. There had never been anything like that at SPP before, but we really came together and wanted to help better serve everybody in the footprint. That was really what we intended to do and I feel like we really did that. I was very proud of what we were able to accomplish on RSC."

*– Julie Parsley
(Public Utility Commission of Texas, RSC member 2004-08)*

"During my tenure as Chairman of the Arkansas Public Service Commission (2000-2007), I was honored to be part of the creation of the SPP Regional State Committee. This unique approach comprised the PSC Chairs and stakeholders in the SPP region. To SPP's credit, their governance has been more interactive and collaborative with the PSCs in the SPP region than any other regional organization of which I'm aware. This comradery results in greater reliability, economy, and forward-thinking. Congratulations to SPP, those who served on the RSC, and best wishes for continued success!"

*- Sandy Hochstetter Byrd
(Arkansas Public Utility Commission, RSC member 2004-07)*

RSC AUTHORITIES

The RSC was the first organization of state regulators from multiple states to be expressly granted authorities in a FERC jurisdictional RTO or ISO. Detailed below is a description of each of the RSC's important authorities and a summary of how the RSC exercised them throughout its history.

COST ALLOCATION

As an RTO, SPP's central role is to maintain the reliability of the North American bulk power grid. SPP's success in this regard depends on a robust transmission infrastructure capable of transporting electricity from where it is generated to where it is most needed. The cost of implementing this infrastructure is of interest to all of SPP's members and stakeholders, especially those regulatory commissions throughout SPP's footprint who oversee how these costs affect retail and end-use customers' rates. How the costs of transmission infrastructure enhancements are allocated across SPP is an important authority granted to the RSC.

Cost allocation is arguably the RSC's most important authority in SPP's governance and has been the most frequently exercised throughout its history. The RSC exercises this authority in two specific areas: (1) whether and to what extent participation funding will be used for transmission enhancements; and (2) whether license plate or postage-stamp rates will be used for the regional access charge.

The Original Regional Cost Allocation (Base Plan Funding)

After FERC approved SPP as an RTO in 2004, SPP took charge of transmission planning and expansion in its region. The RSC approved SPP's base-plan funding on October 26, 2004, developed from a CAWG proposal. The SPP Board of Directors endorsed this funding on January 25, 2005, and after filing it with FERC, received approval on April 22, 2005.

Base-plan funding proposed changes to SPP's Open Access Transmission Tariff (OATT), categorizing new transmission projects into four types: SPP base plan facilities, economic upgrades, generation interconnection facilities, and projects responding to transmission requests. Cost allocation depended on project costs, with smaller projects having their revenue requirement allocated to the project's zone and larger projects being divided regionally and locally. Economic upgrades

"I thoroughly enjoyed my time on the RSC and working with a great group of commissioners. I'm really proud of the transmission investment we made in the SPP footprint during that time."

*- Barry Smitherman
(Public Utility Commission of Texas, RSC member 2008-11)*

"The RSC serves a critical function within SPP, making sure the voices of state regulatory commissions are heard, but it's more than that. It's a great example of how regulators can work cooperatively to make sure the SPP footprint is best served. In my experience, the RSC has allowed individual state interests to give way to broader, regional interests, and that has served all parties very well."

*- Kevin Gunn
(Missouri Public Service Commission, RSC member 2012-13)*

followed sponsor agreements, while other facilities were allocated according to OATT provisions, with exceptions for designated network resources treated similarly to base-plan facilities.

Balanced Portfolio and Economic Upgrades

After SPP's RTO approval in 2004, it shifted focus to transmission planning and expansion. The RSC's cost allocation authority was first exercised for base-plan funding in 2004, which transitioned SPP from reliability-focused to economically beneficial transmission projects. The RSC approved the Balanced Portfolio cost-allocation methodology in 2008, aiming for projects with a collective benefit-to-cost ratio exceeding 1.0. This approach evaluated portfolios rather than individual upgrades, ensuring they were both cost beneficial and balanced across SPP zones. Revenue requirements were recovered through a region-wide charge, and reallocation of costs among zones ensured equitable distribution of benefits. SPP submitted tariff revisions to FERC to implement revenue reallocation, which was accepted in November 2012. Further updates were made in September 2017 to complete the reallocation process by 2021, ensuring fairness and balance across zones.

Highway/Byway

In December 2008, the SPP Board of Directors established the Synergistic Planning Project Team (SPPT) to evaluate SPP's transmission planning and cost allocation methods comprehensively. The SPPT, comprising RSC representatives, SPP members, and external stakeholders, proposed changes to enhance these processes. In April 2009, the board endorsed the SPPT's recommendations, initiating the development of a new transmission planning process. The SPPT's report in April 2009 outlined revisions to cost allocation and transmission planning, endorsing the Highway/Byway methodology and the Integrated Transmission Planning (ITP) Process. The RSC and CAWG collaborated to finalize a cost allocation method based on the SPPT's suggestions, leading to the approval of the Highway/Byway methodology by the RSC on October 26, 2009, with only Nebraska dissenting. This methodology allocated costs based on voltage levels, ensuring an equitable distribution of project costs and benefits. FERC approved the Highway/Byway methodology in June 2010, recognizing its role in enhancing transmission infrastructure and efficiency within the SPP grid.

"I most enjoyed the interaction with other RSC members and gaining wider understanding of SPP's impact in their States. Issues were often complex and discussions often challenging to simplify the issue and work to a solution. Seeing the benefit of SPP to the end use customer made it worthwhile."

***- Dennis Grennan
(Nebraska Power Review Board, RSC member 2016-21)***

Safe Harbor Limits

SPP introduced a safe harbor provision in its original base-plan funding cost allocation methodology, setting a maximum cost limit for network upgrades associated with designating a generation resource at \$180,000 per MW. Despite ongoing arguments about its adequacy, FERC initially approved this threshold in 2005, directing SPP to assess its effectiveness periodically. SPP has consistently filed yearly reports with FERC on this matter since 2006, but the \$180,000 limit has remained unchanged. In 2017, the RSC decided not to modify the limit and directed CAWG to conduct regular reviews, leading to a comprehensive review scheduled for 2022. After multiple limited reviews, the RSC unanimously recommended a full review for 2022. In January 2023, the RSC endorsed maintaining the existing criteria and limit for 2023 and tasked SPP staff and CAWG with evaluating the impact of Supply Adequacy Working Group initiatives on these criteria and the safe-harbor limit.

Wind Cost Allocation

After the establishment of the SPP RTO, the adoption of renewable portfolio standards (RPS) by several states in SPP's area, along with federal tax policies, prompted the RSC to address unique issues related to wind resources and their cost allocation. Starting discussions in October 2007, the RSC unanimously approved a wind cost allocation proposal on June 16, 2008. FERC conditionally accepted this proposal on June 18, 2009.

Before this, network upgrade costs associated with wind resources were eligible for base-plan funding if they fell below a safe-harbor limit, typically calculated using a 10 percent net dependable capacity of the wind resource. However, this often resulted in disproportionate allocation of costs to the host zone and other zones.

The FERC-approved wind cost allocation methodology now allows for a broader calculation of safe-harbor limits based on requested capacity, potentially reducing the share of network upgrade costs directly assigned to transmission customers. Additionally, if network upgrades are needed for a wind resource to serve load in another zone, 67 percent of the costs will be allocated to the entire SPP region on a postage-stamp basis, with the remaining 33 percent directly assigned to the transmission customer. Furthermore, eligibility for base-plan funding for network upgrades from a wind resource is limited if the customer's total requested wind capacity exceeds 20 percent of their projected system peak responsibility in the first year of service.

Cost Allocation of Wind Rich Areas

In January 2018, the RSC instructed the CAWG to examine cost allocation in areas with abundant wind resources. With a scope of work approved in April 2018, the CAWG conducted an investigation culminating in the Wind Rich Cost Allocation Report. This report, finalized in August 2019, highlighted discrepancies in the current cost allocation methodology for zones with high generation relative to load. In February 2019, the CAWG, in alignment with HITT recommendations, proposed three key recommendations to the RSC: decoupling Schedule 9 and Schedule 11 transmission pricing zones, evaluating the byway facility cost allocation review process, and conducting a future study on a generator injection rate. The RSC endorsed the report and at a special meeting on August 5, 2019 tasked the CAWG with implementing the proposed recommendations.

Order 1000 Cost Allocation

FERC's Order No. 1000, issued in July 2011, mandated reforms for public utility transmission providers, including SPP, to ensure just and reasonable rates and nondiscriminatory service. These reforms included participating in regional transmission planning, considering public policy requirements, and adopting cost allocation methods. In April 2012, SPP formed the Interregional Cost Allocation Task Force (ICATF) to address interregional cost allocation. The ICATF recommended allocating interregional projects regionally, with a preference for highway cost allocation. CAWG proposed 100 percent regional allocation for Order 1000 interregional projects, approved by the RSC except for Texas and New Mexico members. SPP filed compliance with FERC, proposing 100 percent regional cost allocation for interregional projects, which FERC approved in stages from 2015 to 2016. Despite these measures, no interregional projects under Order 1000 have been built in SPP's area as of now.

Non-Order 1000 Cost Allocation

SPP recognized the necessity to establish procedures for planning and cost-sharing interregional projects not covered by the Order 1000 process, such as those with neighboring Transmission Owners not RTOs and Byway projects in the 100-300 kV range. The RSC unanimously approved a methodology for allocating non-Order

"Most of the memories I have end up being about the personalities and the people that I served with on the RSC, the people that I've met through the SPP stakeholder community and SPP staff themselves, and working with all of those individuals with a shared commitment to advancing the region's interest. Nobody looking out too narrowly for their own parochial interests, but all working together to move the region forward."

***-Andrew French
(Kansas Corporation Commission, RSC member 2020-present)***

1000 projects regionally in October 2014, endorsed by SPP's board in December 2014. SPP proposed a project category and cost allocation methodology to FERC for facilities identified outside the Order 1000 process. However, FERC denied the proposal, citing lack of differentiation between seams transmission projects and those qualifying under Order 1000, unclear planning processes, and failure to address how seams projects would integrate into the Order 1000 selection process. Despite the denial, FERC noted that SPP could still file on a project-by-project basis for non-Order 1000 facilities in the future, provided a clear justification for specific cost allocation.

AECI Projects Cost Allocation

After FERC rejected SPP's non-Order 1000 cost allocation, the RSC approved the SPP/AECI Morgan transformer project on April 17, 2017. This project, already in the 2017 Integrated Transmission Plan, was located in AECI's territory. The filing proposed a cost allocation method based on load ratio share. FERC denied the request on October 6, 2017, citing lack of specific benefits for SPP and economic analysis for the Brookline project. SPP resubmitted the filings on August 17, 2018, addressing FERC's concerns, and FERC accepted them on October 10, 2018.

Attachment Z (Z2)

In 2005, SPP introduced a process for revenue credits, but it lacked specificity. By 2008, after reviews and revisions, the process was split into two attachments. Despite clarifications, the process remained complex. To address this, a task force was formed in 2009, resulting in a whitepaper and subsequent approval for implementation. Further revisions and clarifications occurred in 2013. In 2019, SPP decided to eliminate Z2 revenue credits, approved by the Board and the RSC. However, FERC initially rejected the proposed tariff revisions in 2020, but eventually accepted them with suggested changes.

Generator Retirement

In 2020, SPP developed a Generator Retirement Process to assess system reliability impacts caused by a generator retiring in the SPP footprint. The RSC was responsible for developing the cost allocation methodology for any Network Upgrades that are identified as needed in the Generator Retirement Process. On July 27, 2020, the RSC unanimously approved the proposal that any Network Upgrade that is identified as needed because of the retirement of a generating resource is considered Base Plan Upgrades and should be cost allocated pursuant to Attachment J, Section III.A of the Tariff.

On October 14, 2020, SPP submitted FERC the proposed process for SPP to evaluate the short-term and long-term impacts of retiring generation on the SPP transmission system, which includes the cost allocation approved by the RSC. On December 21, 2020, the Commission approved SPP's proposed Generator Retirement Process

Joint Targeted Interconnection Queue

In 2020, MISO and SPP launched the JTIQ initiative to address transmission issues. By late 2021, they completed technical studies, resulting in a \$1 billion portfolio of projects. In January 2023, the RSC approved cost-sharing and allocation methods, including a 90% generator and 10% load split. They also recommended maximizing DOE funding and outlined recovery mechanisms for non-capital costs associated with construction.

FINANCIAL TRANSMISSION RIGHTS

Financial Transmission Rights (FTRs) are vital for safeguarding transmission rights in energy markets by offsetting congestion costs. They assure a set price for congestion components, offering protection to holders. FTRs are allocated to various entities within SPP, with their treatment overseen by the RSC. Recommendations and task forces have aimed to refine FTR processes and integrate long-term congestion rights (LTCRs). However, FERC found SPP's compliance with guidelines incomplete in 2014, necessitating revisions for full compliance.

PLANNING FOR REMOTE RESOURCES

An area of concern at the time of the RSC formation was how planning would be conducted for remote resources, such as wind, and whether transmission upgrades for remote resources would be included in the regional transmission planning process.

Because of this concern and how these remote resources' costs and benefits would impact the end-use ratepayers within each state, the RSC was granted the authority in SPP Bylaws, Section 7.2, on how SPP should plan for remote resources in the regional transmission planning process.

"It has been a pleasure to serve on the SPP RSC and learn so much about the energy business and the role of the RTO. We have had the opportunity to work on very important resource adequacy and cost allocation policies. It has been an exciting experience."

***- Mike Francis
(Louisiana Public Service Commission, RSC member 2020-present)***

Integrated Transmission Plan

In January 2009, the SPP Board of Directors established the SPPT to recommend improvements to transmission planning and cost allocation. The SPPT proposed an Integrated Planning Process (ITP), a highway/byway cost allocation method, and priority EHV projects. The RSC endorsed these recommendations in April 2009. SPP filed to revise its OATT in May 2010, incorporating the ITP. FERC conditionally accepted the ITP, finalized in February 2011. In 2017, SPP proposed revisions to move to an annual planning cycle, accepted by FERC.

Regarding wind generator interconnections, the «hub and spoke» system was proposed to minimize costs. CAWG recommended interconnection costs be assigned to requesting generators rather than included in regional transmission rates, a policy accepted by the RSC in April 2012 without FERC filing.

RESOURCE ADEQUACY

State commissions traditionally regulate utility capacity planning and construction, with the resource adequacy issue for the SPP region delegated to the RSC. The Capacity Margin Task Force (CMTF) was formed in July 2014 to determine resource adequacy requirements and capacity margins. Their policies, approved by the RSC in April 2016, led to changes in the SPP OATT. However, FERC initially denied these revisions in August 2017, prompting SPP to file new revisions in March 2018, which were accepted by FERC in August 2018.

The Distributed Energy Resource (DER) Policy Whitepaper and subsequent revisions to Attachment AA of the tariff aimed to define requirements for demand response programs and behind-the-meter generation for resource adequacy. FERC accepted these revisions in September 2020.

Additionally, SPP proposed methodologies for accrediting solar, wind, and energy storage capacities, endorsed by CAWG and RSC. Changes in planning reserve margins and the inclusion of Deliverable Capacity for the Winter Season Obligation were approved by the RSC and FERC. Mitigation measures for the PRM increase included an exemption process from Deficiency Payment and an alternative Deficiency Payment methodology, both approved by the RSC.

“I have many fond memories during my 7+ years as a member of the RSC, dealing with people with a wide geographical region and with widely varying perspectives. One of my favorites was during my time as President as I watched the RSC members coalesce to increase the Planning Reserve Margin and adopt Performance Based Accreditation, which were not immediately popular but were necessary to assure that we can keep the lights on, now and in the future!”

- Randy Christmann

(North Dakota Public Service Commission, RSC member 2017-present)



Above: Members of the RSC participate in one of their quarterly business meetings in Little Rock, AR in October 2022.

RSC STAKEHOLDER GROUPS

Section 7.2 of the SPP Bylaws outlines the establishment of the RSC, tasked with providing guidance and input on matters relevant to Member participation in SPP. Since its inception, the RSC has actively contributed to various SPP working groups, task forces, and committees, playing pivotal roles in shaping policies with broad stakeholder support. Below is a summary of the significant leadership roles undertaken by RSC members across different SPP organizational groups:

A. SYNERGISTIC PLANNING PROJECT TEAM (SPPT)

In 2009, the SPPT was formed by the SPP Board of Directors with two RSC members onboard. The team’s objective was to propose comprehensive enhancements to SPP’s regional transmission planning process and cost allocation methodology. The SPPT issued its final report on April 23, 2009, which was later endorsed by the RSC and approved by the SPP Members Committee and Board of Directors. The report recommended several actions, including adopting new planning principles, implementing an Integrated Planning Process (IPP), and establishing a «highway-byway» cost allocation methodology.

B. RATE IMPACT TASK FORCE (RITF)

Established in 2010 by the RSC, the RITF aimed to analyze the impacts of transmission upgrades on customer rates. This task force, merged later with the Regional Allocation Review Task Force, consisted of RSC members, SPP Board of Directors representatives, and Strategic Planning Committee members.

“The Regional State Committee is made up of commissioners across our entire footprint. We work with stakeholders from a very diverse group with different perspectives, but our goal at the end of the day is to keep the lights on and have the best value for our customers, and we do that by working together as a family.”

– Kristie Fiegen

(South Dakota Public Utilities Commission, RSC member 2015-present)

C. REGIONAL ALLOCATION REVIEW TASK FORCE (RARTF)

The RSC established the RARTF in 2011 to implement the Regional Cost Allocation Review (RCAR) process. The RARTF developed analytical methods and recommendations for reviewing the reasonableness of cost allocations, leading to the approval of RCAR reports by the RSC and board.

D. SPC TASK FORCE ON NEW MEMBER PROCESS (SPCTFNM)

The SPCTFNM was formed by the Strategic Planning Committee in response to concerns about new member integration. The RSC approved the communication and work group processes outlined in the SPCTFNM report, along with the New Member Cost Allocation Review Process.

E. INTERREGIONAL COST ALLOCATION TASK FORCE (ICATF)

Established in 2012 by the RSC, the ICATF developed cost allocation principles for Order 1000 interregional projects, which were adopted by the RSC.

F. HOLISTIC INTEGRATED TARIFF TEAM (HITT)

The HITT, initiated by the Board of Directors in 2018, included RSC members and focused on addressing various challenges within the SPP region. The team’s final recommendations, approved by the Board of Directors, aimed to ensure reliability, enhance the Integrated Marketplace, and align transmission planning and cost allocation with SPP’s market objectives. The RSC directed CAWG to implement specific HITT Recommendations.

Overall, RSC members have actively contributed to shaping SPP’s policies and processes, facilitating collaboration among stakeholders and ensuring the effective functioning of the organization.

Byway Facility Cost Allocation Review Process

During 2019-2020, the CAWG worked on developing the Byway Cost Allocation Whitepaper. This whitepaper put forth several recommendations, including:

1. Establishing a focused review process for byway facility cost allocation,

allowing for the full allocation of future revenue requirements for qualifying facilities with voltage levels between 100kV and 300kV on a region-wide basis.

2. Including both new and existing Schedule 11 facilities in the eligible projects for the review process.
3. Determining review process criteria based on the utilization or anticipated utilization of the transmission facility, as outlined in Section IV of the whitepaper.

CAWG presented the Byway Cost Allocation Whitepaper to the RSC on July 27, 2020, and it was approved at that time. Subsequently, these recommendations were used to formulate revisions to the tariff, which were reviewed and approved by the RSC on October 26, 2020 and by the Board of Directors on October 27, 2020.

In 2021 and 2023, SPP submitted revisions to the tariff to FERC to implement the recommendations of the Byway Cost Allocation Whitepaper. However, FERC ultimately rejected each of SPP’s proposed filing. SPP is continuing its work to develop a process for byway facility cost allocation through the RSC.

Evaluation of cost allocation for energy storage as a transmission asset

HITT recommendation C4 was delegated to the CAWG and RSC as the primary working group to assess the cost allocation for Electric Storage Resources (ESRs) functioning as transmission assets. Following the RSC’s directive, the CAWG produced «The Evaluation of Cost Allocation for Energy Storage as a Transmission Asset White Paper,» which proposed the following:

1. **Planning-Based Allocation:** The cost allocation for Storage as a Transmission Only Asset (SATOAs) should be determined through the planning process identifying the SATOA project. Cost allocation for SATOAs in base plan funding should align with the location and voltage level associated with the transmission issue being addressed.
2. **Decision-Making Authority:** The Energy Storage Resource Steering Committee (ESRSC) and Transmission Working Group (TWG) are deemed suitable to determine if a mobile ESR solution qualifies as a SATOA, and if so, which transmission issue it addresses based on location and voltage level.

“Oklahoma enjoys a beneficial partnership with SPP in service to its numerous stakeholders. It is very important to Oklahoma ratepayers to have a voice in setting policy for the SPP footprint. It is an honor to serve on the Regional State Committee with my fellow Commissioners across the 14-state region, which is truly an effort of neighbor helping neighbor both to deliver and receive dependable and affordable electricity in its multi-state region.”

– Todd Hiatt

(Oklahoma Corporation Commission, RSC member 2022-present)

3. **Uniform Thresholds:** The Safe Harbor threshold of \$180,000 per MW should remain consistent for SATOAs and other wire solutions.
4. **Cost Recovery Limits:** SATOA cost recovery under transmission rates should be confined to the maximum capacity necessary to resolve the transmission issue, with excess capacity subject to the full GI process if intended for market offering.
5. **Revenue Treatment:** Revenues generated by SATOA's market activities directed under SPP's control should be credited through transmission rates, while associated costs should be collected similarly, with the SATOA owner requiring a registered market participant for energy net costs.
6. **Accounting Guidelines:** Specific FERC/USOA accounting guidance should be incorporated to facilitate cost recovery.

On July 26, 2021, the CAWG presented the white paper to the RSC, which unanimously approved it. Subsequently, the RSC directed the CAWG, with support from SPP Staff, to collaborate with other working groups to implement the outlined cost allocation methods. On January 24, 2022, the RSC unanimously approved the proposed tariff language under Revision Request 476, aligning with the HITT C4 white paper's cost allocation policies.

G. Strategic and Creative Re-engineering of Integrated Planning Team (SCRIPT)

In 2020, the Board of Directors sanctioned the establishment of SCRIPT to strategically reform SPP's transmission planning processes. SCRIPT aims to enhance customer satisfaction while addressing stakeholder concerns regarding transmission investment amidst industry shifts. Key objectives include:

- Streamlining and optimizing transmission planning processes to deliver comprehensive solutions meeting diverse customer needs.
- Enhancing planning efficiency, effectiveness, and timeliness while minimizing model sets and reducing reliance on queue-driven studies.
- Ensuring confident, quality-driven investment decisions through robust processes and information utilization.
- Optimizing the transmission network to cost-effectively meet future needs and facilitate generation transfers while improving cost-sharing among users

“One of the things I learned on the RSC was that when one compares RTOs nationally, SPP is on the leading edge when it comes to doing things like SCRIPT, JTIQ and other things. When you look at the FERC’s expected transmission planning rule, SPP is already doing most of those things. And so SPP is among the leading RTOs when it comes to these kinds of reforms.”

***– Ted Thomas
(Arkansas Public Service Commission, RSC member 2021-22)***

SCRIPT comprises 11 members from various committees, with representation from the RSC and the Board of Directors, overseen by the SPP COO as Staff Secretary.

H. Order 2222 Task Force

In response to FERC's Order No. 2222 issued on October 6, 2020, SPP formed the Order 2222 Task Force to develop policy and amendments to SPP's governing documents enabling Distributed Energy Resource (DER) aggregations' participation in SPP's markets. The task force, composed of members from several committees and working groups, is tasked with aligning SPP's regulations with FERC Order No. 2222. MOPC approved RR468, Order 2222 Compliance, in January 2022, with SPP scheduled to file it with FERC in April 2022.

I. February 2021 Winter Weather Event

In February 2021, SPP encountered operational challenges amid record-low temperatures across its service territory. Despite these difficulties, SPP maintained electricity delivery, with only two brief curtailments in its history. In response, the RSC formed the Cost Allocation Working Group Ad Hoc Task Force (CAHTF) to evaluate the event's impact and propose mitigation strategies. The CAHTF identified resource adequacy and generator unscheduled outages as central issues and recommended measures within the RSC's authority while respecting State PUC jurisdiction. On June 14, 2021, the RSC unanimously approved the CAHTF Winter Weather Ad Hoc Report.



Founding members of SPP RSC
Seated: Julie Parsley (Texas), Secretary; and Denise Bode (Oklahoma), President
Standing: David King (New Mexico), Treasurer; Sandra Hochstetter Byrd (Arkansas), Vice President; Steve Gaw (Missouri); and Brian Moline (Kansas)

RSC'S LEADERSHIP IN INITIATIVES

The Regional State Committee not only oversees specific SPP policies but also spearheads various crucial initiatives. Here's an overview of these leadership roles and notable initiatives instigated or led by the RSC:

1. Support of Markets

- **Energy Imbalance Service (EIS):** In 2004-2005, the RSC greenlit the EIS market cost benefit analysis, a CAWG-led effort.
- **Integrated Marketplace:** On April 27, 2009, the RSC endorsed the cost-benefit analysis for the Integrated Marketplace, urging SPP to proceed with the initiative.

2. Addressing Project Cost Estimations Issues

- On October 25, 2010, after transmission projects exceeded projected costs, the RSC took steps to rectify the situation, including reviewing cost increases, novation processes, and establishing design standards for transmission projects. Subsequent motions and studies led to recommendations approved by the RSC in July 2011, focusing on project approvals, cost allocation, and evaluation processes.

3. RSC/OMS Seam Liaison Committee

- The RSC collaborated with the Organization of MISO States (OMS) to tackle issues hindering efficient transmission planning and operations along the SPP-MISO seam. The formation of a liaison committee, approval of goals, and guiding principles aimed to enhance market transactions, transmission planning, and inter-RTO relations.

4. Advance Notice of Proposed Rulemaking (ANOPR)

- Responding to FERC's ANOPR on regional transmission planning and cost allocation, the RSC unanimously approved comments on October 8, 2021, to ensure just and reasonable transmission rates and maintain reliability.

5. Improved Resource Availability Task Force (IRATF)

- Established on August 9, 2021, the IRATF, chaired by an RSC member, focuses on addressing Tier 1 recommendations concerning fuel assurance and resource planning identified in response to the February 2021 Winter Storm.

These initiatives underscore the RSC's proactive role in shaping SPP's policies and operations to ensure efficiency, reliability, and customer benefits.



Above: Members of the RSC and CAWG meet in Kansas City in April 2018.

"Twenty years ago, the RSC organizers had a vision for creating a seat at the SPP table for state regulators. Now more than ever, the RSC provides a tremendous avenue for collaboration, education, and critical dialogue. It was a privilege to be a member of the RSC, and I value the opportunity it provided to share Iowa's interests, broaden my perspectives, and learn from an incredible group of regional peers."

*- Libby Jacobs
Iowa Public Utilities Board, RSC member 2015-2017*

"The RSC's commitment to working through the substantive issues facing our continuing ability to deliver affordable, reliable electric service is inspiring. As a new commissioner, I appreciate the ability to learn from my colleagues and SPP's impressive board, management and employees. We succeed by working together."

*- Patrick O'Connell
New Mexico Public Regulation Commission, RSC member 2024-present*

HISTORY OF RSC MEMBERS

Arkansas Public Service Commission



Left to right: Sandra Hochstetter Byrd (2004-07); Paul Suskie: (2007, 2008-10); Colette Honorable (2008); Olan Reeves (2011-2014); Lamar Davis (2015-2016); Kim O'Guinn (2016-2020); Ted Thomas (2021-2022); and Justin Tate (2022-Present)

Iowa Public Utilities Board



Left to right: Libby Jacobs (2015-2017); Geri Huser (2017-2023); and Sarah Martz (2023 - present)

Kansas Corporation Commission



Left to right: Brian Moline (2004-07); Mike Moffet (2007-2010); Thomas Wright (2010-2014); Shari Feist Albrecht (2014-2020); and Andrew French (2020-Present)

Louisiana Public Service Commission



Left to right: Foster Campbell (2018-2019) and Mike Francis (2020-Present)

Minnesota Public Utilities Commission



John Tuma (2023-Present)

Missouri Public Service Commission



Left to right: Steve Gaw (2004-07); Jeff Davis (2007-12); Kevin Gunn (2012-2013); Steve Stoll (2013-2017); and Scott Rupp (2018-Present)

Nebraska Power Review Board



Left to right: Mike Siedschlag (2009-2014); Steve Lichter (2014-2016); Dennis Grennan (2016-2021); and Chuck Hutchison (2022-Present)

New Mexico Public Regulation Commission



Left to right: David King (2004-11); Patrick Lyons (2011-2018); Jeff Byrd (2019-2022); and Patrick O'Connell (2023-present)

North Dakota Public Service Commission



Left to right: Brian Kalk (2015-2017) and Randel Christmann (2017-Present)

Oklahoma Corporation Commission



Left to right: Denise Bode (2004-07); Jeff Cloud (2007-11); Dana Murphy (2011-2022); and Todd Hiett (2022-Present)

South Dakota Public Utilities Commission



Kristie Fiegen (2015-Present)

Public Utility Commission of Texas



Left to right: Julie Parsley (2004-08); Barry Smitherman (2008-11); Donna Nelson (2011-2017); Brandy Marty Marquez (2017); DeAnn T. Walker (2017-2021); Will McAdams (2022-2023); and Lori Cobos (2024-present)

