Stakeholders Discuss Priority Projects and Integrated Transmission Planning Process

On September 29, over 80 stakeholders attended a Priority Projects workshop in Dallas. Participants discussed the draft Priority Projects Report, which recommends construction of five projects:

1. Spearville – Comanche – Medicine Lodge – Wichita, constructed and operated at 765 kV
2. Comanche – Woodward District EHV, constructed and operated at 765 kV
3. Valliant – NW Texarkana, constructed and operated at 345 kV
4. Cooper – Maryville – Sibley, constructed and operated at 345 kV
5. Riverside Station – Tulsa Power Station 138 kV reactor addition

Benefits of the projects are expected to well exceed costs, as with the Balanced Portfolio projects. These five projects will provide substantial short-term benefits to relieve congestion and improve the Generation Interconnection and Aggregate Study queues. They will also improve long-term production cost savings by further connecting SPP’s west and east transmission systems. Review the workshop presentation.

The Integrated Transmission Planning process proposal has been reviewed by the Transmission and Economic Studies Working Groups, and will be presented to the Market and Operations Policy Committee (MOPC) this month.

Smart Grid and Demand Response Standards Development Underway

The North American Energy Standards Board (NAESB) met in Houston and discussed what role it should have in the development of Smart Grid standards. The National Institute of Standards and Technology (NIST) has been leading an effort to develop a set of Smart Grid standards as mandated by the Energy Information and Security Act of 2007. NIST has been focused on the development of technical standards for software and hardware integration. The Federal Energy Regulatory Commission (FERC) intends to approve Smart Grid standards in early 2010, when they determine the industry has reached consensus. In a public conference on September 21, FERC stated that “functional standards” are needed and have yet to be proposed. Functional standards for electric markets to employ Smart Grid technologies could be developed by NAESB. NAESB has already filed a set of Demand Response standards at FERC for approval, and FERC issued a Notice of Proposed Rulemaking with comments due October 22. Many of the proposed Smart Grid technologies are complementary to Demand Response initiatives.

September Meetings

Business Practices Working Group: The BPWG discussed a Business Practice Revision Request regarding the processing of transmission service requests when there are third-party impacts. A draft Business Practice will be presented to the MOPC on October 13-14. The group revised BP 5.2, regarding processing requests during a TLR, to make it consistent regardless of which entity issues the TLR. The group also began a process of identifying information needed to establish a ramp limitation process for future markets.

Change Working Group: The CWG voted to support SPP moving forward with future efforts that were presented in September: high availability architecture and the new operations center. These initiatives were presented to the group by SPP IT Director Barbara Sugg and SPP Vice President of Operations Lanny Nickell with the goal of communicating efforts needed to support future markets and anticipated/interrelated growth and maturation of facilities and applications. The CWG’s position statement and vote will be provided to the MOPC for consideration at its October meeting.

Consolidated Balancing Authority Steering Committee: The CBASC discussed the group’s involvement in ramp reservations process development and the possibility of SPP offering certain Balancing Authority-related services in the future. The group also worked on finalizing its involvement in the ACE Diversity Project. With ACE Diversity system programming, internal testing, and legal agreements in the final phases, the committee will hand over the project to the Change Working Group for coordination of member testing and implementation. The
CBASC also discussed support of the high availability project and plans for a new operations center.

**Cost Allocation Working Group:** The CAWG held two face-to-face meetings and continued discussing components of a highway/byway rate design and how costs will be allocated. Policy-level decisions are expected at the October 26 Regional State Committee meeting.

**Corporate Governance:** The committee finalized the ballot for elections at the Annual Meeting of Members on October 27. Nominees for the Board of Directors, Members Committee, and Regional Entity Trustees have been provided to the Membership for consideration for three-year terms commencing January 1, 2010. The committee reviewed the schedule for annual surveys; the organizational group effectiveness surveys were issued October 5, the Regional Entity survey was issued September 28, and the SPP stakeholder satisfaction survey will be issued October 29.

**Critical Infrastructure Protection:** The CIPWG conducted officer elections. Robert McClanahan (AECC) will remain as CIPWG Chair, and John Brekenridge (KCPL) will continue as Vice-Chair. Robert McClanahan has been elected as a Vice-Chair of the NERC CIP Committee, effective January 2010. The CIPWG is focused primarily on ongoing CIP audit compliance, new CIP Standards (version 3) development, and the Technical Feasibility Exception process. Long-term security needs for the industry are also discussed on an ongoing basis with the DHS, the FBI, and other industry experts.

**Economic Studies Working Group:** The ESWG locked down the cycle for its quarterly 2010 meetings. The group has agreed to link its meetings to the CAWG by meeting the day before the CAWG meets. The Benefit Analysis Techniques Task Force report was finalized and approved as modified. The group is scheduled to review futures scenarios for the Integrated Transmission Planning (ITP) process during an Oct 19 conference call. The ESWG is planning to initiate a new task force to determine metrics to be used in the ITP process.

**Finance Committee:** Primary agenda items were review of SPP's 2010 budget and establishment of the administrative fee and assessment rate for 2010. The committee did not take any action on the budget or administrative fee; instead, it directed SPP staff to identify and investigate opportunities to lower the recommended administrative fee. These opportunities could include: i) capitalize internal labor costs associated with development of future market systems, ii) capitalize interest costs associated with debt to fund development of future market systems and construct facilities, iii) delay hiring of new staff associated with development of future market systems, iv) reduce use of third-party consultants, and v) ensure structure of maintenance contracts are properly negotiated and approved. The committee will meet in October to review staff's efforts.

**Operating Reliability Working Group:** The ORWG met jointly with the Market Working Group to discuss future market issues that impact reliability. They approved a proposal to adjust the VRL for flowgates, and reviewed and approved business practice revisions for the BPWG.

**Operations Training Working Group:** The Job Task Analysis Task Force met to formulate high-level job task lists for the Transmission Operator and Generator Operator job roles. The OTWG discussed six nominations for two vacant positions and recommended Bill Cook (WFEC) and Rodney Lewis (KCPL) be approved for voting membership. SPP CEO Nick Brown approved the recommendation. The OTWG continued its efforts to explore and facilitate a regional communications solution in the event of a region-wide system emergency.

**Oversight Committee:** At its regular quarterly meeting, the committee heard quarterly activity reports from SPP’s Market Monitoring, Internal Audit, and Compliance departments.

**Regional Tariff Working Group:** The RTWG approved revisions to Attachment O as required for Order No. 890 compliance filing and the Billing Determinant Task Force’s proposed language for a Resident Load reporting deadline and revisions to Schedule 2. The group unanimously accepted a report on Unintended Consequences as evidence that the waiver process is working as intended and the Safe Harbor limit is set correctly. The RTWG also approved language establishing a process to approve delivery point additions.

**Synergistic Planning Project Team:** The SPP Board and the Synergistic Planning Project Team reviewed progress on completing recommendations from the SPPT report and prepared for the Priority Projects workshop.

**Transmission Working Group:** The TWG met several times to discuss, review, and approve the Priority Projects Reliability Report, one part of the Priority Projects Report. The group approved the 2009 Near Term Report, which is a reliability analysis for TPL compliance. Other topics of discussion included the 2009 P-V Analysis Study scope and 2009 Dynamic Stability Study, the NERC RAS Winter Assessment, and the Day Ahead market’s payment of deferred decommissioning units. The TWG meeting will hold its next meeting November 4-5. With the ITP process going to the MOPC and the Board in October, the TWG plans to help develop sections of the future ITP scope at its next meeting.

**Other Meetings**

- **Market Working Group**
- **Model Development Working Group**
October Meetings

October 1 - ITP Stakeholder Teleconference
October 1 - Regional Tariff Working Group WebEx / Teleconference
October 2 - ESWG Teleconference
October 5-8 - SPP Fall System Operations Conference
October 5-7 - Market Working Group Meeting
October 8 - Market Settlements/MSTF Meeting
October 8 - Change Working Group Teleconference
October 8 - OTWG Face-to-Face Meeting
October 13-14 - Markets and Operations Policy Committee Meeting
October 14-15 - SPP Fall Settlements Conference - Future Markets/Transmission Settlements Outreach
October 14-15 - Cost Allocation Working Group
October 14 - Finance Committee Meeting
October 15 - Strategic Planning Committee Meeting
October 16 - STEP Net Conference
October 19 - ESWG Teleconference
October 19 - 21 - Market Working Group Meeting
October 22 - Business Practices Working Group Meeting
October 22-23 - ORWG Meeting
October 26 - Human Resources Committee Meeting
October 26 - Regional State Committee Annual Meeting
October 27 - Board of Directors and Annual Meeting of Members
October 28 - Cost Allocation Working Group
October 28 - Regional Entity Trustee Meeting
October 28 - Regional Tariff Working Group

This is a summary of recent SPP organizational group meetings. For more information about a group, please visit SPP.org and select that committee on the Org Groups page. Documents are located in the left column.

Please contact Emily Pennel in the Communications Department with questions or comments about The Org Report.

SPP Calendar
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