Regional Entity Trustees Hold Inaugural Meeting

The Regional Entity (RE) Trustees met on July 11 for their inaugural meeting, and elected John Meyer as Chairman. The Trustees approved a budget of $4.6 million for 2008 and hired Ron Ciesiel as Executive Director of Compliance. The group is accepting applicants for a Counsel/Secretary position. Regular meetings of the Trustees will be held the day after the quarterly Board of Directors /Members Committee meetings.

The RE Trustees will meet on August 20 in Little Rock in advance of a meeting with FERC Enforcement Office staff on August 21. Visit the Regional Entity Trustees page of www.spp.org to sign up for the RE Trustee exploder.

Organizational Effectiveness Assessment Begins

The Corporate Governance Committee (CGC) is assuming responsibility from the Strategic Planning Committee for the annual organizational effectiveness assessment process. Committee and working group chairs/secretaries are currently completing self-assessment forms. In early September, committee and working group members will be asked to complete a survey about their groups’ meeting preparation and conduct, membership, and overall effectiveness.

The CGC will recommend Bylaws changes to comply with the FERC order related to SPP’s Delegation Agreement. These changes will be presented for a vote at special meetings of the Board of Directors/Members Committee and the Membership on October 1.

NERC/NAESB Update

Mandatory compliance with and enforcement of NERC and SPP Reliability Standards began on June 18, and SPP is working with entities that have self-reported violations. Approximately 160 self-reported violations will not be subject to financial sanction if corrected before the end of 2007. Mitigation plans are being reviewed by the SPP Regional Entity Compliance staff.

NAESB activities currently impacting SPP are the E-Tariff and Available Transfer Capability/Total Transfer Capability/Capacity Benefit Margin standards. The E-Tariff is a joint effort with the NAEB Wholesale Gas Quadrant, as FERC Order 890 impacts both transmission and gas pipeline tariffs. The ATC/TTC/CMB standards are also tied to FERC Order 890 to reform the OATT. A final set of proposed standards will be presented to FERC by the end of 2007.

The Month In Review

Board of Directors/Members Committee, 7/24: The State of the Market Report was presented and approved during the BOD/MC regular meeting. Also approved were Tariff modifications to implement PRR 137a (which allows external generators to participate in the SPP EIS Market) and the increase in SPP’s administrative fee cap to 22.5 cents. The Board discussed the EHV Overlay Study and asked the Transmission Working Group to begin a technical analysis of its implementation. The Strategic Planning Committee will also consider approaches to implementation of the EHV Study.

Cost Allocation Working Group, 7/13, 7/25: Charles Cates of SPP gave a presentation on the SPP Transmission Expansion Plan Screen to Portfolio Transition, as well as follow-up information on collaboration between the SPP Economic Portfolio and EHV Overlay Study. The group heard presentations regarding off-ramp facilities and integrating facilities, Aggregate Study Improvement Task Force updates, and “early buy-in” of economic projects.
Finance Committee, 7/10: The Finance Committee approved funding of the retirement plan at $2.5 million and retiree healthcare plan at $629,000 for the 2007 fiscal year, and also approved raising the tariff administrative rate cap from 20 cents to 22.5 cents.

Market and Operations Policy Committee, 7/10-11: PRRs 81,113,122,123,126,130, 131, 136, 139, 142, 144, 151, and 159 were approved, as well as tariff language for PRR 137a, allowing external generators to participate in the SPP EIS Market. Business Practice 1.11, 1.12, and 2.11 were approved, as well as the AEP Okalunion Special Protection Scheme. Tariff Schedule 2 changes were approved to comply with a FERC order. MOPC asked the Regional Tariff Working Group to continue work on tariff changes for Base Plan guidelines and Cost Allocation. The group plans to talk to the Regional State Committee about forming a Cost Benefit Analysis Task Force for future Market steps.

Operations Training Working Group, 7/9: The OTWG heard updates on the NERC Training Standard and NERC Continuing Education Database. The Exam Retake Policy was revised and approved to require all trainers to develop at least two versions of their assessments, and to allow trainees to retest only once, no later than three weeks after the end of the last training day.

Regional State Committee, 7/23: During their quarterly meeting, the RSC welcomed new members Mike Moffet (Kansas) and Jeff Cloud (Oklahoma), and returning member David King (New Mexico). The 2006 audit review was approved. The group discussed operational services and market implications, an Empire District waiver request, CAWG Economic Upgrades, possible future Market steps, enhanced regional planning, and the EHV Overlay Study. The RSC also heard a presentation by Golden Spread Electric Cooperative on its perspective on transmission planning and expansion.

Regional Tariff Working Group, 7/26: The RTWG heard reports from the Generation Station Power Task Force, the Tax Gross-Up Task Force, and the Delivery Point Addition Task Force. After discussion, the Formula Rate Task Force was disbanded temporarily. The group also discussed Base Plan guidelines, Cost Allocation tariff modifications, and Order 890 compliance.

This is a summary of recent SPP organizational group meetings. For complete minutes of a particular group meeting, please visit www.spp.org and select that committee on the Org Groups page. Meeting minutes are located in the left column.

Please contact Laura Norris in the Communications Department with questions or comments about The Org Report.