Economic Upgrades and the EHV Overlay Study

At the Cost Allocation Working Group teleconference, Jay Caspary presented the SPP Economic Upgrade Strawman cost proposal, which includes a postage stamp approach for 345 kV transmission lines, but excludes the 345 kV terminal equipment. SPP provided an additional list of items to be considered for calculating the benefit/cost ratio.

Charles Cates provided a follow-up discussion on the SPP Economic Portfolio and new EHV Overlay Study. The EHV Overlay Project provides a strategic assessment of how to meet SPP’s future reliability and capacity needs through the use of a 500 and 765 kV transmission system overlaying the existing SPP footprint. While the Economic Portfolio is a hypothetical portfolio of economic upgrades benefiting the SPP region, both studies share many common connection points and transmission expansion elements. The Economic Portfolio should provide strong support for future EHV Overlay expansion, attempting to capture the best fit solution for the SPP region and beyond.

NERC/NAESB Update

In June, SPP began its operations as a Regional Entity (RE) under the NERC Regional Entity Delegation Agreement, which gives SPP the authority to levy financial penalties on entities interconnected to the SPP bulk power system that are in violation of NERC reliability standards. The SPP Board and Members Committee approved changes to the Bylaws to provide a level of separation between the RE function and other SPP functions, such as the RTO and Reliability Coordinator. The separation is required by FERC to ensure SPP’s independence in compliance enforcement and regional standards development. Three independent trustees were elected to govern the SPP RE program areas: Gerry Burrows, John Meyer, and David Christiano.

With SPP and the other nine ISOs\RTOs now members of NAESB, members of both the NAESB Board and the Wholesale Electric Quadrant Executive Committee have been seated. Through participation in these NAESB groups, SPP will be able to represent its needs and interests in the development of wholesale business practices. All NAESB Board Members will take active roles in activities such as FERC Order No. 890 on OATT reform and the Gas-Electric Interdependency issues.

The Month In Review

Business Practices Working Group, 6/20: The BPWG discussed and approved changes to the Emergency Transmission Service Request, which allows the use of ETS for Firm service redispatch options and to assist neighboring entities during emergency situations. The group added details to Business Practice 2.12 regarding the processing of competing requests.

Compliance Committee, 6/28: In their regular meeting, the Compliance Committee approved the 2006 State of the Market report for recommendation to the Board of Directors, and heard quarterly activity reports from Compliance, Market Monitoring, and the External Market Advisor. Because mandatory standards enforcement began on June 18, the group reviewed internal compliance efforts.

Cost Allocation Working Group, 6/27: Along with the Economic Upgrades and the EHV Overlay Project presentations, the CAWG heard from Dennis Reed of Westar on “A Base Plan Funding Challenge.” He stated that the cost of an existing facility associated with a project should be Base Plan funded, based on the LOA issued by SPP. The group approved a recommendation to approve an Empire waiver, and heard a proposal on cost allocation methods for Economic Upgrades.
Critical Infrastructure Protection Working Group, 6/26: The CIPWG discussed the June 21 advisory issued by the Electricity Sector Information Sharing and Analysis Center, and noted that the warning was credible and all entities need to implement the advisory's mitigation recommendations. The group also discussed Cyber Security (CIP) Standards Training and organizing a NERC CIP Standards "How To" workshop.

Human Resources Committee, 6/13-14: At their planning retreat, the HR Committee discussed the 2007 Compensation Survey and the committee’s scope and meeting schedule for 2008. The group also reviewed the benefit plan, 401(k) plan, and investment policy statement.

Market Working Group, 6/4-6, 6/25-27: The group discussed future Market designs and impact analysis of approved PRRs. PRR 137a on External Resources in the SPP EIS Market was discussed, and the MWG joined with the ORWG for review of its modifications. The MWG approved PRR 126, 137a, 152, 154, 155, 156, 157, 159, and 160, as well as the MITF updated scope and the Demand Response Task Force scope. PRR 080 was unanimously rejected.

Operating Reliability Working Group, 6/4-5: The ORWG discussed the gap analysis for NERC Compliance (FERC Order 693), reserve sharing event losses, SPP compliance activity, and PRR 137. The group accepted new Transmission Reliability Margin (TRM) values for 2007-2008, and SPP will provide documentation on TRM methodology. They also approved a list of flowgate additions and deletions approved by the Transmission Working Group. SPP Staff will review the most severe single contingencies, produce a memo to support an audit trail for BAL-002-0, Req. 3.1, and initiate task force discussions regarding RSG losses and RSG response under the market.

Operations Training Working Group, 6/4: In their teleconference, the OTWG discussed the multi-site license for the Quality Training Systems (QTS) Database. A survey was sent to OTWG members with a proposal for purchasing Job Task Analysis software, and a decision will be made after the July meeting. The group approved the presentations for the Fall System Operations Conference, and also requested that SPP staff explore QTS license arrangements for the Dispatch Training System and AREVA.

Regional Tariff Working Group, 6/28: The RTWG concluded work on Tariff modifications related to the aggregate study and cost allocation processes, and approved the entire package of Tariff changes. The group continued discussion of Tariff changes to accommodate external generator participation in the EIS Market and revisions to the new proposed Tariff Schedule 2 necessary to comply with FERC. Both changes were approved in a special meeting on July 3.

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.

SPP Calendar
The Org Report Back Issues