Studies Determine the First Year of SPP's EIS Market was Successful

Two recent studies determined that the first year of the SPP Energy Imbalance Service (EIS) market was successful. At the request of the SPP Board of Directors, SPP performed a study that found net trade benefits of $103 million from the first year of market operation. Separately, Boston Pacific Company, Inc., SPP’s External Market Advisor, published an annual report on SPP’s electricity market conditions reflecting a robust market. According to Richard Dillon, SPP Director of Market Development and Analysis, “Not only has the EIS market been an operational success, but we are pleased to report that the trade benefits validated data used by our Board of Directors and members when they decided to implement the market.” The reports are available on the Market Reports page of SPP.org. Please read the news release for more information.

SPP to Host Market Operations Users Conference

On June 10-11, SPP will host the first annual SPP Market Operations Users Conference in Little Rock, Arkansas. Participants will learn about Area Control Error (ACE) impact, system maintenance, real-time market information exchanges, and SPP’s market monitoring role. Break-out sessions will cover congestion management, IT systems change management, registration changes, and modeling coordination.

The conference will bring market participants and SPP market operations staff together for face-to-face interaction. Attendees will have an opportunity to meet the market team, then join the group for dinner at Cajun’s Wharf. The registration deadline is May 27, 2008. Visit SPP.org to register for both the Market Operations Users Social and Conference.

SPP Elects Julian Brix to Board of Directors

SPP members elected Julian Brix of Williamsburg, Virginia, to the SPP Board of Directors. Brix has a long history in the electric utility industry, including serving as president, CEO, and COO of Georgia Transmission Corporation; general manager of Cooperative Power; and general manager of Central Electric Power Cooperative. Most recently, Brix served as executive consultant for Brix International. Read the news release.

NERC/NAESB Update

The SPP Regional Entity (RE) is preparing its 2009 business plan and budget, and the North American Electric Reliability Corporation (NERC) is accepting industry comments on its 2009 business plan and budget. SPP RE Trustees will consider feedback and approve the SPP RE business plan and budget in July. The RE plan, along with NERC’s plan, will be filed at the Federal Energy Regulatory Commission (FERC) in August for approval. When approved, the budget amounts and Net Energy for Load amounts will become the basis for 2009 reliability invoices. Industry participants are encouraged to review these plans when they are posted on the NERC website.

The North American Energy Standards Board (NAESB) is working with the ISO/RTO Council (IRC) to develop business practices enabling demand response on the bulk power system. The IRC is hosting numerous meetings and workshops to obtain industry input on necessary practices enabling aggregation of demand response technologies for effective use. Information on these activities is available on the Wholesale Electric Quadrant link on www.naesb.org.
The Month In Review

**Board of Directors/Members Committee, 4/22:** In their quarterly meeting, Finance Committee recommendations for funding the pension fund and the post-retirement medical fund were approved. The Board also approved Criteria 3 and the addition of two reliability projects to the SPP Transmission Expansion Plan.

**Change Working Group, 4/2-3:** The CGW discussed the OASIS Compliance project, section 16 protocols, and PRR prioritization by the Market Working Group. They also heard reports from other working group liaisons and current project updates.

**Consolidated Balancing Authority Steering Committee, 4/14:** The group discussed policy issues and definitions from the Policy Task Force. They also discussed the conceptual design, ramp validation assessment, and prioritization of decision details for task forces and SPP staff. The group also reviewed the NERC Balancing Authority Requirements matrix.

**Cost Allocation Working Group, 4/30:** In their monthly meeting, the CAWG approved a motion to use accredited capacity for the 125% limit of resource-to-load calculation, and to use peak load as the basis for wind resource limits.

**Finance Committee, 4/4:** The group unanimously approved the “passed adjustments” in the 2007 financial audit, as well as the pension plan funding and post-retirement healthcare plan for $2.5 million and $586,000 respectively.

**Human Resources Committee, 4/14:** The group reviewed the 2007 performance compensation review process, and discussed the 2008 performance compensation plan structure, which was amended unanimously. Also discussed were the SPP benefits plan and the 2009 compensation plan.

**Market and Operations Policy Committee, 4/8-9:** The group approved recommendations from the Aggregate Study Improvement Task Force, Entergy/SPP Rate Pancaking study, and staff positions on base plan funding treatment for operating guides. The group also revised the current SPP Transmission Expansion Plan and Appendix B to reflect revisions requested by a transmission owner. PRRs 068, 097, 101, 146, 147, 148, 152, 153, 154, 155, 156, 160, 163, 166, 167, 170, and 171 were all approved.

**Market Working Group, 4/15-16:** During their monthly meetings, the MWG discussed portfolio schedule handling, the Transmission Loading Relief White Paper, and the impact analysis prioritization for the Change Working Group.

**Operations Training Working Group, 4/7:** The OTWG discussed NERC Standard PER_005 training, MOPC/ORWG reorganization, and the spring and fall system operations conferences. The group also heard an update from the Emergency Communications Task Force.

**Oversight Committee, 4/2:** The 2007 State of the Market Report and a benefits analysis conducted by the SPP Market Monitoring Department were both presented to the group. These reports were accepted for presentation to the Board of Directors/Members Committee. The group also reviewed internal compliance efforts, including a report on SPP’s recent Readiness Evaluation by NERC.

**Regional Entity Trustees, 4/23:** The Trustees discussed the 2009 RE budget proposal. SPP staff member Jim Williams has been named lead auditor for the RE, and an additional engineer and administrative assistant will be hired in 2008 to expand the personnel base. The RE will send a performance survey to its registered entities, and the Trustees will take their first self-assessment survey this summer.

**Regional State Committee, 4/21:** The RSC revised the Base Plan funding policy for wind, and heard progress updates on Tariff language development for economic upgrade cost allocation and the balanced portfolio of economic projects. The group also heard staff updates on seams agreements, balancing authority consolidation, future markets cost/benefits analysis, the updated EHV study, the Oklahoma Electric Power Transmission Task Force, and the Customer Response Task Force.

**Regional Tariff Working Group, 4/7:** In a special meeting, the group reviewed draft Tariff language regarding cost allocation of economic upgrades and the balanced portfolio process implementation. The draft Tariff language reflects the concepts paper on economic upgrades that was approved by the RSC and the BOD.

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

Please contact [Laura Haywood](mailto:laura.haywood@spp.org) in the Communications Department with questions or comments about The Org Report.