Southwest Power Pool, Inc.
OPERATIONS TRAINING WORKING GROUP
Teleconference
January 6, 2014
● MINUTES ●

Attendees:
Denney Fales – KCPL*  
Michael Gaunder – OG&E*  
Sheldon Hunter – SECI*  
Robert Hirchak – CLECO*  
Mark Eastwood – CUS*  
Stanley Winbush – AEP*  
Ricky Smith – SPS*  
Mike Hood – AECC*  
Leslie Sink – SPP  
Amy Casavechia – SPP  
PJ Rose – SPP  
Michael Desselle - SPP  
John Gunter – SPP  
Jennifer Farley – SPP  
Margaret Adams – SPP  
Katie Mauldin - SPP  
Russell Moore – CUS  
Steve Tegtmeier – LES  
Angie Blacketer - LES  
Karen McGee – AEP  
Chris Dodds – WRI  
Dave Millam – KCPL  
John Mason – IND  
Jimmy Womack - SPP  

* Voting Member
Mark Eastwood (Russell Moore) Proxy

Agenda Item 1: Call to Order and Approval of Agenda
Meeting began at 1:30, Robert Hirchak made a motion to approve the Agenda as written and Stanley Winbush seconded the motion.

Agenda Item 2: Approval 12/2/2013 Meeting Minutes
Motion to approve the meeting minutes with identified changes by Mike Hood, seconded by Robert Hirchak.

Agenda Item 3: Strategic Plan Update – Michael Desselle attended the OTWG meeting representing the Strategic Plan Committee – his presentation:
- 2010 Strategic Plan recognizes key uncertainties going forward: energy demand, generation resource mix, and transmission grid composition. Need for flexibility recognized: however alternative outcomes and strategies not fully developed
- We are in a period of dynamic transformation
- Game changer technology & policy change have potential to accelerate
- We considered evolving factors affecting (demand, generation resources, transmission) in developing strategic initiatives

Demand
- Demand growth for the nation expected to grow 1.57% annually over next 10 years (1.16% in SPP region) Source NERC 2009-18 LTRAS
- Some of the demand likely offset by “behind the meter” generation
- Expect EV usage to 1.5 Million over next 10 years

Energy Generating Resources
- many competing factors impact economics, availability, viability & acceptability
- Renewables, Storage, Carbon Policy, Solar, Nuclear Power, Fuel Cells, Shale Gas, Coal Gasification
- Mix of current gen and that mix in 2020 is a key strategic issue

Transmission
- Grid must evolve as Capacity grows & mix changes
• Must be reliable & Efficient as well as accommodate current & anticipated needs
• Factors impacting operations & build out include:
  • Expansion of renewables in areas not now connected to the grid
  • Greater emphasis on regional planning
  • Market development will necessitate more robust grid to fully realize benefits
  • Smart Grid
  • Land acquisition
  • Reliability standards

The SPP strategy rests on three foundational elements:

1. Building a robust transmission network
2. Developing efficient market processes
3. Creating member value

Create capabilities and processes needed to fulfill SPP’s mission & maintain/improve Value Proposition in rapidly changing environment

Initiatives in each broad strategy become the tactical implementation of the strategies

Build Robust Transmission System

• Strategically looking at trans as an “enabling asset”
• Paradigm shift away from traditional mode of T plan on parochial basis (i.e., T built to utilize local Gen to serve local load) to T plan on regional construct (i.e., T built to utilize Gen anywhere in the footprint for the benefit of all end users in the footprint)
• Enables & supports strategy for development of future markets

Develop Efficient Market Processes

• Known for some time that liquid & efficient DA & RTB mkts enable customers/members to take advantage of region’s diverse Gen resources.
• Continuation of the effort to develop systems & tools to create efficient, effective & transparent mkt processes

Create Member value

• Create/continually improve work processes to insure efficiency & effectiveness
• Recognize that costs of our strategic initiatives impact members & further that Org costs need to be controlled/contained
• Recognize importance of strategic initiative prioritization
• Want to provide visibility/insight into staff efforts to achieve initiatives & fulfill one of our internal culture drivers (continuous improvement).
• Lastly, we develop processes to demonstrate to members/regulators/customers the general inter-zonal equity of costs/benefits for all these strategic initiatives

Outcome of Synergistic Planning Team

Priority Projects

• Project Tracking – monitoring the implementation for inter-zonal equity/unintended consequences
• take action to rectify any significant inequities
• ITP
• Continue efficiencies in GI, AGG, TSP
• Enhance tools (stochastic modeling)
• Look beyond N-1 planning
• Reevaluate T asset life cycles
• Consider changes in TCRS from FM
• Utilize RT operating data to better plan the grid

Regional Cost Recovery

• Continued support 7 Improvement of cost recovery mechanisms
• Staff support for member cost recovery efforts

Inter-regional optimization

• Foster cooperative & joint inter-regional planning
• Development of joint Transmission projects
• Seams Steering Committee effort to improve Seams Agreements
Operational Optimization
• Enhance policies, tools & practices to optimize the use of the existing system
• SPP is responsible for procurement & implementation of systems necessary to accomplish
• Use best industry practices to manage the implementation effort
• Making sure that contracting & development stays on pace with the design
• Appropriately managing costs
• Providing MPs necessary information to support their budgeting and system development efforts
• Training involvement in all phases of development and offering internal and stakeholder training
• Creation of effective benchmarking & measurement process for DA & RTB mkt as well as new T investment. Establish baseline cost profile from which to measure realization of incremental benefits
• Target lowering operating costs & building more efficient operating methods. Providing visibility of results
• Leverage economies of scale & provide member benefit, transparent visibility and transitioning with other members

Call to action: As a working group, please review this plan and its goals to ensure we are on track. Submit any changes in writing to Michael, by April 1.

Agenda Item 4: Review of Action Items:

<table>
<thead>
<tr>
<th>Action Item</th>
<th>Date Originated</th>
<th>Owner</th>
<th>Status</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virtual Machine Changeover</td>
<td>6/20/2013</td>
<td>PJ Rose</td>
<td>In Progress</td>
<td>Testing of VM connections, for those interested in attending, will be held (were held) on 22 January, from 2-3.</td>
</tr>
<tr>
<td>2014 Security/VPN guidelines</td>
<td>12/2/2013</td>
<td>PJ Rose</td>
<td>Completed</td>
<td>Emails describing the guidelines and timeframes for VPN Approvals were sent on 6 January. The email included a description of the approval process and also the documents that would need to be filled out by those requesting a VPN account.</td>
</tr>
<tr>
<td>2014 SOC Timeline</td>
<td>12/2/2013</td>
<td>John Gunter</td>
<td>Completed</td>
<td>John Gunter sent to members a loose timeline for 2014 SOC deliverables</td>
</tr>
</tbody>
</table>
Agenda Item 5: 2014 SOC Update – John has worked with the SPP training team to create the timelines and deadlines for all SOC materials, printing, facilitators, etc. John and Margaret created an outline based on the Springfield feedback. The 2014 SOC outline and request of facilitators have been emailed out.

Agenda Item 6: DTS update – Katie Mauldin stated there are no updates at this time. After this week’s base case, she will be able to give an update to 2013 discrepancy report at the next meeting.

Agenda Item 7: 2014 Registration – all of the SOCs are full with few on the waitlist. The Spring REOPs classes are full the fall classes still have available seats. Available seats in the train-the-trainers

Agenda Item 8: Upcoming Regional Events: There are open seats available for the January Train-the-Trainer. New SME course will be launched soon. John is preparing for the January and February Drills and ERD.

Agenda Item 9: Integrated Marketplace – Michael Daly gave the update on Integrated Marketplace deliverables, including a slide linked to all corresponding training materials. This email will be sent out to those on the call and posted to SPP.ORG.

Agenda Item 10: Lessons Learned from Audits- Jimmy Womack from SPP discussed the 693 audit. The questions asked were very vague and SPP’s answers were too detailed which Jimmy thought confused the process. Jimmy felt that SPP gave way too much detail for what was needed. Jimmy recommends not providing any documents that were created prior to the standard being implemented. This also confused the auditors.

Agenda Item 11: Other Items –
   a. Year-end surveys have gone out
   b. End of year letters will be sent out this week
   c. Jay Chase nomination was approved, and will be forwarded to Nick Brown for approval

Agenda Item 12: Summary of new Action Items
   1. Leslie Sink and Denney Fales will discuss the strategic planning committee scenarios presented by Michael Desselle
   2. Leslie Sink will request the SPC scenarios from Michael Desselle
   3. PJ Rose will send out the security setting/access guide for 2014
   4. Katie Mauldin will update on 2013 discrepancies in the February meeting
   5. Leslie Sink will send out Kim Burnside’s contact information
   6. Michael Daly will distribute the Integrated Marketplace presentation with quick links to training materials
   7. Leslie Sink will send Jay Chase’s nomination for approval to Nick Brown

Future Meetings
   February 3, 2014 Teleconference 1:30 – 3:00 CST
   To register, click here

Agenda Item 13: Adjournment
Denney Fales asked for a motion to adjourn the meeting. Robert Hirchak made a motion to adjourn the meeting and Michael Gaunder seconded the motion. The meeting was adjourned at 2:59 p.m.