SPP Expects to Renegotiate Entergy JOA if Entergy Joins MISO

SPP is pleased with a crucial aspect of FERC’s Order issued July 1 in response to MISO’s request for a declaratory order interpreting the Joint Operating Agreement (JOA) between the companies. FERC specifically recognized SPP’s position that the JOA should be renegotiated, saying MISO has “an obligation to negotiate in good faith” in response to potential changes to the JOA. Read the full release.

June Meeting Summaries

**Board of Directors-Educational Meeting:** SPP staff and member representatives gave presentations on settlements, transmission cost estimation, SPP’s simulator, and compliance.

**Business Practices Working Group:** The BPWG approved Business Practice Revision Request (BPR) 020 – Network Resource Interconnection Service (NRIS) and BPR 023 – Tag Denial Criteria. The group also discussed BPR 021 – Authorization to Plan and AFC (available flowgate capability) allocation after a simultaneous submission window’s close.

**Change Working Group:** The CWG held a two-day Integrated Marketplace Implementation Phase Kickoff in Dallas focused on processes for stakeholder involvement/participation in the program and the readiness effort. Presenters shared information on readiness, training, communications, and program timelines and milestones. The CWG also conducted its regular monthly meeting, hearing updates on current project status.

The Integrated Marketplace’s program work continues to progress. The design phase’s work plans are being developed for each workstream and milestones (both internal and member-impacting) are being identified and documented. The CWG also is supporting work on the following active projects: OPS1 Replacement, which is on track; Protocol Revision Request (PRR) 131 Data API, for which technical specifications and a test environment were made available to the CWG in early June; and EIS Market Release 1.0-2011, which now has a November 8 approved implementation date. Work is also progressing well on the new Corporate Center’s construction projects.

**Consolidated Balancing Authority Steering Committee:** The CBASC is drafting a white paper for the legal delegation agreement; members are individually reviewing and editing the draft for joint discussion at the July meeting. The committee came to an agreement on the NERC registration/certification process, and also participated in a joint working group meeting to coordinate the Integrated Marketplace’s member-impacting issues. As a result, the CBASC is currently reviewing its charter to ensure it aligns with the Change Working Group’s Integrated Marketplace responsibilities. The Emergency Operations Task Force continues work on the SPP Balancing Authority “Emergency Operation Plan”.

**Credit Practices Working Group:** The CPWG met four times during the month. On June 8, the group reviewed how other markets handle credit-exposure calculations and introduced a proposal for the Virtual Market exposure calculation. The CPWG discussed market rules for virtual bidding June 15 and June 22 and credit-exposure calculations June 22. The group again discussed virtual market credit calculation June 29, and should complete the discussion at its next meeting.

**Critical Infrastructure Protection Working Group:** In Kansas City, Mo., the CIPWG heard a presentation from the local Department of Homeland Security office before discussing two recently released Compliance Application Notices and a call for alternate attendees to the NERC CIP Committee. The CIP Committee also updated the CIPWG on the development of CIP Standards and other issues. The group agreed upon its 2011 meeting locations.

**Finance Committee:** The committee approved moving forward with a filing at the FERC to increase the rate cap in Schedule 1A of the SPP regional tariff to 35 cents/MWh, from 22.5 cents/MWh. The Finance Committee continues to review SPP’s rate-setting process and its rate structure to ensure SPP rates meet the needs of the members and allocate costs of service appropriately to all SPP customers and members. The committee is also monitoring the Credit Practices Working Group’s (CPWG) work and is focusing its attention on the Integrated Marketplace’s credit implications. The committee provided guidance to the CPWG to ensure future credit policies...
address issues such as: 1) determining credit capabilities of entities engaged in SPP market activities; 2) providing clear formulation for market participants’ ongoing credit requirements; 3) developing clear credit mitigation tools, including congestion-rights balancing accounts and value at risk testing; and 4) developing tools for market products’ future value determinations.

**Market Working Group:** The MWG met twice, once via conference call and once in Dallas, to review current business and the Integrated Marketplace’s next steps. The group received updates from SPP’s Market Monitoring, Operations, and Regulatory groups, and reviewed presentations on Order 745 and Intermittent Resource Scheduling. The MWG also discussed removing plant-level modeling from the Marketplace design and will continue discussions at its next meeting.

The group approved PRR238 (Removal of Daily SFTDA Study) and Marketplace Protocol Revision Request (MPRR) 3 (Combined Cycle Standard Design). It will continue to work through the Market and Operations Policy Committee’s April action items and provide additional MPRRs as necessary. The MWG also will coordinate joint meetings with other working groups in preparation for Marketplace implementation.

**Operations Training Working Group:** Southwestern Public Service’s Bill Bowen joined the OTWG, filling a vacancy created by a retirement. AEP’s Dan Ewing provided a NERC Personnel Subcommittee update, the group conducted its yearly charter review, and it discussed locations for the 2012 System Operations Conferences. The OTWG created the Integrated Marketplace Participant Training Taskforce to ensure it has a mechanism to advise and provide feedback and direction regarding Marketplace training.

**Oversight Committee:** Market Monitoring and Boston Pacific briefed the Oversight Committee on feedback from the 2010 State of the Market Report during its regular quarterly meeting and also delivered overviews of their 2011 strategic and budget plans. The committee heard activity reports from Compliance, Internal Audit, and Market Monitoring. Compliance noted its continued development of member support services, including the pending launch of the Compliance Support Site. Market Monitoring provided samples from its market participant annual reviews.

**Integrated Marketplace Update**

- The Integrated Marketplace program team conducted a two-day workshop in Dallas for members of the Change Working Group (CWG) and other market participants, sharing timelines, milestones, governance structure, communications approach, and a detailed training calendar and catalog. Market participants who have been through new market implementations elsewhere shared their experience and lessons learned.
- Richard Dillon, SPP’s Director of Market Development and Analysis, has moved into the program’s liaison role with the CWG, based on feedback from the working group (the CWG is responsible for coordinating and scheduling changes to the interfaces between SPP systems, processes, practices and those of SPP’s members and market participants).
- The CWG has been asked to propose milestones for participant self-assessments by its July 21 meeting, with a report due to the MOPC in October. Future CWG meetings will be held in Dallas to minimize participants’ travel time.
- The program has moved beyond the design phase and into the testing effort’s first stages: work-planning. A two-day workshop was held to clarify goals and milestones.

**Other Meetings**

- **Cost Allocation Working Group**
- **Operating Reliability Working Group**
- **Regional Entity Trustees**
- **Regional Tariff Working Group**
- **Seams Steering Committee**
- **System Protection and Control Working Group**
- **Transmission Working Group**

**July Meetings**

- July 6 – Credit Practices Working Group
- July 8 – Change Working Group
- July 8 – Market Working Group
July 11 – Operations Training Working Group
July 12-13 – Markets and Operations Policy Committee
July 13 – Credit Practices Working Group
July 14 – Consolidated Balancing Authority Steering Committee
July 14 – Strategic Planning Committee
July 13 – Credit Practices Working Group
July 19-20 – Market Working Group
July 19 – Settlement User Group
July 20 – Credit Practices Working Group
July 20 – Quarterly Compliance Forum
July 21 – Change Working Group
July 21 – Transmission Expansion Planning Summit 2011
July 25 – Regional Entity Trustee Meeting
July 25 – Regional State Committee
July 26 – Board of Directors-Members Committee
July 26 – Corporate Governance Committee
July 27 – Credit Practices Working Group
July 28 – Operating Reliability Working Group
July 28 – Business Practices 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 Tom Kleckner in the Communications Department with questions or comments about The Org Report.

SPP Calendar
The Org Report Back Issues
SPP Governing Documents