Southwest Power Pool Better Choice for Entergy’s Arkansas Customers

In a post-hearing filing made September 19 at the Arkansas Public Service Commission (APSC), SPP emphasized the benefits to all Arkansas electricity customers of Entergy joining its regional transmission organization. The APSC is currently considering whether Entergy Arkansas (EAI) should join SPP; Midwest ISO, or operate as a stand-alone entity. SPP asked the Commission to find SPP membership for EAI is in the public interest and the only prudent decision, based on the APSC’s defined role in regional transmission organization governance; projected cost savings for EAI and Arkansas customers; timing and certainty of full integration of EAI; and SPP’s extensive hands-on experience with EAI. Read more in the full release.

September Meeting Summaries

**Change Working Group:** The CWG heard status reports from the Integrated Marketplace’s program management office and several of the project managers during its regular monthly meeting, and discussed the new market’s credit assessment process. SPP’s Training Department added two Transmission Congestion Rights (TCRs) training sessions and has seen heavy enrollment for other recently announced Marketplace classes. The CWG closed 10 action items and reviewed its charter and its Marketplace mission statement, which will be taken to the Market and Operations Program Committee (MOPC) for final approval.

**Consolidated Balancing Authority Steering Committee:** The CBASC completed a draft of the Legal Delegation Agreement between SPP and legacy Balancing Authorities, and will provide the document to the Regional Tariff Working Group for review and comments. The committee continues in-depth discussions related to the NERC registration and certification processes. They are coordinating with SPP compliance staff to determine the most appropriate Coordinated Functional Registration for SPP and legacy Balancing Authorities who wish to de-register once the Integrated Marketplace is implemented. The Emergency Operations Task Force continues work on the “SPP Emergency Operations Plan”, expected to be completed by the end of 2011.

**Corporate Governance Committee:** The Corporate Governance Committee continued its discussion regarding withdrawal obligations associated with regional cost allocation. The current proposal will be presented at the October MOPC and Board of Directors meetings for additional feedback. The final proposal is scheduled to be presented for action at the January meetings.

**Cost Allocation Working Group:** The CAWG approved cost-allocation waivers from Southwestern Public Service and Mid-Kansas Electric for transformers approved in Priority Projects, and approved the safe-harbor calculations used in previously discussed Aggregate Study waivers from the Omaha and Nebraska Public Power Districts. The CAWG also heard updates from the Area Generation Connection Task Force and the Wind Coalition.

**Credit Practices Working Group:** The CPWG considered additional collateral reserve proposals for TCRs and approved changes to the Minimum Participation Requirements regarding Credit Policy language. They also approved credit-calculation tariff language for TCRs and the Day-Ahead Market.

**Critical Infrastructure Protection Working Group:** The CIPWG, meeting at Lincoln Electric System’s offices, heard a presentation from the area Department of Homeland Security protective service agent. A recently audited member discussed lessons learned, and updates were given on the development of CIP Standards and from the NERC CIP Committee.

**Economic Studies Working Group:** The ESWG took two key actions on the 2011 Integrated Transmission Planning (ITP) process and began scoping out steps for the next ITP 20-year Assessment. The group formally approved the 2011 ITP10’s sensitivities and metrics and expressed the Strategic Planning Committee and MOPC should be consulted regarding the impact of new EPA rulemaking developments on the ITP10. The ESWG received draft sensitivity and 40-year financial analysis calculations and directed staff to continue on course and provide more information. Finally, the group proposed a Dec. 1, 2011 meeting with the Midwest ISO’s Planning Advisory Committee to discuss a joint study in the next planning cycle.
**Finance Committee:** The Finance Committee approved the migration sub-project’s plan and $26.6M budget, covering the build-out of SPP’s new data center and furnishings for the office and operations. The committee reviewed credit exposure formulations associated with virtual and TCR transactions and approved initial draft changes to SPP’s Credit Policy, which governs credit administration under the regional tariff. The committee conducted a preliminary review of the 2012 budget, with final approval expected October 14.

**Oversight Committee:** The Oversight Committee heard reports from Compliance, Market Monitoring, and Internal Audit. The committee also heard preliminary plans for the 2011 State of the Market Report and an update on member outreach efforts to support compliance in the region.

**Project Cost Working Group:** The PCWG met in Dallas and amended its charter to reflect changes from the MOPC and SPP Board. It reviewed the PCTF Whitepaper and Study Estimate Design Guide to understand its responsibilities. The group reviewed and clarified the Standardized Cost Estimate Reporting Template and decided to develop instructions describing template requirements to Transmission Owners. The PCWG also discussed developing a business practice for Conditional Notifications to Construct and the PCTF Whitepaper’s processes. The group plans to develop a review process for projects that exceed the baseline cost estimate bandwidth.

**Seams Steering Committee:** The SSC again reviewed a staff proposal regarding seam planning within the ITP process. The group endorsed the document as amended and requested the Transmission Working Group and Economic Studies Working Group be allowed to comment on the process. The Seams Cost Allocation Task Force updated the SSC on the Brattle Group’s work, reporting Brattle is on track to present its initial work to the SPP Regional State Committee October 24. Finally, the group discussed FERC Order 1000 and the recent SPC meeting’s impact on the order. The SSC will conduct a gap analysis associated with existing seams agreements to see whether any changes should be proposed for Order 1000 compliance.

**System Protection and Control Working Group:** The SPCWG and the Under Frequency Load Shedding (UFLS) Standard Drafting Team responded to comments on the SPP UFLS Regional Standard’s Draft Six and finalized Draft Seven. The standard was posted September 30 for a 15-day registration period, followed by a 15-day voting period.

**Integrated Marketplace Update**

- The Integrated Marketplace program has brought projected costs under its $105M capital budget commitment, and is continuing to manage the program below that target.
- The Marketplace’s first significant interaction with participants took place October 5 in Dallas with the Transmission Congestion Rights (TCR) Mock Auction kickoff. The TCR workstream met with approximately 60 liaisons and/or representatives from organizations participating in next year’s Mock Auction process to discuss the logistical details and the registration process, and to review the available tools, data, and techniques. The Mock Auction will be conducted in two phases: a spring auction (Jan. 16-April 13) and a May auction (April 2-August 31).
- The Readiness workstream has begun analyzing results from the Change Working Group’s (CWG) September survey of current and potential market participants. The Engagement Survey was conducted to gather baseline information, determine early engagement, and establish mobilization metrics over time. The initial results will be reviewed with the CWG and presented to the Market and Operations Policy Committee (MOPC) October 11-12. The metrics will be posted to the monthly Program Scorecard on the program’s Readiness Center.
- The live version of the Integrated Marketplace Introduction training has been completed, reaching 668 participants in 31 organizations during six sessions. A self-study version is scheduled to be rolled out this week. The next course offerings have been made available for registration via the SPP Learning Center in September and include the Integrated Marketplace Overview and Preparing for TCR Mock Auction courses. These courses are being offered October through March, with the first few sessions already at or near capacity.
- A Programmatic Interface Review Group, reporting to the CWG, has been formed to provide technical feedback on the Marketplace implementation’s market participant programmatic interface documents for the purpose of refining the documents prior to public availability. Group members will participate or enlist the appropriate personnel from their organizations for the review/feedback process. The group is scheduling its first meeting in October.
- The Market Working Group (MWG) has secured approval of 21 of the 33 Marketplace Protocol Revision Requests (MPRRs) it has been considering. The MWG will vet the MPRRs with the Marketplace program before taking them to the MOPC in October for final approval.

**Other Meetings**

**Business Practices Working Group**
October Meetings

October 3-4 – Market Working Group Meeting
October 6 – Quarterly Compliance Forum
October 6 – Market Working Group
October 7 – Seams Steering Committee
October 7 – Regional Tariff Working Group
October 11-12 – Markets and Operations Policy Committee
October 13 – Consolidated Balancing Authority Steering Committee
October 13 – Strategic Planning Committee
October 14 – Finance Committee
October 14 – Regional Tariff Working Group
October 17-20 – System Operations Conference
October 18-19 – Market Working Group
October 19 – Human Resources Committee
October 20 – Regional Tariff Working Group
October 20 – Change Working Group
October 20 – Operations Training Working Group
October 24 – Regional State Committee Annual Meeting
October 24 – RE Trustee Meeting
October 25-26 – Settlements Users Conference
October 25 – Board of Directors and Annual Meeting of Members
October 25 – Corporate Governance Committee
October 27 – Project Cost 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