SPP Board Approves $1.7 Billion in Transmission Projects

The SPP Board of Directors has approved a near-term transmission plan that will result in the construction of $251 million in new transmission projects, and a 10-year transmission expansion plan with estimated projects totaling $1.5 billion. The two plans will help maintain reliability and provide an expected $834 million in net regional savings over 40 years. Read more in the full release.

SPP to Add 50 Jobs in 2012

SPP will increase its workforce by 50 positions in 2012, at an average salary of $83,500. The new employees will join the more than 500 who work for SPP today, and will eventually be based in the company’s new $62 million facility in West Little Rock. Read more in the full release.

January Meeting Summaries

**Board of Directors/Members Committee:** Significant action items during the Board of Directors/Members Committee’s regular quarterly meeting included: approval of the 2012 Integrated Transmission Planning 10-Year (ITP10), the ITP Near-Term Assessment, and 2012 SPP Transmission Expansion Plan; authorization to acquire $125 million in secured and unsecured notes; and approval of the Regional Allocation Review Task Force’s (RARTF) report.

**Business Practices Working Group:** The BPWG held three meetings in January, the first two being open forums to discuss improvements to the Generation Interconnection Study and Aggregate Transmission Service Study processes. The participants indicated the processes work well enough that SPP should not consider developing entirely new processes, but merely attempt to improve the current processes’ timeliness. The BPWG will survey entities that participate in the processes, and will meet in February or March to discuss improving those processes. The group also reviewed Business Practice Revision Requests (BPR) 018 – Generation Interconnection Procedures, BPR 026 – Revision to Business Practice 2.7, and BPR 027 – Revision to Notification to Construct. The BPWG approved BPR 027, but tabled the other two.

**Change Working Group:** The CWG was updated on the Integrated Marketplace program’s activities, critical path milestones, achievements, and the recently completed two-week sprint. The group is reviewing the program’s current milestones, and will provide feedback before the February meeting. The CWG was asked to provide liaisons for the NERC TSIN (Transmission System Information Network)-to-NAESB EIR (Electric Industry Registry) registration project, which begins in March, and was promised a Member Impacting Project Overview. The group was briefed on the Marketplace’s stakeholder inquiry process, and reviewed the Stakeholder Satisfaction survey’s results and its own charter and processes.

**Cost Allocation Working Group:** The CAWG was updated on Hub and Spoke and Balanced Portfolio Transfers, a Transmission Obstacles questionnaire, and by several working groups and task forces. The CAWG also recommended the timing of Balanced Portfolio Transfer payments to the Regional State Committee.

**Credit Practices Working Group:** The CPWG approved a recommendation to keep Transmission Congestion Rights (TCR) auctions open past the scheduled close, should the Credit Management System (CMS) be unavailable to provide decisions on pending TCRs. Those TCRs could be automatically approved should the CMS remain unavailable a minimum of 24 hours beyond the auction’s close.

**Economic Studies Working Group:** The ESWG endorsed the 2012 ITP10 Assessment’s report and process, and recommended the Strategic Planning Committee approve five “futures” for the 2013 20-Year Assessment (ITP20). The group was introduced to the Regional Cost Allocation Review, discussed the 2013 ITP20 scope, and reviewed the 2011 Probabilistic Assessment. In February, the ESWG will begin to develop both the 2013 ITP20 scope and the benefit methodologies for the Regional Cost Allocation Review.

**Markets and Operations Policy Committee:** The MOPC’s most significant actions at its late January meeting
were to endorse the ITP Near-Term and ITP10 plans, and all their recommended projects. The MOPC also endorsed the SPP Transmission Expansion Plan. A number of Integrated Marketplace revision requests were approved so the tariff language taken to the Board for approval would contain those elements; one tariff change involved the collection of fees for aggregate studies. The MOPC also approved a protocol revision to set the curtailment priority for non-dispatchable units and the RARTF’s report. Other actions can be found in the meeting minutes.

**Operating Reliability Working Group:** The ORWG reviewed BPR 018 – Generation Interconnection Procedures and several Market Protocol Revision Requests for both the existing Energy Imbalance Service Market and the Integrated Marketplace. The ORWG also directed staff to provide suggested revisions to SPP’s Black Start plan in advance of new NERC Standards and reviewed Operating Reliability metrics and other reports.

**Regional State Committee:** The RSC approved the RARTF’s report on SPP’s three-year review of SPP Highway/Byway regional transmission-cost allocation methodology. The committee recommended SPP’s Board of Directors approve ITP10 and ITP Near-Term transmission report and upgrades, and approved the CAWG’s recommendation to implement Balanced Portfolio transfers over a 10-year period. Finally, the RSC was briefed on SPP’s efforts to comply with FERC Order 1000 and EPA rules, the Integrated Marketplace, and Annual Transmission Revenue Requirements.

**Project Cost Working Group:** The PCWG reviewed the process for providing final costs to SPP through the quarterly project-tracking process and through notices on Transmission Owner’s letterhead. The group finalized a revision and then unanimously approved BPR-027 – Revision to Notification to Construct. The PCWG developed and posted online a list of known environmental concerns, along with current versions of the Study Estimate Design Guide and Study Cost Estimate Reporting Template. The group plans to review any changes to BPR-027 made by other working groups at its February meeting, with the goal of enabling Markets and Operations Policy Committee approval in time for Notifications to Construct with Conditions to be issued for the recently approved list of ITP Near-Term and ITP10 projects.

**Regional Tariff Working Group:** The RTWG approved a change in the Through-and-Out Transmission Service Rates with a three-year phase-in for Schedules 7 and 8 and immediate implementation of Schedule 11 changes. It also approved a change in how exit costs are charged in the Aggregate Study process, the removal of Attachment P from the Integrated Marketplace filing, and BPR 27. The RTWG reviewed the tariff language developed by the Corporate Governance Committee for withdrawal obligations, sending questions and comments back to the committee for its consideration.

**Seams Steering Committee:** The Brattle Group updated the SSC on the Seams Cost Allocation Task Force, with the committee providing general consensus regarding the report’s overall direction before its presentation to the RSC. The committee was updated on the SPP/MISO Joint Operating Agreement (JOA) dispute, focused on outstanding issues related to unaccounted flows and the calculation of market flows, and a potential JOA with the Western Area Power Administration (WAPA). The WAPA is currently reviewing the proposal, which could be executed by the end of the first quarter of 2012. The SCC also agreed to schedule a face-to-face meeting with Tier 1 stakeholders to discuss FERC Order 1000.

**Strategic Planning Committee:** The SPC endorsed a parallel effort with the BPWG to solicit improvements to the Aggregate Study and Generator Interconnection Queue processes, which would use Innocentive.com to seek problem solvers and provide monetary awards for winning solutions. The SPC unanimously approved the ESWG’s proposed five “futures” for use in the 2013 ITP20. The ESWG also recommended developing a High Priority ITP10 Study to update the 2012 ITP10 in order accurately assess the impact of EPA’s recently completed Mercury and Air Toxins and Cross State Air Pollution Rule Rules; the SPC endorsed a compromise recommendation that will weave together several related ongoing study efforts, culminating with ITP20’s completion in July 2013.

The FERC Order 1000 Task Force’s (SPCTF Order 1000) updated the SPC on its progress; the committee accepted the SPCTF’s decision to retain Right of First Refusal (ROFR) for the Byway component of transmission, with one vote in opposition. Four separate Compliance Options were proposed, but consensus does not yet exist. The SPC informed the RSC and the Board of Directors of the SPCTF’s progress, and will bring policy recommendations to the Board in April and tariff language and Membership Agreement modifications (incorporating the approved policies) to the Board in July. The compliance filing is due to be filed in mid-October, prior to the Annual Membership meeting. Finally, the SPC began discussing how to solicit input and ideas to refresh the SPP Strategic Plan.

**Integrated Marketplace Update**

- The Integrated Marketplace has begun its first major interaction with the market: the first of two Transmission Congestion Rights (TCR) Mock Auctions. The TCR workstream is validating existing firm transmission service and market participants’ (MPs) entitlement to candidate auction revenue rights (ARRs). MPs began submitting their ARR allocations February 1. The first auction phase concludes April 13, with a second, recommended phase running April 2-August 31.
Members of the TCR workstream also spent a week in early January validating progress on the development of the iHedge system, the software SPP will use to execute the TCR market. The team helped identify a number of defects and enhancements to the system, which will improve performance when iHedge goes through factory acceptance testing (FAT).

The Integrated Marketplace program concluded a two-week sprint January 27. The proactive, intensive work effort addressing key deliverables and prioritized the program’s top work for 2012. The workstreams focused on critical work that crossed several work efforts and developing additional subject matter experts (SMEs).

The Registration workstream distributed an initial registration packet to its liaisons January 31. The packet includes various Tariff attachments, forms, and agreements necessary to participate in the Integrated Marketplace. MPs are not required to complete the packet at this time, but can familiarize themselves with the information that will eventually be collected. A pre-filled packet will be distributed on April 1, and due back June 1.

The Settlements workstream participated in a demonstration of the e-terra Settlements system, which is still in development. The system will calculate all charges and credits in the MPs’ settlement statements.

The Integrated Marketplace protocols have been updated to version 7.0.

Other Meetings

Consolidated Balancing Authority Steering Committee
Human Resources Committee
Market Working Group
Operations Training Working Group
Regional Entity Trustees

February Meetings

February 3 – Transmission Working Group
February 6 – Market Working Group
February 7 – Business Practices Working Group
February 7 – Project Cost Working Group
February 7 – SPP Consolidated Balancing Authority Steering Committee
February 8 – Cost Allocation Working Group
February 8 – Model Development Working Group
February 8-9 – System Protection and Control Working Group
February 9 – Economic Studies Working Group
February 13 – Operations Training Working Group
February 14-15 – Market Working Group
February 16 – Seams Steering Committee
February 21-22 – Transmission Working Group
February 23 – Regional Tariff Working Group
February 23 – Operating Reliability Working Group
February 24 – SPP Consolidated Balancing Authority Steering Committee
February 28 – Business Practices Working Group
February 29-March 1 – E-RSC Working Group & Stakeholders Meeting

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