



**Southwest Power Pool, Inc.**

**ICT STAKEHOLDERS POLICY COMMITTEE and OPEN E-RSC WORKING GROUP**

**MEETING**

**March 28, 2012**

**Teleconference**

**• Draft Meeting Minutes •**

1:00 p.m. – 3:00 p.m.

**Agenda Item 1- Introduction and Roll Call**

Lanny Nickell, SPP, called the meeting to order at approximately 1:00 p.m. There were 100 registered in attendance by teleconference.

**Agenda Item 2- Open Discussion of ICT Proposals from MISO and SPP**

Lori Burrows, APSC, made remarks before opening the call for open discussion of the proposals from MISO and SPP presented at the March 14, 2012 E-RSC WG meeting. Prior to the open discussion, Jennifer Vosburg, LaGen/NRG, asked Entergy the latest update on timeline of events for transitioning the ICT functions to MISO. Mark McCulla, Entergy, went through the steps, including the filing with NERC and SERC for certification of MISO as Reliability Coordinator; Entergy would file in late April with the Louisiana Public Service commission for MISO to be the ICT; FERC filing would be in June or July; and the Reliability Coordinator functionality would be shadowed by MISO in late summer.

Lanny Nickell, SPP, discussed the additional breakdown of costs sent by SPP to the E-RSC WG and stakeholders as requested. Todd Hillman, MISO, discussed the additional data requests provided by MISO to the E-RSC WG and stakeholders.

Kristine Schmidt, ESPY Energy Solutions, provided background information on the proposal and then opened the call for questions. Ms. Schmidt asked about cost overruns from the prices listed in the proposals. Todd Hillman stated any cost overruns would go back to Entergy with no subsidizing by MISO stakeholders. Lanny Nickell stated SPP would handle cost overruns the same as Mr. Hillman stated, and a cost recovery position would be negotiated with Entergy.

Todd Peterson, West Memphis, asked several questions to SPP on the timing of the contract, whether the offer was a fixed time frame, or if SPP would allow for a monthly contract. After discussion, Lanny Nickell stated SPP's offer was for a fixed term but the contract has a clause which provides for a transition period should Entergy choose to use that option.

Tina Lee, KGen Power, addressed Todd Hillman and asked if MISO had this type of transition before with an ICT situation. Mr. Hillman discussed MISO's previous experiences and stated with

their previous integrations being able to transition the reliability service prior to the merger is a benefit, especially having access to Entergy's models. Mark McCulla commented that additional value comes from the transition of ICT to MISO as Mr. Hillman had stated, but price savings would depend on the cost of each RTO's services. Todd Peterson asked Entergy what the cost implications would be of continuing with SPP as the ICT until MISO decision is made. Mr. McCulla replied that Entergy hasn't gone through that scenario, there are several factors, but would look to the ICT contract for the provisions of that scenario.

Tina Lee mentioned that Entergy would have a mock up of the proposed MISO-Entergy ICT contract, and if the contract stayed the same, meaning no enhancements such as the Market Monitor, would the pricing be different. Todd Hillman and Lanny Nickell both commented there would be no change. George Heintzen, Conway Corporation, discussed the proposed planning process enhancements, especially independent facilities study. Mr. Nickell stated those enhancements would allow for an increase in modeling data, not to take over the facilities study process. The enhancements would provide independent development of assumptions and parameters. Jennifer Vosburg discussed several aspects of the current ICT planning process and there were improvements the stakeholders would like to see in the study process. Mr. Nickell responded that the enhancements would provide a more open process and would assess better options if available. Mr. Heintzen commented on SIS and FS studies. Eric Lavery, MISO, provided a description of their process and how they would work with Entergy planners. Todd Peterson, Mr. Lavery, and Erin Murphy, Entergy, discussed how to get the added benefits of study enhancements without changes to the Entergy tariff.

Todd Peterson asked MISO how the process would work for TSRs. Eric Lavery discussed MISO's history and approach with TSR. Mr. Peterson then inquired about LMP pricing. Renuka Chatterjee, MISO, stated that no early data on LMP is available and that pricing was tied to the commercial models. Ms. Chatterjee discussed commercial modeling. Cheryl Bredenback, MISO, also discussed commercial models and provided the preliminary dates for the commercial modeling process for the Entergy transition.

Jennifer Vosburg asked MISO to discuss their Reliability Coordinator functions. Dave Zwergel, MISO, discussed MISO's reliability processes, emphasizing the automated functionality. Ms. Vosburg commented that SPP has the same system and discussed outage control for reliability concerns. Renuka Chatterjee discussed MISO's outage coordination process. Ms. Vosburg also inquired about coordination with balancing authorities. Lanny Nickell and Mr. Zwergel both discussed reliability coordination. Mr. Zwergel noted that MISO currently coordinates with SPP.

Richard Ross, American Electric Power, discussed how switching to MISO would create an additional entity to deal with when acquiring transmission service. Mr. Ross noted that getting service from Entergy and SPP was one call, doing the same after MISO would be two calls. Renuka Chatterjee commented that it would not be different with MISO as the ICT, would still be getting service from Entergy through the ICT. Mr. Ross reiterated his concern of talking with two people instead of one in order to get service from both entities. Ms. Chatterjee discussed further the ability to receive service for Entergy through the ICT. Jennifer Vosburg and Lanny Nickell also discussed the one person contact with SPP as the ICT versus the two person contact with MISO as the ICT.

Kristine Schmidt reviewed the ICT transition stakeholder survey, giving a description of the questions and the format. Ms. Schmidt also discussed the confidentiality of the survey and the



deadline for comments was April 6<sup>th</sup> at 4:00 p.m. A summary report would be delivered at the April E-RSC Working Group meeting. Todd Peterson inquired about the timetable for the E-RSC to act on the ICT proposals. Lori Burrows and Ms. Schmidt discussed the surveys and the E-RSC involvement reiterating that there were no firm deadlines for the E-RSC to make a decision on either the ICT proposals or the surveys, but that the E-RSC members wanted to be sure the stakeholders had an opportunity to give their opinion on the ICT transition. Ms. Schmidt discussed the format of the report, stating there would be no detailed analysis, just a report of the stakeholders' comments. Ms. Schmidt also stated the survey was only to Entergy stakeholders and that no MISO stakeholders will be a part of the survey. Mark McCulla asked if the stakeholders choose confidentiality, will the E-RSC Working Group reveal the area which the stakeholder represents. Ms. Schmidt replied that no further identification would be done and the survey comments would be presented as comments with no organization into any areas.

Rick Henley, Jonesboro City Water & Light, commented that it would be good to receive comments from MISO stakeholders. Mr. Henley stated that if MISO is approved as the RTO there would be benefits from MISO gaining experience with Entergy and the stakeholders and the ICT should take advantage of that. Todd Hillman agreed there would be integration benefits. George Heintzen asked if the Arkansas Public Service Commission hearing is at the end of May. Lori Burrows confirmed that the hearing was scheduled for May 30<sup>th</sup>.

### **Agenda Item 3- Adjournment**

With no further discussion, the teleconference was ended at approximately 2:20 p.m.

Respectfully Submitted,

Lanny Nickell