

SPP-MISO JOA JOINT STAKEHOLDER MEETING

September 12, 2013

Carmel, IN

9:30 AM to 3:00 PM EST

1) Introductions (R. Arness)

The meeting was called to order at 9:30 AM. The agenda was reviewed. There were no questions.

Participants:

C. Allen (MISO)	B. Froyum (MISO)	B. Malcolm
R. Arness (MISO)	J. Furnish (MISO)	(The Cruthirds Report)
N. Balu (WPS)	J. Gardner (MISO)	P. Malone (NPPD)
A. Bell (SPP)	P. Gogineni (MISO)	J. Massmann (Ameren)
K. Bennett	D. Harlan (Veriquest)	R. McCausland (Ameren)
(Commissioner, IURC)	J. Harmon (MISO)	M. McCulla (Entergy)
R. Berntsen (MISO)	J. Henry (We Energies)	T. McDonough (Xcel Energy)
S. Beuning (Xcel Energy)	D. Hines (MISO)	A. McKinnie (MO PSC)
B. Bokram (MI PSC)	R. Hoefer (Utilicast)	M. McNeece (Entergy)
R. Boyer (Xcel Energy)	C. Howard (TEA, Inc.)	A. Metzker (Xcel Energy)
S. Bresler (PJM)	B. Huddleston (Clean Line)	A. Miller (Ameren)
J. Brint (Platts)	T. Hunziker (MISO)	M. Moltane (ITC)
D. Buffington (KCPL)	D. Janicki (Edison Mission)	M. Montgomery (Entergy)
O. Burke (Entergy)	G. Jenkins (CES)	R. Mork (IOUCC)
B. Burner (Duke)	D. Johnston (IURC)	J. Moser (MISO)
P. Caro (MISO)	Z. Joundi (MISO)	L. Nickell (SPP)
D. Chatterjee (MISO)	D. Kelley (SPP)	L. Noailles (Xcel Energy)
J. Chiles (GDS Associates)	R. Kershaw (ITC)	M. Odom (SPP)
T. Christensen (Basin)	M. Keyser (MISO)	J. Okenfuss (KCPL)
K. Christiansen (Ameren)	K. Kingsley (MDU)	J. Olsen (Westar)
S. Clairborn-Pinto (PUCTX)	D. Klueber (MISO)	K. Onnen (KCPL)
A. Collier (ACES)	C. Koch (We Energies)	J. Orlando (NIPSCO)
J. Davidson (FERC)	J. Kopinski (ITC)	R. Paliza (Paliza Consulting)
J. Davis (SPP)	B. Kruse (Calpine)	C. Panait (MN PUC)
G. Deaver (Xcel Energy)	A. Lane (MISO)	B. Pedersen (MISO)
C. Devon (MI PSC)	J. Lang (Lincoln Electric System)	A. Penner (Manitoba Hydro)
J. Dodd (Ameren)	J. Langphorn (OGE)	E. Pfeiffer (Quanta)
J. Doner (MISO)	K. Largura (NIPSCO)	J. Phillips (SPP)
Y. Etheredge (Entergy)	E. Lavery (MISO)	C. Plante (WPS)
K. Feliks (AEP)	D. Lenihan (OPPD)	A. Pollock (FERC)
B. Finzer (Arkansas PSC)	L. Leon (OTP)	D. Prater (OKCC)
J. Flucke (KCPL)	S. Leovy (WPPI)	B. Rew (SPP)
K. Fox (Transource)	D. Linton	C. Risley (MISO)
C. Franklin (Westar)	J. Luallen (SPP)	B. Roads (IURC)
A. Fredrick (ATC)	C. Luo (MISO)	

C. Roth (MISO)	A. Smith (SWPA)	K. Vongkhamchanh (Entergy)
R. Ryckman (CES)	B. Smith (OMS)	Y. Wang (AEP)
L. Sakk (PSC WI)	J. Speer (SPP)	E. Warnecke (Ameren)
D. Sapper (CES)	K. Sperry (MISO)	C. Wetterlin (Xcel Energy)
M. Satyanarayan (EDF)	C. Standifer (KCPL)	M. White (MISO)
W. Schug (MISO)	A. Storey (Utilicast)	S. Whitlow (The Long Law Firm)
M. Shaw (Exelon)	Y. Sutjandra (TEA Inc.)	M. Wisersky (MGE)
K. Shenoy (MISO)	K. Szarkowski (Basin)	T. Wolf (MRES)
K. Sherd (MISO)	M. Taylor (NIPSCO)	H. Wyble (KCPL)
K. Shipp (Ameren)	G. Troxell (MISO)	W. Yeager (MISO)
P. Sircar (OUCC)	K. Vannoy (MISO)	

2) Stakeholder Survey (R. Arness)

MISO and SPP will distribute a new stakeholder survey that will include all topics from the previous survey, as well as new topics as previously provided by stakeholders. The survey will be sent out by September 25. MISO and SPP will compile the results and use the input to help guide MISO and SPP in creating a roadmap for future discussions. The workplan will be reviewed at the November MISO-SPP JOA Joint Stakeholder Meeting. A participant asked if there would be a column for “Do Not Pursue” on the survey. MISO and SPP will discuss this suggestion. An email will be sent requesting additional topics for the survey.

3) M2M Compliance filing (ER13-1864) (B. Rew/Z. Joundi)

SPP provided an overview of the June 28 Market-to-Market (M2M) Compliance Filing (ER13-1864). SPP noted two areas of unresolved issues: Firm Flow Entitlement (FFE) and the flowgate designation process. A participant asked for clarification of the second bullet on slide 5 of the posted presentation. SPP clarified that SPP Transmission Owners had protested that they should be compensated for the use of the SPP system by MISO.

- **Addition of M2M Flowgates**

MISO supports implementing M2M as soon as possible and objects to the SPP provision that would allow a limitation of M2M under certain conditions, specifically “on the fly” flowgates. MISO believes that this provision would limit the use of M2M. MISO noted that M2M is not compensation for system use, but instead a congestion management tool that results in the most efficient use and least cost generation to manage congestion.

SPP responded that M2M is made up of three factors: shadow price, market flow and FFE. There is disagreement on two of the three factors – the calculation of market flow and FFE. MISO stated that it would continue to work with SPP, but that implementation of M2M should not be delayed during the process.

4) Market Flow Calculation (B. Rew/J. Davis/Z. Joundi)

SPP provided an update on the SPP-MISO Market Flow dispute. SPP summarized its concerns in the posted presentation, along with a comparison of MISO’s current process, SPP’s current process and the original proposal. Based on discussions between the two parties, SPP has submitted an alternate proposal and MISO has provided a counterproposal. SPP rejected the MISO counterproposal due to an inconsistency of calculation methodologies between accounting of tag impacts in the market flow determination, the determination of FFE and FFL, and the account of tag impacts in the IDC.

MISO presented its perspective in a detailed presentation that the dispute should be closed as the issues currently on the table do not impact unaccounted flows. SPP requested that MISO consider changes to the Market Flow and Firm Flow Entitlement methodologies used to model tags with POR/POD or by using marginal zones and MISO has indicated that it is willing to

continue this equity discussion on how these tags should be modeled as part of this joint stakeholder process, but MISO believes that these changes will not help resolve the unaccounted flow issue.

MISO implemented a change on June 18th to account for imports in the Market Flow Methodology. MISO's analysis identified a modeling error that did not impact market flows or firm flow limits: the impact was to distribution factors used in IDC. MISO stated that there is no proof that the unaccounted flows are MISO flows, the key drivers behind the unaccounted flows have not been identified, and the SPP proposal does not resolve unaccounted flows. MISO reiterated that discussions are continuing. Participants asked for additional clarity on the presentations to specify unaccounted flow versus loopflow.

5) Contract Path Capacity Sharing (D. Kelley/J. Gardner)

SPP presented its concerns with Section 5.2 of the Joint Operating Agreement (JOA) related to sharing contract path capacity and MISO's use of the SPP system to integrate Entergy into MISO. SPP's main concern is with intentional, unscheduled flow that is avoidable and not inadvertent. SPP maintains that the JOA should be amended to authorize the flows and to compensate SPP TOs for MISO's use of the system above its contract path capacity amount between MISO Midwest and MISO South. SPP noted that they have provided a proposal to MISO that provides for compensation for system usage, and they recommend SPP and MISO meet as often as necessary to discuss the proposal to prepare for a filing prior to the Entergy integration date.

MISO noted that FERC has confirmed that the combined SPP/MISO contract path capacity will be made available for use by both parties. MISO would use the transmission system up to the physical limits, but during congestion that it would limit its flows on the flowgate to the established firm flow rights. MISO noted that the regional Congestion Management Process results in efficient and reliable operation. MISO remains open to discussions and analysis regarding reciprocal loop flow compensation. A participant asked if either SPP or MISO could provide an evaluation of production cost savings in SCED including the cost of transmission service. MISO responded coding and system changes would be required.

6) Congestion Management Process (CMP) Freeze Date Replacement (D. Kelley/R. Arness)

- **Guiding Principles and Path Forward**

MISO provided an overview of the congestion management process. The objective is to determine an alternative to the nine-year old freeze date of April 1, 2004 used as a mechanism to determine firm rights on flowgates based on pre-market firm flows. With input from stakeholders, the RTOs will work with the Congestion Management Process Working Group (CMPWG) on potential alternatives to the current freeze date. MISO was asked to clarify what was meant by aligning market results: MISO responded that it wants to ensure that congestion is mitigated and that the rules are in alignment with each tariff but still recognizing entitlements/historical rights that are in place. Updates will be provided at future MISO SPP JOA meetings as progress is made.

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A participant asked why the CMPWG is a closed group: MISO responded that it attempts to be as transparent as possible on CMPWG activities within its stakeholder groups, specifically the Seams Management Working Group (SMWG) and SPP with their corresponding stakeholder group. SPP noted that MISO and SPP have not had a chance to discuss this topic in depth, but does support discussions continuing in the CMPWG.

SPP stated that historical freeze date transmission rights should be consistent, equitable for market and non-market, and be able to evolve over time to reflect varying uses of the grid. SPP supports a wholesale redesign of the process. MISO acknowledged that this is a very complicated issue: stakeholders are encouraged to submit proposals to David Kelley

(dkelley@spp.org) or Ron Arness (rarness@misoenergy.org). SPP suggested setting up a joint repository of information, perhaps with guidance from the CMPWG.

7) Network Resource Interconnection Service (E. Lavery/L. Nickell)

- **MISO South Deliverability (E. Lavery)**

MISO provided an overview of the MISO deliverability methodology. MISO has adapted the methodology from the one PJM uses for the same purpose. MISO's belief is that the increment/decrement methodology would artificially limit commerce in an LMP based market. MISO described how these deliverability concepts are applied to Resource Adequacy and Planning. A stakeholder asked how zonal export limits are established. MISO responded that each zone is looked at independently. A stakeholder stated concern that there is not enough coordination across the seams for transmission planning. In response to a question, MISO noted that external flowgates and non-flowgate elements are considered in the interconnection process and that coordination with SPP staff is happening today.

Another stakeholder asked how resources that have been through MISO's deliverability study process are dispatched in real-time and whether these resources are conveyed any firm transmission rights. MISO responded that all units in the MISO footprint are dispatched in economic merit order subject to Security Constrained Economic Dispatch (SCED) in real-time and will be managed subject to the CMP process during congestion.

- **SPP Generation Interconnection Service (L. Nickell)**

SPP provided an overview of its generator interconnection studies. SPP was asked to describe third party impacts under the existing process. SPP responded that if a constraint on a third party is observed, SPP would refer the customer (GI or Transmission Service) to work with the third party. SPP would also advise the third party that a constraint has been observed.

8) Joint Coordinated System Planning (D. Kelley/J. Doner)

MISO and SPP anticipate a Coordinated System Planning joint study to begin in late 2013/early 2014 to engage stakeholders, develop joint and common models, and evaluate issues determined by both parties consistent with the proposed Order 1000 interregional process. Stakeholders are encouraged to become involved through the IPSAC. MISO and SPP have some outstanding disagreements on the criteria and benefit metrics associated with interregional cost allocation for interregional projects, including the treatment of lower voltage facilities and capturing transmission needs for public policy or reliability in the interregional cost allocation methodology. These difference will be addressed though Order 1000 interregional compliance filings. MISO and SPP's Joint Planning Committee will begin monthly calls to start discussing the issues identification process and development of a work plan for the upcoming joint study. Stakeholders are encouraged from both sides to consider transmission issues of all types even if there is not a agreed to interregional cost allocation method for it. SPP and MISO responded that they do not want to limit discussions on any solution or issue. A stakeholder suggested voltage levels as a topic of discussion for the IPSAC.

9) Next Steps and Future Meeting

- November 22, 2013: Dallas, TX. This meeting will be hosted by SPP.
- Input for second round of the survey.
- The meeting was adjourned at 3:06 PM.