Congratulations on reaching this significant milestone! Your service has been invaluable to the success of Southwest Power Pool. You have proven over the years that collaboration across boundaries can be achieved in a professional and productive way, and that it is possible to balance the needs of individual states with the greater good of the region. The RSC is truly unique in its authorities and results in our industry.

Your results in developing an effective process to allocate transmission costs has enabled our region to approve more than $8 billion in transmission projects – work that ensures reliability, drives economics, and helps states meet their renewable energy policy goals. Importantly, your work will continue into the future to ensure appropriate long-term equity in the allocation of transmission costs.

It has been a privilege to work with a group that continually demonstrates commitment to results that matter for our region and the people who live in it. We look forward to our continued partnership.

Warmest regards,

Jim Eckelberger, Chairman of the Board

Nick Brown, President and CEO
In its order granting SPP’s application for Regional Transmission Organization (RTO) status in 2004, the Federal Energy Regulatory Commission (FERC) directed SPP to establish the RSC to determine the following:

1. Whether and to what extent participant funding will be used for transmission enhancements;

2. Whether license plate or postage stamp rates will be used for the regional access charge;

3. The transition mechanism to be used to assure that existing firm customers receive Financial Transmission Rights equivalent to the existing firm customer’s existing firm rights;

4. The approach for resource adequacy across the SPP Region;

5. Whether transmission upgrades for remote resources will be included in the regional transmission planning process; and

6. The role of Transmission Owners in proposing transmission upgrades in the regional planning process.

Nothing in the formation or operation of the SPP RSC as a FERC-recognized regional state committee is in any way intended to diminish existing state regulatory jurisdiction and authority. Each state regulatory agency expressly reserves the right to exercise all lawful means available to protect its existing jurisdiction and authority.
The SPP Regional State Committee was incorporated April 7, 2004, and held its first meeting April 26. The founding members of the RSC were Sandy Hochstetter Byrd (Arkansas), Brian Moline (Kansas), Steve Gaw (Missouri), David King (New Mexico), Julie Parsley (Texas), and Denise Bode (Oklahoma), who served as president. Les Dillahunty was the staff secretary.

At the time, there were concerns about RTOs among some of the state commissions, including an RTO’s role in cost allocation, financial transmission rights, and regional resource adequacy. SPP successfully addressed these issues in the tariff as items that were the primary responsibility of the RSC. Following the stakeholder-driven process, the RSC gained approval on the cost allocation method for base plan projects – one-third regional and two-thirds zonal. This became the methodology for addressing cost allocation for reliability projects. The RSC also approved the cost benefit analysis for the Energy Imbalance Services (EIS) market, which was launched in 2007.
THANK YOU FOR YOUR SERVICE

ARKANSAS PUBLIC SERVICE COMMISSION

1. Sandra Hochstetter Byrd: 2004-07
4. Olan Reeves: 2011-Present

KANSAS CORPORATION COMMISSION

1. Brian Moline: 2004-07
2. Mike Moffet: 2007-10
3. Thomas Wright: 2010-2014

MISSOURI PUBLIC SERVICE COMMISSION

2. Jeff Davis: 2007-12
3. Kevin Gunn: 2012-2013
4. Steve Stoll: 2013-Present

NEBRASKA POWER REVIEW BOARD

1. Mike Siedschlag: 2009-2014
2. Steve Lichter: 2014-Present
NEW MEXICO PUBLIC REGULATION COMMISSION

1. David King: 2004-11
2. Patrick Lyons: 2011-Present

OKLAHOMA CORPORATION COMMISSION

1. Denise Bode: 2004-07
3. Dana Murphy: 2011-Present

PUBLIC UTILITY COMMISSION OF TEXAS

1. Julie Parsley: 2004-08
2. Barry Smitherman: 2008-11
3. Donna Nelson: 2011-Present
The roster began to change for the RSC as the original slate of members rolled off and new ones joined, and it was expanded to include representation from Nebraska. Paul Suskie (Arkansas), Mike Moffet (Kansas), Jeff Davis (Missouri), Michael Siedschlag (Nebraska), David King (New Mexico), and Barry Smitherman (Texas) represented their respective commissions.

This group faced difficult questions:

1. How do we allocate costs of economic projects?
2. How do we allocate costs of seams projects?
3. How do we design financial transmission rights?
4. What are rate impacts of increased transmission build out?

This group was part of the Synergistic Planning Project Team, which focused on addressing gaps and conflicts between SPP’s transmission planning processes. Working from the foundation of trust, collaboration, and process of their predecessors, this group forged a number of solutions, especially in cost allocation. A balanced portfolio, designated wind resources, and the “Highway/Byway” approach were all developed and approved. Participant guidelines for the Transmission Congestion Rights process and the allocation of TCRs are also part of this group’s legacy.

The RSC was also an important participant in the Rate Impact Task Force and the Regional Allocation Review Task Force (RARTF). These joint task forces are unique and served a significant role in moving issues forward. And, as a sign of things to come, the Integrated Marketplace Cost Benefit Analysis was endorsed by the group. The Integrated Marketplace was successfully launched March 1, 2014.
CONTINUING TRADITION OF LEADERSHIP, 2011-PRESENT

The more recent RSC – Olan Reeves (Arkansas), Tom Wright (Kansas), Steve Stoll (Missouri), Steve Lichter (Nebraska), Pat Lyons (New Mexico), Dana Murphy (Oklahoma), and Donna Nelson (Texas), with Paul Suskie as staff secretary – has found itself tackling several key issues. Planning for new resources, evaluating the Regional Cost Allocation Review results, establishing long-term congestion rights, and implementing the Integrated Marketplace dominate the discussions. And, this group has already led results in several areas including approving the cost-allocation method for interregional projects, developing the RARTF report, and establishing how long-term congestion rights will be treated.

With the Integrated System (Western, Basin Electric, and Heartland) expected to join SPP in 2015, determining how the RSC will be expanded to include those additional states and the federal agency will be an important topic.

COST ALLOCATION WORKING GROUP

The Cost Allocation Working Group (CAWG), which was created in 2004, is a working group that reports to the RSC. CAWG is responsible for developing policy positions for RSC consideration in numerous areas, but the focus has primarily been on developing cost allocation proposals and proposals on financial transmission rights (TCRs, in SPP).

The working group, whose members are senior staff from various regulatory agencies, has been crucial in developing the initial effort to regionalize costs of transmission projects; the balanced portfolio methodology; the highway/byway cost allocation methodology; the treatment of TCRs and long-term congestion rights; cost allocation for seams projects; the benefit/cost studies used to consider the energy imbalance market and the Integrated Marketplace; and numerous other policy issues of interest to the RSC over the years.
1. Donna Nelson, President
Public Utility Commission of Texas

2. Dana Murphy, Vice President
Oklahoma Corporation Commission

3. Patrick Lyons, Secretary/Treasurer
New Mexico Public Regulation Commission

4. Shari Albrecht
Kansas Corporation Commission

5. Steve Lichter
Nebraska Power Review Board

6. Olan Reeves
Arkansas Public Service Commission

7. Steve Stoll
Missouri Public Service Commission