

AECI-SPP JOA Meeting

Agenda

May 23, 2014: 8 am – 12 pm

Southwest Power Pool, Inc.

201 Worthen Drive

Little Rock, AR

- **SPP Attendees:** Bruce Rew, Katherine Prewitt, Carl Monroe, David Kelley, Jason Davis, Carl Stelly, Pat Bourne, and Brett Hooton
- **AECI Attendees:** Roger Clark, Kevin Hopper, Jeff Harrison, Jared Yust, Jeff Johns and Tony Gott (via telephone)

1. Approve December 13, 2013 Minutes

a. David Kelley, SPP, stated that while the minutes have been shared and edited he wasn't aware that a final decision had been made to approve the minutes. Jeff Johns, AECI, agreed that AECI had reviewed the minutes and agree to the final version. The minutes were approved.

b. Mr. Kelley reviewed the action items from the previous meeting. Outstanding Action Items with status are:.

Action Item: SPP will evaluate the SERC SCS tie checkout for facilitating tie checkouts – SPP still evaluating

Action Item: AECI will contact TVA and discuss its Generation Dispatch Order and provide SPP an update on status. – AECI has sent sample file to SPP. SPP still evaluating

Action Item: AECI and SPP will begin the process for developing an operation guide for Maryville area utilizing postmortem analysis on the September 2013 situation – See Action Item below.

2. Operational Topics

a. ACE Diversity Interchange

i. Carl Stelly, SPP, discussed ACE Diversity Interchange. One of the issues is that when AECI and SPP are both close to zero the NSI spikes. In this circumstance the spikes are very frequent and ACE Diversity Interchange must be suspended. The underlying issue has existed for a while; however before the SPP Integrated Market Go-Live there were four participants which better ensured that at least one participant

was far enough from zero that the issue did not surface. Now there are only two participants (SPP & AECI). The issue has now been addressed as the applicable software code has been updated. It is not expected that the issue will reoccur, however if it does Jeff Harrison, AECI, suggested that one option may be to move to a one-minute average calculation.

b. Integrated Market Place Post Go-Live Update

- i. Bruce Rew, SPP, provided an update on SPP's observations on the impacts of the Integrated Marketplace since March 1. Mr. Rew stated that overall the implementation of the Marketplace was a tremendous success. While there were a few minor issues they have all since been addressed. Mr. Rew asked if AECI has seen any major changes. Mr. Johns stated that there have been a few small issues, specifically the increase in congestion in Oklahoma shortly after go-live. Mr. Rew answered by saying that some of the congestion seen in Oklahoma the week after Go-live was due to a combination of a significant cold front that moved through the area and from both SPP staff and stakeholders getting used to SPP dispatching the generation. Mr. Johns added that AECI has three delivery points on OG&E's system and they expect potentially significant congestion charges, but agreed that this congestion was during the cold weather. Mr. Harrison added that there hasn't been anything out of the ordinary regarding TLRs.

AECI asked if market participants are becoming savvier which may reduce some of the market volatility. Mr. Rew added that as the market participants gain additional market experience the volatility should decrease. Mr. Rew also added that currently we're in the "wind season" and SPP is continuing to learn how to better manage the wind.

One major benefit of the Integrated Marketplace has been a decrease in the unit commitment which has resulted in the benefit of committing 2000 less MW of capacity.

- ii. Registration of AECI's portion of GRDA #2 and KAMO DP (RMS Ticket #9961)
 1. Pat Bourne, SPP, reviewed the load and generation referenced in the ticket along with the multiple applicable agreements. Mr. Bourne stated he needed

to learn more on how the BAs interface and how the losses are accounted for between AECI and GRDA.

Roger Clark stated that GRDA 2 should not be registered in the market. There is an additional 345 kV outlet for GRDA 2 that is owned by AECI that provides a transmission path beyond what they have in shared capacity from the ITS. **Action Item: AECI will provide information for the BA interface across the GRDA ITS and how losses are handled. SPP will further review the issue with the GRDA #2 registration.**

- iii. Discuss process and applicability for Marginal Congestion and Marginal Losses for GFA and non-GFA pseudo tied loads (RMS Ticket #11003)
 - 1. Brett Hooton, SPP, stated he reviewed this ticket and discussed it with the applicable customer service staff and subject matter experts. Based on Mr. Hooton's review he stated that between the time the agenda item was added to the agenda and the date of the meeting it appears that SPP no longer has an open action item or an open question that needs to be addressed. Mr. Johns agreed that there are no current outstanding items to discuss on this topic. Discussed SPP Transmission Owners registering AECI as an asset owner without notification to AECI and the subsequent loss of the ability to convert TCRs. **Action Item:** SPP will investigate the process for asset owner registration.

iv. Congestion Observations since March 1, 2014

- 1. This was covered when discussing the Go-Live update.

c. Outage Coordination: Maryville Area Operating Guide

i. Maryville Area Op Guide

- 1. Mr. Harrison stated that progress has been made on the Operating Guide. In the latest version AECI has proposed to utilize the SPP RSG process for bringing online the AECI generation. There have also been discussions for incorporating a multiple monitored facility flowgate to help identify the flows to make the TLR process more beneficial. There is a desire by

both SPP and AECI to have a process finalized and in place by Fall 2014. Mr. Harrison stated that he believes things are currently on track and progress is being made. **Action Item: Mr. Kelley will follow up with Mr. Harrison in July to check on the status and ensure a process is in place by Fall 2014.**

- d. Current CMP Activities and Possible AECI Participation
 - i. Mr. Kelley provided an update on SPP's participation at the CMP. Mr. Kelley is the SPP representative for the CMP Council and Jason Davis, SPP, is the SPP representative on the CMP Working Group. Mr. Johns asked about the potential for changing the 2004 Freeze Date. Mr. Kelley said right now the progress is very slow. Currently there is not agreement on even the high-level principles for the freeze date replacement. Unanimous agreement is required for any action by the CMPWG or the CMPC. Everyone agrees there needs to be a change; there simply isn't agreement on what that change should be. Mr. Clark stated AECI is considering CMP due to Entergy's integration into MISO. **Action Item: SPP will review the estimate to perform a mock allocation run for AECI, and see if any modifications are needed.**

3. Planning Topics

- a. SPP ITP-10 Update
 - i. Katherine Prewitt, SPP, provided an update on the status of the 2015 ITP10. Ms. Prewitt stated that potential transmission issues have been identified and posted for stakeholder review. This posting has opened up a 30-day response window where stakeholders may propose detailed project proposals. SPP verified that AECI has received the issues list. The issues list does not include issues identified solely on AECI's system. SPP has that data and will provide it to AECI separately. **Action Item: SPP will provide AECI with the issues identified in the 2015 ITP10 on the AECI system and will set up a call to discuss these and other identified transmission planning issues.**
- b. AECI 2013-2023 Long Range Plan (LRP) Update
 - i. Kevin Hopper, AECI, provide an update on AECI's LRP. Mr. Hopper stated that it is the smallest plan he remembers. He stated that this is primarily due to low load growth. They are currently evaluating some issues in Central Missouri and there continue to be opportunities in the Branson area. Mr.

Hopper added that hopefully both of these areas will be addressed in the Joint Coordinated System Plan (JCSP).

Mr. Kelley asked about how a project from the JCSP would be approved by AECI. Mr. Hopper replied that generally AECI would prefer that the project be rolled into an AECI LRP. However, AECI added that it is possible to take projects to the AECI Board that are outside of the LRP. The value of going through the LRP is that it provides more opportunity for stakeholder review.

- c. HPILS Update: AECI and KAMO HPILS Reliability
 - i. Mr. Kelley asked how AECI plans to address the load identified by KAMO in the SPP High Priority Incremental Load Study (HPILS). The SPP HPILS study identified potential transmission issues from the additional KAMO load. Mr. Hopper stated that to address these issues AECI is accelerating some previously approved transmission upgrades. Additionally they are currently evaluating the system to determine if additional upgrades are needed.
Action Item: AECI will provide documentation to SPP regarding how the additional load around Stillwater is being addressed.

- d. SPP-AECI JCSP
 - i. Mr. Hooton provided an update on the SPP-AECI JCSP. The scope has been finalized and the only outstanding issue is the documentation on how the low-hydro sensitivity will be handled. SPP is working on the documentation and will provide it to AECI. After review by AECI the documentation will be provided to the SPP-AECI Interregional Planning Stakeholder Advisory Committee (IPSAC).

Mr. Kelley added that this study is being performed, in part, to address the JOA requirement to perform a study every other year. The last SPP-AECI JCSP was completed in December 2012. Prior to that JCSP study effort, AECI and SPP met the JOA requirement through AECI's participation in the ITPNT. For future assessments an alternative approach could be considered where AECI participates in the ITPNT but the coordination with AECI takes place separately from the regional SPP stakeholder process such that the meetings are focused only on those issues related to the SPP-AECI seam. Ms. Prewitt reiterated the value that AECI's participation brings to the SPP planning process.

AECI agreed this approach would warrant additional consideration before the next joint planning cycle.

- e. GIA and TSR Coordination
 - i. JOA Change Proposal on Third Party Impacts
 - Mr. Hooton stated that SPP plans to provide proposed JOA edits to enhance the coordination procedures outlined in the SPP-AECI JOA. The edits will be to the TSR section of the JOA. Currently SPP is not proposing edits to the GI section but would consider anything proposed by AECI.
 - ii. GRDA Gas Plan GIA
 - Mr. Kelley explained the GRDA GIA. It is SPP's understanding that the interconnection request only allows GRDA to operate the new proposed unit and not to operate it in conjunction with the existing unit. If GRDA decides to operate both it would have to be restudied using that assumption.
- f. MJMEUC Transmission Using Member: SPP load & generation modeling
 - i. Mr. Hooton addressed how MJMEUC will be modeled. MJMEUC being an SPP transmission using member does not directly impact how they are modeled. However since their load is pseudo-tied into the SPP BA SPP will need to ensure they are modeled appropriately. **Action Item: SPP will continue to review internally on the process used to coordinate modeling of MJMEUC and report back to AECI.**

4. Other Topics

- a. Integration of the Integrated System
 - i. The Integrated System (IS) participants are still pursuing SPP membership. There has been a lengthy stakeholder process regarding the terms and conditions of membership WAPA due to their Federal Service Exemption. It is expected that the changes to SPP's governing documents to facilitate the IS membership will be filed in July provided all SPP and IS approvals are received in June. The official join date for the new members is expected to be October 1, 2015 with the potential for some services to be performed by SPP starting in April 2015.

5. Schedule Next Meeting

a. December 11, 2014, 8-12 AM in Springfield, MO