

**Southwest Power Pool, Inc.**  
**GAS ELECTRIC COORDINATION TASK FORCE MEETING**  
**July 31, 2014, 8:00 a.m. – 3:00 p.m.**  
**Face-to-Face Conference Call – WebEx**

**• Summary of Action Items •**

1. SPP Staff to publish the EOP.
2. SPP Staff to work with CBASC to correct/update the EOP.
3. SPP Staff to bring MPRR 189 back with information based on Multi-Day Assessments in relation to reliability and cost recovery.
4. SPP Staff to update multi-party coordination process for the EOP.
5. Amber Metzker to lead an agenda item for the cost recovery and multi-day commitments in the August MWG.
6. SPP Staff to add comments to MPRR 189 in support of the comments provided by Rob Janssen.
7. Rob Janssen and Don Shipley to get the discussion related to cost recovery and commitments with the RTWG on Aug 28<sup>th</sup>.
8. SPP Staff to send out proposed timeline for comments by 8/8. Two weeks to get the information back, by 8/22.
9. SPP Staff to set up 8/26 WebEx and call from 9 – 11 and September meeting in Dallas.
10. Sam Ellis, Don Shipley and Josh Phillips to prepare SPP comments to include the 2 statements discussed in comments section below for NAESB. Asking for comments from industry on the comments.

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• M I N U T E S •

**Agenda Item 1 – Administrative Items (Jake Langthorn)**

Jake called the meeting to order at 8:00 a.m.

Attendees were captured and are included as an attachment.

**Agenda Item 2 – MPRR 189 Discussion (Don Shipley)**

The MPRR has been recalled and is being updated and will be revisited in August by the MWG. SPP is still working toward winter improvements with Staff, with Enable Midstream and Southern Star. They are invited to the September RUC discussions. (The meetings are on 9/9, 9/11, 9/16 and 9/18 according to the SPP calendar.)

Amber Metzker added that there wasn't much time taken for the MPRR in the MWG meeting. She would like to take time in the future meeting to discuss the comments. Don Shipley displayed the comments from the June MWG meeting.

The 4.4.2.3.7 section is related to the Gas Electric group. Rob Janssen said we don't have any control on most of the MPRR contents. Amber Metzker added that some of the information is in the protocols, some in the Criteria and the Emergency Operating Procedures.

The MPRR initially was to add language for how SPP will act in a System Capacity Advisory; for situations prior to an EEA. Another intention of the MPRR was to add more clarity to areas that were ambiguous for the Emergency Operations Plan.

Jake Langthorn, Amber Metzker, Jim Jacoby, and Don Shipley discussed the role of this group with relationship to the MPRR.

- Some other RTOs have much more definition and documented steps. Amber would like them collected in a central document; including communication with SPP, Generator Owner, etc... The EOP referenced in the document is not publically available. Don Shipley said the EOP will be posted publically.
- The risk is that with SPP as the BA, the next winter will have similar events as last year. The MP and GOP may not be ready for (or aware of that they should be ready for) actions that will be needed. Jake Langthorn suggested clarification added to the EOP. Amber Metzker said this is a Pre-EEA issue that belongs somewhere.
- Action items discussed include the following:
  1. Request the CBASC to update the EOP with the information needed.
  2. Refer to a visible EOP, including obligations by the parties involved.
  3. MPRR with Tariff language for what is needed for make whole.
- Rob Janssen suggested the EOP be corrected and published, then be reviewed by the groups for inclusion in any MPRR.

Rob Janssen would like the Tariff language updated, including longer lead time resources based on the need to procure gas resources and be able to deliver based on Multi-Day Reliability Assessments.

- SPP Staff and MPs in severe winter weather notify the MPs for units needed in a timely period that will allow the staff to get the fuel needed in preparation for the unit(s) to run.
- Sam Ellis said the protocol information only allows the use of Multi-Day Reliability Assessment to commit long lead time resources for reliability reasons only.

### Communication

Les Dillahunty mentioned that three-way communication be included (Gen, SPP Operations, Fuel Supplier) based on the discussion in May with this group. Don Shipley suggested it be in the EOP and commented that SPP is committed to put this on paper. The Generator Owners raised the issue in prior meetings.

FERC Issued an order for gas pipelines in the electric community to share information. The authority is in place to do that. The type of information needed from both sides is not defined fully at this time. SPP is working with our pipelines to determine what level of information we needed.

Amber Metzker talked about the issues that could be communicated to SPP by the pipeline that would leave out the resource(s) based on pipeline information; the resource may have other means to provide the offered energy which would not be addressed if they weren't part of the discussion. Jake Langthorn suggested that the communication is really two way communication between SPP and the Market Participant; the gas pipeline is not under any obligation to give us information. The responsibility, between SPP and the MP, is clearly defined and the pipeline information is just additional information that SPP could use.

Don Shipley added that last winter, with the Reliability responsibility, the following took place. (This year we will be doing this as a Balancing Authority.)

- Discussion with the pipeline, constraint, critical restriction.
- SPP talked to a group of generators (affected based on the pipeline discussion)
- The Gens made appropriate preparations.

Jake Langthorn suggested the communication information belongs in the EOP or a standard operating procedure.

Roy True commented that three-part communication may need to be included. Jake Langthorn suggested that after the coordination takes place the NERC Standards, etc... becomes relevant if directives are needed.

### Cost Recovery

Jim Jacoby asked about cost recovery. If it's a RUC and you run, you recover cost. If you don't run, and don't exceed the offer cap, you don't recover the cost. If you don't run, and exceed the offer cap, you don't recover the cost. Offer cap of \$1000.

Amber Metzker told the group that the Mitigated Offer Task Force discussed the offer cap issue. The cost recovery for offers that exceed the cap of \$1000 is being addressed by MOTF.

Rob Janssen suggested that the offer cap be included for the Multi-Day Reliability Assessment.

### Dogwood comments for the MPRR.

Don Shipley displayed the Dogwood comments for MPRR 189. 4.4.2.3.5, 3 days suggested as the time period. It was suggested that these comments may belong in the EOP.

Some of the new section of comments belong in the EOP, some are Tariff.

A localized issue may not apply the whole EOP. Some may be day-to-day, not an emergency.

Rob Janssen added Section 4.4.2.3.8 for cost recovery.

In adverse weather conditions, gas fired power actually is a long-lead resource based on cost and ability to procure gas. Sam Ellis requested SPP be given the flexibility to commit resources from Multi-Day Assessment for reliability reasons.

The SPP Total Wind Forecast, SPP Total Load Forecast isn't in the Day Ahead. It's not available until just before Day Ahead RUC.

Jodi Woods found information in the multi-day section indicating SPP can commit any resource needed for a reliability issue. Anything committed prior to day ahead becomes paid for in the day ahead market process. Amber Metzker suggested that the cost recovery doesn't get invoked if the unit commitment is changed before the unit runs.

Offers are locked in at the time period committed. If there were circumstances where a MP changes an offer Market Monitor will look into it. Energy offers can be changed, a mitigated offer cannot. Offers can be submitted 7 days out. There needs to be a better understanding of the submittal and time periods available. Also, the offer rolls forward. MPs should be looking at and updating offers 7 days out every day.

RUCs are unit commitment. The start-up and no load cost is binding. There are financial obligations even in the RUC, if you don't show up. The MPs need more understanding around the offers and cost recovery. Update of offers based on forecasted situations. SPP can and is committing resources ahead of time for reliability reasons.

Amber Metzker said the communication of a multi-day commitment vs a day ahead commitment should be discussed. The COP would show commitment for several days out. It would probably say "Manual" if it's a multi-day commitment. CJ Brown mentioned that the SPP Ops Planning group may be making phone calls to long lead time resources that are being committed. Gas prices will be revisited as part of the timeline discussion.

When Ops Planning looks at a 7 day resource, if a unit is a 2 day commitment time, the unit won't be committed until needed is 2 days before the unit should be run.

SPP Staff (Carrie Simpson and Richard Dillon) are adding comments to and will rework the MPRR based on the discussion.

- New section added by Dogwood would need to remain.
- The Multi-Day Reliability Assessment language as discussion. Commitment information addition with offer lock and start stop instructions. (Market Protocol 4.2.6.2 and 4.2.6.3)

Rob Janssen offered to help work the new MPRR.

He suggested having a **MP Pre-Winter Discussion** WebEx for MPs. Offer updates, pricing changes, start/stop instructions.

### September RUC Meetings

Initiated from the MWG, clarify the process of all studies, timing, etc... economic impact, maintenance impact.

Invitations for September RUC education meetings should go out this week. They are by region, which gives Amber Metzker concern. Staff will be documenting all 4 sessions, and coming up with actions afterwards.

Morning – education

Afternoon – pain points

Jake Langthorn suggested all 4 meetings in one, regions separated for a discussion in the afternoon, then a joint wrap up.

If the commitment discussion occurs in the RUC meetings, it may also need to be included as a separate meeting. SPP to determine.

Amber Metzker suggested reviewing Dogwood's comments in the MWG meeting. Sam Ellis suggested this be a strawman for them in the August 19-20<sup>th</sup> meeting. Amber Metzker agreed. Obligations in the sections. Addressing commitment through protocols or education. Amber Metzker and Staff should lead the discussion with MWG.

*Break from 10:00 – 10:15 a.m.*

*Regroup on Agenda:*

*NAESB Comments need to be completed by August 18<sup>th</sup>. Jim Jacoby asked if our comments would make any changes to the outcome. Gas day start comments should be added included in the discussion, according to Amber Metzker. There is indication from the suppliers that they will not supply gas on a different schedule than is currently in place. The goal is for SPP to be prepared for what happens.*

**Agenda Item 3 - Day Ahead Market Current Timeline and Activities (Jodi Woods)**

Jodi talked through the slides provided in her material.

1600 posting indicated cleared and commitments. Including the Market Clearing Engine.

Slide 4 Discussion (0700 – Operating Reserve Requirements Posted): What goes into the OR number? SPP Mid-term Load Forecast with outage information, per reserve zone (4). When is the MTLF posted? We calculate it out to 7 days and it could be moved earlier.

Between 3 and 7 what data would be pulled? They use scheduling forecast in longer term studies. How new is the load forecast data. Outage data updates. Weather. Which weather forecast model update is used for the OR calc? There is one at midnight and one closer to 6 am.

The MPs determine the resources that they want to use to meet the obligation. They determine their load forecast (based on true load), along with the OR, with an end result of the amount of generation that must be offered in.

If the MP is offering in everything, they meet the requirement and may not need to do the analysis/calculation. The 4 hour timeframe may not be needed. Amber added that from a system perspective there is an auto message (xml) from SPP, with a process to get it from SPP to the API and then be able to do the offers. It may be 2 hours or less that is needed.

**Possible impacts to changing the timeline** (in addition to what is included in the slides): Contract changes (including gas), Interchange Transactions (BPWG should be included based on the schedule).

Slide 5 Discussions (1100 – DA Market Bids and Offers submitted):

At 1100 SPP only includes scheduled/confirmed interchange transactions. Actually have to be in by 0900. Since they are interchange, others will need to take action on the requests, too. This could be coordination with the neighbors. The 2 hour timeframe is a NAESB requirement.

Jake asked about the other interchange transactions, PTP, etc... This needs to be addressed as potential change.

The outages that are captured for DA Mkt do not have to be approved. They include scheduled and/or forced.

Slide 6 Discussion (1100 – DA Market Bids and Offers submitted, cont'd):

Starting around 0700, the Operators run cases using the load and wind forecast looking at real time, constraint analysis, determining which constraints in the DA Mkt. LMPs and MCPs are heavily impacted by the constraints that are impacted. Coordinating and working with other desks (RCs, etc...) attempting to minimize price divergence between the DA Mkt and real time. Sam added that the more we can activate earlier in the process, the better we manage the timing. There is a base set of constraints and then outliers (~30%) that fluctuate daily - Parallel flows, resources online.

A post process runs to see what may cause problems. So, if it's not added in the beginning, and they bind, they have to be activated and re-run the process. The more constraints that are activated, the slower the solution solves. With 100 constraints, the solution won't solve. SCUC, SCED takes about 1.5 hours without any analysis. May have to rerun from the beginning or just the SCED portion, depending on when the problem was found, and what it is.

Amber asked what data is being used from the MP. Could some of the work be done the day before? They are using the prior day's information. The Shift Engineers or Reliability Coordinators have more transmission knowledge and are used as resources.

Jake asked if the 4 hours of analysis can be shortened and still reach a happy medium for the prep work. Jodi would be concerned with shortening the timeframe while we're still learning the tools and system. This may be a good thing to compress by the time the changes will be needed (maybe early in 2016).

Slide 7 Discussion (1600 - DA Market results posted):

Virtual offers are treated the same as a physical resource in the Day Ahead Market. There is congestion based on virtual bids which has to be managed during the processing time 1100 to 1600. SPP has mitigated offer clearing embedded in the MCE. It is different some other RTO's. The obligation to notify the membership that they were mitigated in the commitment. SPP has the ability to run without the mitigation. It can be run in parallel, we always have mitigation, so we always have to do the mitigation option. Amber asked if the DA Clearing can be published and then the mitigation after that? It helps with daily LMP pricing. There is a requirement for the mitigated offer to be included. Analysis continues even if a study appears to be okay. There are times that we get close to the 1600 timeframe. Jake asked if we have teams to evaluate performance? There are some things internal and vendor related to increase performance. If the quality of the results is related to the amount of time to do the analysis, is SPP looking at ways to improve quality in less time.

Slide 8 Discussion (1600 – 2000 Re-offer period and DA RUC):

If the DA RUC moves up there is a potential reliability risk if the DA RUC moves earlier.

Slide 9 Discussion (Other SPP Considerations):

In the Compliance Filing, we need to include in the comments from SPP all the changes to the timelines and all the approvals needed prior to system changes, etc.... Capturing the information for the other working group discussions, it would be best to capture the conversations as related to the Compliance Filing.

Future enhancements can start from an MPRR, RMS ticket, through the stakeholder process.

Slide 10 Discussion (Other on-going initiatives):

Benefits need to be discussed and added to the list. Potential risks to the market for the changes. Benefit of the Order, benefit of the changes to the market timeline, risks associated with the changes – do we end up in a better place, the same place, or worse off? Cost Benefit to making the changes, Reliability Risk to not making them.

Slide 12 Discussion (Proposed Marketplace Timelines):

Would the prep work occur the day before? SPP would have to make a determination on this.

Analysis on the MP side needed for the same prep work.

Amber Metzker suggested changing the timeline only during the times needed (such as Dec through March) matching with a season.

*Lunch 11:50 – 12:10.*

Les Dillahunty asked what the other RTO's are doing or planning to do.

NE ISO finishes at 8 or 9 am, NY ISO changed to finish at 10 am. They have made their changes and are already ahead.

PJM and MISO are looking at changes for the proposed timeline. The West is going to try to come up with a new timeline.

NEISO/NYISO were worried about a supply issue and addressed the concerns for other reasons. One on the east may have a dual timeline.

#### **Agenda Item 4 – Create Initial Proposal for Market Timeline Changes (All)**

The group reviewed Rob Janssen's timeline information included in the meeting material. Intra-Day gas nom aren't reflected. 7:00 a.m. – 8:30a.m. is the time for the best pricing. Currently on Friday's they have time constraints for the offer portion of the gas noms is more because of the weekend information.

If submitting for 7 days out, it wouldn't matter on Friday, each day would be the same. BALMo (Balance of the Month, BALWeek (Balance of the week). On Friday, it is actual prices for the BALWeek prices.

The trade schedule isn't changing for the gas side, only the daily schedule.

Rob Janssen suggested that there is a level of price certainty in the morning before offers are due. Amy Jeffries added that once you've purchased gas, you have price certainty; a better estimate of the gas prices. Going into the DA RUC process, your estimate is more accurate than going into the DA Mkt because of the clearing from the DA Mkt. In outage season, the guessing game doesn't always work.

Based on the timing of the market results posting, members could be trading price certainty for quantity certainty. The multi-day reliability assessments can help make the certainty better in advance enough before the prices start climbing. It is hard to start up a gas plant on a really cold day. Start-up times for other types of units are longer in cold weather with a higher risk of issue during start up. There is also a capability of a warm start up or a hot standby that use fuel, but not like what is needed to be online.

Evening nom users? Once awards come out, typically the gas is more expensive but they can get it. They need the hour before the evening nom cycle to review and make decisions. Some members work through a middle party instead of directly through the pipeline, which means they may need more than the hour to lock in the transportation.

Gary Gottsch from KCPL said he's the only one for his company. His day starts at 6:30 am. They don't do evening noms. They were told from the power side to wait for the first RUC process to run for accurate dispatch forecast. There is still some risk now. If the DA RUC came out before the evening cycle, they would be able to make better decisions on gas procurement. It would probably be used more if RUC were before the evening nom.

CJ Brown said that even though they run the DA RUC, but that doesn't mean all of what is in the results gets committed. There is a percentage of holding (~80% of the ones we don't commit right away, get committed) from the RUC, 30-minute commitments type flexibility. They can get gas earlier, but if they don't know that they are being held, they may not. The DA RUC is the first look at actual load vs bid in load. This becomes a potential problem on make whole payments. Amber Metzker suggested that it may be different in a cold weather situation. CJ Brown added that SPP would not sit on that many resources in a cold weather situation. Resources are continually getting re-evaluated in ID RUC studies.

LDCs may change to prep for the 1pm nom instead of the earlier ones. This is an unknown now. Indexes may still come out around the same time. Indexes can't come out unless trading has been done. Forecast estimate, day ahead pricing check. Operational Flow Order impacts their process during extreme weather.

Jim Jacoby said it would be a benefit if they could get DA RUC by 5pm (1700). If the DA RUC could come out before the evening nom, that would help several members.

Dick Kale said they had 45 days last winter with flow restrictions. If they didn't get their information in before the timely nom, they couldn't get it. They ran 7 units on oil the really bad day. They work through another party, so one hour wouldn't be enough for them. They give them closer to 3 now.

Jake Langthorn suggested a proposed timeline to the group. Amber Metzker suggested using the SPP Proposed timeline and adjusting the DA RUC to run from 1400 to 1700. And to send out for comment, MP and SPP; then we can start working on cost issues and risks to making the changes. The assumption is to implement October 1, 2016. The information could be used to create a rough order of magnitude based on the information, system changes, etc...First winter after MAS implementation.

When FERC comes out in Nov we have 90 days to respond.

GECTF will have a separate Conference Call/WebEx from 9 a.m. – 11 a.m. on 8/26/14 to discuss the comments we receive. Comments will be provided to the group on 8/25/14.

**Agenda Item 5 – Create Comments for the NAESB Process (Amber Metzker)**

Gas Day Start Time comments needed.

The wind is taking the place of some of the morning ramp. Don Shipley said the Northeast drove the 4 am timeframe. SPP voted with the RTO's in a block. There is a possibility of running out of gas during the morning ramp while waiting for the 9 am start time.

As of August 18<sup>th</sup>, comments from SPP - There are potential benefits on the electricity side. SPP doesn't anticipate harm for the electricity side related to moving the gas start day to 4 am. In the response for comments, we should propose moving the timely nom to 1400 instead of 1300 for the timely nom based on impacts and time changes needed for the market timeline.

Joshua Phillips said it could be SPP comments with endorsements from the MWG through the GECTF as signatures by individual companies in support.

The IRC is not making comments for the Aug 18<sup>th</sup> deadline.

**Agenda Item 6 – Work Plan/Next Steps (Don Shipley)**

Face-to-Face on September 17 in Dallas at the AEP building.

Include MPRR 189 changes in the August meeting. Updates in the Sept meeting, expedited to MWG. Gay Anthony indicated it would need to go to RTWG and ORWG before going to MOPC.

Prep for MOPC meeting is due in October.

**Agenda Item 8 – Adjourn (Jake Langthorn)**

Meeting adjourned at 2:23 p.m.

Respectfully Submitted,

Kathy Myhand  
Secretary

Attachments:  
Meeting attendance



Southwest Power Pool, Inc.

GAS ELECTRIC COORDINATION TASK FORCE MEETING

July 31, 2014

Dallas, Texas

• ATTENDANCE LIST •

Name	Company
Kathy Myhand	SPP
Jake Langthorn	OG&E
Dirk Dietz	NPPD
Sam Ellis	SPP
C.J. Brown	SPP
Don Shipley	SPP
Jodi Woods	SPP
Amy Jeffries	AEP
Jim Jacoby	AEP
Shahriar Sahba	OATI
Jim Jacoby	AEP
Amber Metzker	Xcel/Sps
Rob Janssen	Dogwood Energy
Michael C. Moffer	Sunflower Elec.
Les Dillahunty	SPP
Jessie Phillips	Southwest Power Pool

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First Name	Last Name	Company	Attending
Amber	Metzker	Xcel Energy	In Person
Amy	Jeffries	Public Service Company of Oklahoma	In Person
CJ	Brown	Southwest Power Pool	In Person
Clifford	Franklin	Westar Energy, Inc.	Teleconferencing
David	Erickson	AEP	Teleconferencing
Dirk	Dietz	Nebraska Public Power District	Teleconferencing
Don	Shipley	Southwest Power Pool	In Person
Gary	Gottsch	Kansas City Power & Light Company	Teleconferencing
Gina	Langel	Omaha Public Power District	Teleconferencing
Jacob	Langthorn, IV	Oklahoma Gas and Electric Company	In Person
Jason	Atwood	Northeast Texas Electric Cooperative, Inc.	In Person
Jason	Chaplin	Oklahoma Corporation Commission	Teleconferencing
Jason	Fix	Lincoln Electric System	Teleconferencing
Jim	Fort	The Energy Authority	Teleconferencing
Jim	Jacoby	American Electric Power	In Person
Jodi	Woods	Southwest Power Pool	In Person
Joe	Smooga		Teleconferencing
Jon	Sunneberg	Nebraska Public Power District	Teleconferencing
Joshua	Phillips	Southwest Power Pool	Teleconferencing
Kathy	Myhand	Southwest Power Pool	In Person
Kaye	Hill		Teleconferencing
Kenneth	Hale	City Utilities of Springfield	Teleconferencing
Les	Dillahunt	Southwest Power Pool	In Person
Marisa	Choate	Southwest Power Pool	Teleconferencing
Michael	Moffet	Sunflower Electric Power Corporation	In Person
Richard	Dillon		Teleconferencing
Robert	Janssen	Dogwood Energy, LLC	In Person
Ronald	Thompson Jr.	Nebraska Public Power District	Teleconferencing
Roy	True		Teleconferencing
Sam	Ellis	Southwest Power Pool	In Person
Shahriar	Sahba	Open Access Technology International, Inc. (OATI)	In Person