Southwest Power Pool, Inc.

STRATEGIC PLANNING COMMITTEE EDUCATION SESSION

Thursday, July 7, 2016

DFW Hyatt Regency – Dallas, Texas

• A G E N D A •

9AM – 4PM

1. Call to Order Administrative Items ........................................................................................... Mike Wise

2. Competitive Transmission Process Task Force (CTPTF) Update .............................................. Staff and CTPTF
CTPTF
Transmission Owner Selection Process Update

Strategic Planning Committee – July 7, 2016
Agenda

• Order 1000 & TOSP Review

• Walkemeyer RFP Review

• TOSP Update: CTPTF Recommendations and Status
  • Detailed Project Proposal (DPP) Process Update
  • Annual Transmission Revenue Requirement (ATRR) Template Update
  • QRP & RFP Convergence of Date Update
  • Earlier Seating of IEP Recommendation
  • TOSP Overall Timeframe Update
  • Minimum Transmission Design Standards Task Force (MTDSTF) Update

• Industry Expert Panel (IEP) Lessons Learned from Walkemeyer RFP

• Next Steps
Order 1000 & TOSP Review

Education on Order 1000 requirements and TOSP implementation
Order 1000 Requirements Analysis

- Analysis divides requirements into:
  1. Regional (RTO) Requirements
  2. Interregional Requirements
# Order 1000 Regional (RTO) Requirements

<table>
<thead>
<tr>
<th>No.</th>
<th>RTO Regional Requirements</th>
<th>Current Status of SPP Compliance</th>
<th>Leads on Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regional Planning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1(a)</td>
<td>Participate in a regional transmission planning process that produces a regional transmission plan and complies with the Order No. 890 transmission planning principles. [¶ 6, 146]</td>
<td>SPP Complies with requirement.</td>
<td>N/A</td>
</tr>
<tr>
<td>1(b)</td>
<td>Amend OATT to explicitly provide for the consideration of transmission needs driven by Public Policy Requirements in both local and regional transmission planning processes. [¶ 203, 222]</td>
<td>Section III.6.k &amp; n of Attachment O to the SPP OATT considers Public Policy Requirements.</td>
<td>SPP Legal/Regulatory, Strategic Planning Committee, &amp; RTWG: Consider drafting amendments to Attachment O that more directly addressing Public Policy requirements in Order 1000.</td>
</tr>
<tr>
<td>1(c)</td>
<td>Regional Planning must evaluates transmission alternatives at the regional level that may resolve the transmission planning region’s needs more efficiently and cost-effectively than alternatives identified by individual public utility transmission providers in their local transmission planning processes. [¶ 6, 146]</td>
<td>SPP Complies with requirement.</td>
<td>N/A</td>
</tr>
<tr>
<td>1(d)</td>
<td>Regional Planning must consider proposed non-transmission alternatives on a comparable basis. [¶ 148]</td>
<td>SPP Complies with requirement.</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Right of First Refusal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Remove from FERC-jurisdictional tariffs and agreements any right of first refusal for an incumbent transmission provider to construct transmission facilities identified in the regional transmission plan for cost allocation. [¶ 313]</td>
<td>SPP’s OATT has ROFR language.</td>
<td>Strategic Planning Committee: Review and consider amendments to SPP Membership Agreement &amp; OATT that directly address “ROFR.”</td>
</tr>
<tr>
<td></td>
<td>Cost Allocation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Include in its OATT a method, or set of methods, for allocating the costs of new transmission facilities selected in the regional transmission plan for cost allocation. [¶ 482]</td>
<td>SPP Complies with requirement.</td>
<td>N/A</td>
</tr>
</tbody>
</table>
# Order 1000 Interregional Requirements

<table>
<thead>
<tr>
<th>No.</th>
<th>Interregional Requirements</th>
<th>Current Status of SPP Compliance</th>
<th>Leads on Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Engage in interregional coordination with each neighboring transmission planning region within the same interconnection to identify and jointly evaluate interregional transmission facilities that may more efficiently or cost-effectively address the individual needs of each respective local and regional transmission planning processes. [ ¶ 345, 393, 415]</td>
<td>Although SPP has Seams Agreements with neighboring regions, Order 1000 places additional requirements on Interregional planning.</td>
<td>SPP Engineering &amp; SPP Seams Steering Committee: Review Seams Agreements/Joint Operating Agreements. Develop procedures to comply with the interregional coordination requirements set forth in Order No. 1000 and to develop the same language to be included in each public utility transmission provider’s OATT that describes the procedures that a particular pair of transmission planning regions will use to engage in interregional coordination. OATT must still provide enough description so that stakeholders can follow how interregional transmission coordination will be conducted, and the OATT must contain links to the actual agreements.</td>
</tr>
<tr>
<td>2.</td>
<td>Develop, working through its transmission planning region, a method or set of methods for allocating the costs of new interregional transmission facilities that two (or more) neighboring transmission planning regions determine resolve the individual needs of each region more efficiently and cost-effectively. [ ¶ 578]</td>
<td>SPP has no methods for allocating costs for interregional transmission facilities with neighboring regions.</td>
<td>SPP Regulatory, SPP Seams Steering Committee &amp; SPP Regional State Committee: SPP’s RSC has already engaged the Brattle Group to look at Seams Cost Allocation.</td>
</tr>
</tbody>
</table>
SPP Tariff Provisions

Attachment O:

• Entities can participate in the planning process by submitting Detailed Project Proposals (DPPs) for transmission needs.

• If the project is included in the ITP plan approved by the Board of Directors (BOD), the submitting entity may qualify for incentive points.
SPP Tariff Provisions

Attachment Y:

- TOSP - how SPP shall designate Transmission Owners to construct approved transmission facilities.

- Attachment Y includes:
  - Competitive v. non-competitive determination
  - Qualified RFP Participants (QRPs)
  - Request for Proposal (RFP)
  - Industry Expert Panel (IEP)
  - Designated Transmission Owner (DTO)
  - Notification to Construct (NTC)
Transmission Owner Selection Process

- Competitive Upgrades- Designated Transmission Owner selected through the RFP process

- Non-competitive Upgrade- Incumbent Transmission Owner is the Designated Transmission Owner
  - SPP issues NTC to Transmission Owner after the project is approved by the BOD
What is a Competitive Upgrade?

1) Transmission facilities that are: ITP Upgrades, high priority upgrades, or Interregional Projects;

2) Transmission facilities with a nominal operating voltage of greater than 100 kV;

3) Transmission facilities that are not a Rebuild of an existing facility;

4) Transmission facilities that do not alter a Transmission Owner’s use and control of its existing right of way under relevant laws or regulations;

5) Transmission facilities located where the selection of a Transmission Owner pursuant to Section III of this Attachment Y does not violate relevant law where the transmission facility is to be built;

6) Transmission projects that do not require both a Rebuild of existing facilities and new transmission facilities; and

7) Transmission facilities that are not a Local Transmission Facility.

8) Also, transmission facilities that are not short-term reliability projects.
Upgrade Determination

ITP or High Priority Upgrade or Interregional Project? 
- Yes
- No

Operating voltage > 100 kV? 
- Yes
- No

Rebuild of an existing facility? 
- Yes
- No

Facility alters TO’s ROW use/control? 
- Yes
- No

TOSP violates relevant law? 
- Yes
- No

Includes new and Rebuild? 
- Yes
- No

Local Transmission Facility? 
- Yes
- No

RTO Determined Need Date within 3 yrs or less? 
- Yes
- No

STR Project Process

Figure 2
Upgrade Determination for Projects with New and Rebuild portions -  

Rebuild Cost $\geq$ 80\% of Total Project Cost?  
Yes $\rightarrow$ ITO  
No $\rightarrow$ ITO 

Pursuant to the criteria in Att. Y, Section I.1. 

Divide project into parts $\rightarrow$ NEW  

ITO – Incumbent TO  

Local Transmission Facility?  
Yes $\rightarrow$ ITO  
No $\rightarrow$ TOSP 

RTO Determined Need Date within 3 yrs or less?  
Yes $\rightarrow$ STR Project Process  
No $\rightarrow$ TOSP
SPP Region ROFR Status

States That Have Adopted ROFR Legislation in Light of FERC Order 1000
(January 2016)

- **Adopted Statutes**
- **No Adopted Statutes**

* ROFR 300 kV and Below
Current TOSP High Level Processes

FERC Order 1000 High Level Processes

- **Process 1**: Prequalification of Qualified RFP Participants ("QRP")
- **Process 2a**: Industry Expert Pool Selection ("IEP")
- **Process 2b**: Industry Expert Panel Selection ("IEP")
- **Process 5**: IEP Review and Selection of RFP Proposals
- **Process 3**: Detailed Project Proposal ("DPP")
- **Process 4**: Request for Proposal ("RFP")
- **Process 6**: Notification to Selected RFP Proposal Respondent

**DPP / ITP / RFP**

**Existing Process**: ITPNT/ITP10 Process

**Existing Process**: NTC Process

Last edit date: 26-September-2013
QRPs

- Annual process
- Any entity desiring to participate in the SPP TOSP must apply to become a QRP
- Only approved QRPs can participate in the TOSP
- Qualification criteria found in Att. Y, Section III(b):
  - Must be a Transmission Owner or willing to sign the SPP Membership Agreement as a Transmission Owner if selected
  - Financial Criteria
  - Managerial Criteria
- SPP reviews the application and determines whether QRP meets the qualification criteria
- Once approved, QRP status is good for 5 years, subject to annual recertification
- Currently 52 approved QRPs
RFPs

• RFP is an “as needed” process

• Tariff requirements for Competitive Upgrade (CU) RFPs:
  • Extensive list of RFP requirements for both SPP and Respondents
  • Allows for 180 day RFP Response Window
  • Only QRPs are allowed to respond to the RFP
  • Each response must include a RFP Deposit to pay for the costs associated with the administration and evaluation of the RFP.
Industry Expert Terms Defined

- Industry Expert Pool: Group of industry experts recommended to the SPP BOD by the Oversight Committee

- Industry Expert Panel: 3-5 person group of industry experts selected from the pool by the Oversight Committee who are engaged to review and evaluate proposals submitted in response to the Transmission Owner Selection RFP. The SPP BOD may approve the use of multiple industry expert panels.
Industry Expert Panel Process

• Creating an IEP pool is an annual process

• Oversight Committee recommends a pool of candidates to the BOD for approval with expertise in one or more areas:
  • Electric transmission engineering design
  • Electric transmission project management and construction
  • Electric transmission operations
  • Electric transmission rate design and analysis
  • Electric transmission finance
IEP Role in TOSP

- IEP panels are created “as needed”
- IEP reviews, ranks, and scores the RFP Proposals
- IEP may award up to 1000 base points for each RFP Proposal
- High level scoring criteria is defined in the Tariff
  - No specific requirements for how the points are awarded within each category
IEP Role in TOSP

- **SPP Tariff requirements:**
  - The IEP shall develop a final score for each RFP Proposal and provide its recommended RFP Proposal and an alternate RFP Proposal to the BOD...
  - IEP may initiate communication with RFP Respondents to obtain answers to any additional questions about proposals, and any such communications shall be documented by the IEP
  - The RFP Proposal with the highest total score may not always be recommended.
  - The IEP may recommend that any RFP Proposal be eliminated from consideration due to a low score in any individual category.
## Scoring Criteria

<table>
<thead>
<tr>
<th>TOSP Scoring Criteria</th>
<th>Maximum Points</th>
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<tbody>
<tr>
<td>Engineering Design</td>
<td>200 Points</td>
</tr>
<tr>
<td>Project Management (Construction Project Management)</td>
<td>200 Points</td>
</tr>
<tr>
<td>Operations</td>
<td>250 Points</td>
</tr>
<tr>
<td>Rate Analysis (Cost to Customers)</td>
<td>225 Points</td>
</tr>
<tr>
<td>Finance (Financial Viability and Creditworthiness)</td>
<td>125 Points</td>
</tr>
<tr>
<td><strong>Total Base Points</strong></td>
<td><strong>1,000 Points</strong></td>
</tr>
<tr>
<td>Detailed Project Proposal (Incentive Points)</td>
<td>100 Points</td>
</tr>
<tr>
<td><strong>Total Maximum Points</strong></td>
<td><strong>1,100 Points</strong></td>
</tr>
</tbody>
</table>
Scoring Criteria – Eng. Design

Engineering Design (Reliability/Quality/General Design), 200 points: Measures the quality of the design, material, technology, and life expectancy of the Competitive Upgrade. Criteria considered in this evaluation category shall include, but not be limited to:

- (a) Type of construction (wood, steel, design loading, etc.);
- (b) Losses (design efficiency);
- (c) Estimated life of construction; and
- (d) Reliability/quality metrics
Scoring Criteria – Project Management

Project Management (Construction Project Management), 200 points: Measures an RFP Respondent’s expertise in implementing construction projects similar in scope to the Competitive Upgrade that is the subject of the RFP. Criteria considered in this evaluation category shall include, but not be limited to:

• (a) Environmental;
• (b) Rights-of-way acquisition;
• (c) Procurement;
• (d) Project scope;
• (e) Project development schedule (including obtaining necessary regulatory approvals);
• (f) Construction;
• (g) Commissioning;
• (h) Timeframe to construct; and
• (i) Experience/track record
Scoring Criteria – Operations

Operations (Operations/Maintenance/Safety), 250 points: Measures safety and capability of an RFP Respondent to operate, maintain, and restore a transmission facility. Criteria considered in this evaluation category shall include, but not be limited to:

- (a) Control center operations (staffing, etc.);
- (b) Storm/outage response plan;
- (c) Reliability metrics;
- (d) Restoration experience/performance;
- (e) Maintenance staffing/training;
- (f) Maintenance plans;
- (g) Equipment;
- (h) Maintenance performance/expertise;
- (j) Internal safety program;
- (k) Contractor safety program; and
- (l) Safety performance record (program execution)
Scoring Criteria – Rate Analysis

Rate Analysis (Cost to Customer), 225 points: Measures an RFP Respondent’s and, if applicable, a CU Participant’s cost to construct, own, operate, and maintain the Competitive Upgrade over a forty (40) year period. Criteria considered in this evaluation category shall include, but not be limited to:

- (a) Estimated total cost of project;
- (b) Financing costs;
- (c) FERC incentives;
- (d) Revenue requirements;
- (e) Lifetime cost of the project to customers;
- (f) Return on equity;
- (g) The quantitative cost impact of material on hand, assets on hand, rights-of-way ownership, control, or acquisition; and
- (h) Cost certainty guarantee.
Scoring Criteria – Finance

Finance (Financial Viability and Creditworthiness), 125 points: Measures an RFP Respondent’s and, if applicable, a CU Participant’s ability to obtain financing for the Competitive Upgrade. Criteria considered in this evaluation category shall include, but not be limited to:

- (a) Evidence of financing;
- (b) Material conditions;
- (d) Pro forma financial statements;
- (e) Expected financial leverage;
- (f) Debt covenants;
- (g) Projected liquidity;
- (h) Dividend policy; and
- (i) Cash flow analysis
Reports

• The IEP creates “Internal Report”; recommendation report provided to SPP Staff

• Staff creates 2 reports:
  • Public Report
  • Board of Directors Report

• Published 14 calendar days prior to BOD meeting
Walkemeyer RFP
Timelines and Requirements for Walkemeyer RFP
Walkemeyer RFP Timeline

✓ October 28, 2014 – BOD Approved 2015 IEP Pool
✓ April 28, 2015 – BOD approved Walkemeyer project
✓ May 5, 2015 – SPP published RFP for Walkemeyer project (180 day Response Window)
✓ May 28, 2015 – Public Q&A session on RFP
✓ May 2015 – IEP Pool contracted by SPP
✓ August 3, 2015 – Non-binding Notice of Intent to submit Proposal deadline
✓ September 30, 2015 – October 1, 2015 – IEP Training
✓ November 2, 2015 – Deadline to submit RFP Proposals
Walkemeyer RFP Timeline

- November 11, 2015 – IEP Panel selected by Oversight Committee
- November 12, 2015 – November 30, 2015 – IEP established their scoring methodologies to be used in evaluations
- November 30, 2015 – February 29, 2016 – IEP Review Period and Recommendation Report drafting (90 days)
- February 29, 2016 – IEP Internal Report provided to SPP Staff
- April 12, 2016 – Public & Board of Directors Version of IEP Internal Report published
- April 27, 2016 – BOD awarded NTC for Walkemeyer project
Creation of the IEP

• In October 2014 the SPP BOD approved a pool of experts for the 2015 planning cycle (10 members approved for 2015 pool)

• In May 2015, 8 of the 10 experts were contracted for the purpose of creating an expert panel to evaluate the Walkemeyer RFP

• On September 30, 2015 SPP Staff had all of the expert pool members in Little Rock for a training exercise.

• The training included SPP Overview, Order 1000 Overview, SPP Planning Process, SPP Tariff Review (Order 1000), Expert Panelist Responsibilities, and a Mock RFP Response scenario.
  • Josh Martin attended on behalf of the OC/BOD

• On November 11, 2015 (after RFP Responses were received) the Oversight Committee met via conference call to select 5 pool members to create the panel, with one of the panelists acting as a Chair for the group.
Expert Evaluation Process

- The RFP Evaluation Window started on Monday November 30, 3015
  - On November 20, 2015 the OC approved the panels request for a 30 day evaluation period extension (Window end date = February 28, 2016)

- IEP were given access to all RFP Proposals on November 30, 2015

- IEP Review Period was from November 30, 2015 to February 29, 2016

- Provided IEP Internal Report to SPP Staff on February 29, 2016
Walkemeyer Evaluation Cost

- Attachment Y, Section III.2(e) – Each RFP Proposal shall pay its share of the TOSP total cost incurred to implement and administer the TOSP

- Walkemeyer RFP Deposit - $25,000

- Walkemeyer reconciliation final Respondent cost - $47,472.37
  - Respondents invoiced on June 30, 2016 for additional payment

### Walkemeyer Cost Breakdown

<table>
<thead>
<tr>
<th>Expense Category</th>
<th>Expense</th>
</tr>
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<tbody>
<tr>
<td>SPP Staff</td>
<td>$87,468.25</td>
</tr>
<tr>
<td>Industry Expert Panel</td>
<td>$322,057.78</td>
</tr>
<tr>
<td>IEP Consultant</td>
<td>$112,670.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$522,196.03</strong></td>
</tr>
</tbody>
</table>

RFP Respondents Cost / 11 $47,472.37
Minimum Project Cost Threshold

• Should there be a higher minimum project cost required for any Competitive Upgrade?
  • Evaluation cost and RFP Proposal submission cost may eliminate or minimize potential savings resulting from a competitive process
  • Depending on the Study Cost Estimate, the evaluation cost could exceed the project cost.
    • Example: What if RFP Study Cost Estimate for CU is only $500,000?
      • Currently, if deemed a CU, then SPP would still be required per the Tariff to issue a RFP and execute the TOSP
      • Tariff revisions could impact current cost allocation

• PJM filing requesting minimum voltage threshold limits for reliability projects 200kv or below
  • ER16-1335
Staff Perspective of Process

- The TOSP for the Walkemeyer project was generally successful
- The processes developed and implemented with stakeholders were executed as intended
- Room for improvement – currently going through lessons learned process with stakeholders and IEP. No major “overhaul” required only fine tuning
  - Areas for improvement include:
    - RFP Response Form
    - Annual Transmission Revenue Requirement template
    - Minimum Transmission Design Standards for Competitive Upgrades – specifically conductor section
Stakeholder Perspective of Process

- Overall the TOSP for Walkemeyer was successful but not without areas of concern
  - Lack of clarity from the MTDS and RFP as to what assumptions would be used by the IEP in evaluations
  - Concerned that 5 of 11 Respondents received a score of 0 for engineering design category
  - IEP should have utilized the Request for Information (RFI) process afforded them in Attachment Y of the Tariff
    - In what conditions should IEP ask questions?
    - What is the threshold for IEP asking a question?
    - Should an RFI if issued be required to be sent to all Respondents?
  - More transparency is required of what the IEP scoring matrix will be prior to the RFP Response deadline
Objectives of Process Improvement

• Provide greater effectiveness of the process
  • Ensure we get the right information in the right format to evaluate the project proposals
  • Create specificity in the proposals to eliminate unneeded costs and burden during the bid development processes
  • Support the SPP FERC approved Order 1000 process
  • Eliminate uncertainty in the selection criteria to further promote an “open, transparent, and fair” bidding process
CTPTF Lessons Learned Timeline

- November 30, 2015 – CTPTF initial meeting to review Qualified RFP Participant (QRP) submitted Lessons Learned on the TOSP
- January 7, 2016 – CTPTF F2F to discuss TOSP Lessons Learned
- February 2, 2016 – CTPTF F2F to discuss Detailed Project Proposal (DPP) improvements
- February 12, 2016 – CTPTF meeting updating BP7650
- May 12, 2016 – CTPTF F2F meeting to discuss additional QRP Lessons Learned (extension from Jan 7 and Feb 2 Lessons Learned) and initial IEP Lessons Learned
- May 24, 2016 - CTPTF call focused on Rate Analysis
- May 31, 2016 - CTPTF call focused on proposed QRP/RFP convergence and update to IEP process
- June 6, 2016 – CTPTF call focused on Rate Analysis
- June 15, 2016 – CTPTF F2F meeting to finalize points recommendations for SPC/MOPC
- July 7, 2016 – SPC Workshop – Order 1000
Key Areas for Improvement

• Comments used during the process improvement have been provided by members of the CTPTF, QRPs, and the IEP

• 56 items originally submitted from Stakeholders
  • Most have been resolved or combined due to the common intention of feedback
  • Five key areas were identified from remaining “Open” items as needing attention
Key Areas for Improvement (Cont’d)

• 5 Key Areas identified for improvement:
  • DPP effectiveness and process enhancements
  • Rate Analysis - Finance Annual Transmission Revenue Requirement (ATRR) template
  • Convergence of QRP and RFP Information
    • QRP qualifications – what areas do not need to be re-addressed in RFP?
    • RFP focused on specific project requirements
  • IEP Process and engagement
  • Overall timeframe for the process
CTPTF Recommendations/Updates

- Recommendations/Updates:
  1) DPP improvements to date
  2) ATRR template updates
  3) Convergence of information required by the QRP and RFP processes
  4) The IEP should be seated early in the RFP process and required to publish their scoring evaluation and methodologies by at least halfway into the RFP response window.
  5) Overall timeframe required for the TOSP
  6) Minimum Transmission Design Standards for Competitive Upgrades update
## TOSP Process Update (Cont’d)

### Transmission Owner Selection Process (TOSP) Improvements and Impacts

<table>
<thead>
<tr>
<th>Staff Only Implementation</th>
<th>Policy Change</th>
<th>Tariff Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Detailed Project Proposal (DPP) Process</strong></td>
<td>No changes</td>
<td>DPP Effectiveness &amp; Results to-date</td>
</tr>
<tr>
<td><strong>Qualified RFP Participant (QRP) Process</strong></td>
<td>No changes</td>
<td>No changes</td>
</tr>
<tr>
<td><strong>Request for Proposal (RFP) Process</strong></td>
<td>ATRR Template</td>
<td>Convergence of QRP and RFP information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>RFP Focused on Specific Project Requirements</td>
</tr>
<tr>
<td><strong>Industry Expert Panel (IEP) Process</strong></td>
<td>No changes</td>
<td>IEP Process and Engagement</td>
</tr>
<tr>
<td><strong>General</strong></td>
<td>Overall Timeframe of TOSP</td>
<td></td>
</tr>
</tbody>
</table>
Detailed Project Proposal

CTPTF Update on DPP Improvements To-Date
CTPTF DPP Update

• Issue:
  • The time and cost associated with submitting and processing DPPs may not be consistent with the value that is brought from the DPP process.
  1. How can the DPP process be made more efficient for both members and SPP?
  2. Are Stakeholders and SPP receiving the intended benefits of the DPP process?
  3. How would the BOD interpret DPP points in a close evaluation?
CTPTF DPP Update (Cont’d)

• Updates on 1:

• How can the DPP process be made more efficient for both members and SPP?

• Members and Staff have worked together to improve the efficiency for submitting and processing DPPs.

Improvements Include:

• Implemented changes (Updates to BP7650) to better drive creative and complete DPP solutions
• DPP Submittal Form improvements
  • Efficiency with common fields and formats
• Automation – resulted in significant reduction in onboarding time and effort of processing DPPs
CTPTF DPP Update (Cont’d)

• Updates on 1:

• Results since improvements implemented:

  • 90% reduction in hours for support staff
    • 2015 DPP onboarding work (1,672 DPPs)
      ➢ Support Staff – 468 hours
      ➢ Contractors – 1,152 hours
    • 2016 DPP onboarding work (1,664 DPPs)
      ➢ Support Staff – 167 hours
      ➢ Contractors – 0 hours

• Actual DPPs received
  • 2015 ITP10 - 1,179
  • 2015 ITPNT - 493
  • 2016 ITPNT - 1,664
CTPTF DPP Update (Cont’d)

• Updates on 2:

• Are Stakeholders and SPP receiving the intended benefits of the DPP process?

  • The CTPTF is concerned with the level of time and money required from both Stakeholders and SPP Staff to submit and process DPPs. Is the DPP process bringing the value to the planning process as intended?

  • The CTPTF has discussed this question on several occasions and believes the DPP process should be kept and continued to be modified as needed at this time.

    • The previous improvements mentioned have positively impacted the time required for the DPP process.

    • CTPTF will continue to monitor and evaluate the DPP process over time. Currently, monitoring the TPITF to see how their recommendations will impact the DPP process.
CTPTF DPP Update (Cont’d)

- Updates on 3:
- How would the BOD interpret DPP points in a close evaluation?

  - First, while it can be discussed, we do not know how the BOD would view the incentive points associated with a DPP if they were potentially a determining factor.

  - The IEP recommendation is based solely on the RFP Proposals they receive and review, score, and rank. The IEP **DOES NOT** weigh incentive points in their recommendation.

  - If the IEP recommendation was for a Proposal that did not receive 100 incentive points for a DPP submittal, would the BOD elect to approve a different Proposal that earned a higher total point score simply because of incentive points?

  - Is there a better process to drive creative solutions while rewarding participants in the planning process?
CTPTF DPP Update (Cont’d)

Governing Documents Impacted:
  • No governing documents require modification at this time

Policy Change:
  • No policy changes
Annual Transmission Revenue Requirement Improvements

CTPTF ATRR Template Updates
CTPTF ATRR Update

• Issues:
  1) The current approved ATRR Template used by Respondents for the Walkemeyer project did not result in consistent responses and supporting documentation from Respondents.
    • Due to the flexibility of the original approved ATRR Template design, RFP Proposals did not provide information in a consistent manner. This made the comparability and evaluation of all RFP Proposals difficult.
    • Some RFP Respondents indicated that the approved ATRR Template for the Walkemeyer project did not allow for their response to accurately reflect their financial information and projections.
  2) Should the ATRR responses be based on SPP cost as a whole or only on an incremental cost basis?
What is an ATRR?

- Annual Transmission Revenue Requirement (ATRR) is the total revenue that the utility is authorized an opportunity to recover, which includes operating expenses and a reasonable return on rate base
  - Factors included in a Revenue Requirement:
    - Rate of return
    - Rate base (Gross Investment – Accumulated Depreciation)
    - Operating costs
    - Depreciation expenses
    - Taxes
    - Other costs
    - Test Year
CTPTF ATRR Update (Cont’d)

• Update on Issue 1:

• CTPTF has been working with high levels of engagement to improve the template utilized in an RFP Proposal to better represent the ATRR and NPV amounts.

  • To initiate the process improvement, John Olsen with Westar, engaged their Rate expert to create a template that better represents and documents the ATRR and assumptions made in a Proposal.

  • CTPTF members have engaged their finance experts within their companies to review and provide feedback on how to best represent this information in a Proposal.

  • Held conference calls dedicated to this topic on May 24 and June 6 with more meetings to follow in July.

  • The goal is to have an updated ATRR template for use by the next TOSP.
CTPTF ATRR Update (Cont’d)

• Update on Issue 1:

• Specific issues with the original ATRR Template stemmed from the amount of flexibility provided for a respondent in how they would determine, document, and support assumptions that went into their ATRR amounts.

• The Walkemeyer template was one tab of an Excel file that allowed for a respondent to input what their Net Plant Carrying Charge (NPCC) was. Once the NPCC was inputted the template populated the ATRR and NPV.
CTPTF ATRR Update (Cont’d)

• Update on Issue 1:

• Respondents provided:
  1. NPCC
  2. Supporting documentation for the 8 assumptions, if applicable
  3. The E&C was auto populated cell from a previous tab

### ATRR Template (for use when no FERC-accepted Formula Rate Template exists)

<table>
<thead>
<tr>
<th>Calculation of 40 Year ATRR and</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount Rate</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>NPCC Excluding Depreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E&amp;C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NPV of ATRR=</td>
<td>$0.00</td>
<td></td>
</tr>
</tbody>
</table>

Complete and provide all supporting documentation to detail any and all assumptions made in the calculation of Net Plant Carrying Charge (“NPCC”) by the RFP Respondent. Assumptions detailed should include at a minimal the following list:

1. Depreciation
2. Carrying Charge (Return on Rate Base)
3. Operation & Maintenance (“O&M”)
4. A&G (Overhead allocation)
5. Income Tax Rate
   a. State
   b. Fed
6. Property Tax
7. Taxable Components
8. Treatment of Revenue Credits for Point-to-Point

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Plant</th>
<th>ATRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>[a]</td>
<td>[b]</td>
<td>[c]</td>
</tr>
<tr>
<td>1</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
CTPTF ATRR Update (Cont’d)

• Update on Issue 1:

• CTPTF improvements currently under development:

  • The template standardizes what and where assumptions are inputted by a Respondent.
    • Areas of improvement in the template:
      • Standardizing how and what assumptions are presented in a Proposal
      • Increasing the comparability of Proposals for rate analysis evaluation purposes
      • Increasing the transparency of figures presented in the ATRR response for the RFP Proposal
CTPTF ATRR Update (Cont’d)

• Update on Issue 1:

• Sample portion of proposed template:

SPP Transmission Project
Present Value Revenue Requirement / Carrying Charge Analysis

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>All Costs in $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Book Life</td>
<td>40</td>
</tr>
<tr>
<td>Tax Life</td>
<td>15</td>
</tr>
<tr>
<td>Composite Tax Rate</td>
<td>39.55%</td>
</tr>
<tr>
<td>Property Tax Rate</td>
<td>3.50%</td>
</tr>
<tr>
<td>Levelized Revenue Requirement Years</td>
<td>40</td>
</tr>
<tr>
<td>Rate Base Adjustment (annual)</td>
<td>$ -</td>
</tr>
<tr>
<td>O&amp;M (annual, year 1)</td>
<td>$100,000</td>
</tr>
<tr>
<td>A&amp;G (annual, year 1)</td>
<td>$50,000</td>
</tr>
<tr>
<td>Other Annual Costs</td>
<td>$10,000</td>
</tr>
<tr>
<td>Revenue Credits (initial)(enter positive)</td>
<td>$ -</td>
</tr>
<tr>
<td>Inflation Rate for Expenses</td>
<td>2.00%</td>
</tr>
<tr>
<td>AFUDC</td>
<td>$500,000</td>
</tr>
</tbody>
</table>

| Results:                                         |                   |
| Present Value Revenue Requirement                | $15,733           |
| Levelized Revenue Requirement                    | $1,132            |
| Levelized Carrying Charge Rate                   | 11.32%            |

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment</th>
<th>Book Depreciation</th>
<th>Net Plant</th>
<th>Tax Depreciation</th>
<th>Residual Plant</th>
<th>Deferred Income Tax</th>
<th>Accumulated Deferred Income Tax</th>
<th>Adjustment to Rate Base</th>
<th>Rate Base</th>
<th>Interest</th>
<th>Equity</th>
<th>Property Taxes</th>
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<tr>
<td>0</td>
<td>$10,500,000</td>
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<td>525</td>
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<td>291</td>
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<td>467</td>
<td>-</td>
</tr>
<tr>
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</tr>
</tbody>
</table>
CTPTF ATRR Update (Cont’d)

• Update on Issue 1:

• Current Status:

  • Working towards creating one model that can be used by all business models that participate in SPP and the TOSP.

  • Currently the Cooperative/Municipal business model is the only one requiring modification of the template

  • Exploring adding sub-tabs to further define the high level assumptions made on the main tab.

For example:
• A sub-tab for Operations & Maintenance (O&M) that allows for the inputs to be made resulting in a total that is auto-populated on the main tab.

  • This will provide more transparency into assumptions made for O&M.

  • This will aide the evaluation process and provide for more consistent responses across all Proposals when they are required to provide the same information.
CTPTF ATRR Update (Cont’d)

• Update on Issue 2:
  • Should the ATRR responses be based on SPP cost as a whole or only on an incremental cost basis?
  • CTPTF is discussing the appropriateness of an incremental only cost or SPP as a whole cost response.

  • Should the Proposal reflect only what the incremental cost to build the project will be and not have cost figures impacted by an averaging effect of formula/stated rates?

OR

• Is it appropriate to have the cost amounts reflected in a proposal be impacted by the existing portfolio of the developer?
CTPTF ATRR Update (Cont’d)

- **Update on Issue 2:**

- **Current Status:**

  - The CTPTF requested that SPP legal provide an opinion on whether or not the tariff requires a bid evaluation on an average ATRR or if it could be based on an incremental project cost.

  - SPP Legal review has determined that the Tariff language regarding this is very generic.

    - Attachment Y, Section III.2(c)(v)(1) provides that the responses provide: “itemized revenue requirement calculations for each RFP Respondent and CU Participant that proposes to have revenue requirements under this Tariff.”

    - SPP would interpret this to mean that a Response is to provide the itemized calculations for the revenue requirement that would be added to the Tariff if they were to be the selected DTO.

  - The CTPTF will continue this discussion in July.
CTPTF ATRR Update (Cont’d)

Governing Documents Impacted:

• Issue 1 –
  • No Tariff impacts
  • Potentially requires modification to Business Practice 7700
    • Requires Revision Request Process and approvals

• Issue 2 –
  • Potentially requires modification to Business Practice 7700
    • Requires Revision Request Process and approvals

Policy Change:

• Issue 1 –
  • No policy changes

• Issue 2 –
  • Potential policy issue
QRP & RFP
Convergence
CTPTF Update on Convergence of QRP & RFP Required Information
CTPTF QRP/RFP Convergence Update

• Issue:
  • RFP Proposals, in some circumstances, duplicated information previously provided and approved by SPP during the QRP process of the TOSP. This added to the time and cost required to create and evaluate an RFP Proposal.
    • Should the same information be required in both the QRP and RFP processes?
    • Was this the intended purpose?
    • Did the IEP have the proper information required to evaluate all proposals?
    • Should the IEP be “re-qualifying” RFP Respondents?
CTPTF QRP/RFP Convergence Update

• Should the same information be required in both the QRP and RFP processes?
  • Initial review indicates the primary areas of overlap exist in the Operations and Finance scoring categories
  • CTPTF does not recommend modifications to the Tariff that would result in a RFP Respondent being limited to the type of data it provides in an RFP Proposal
  • CTPTF believes that by modifying the RFP Response Form to ask more project specific questions in these areas, it can produce more project “focused” responses while allowing the Respondent to include supporting information where appropriate
  • Staff agrees
  • Per the IEP, more project specific responses could be beneficial to the evaluation process in the future;
CTPTF QRP/RFP Convergence Update

• Should the IEP be “re-qualifying” RFP Respondents?
  • The IEP should be trained on the QRP process and made aware that Respondents have been approved as qualified to participate in the TOSP by SPP prior to an RFP Proposal submission
  • CTPTF does not desire for the IEP to be put in a position based on RFP responses to only have “qualification type” of data.
  • Modifying RFP Response Form to produce more project specific responses
CTPTF QRP/RFP Convergence Update

• Status:
  • CTPTF is working to modify the RFP Response Form to produce more project specific responses
  • While keeping in line with the Tariff requirements, CTPTF is evaluating and modifying the phrasing of questions to be more specific to the RFP project

  – Goal of process:
  • To create a RFP that asks specific questions and allows for respondents to provide appropriate responses and supporting documents to be evaluated
CTPTF QRP/RFP Convergence Update

• Example 1 of Modifications:

• Operations Scoring Category
  • Requirement: NERC Compliance Process/History
    – Walkemeyer RFP Response Form phrasing:
      ➢ “Describe any established NERC compliance processes and historical NERC performance.”
    – Proposed Modifications for same requirement:
      ➢ “Describe how facilities specific to this project will be implemented in the entities compliance program, including NERC registrations and requirements.”
CTPTF QRP/RFP Convergence Update

• Example 2 of Modifications:

• Finance Scoring Category
  • Requirement: Evidence of Financing
    – Walkemeyer RFP Response Form phrasing:
      ➢ “Provide evidence of financing and any relevant documentation for each RFP Respondent and in the case of a Multi-Owner RFP Proposal, the Competitive Upgrade Participants.”
    – Proposed Modifications for same requirement:
      ➢ “Provide evidence of financing and any relevant documentation specific to this project for each RFP Respondent and in the case of a Multi-Owner RFP Proposal, the Competitive Upgrade Participants.”
CTPTF QRP/RFP Convergence Update

Governing Documents Impacted:
• No governing documents require modification

Policy Change:
• No policy changes
Earlier Seating of IEP

CTPTF recommendation of IEP Seating
CTPTF IEP Process & Engagement Recommendations

• Issue:
  • RFP Respondents to the Walkemeyer RFP were surprised by the IEP evaluation and scoring methodologies described in the IEP Recommendation Report; moreover,
    • Experts selected for Panels, from one RFP to the next, may vary;
    • IEP evaluation and scoring methodologies may vary from one RFP to the next
CTPTF IEP Process & Engagement Recommendations (Cont’d)

Recommendations:

1) The IEP should be seated early in the RFP process and required to publish their scoring matrices and methodologies as far in advance of the RFP response window deadline as possible.

2) Stakeholders & Staff provide “focused” list of important factors for IEP to address when creating their scoring methodologies.
CTPTF IEP Process & Engagement Recommendation (Cont’d)

• Recommendation 1: Adjust IEP Process & Timeline

• Current IEP Process:

  1) IEP Pool creation
  2) RFP is published
  3) IEP Pool is brought to SPP for training (near end of RFP Response Window)
  4) RFP Proposals are submitted
  5) IEP is selected and notified of placement on the panel
  6) IEP creates their scoring matrices and methodologies
  7) IEP executes their evaluation and provides a Recommendation Report to SPP
  8) BOD and Public IEP Reports released per the Tariff
  9) BOD Action
CTPTF IEP Process & Engagement Recommendation (Cont’d)

- Recommendation 1: Adjust IEP Process & Timeline

- **Proposed IEP Process:**
  1. IEP Pool Creation
  2. RFP is published
  3. IEP Pool is brought to SPP for training (near **start** of RFP Response Window)
  4. IEP is selected and notified of placement on the panel
  5. IEP creates and publishes their scoring matrices and methodologies (by at-least **half-way point** of RFP Response Window)
  6. IEP Publishes Scoring Matrices
  7. RFP Respondents and IEP participate in a Q&A on scoring matrices and methodologies
  8. RFP Proposals are submitted
  9. IEP executes their evaluation and provides a Recommendation Report to SPP
  10. BOD and Public IEP Reports released per the Tariff
  11. BOD Action
### IEP PROCESS & ENGAGEMENT CTPTF RECOMMENDATION 1

<table>
<thead>
<tr>
<th></th>
<th>PRE RFP RELEASE</th>
<th>RFP RESPONSE WINDOW</th>
<th>IEP REVIEW PERIOD</th>
<th>POST IEP REVIEW PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current IEP Process</strong></td>
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<td></td>
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<tr>
<td>STEP 1: IEP Pool Creation</td>
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<td>STEP 2: RFP Published</td>
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<tr>
<td>STEP 3: IEP Training (Near End)</td>
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<td>STEP 4: RFP Proposals Submitted</td>
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<td>STEP 5: IEP Panel Selected</td>
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<tr>
<td>STEP 6: IEP Create Scoring Matrix</td>
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<td>STEP 7: IEP Evaluation &amp; Recommendation</td>
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<tr>
<td>STEP 8: BOD &amp; Public IEP Report Released</td>
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<td>STEP 9: BOD Action</td>
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<td><strong>Proposed IEP Process</strong></td>
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<td>STEP 1: IEP Pool Creation</td>
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<td>STEP 2: RFP Published</td>
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<tr>
<td>STEP 3: IEP Training (Near Start)</td>
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<tr>
<td>STEP 7: IEP-QRP Q&amp;A (New Step)</td>
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<td>STEP 8: RFP Proposals Submitted</td>
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<td>STEP 9: IEP Evaluation &amp; Recommendation</td>
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<tr>
<td>STEP 10: BOD &amp; Public IEP Report Released</td>
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<tr>
<td>STEP 11: BOD Action</td>
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</tbody>
</table>

* Proposed Changes are policy impacting and require Oversight Committee Approval
* Proposed Changes do not require any Tariff or governing document changes
CTPTF IEP Process & Engagement Recommendation (Cont’d)

• Potential Benefits of Recommendation 1:
  • RFP Respondents would know what evaluation factors the IEP considers most important and be able to create proposals more specific to what the IEP will focus evaluations on
  • IEP will gain knowledge of the project, their responsibilities, and determine their scoring methodologies sooner
  • Added transparency to the TOSP
  • Similar to other RTOs processes

• Potential Negatives of Recommendation 1:
  • Could result in increased cost for the IEP
CTPTF IEP Process & Engagement Recommendation (Cont’d)

• Recommendation 2: Stakeholders & Staff provide “focused” list of important factors for IEP to consider in scoring methodologies

• List would be created prior to the next TOSP
  • The list could be modified over time but would not be “overhauled” for every TOSP project. Should be almost static over time to achieve consistency
  • Should not dictate the scoring methodology of the IEP
    • Examples of items to include on list:
      • Assumptions used in technical calculations
      • For example: Wind Speed

• Objectives of List:
  • Provide added consistency from IEP to IEP evaluation
  • Ensure items Stakeholders and/or Staff consider important are addressed in all IEP evaluations
CTPTF IEP Process & Engagement Recommendation (Cont’d)

• Potential Benefits of Recommendation 2:
  • IEP will have set of standard factors to consider in their evaluations and creation of their scoring methodologies
  • Potentially simplifies the IEP evaluations
  • Added transparency to the TOSP
  • Added consistency to IEP Process

• Potential Negatives of Recommendation 2:
  • None
CTPTF IEP Process & Engagement Recommendation (Cont’d)

Governing Documents Impacted:
- Recommendation 1 –
  - No Tariff impacts
  - Potentially document IEP process in a Business Practice
    - Requires Revision Request Process and approvals
- Recommendation 2 –
  - No Tariff impacts
  - List of factors for IEP use would be documented in a Business Practice
    - Requires Revision Request Process and approvals

Policy Change:
- Recommendation 1 –
  - Requires approval of the Oversight Committee
- Recommendation 2 –
  - Scope and Approval are TBD
TOSP Overall Timeframe

CTPTF update on TOSP timeline effectiveness
CTPTF TOSP Timeline Update

• Issue:
  • The current IEP Review Period may be inadequate in the future
    • Complex project evaluations, multiple CUs under evaluation, and the depth of resources available in the IEP Pool could lead to problems with completing a thorough evaluation and recommendation by the IEP to the BOD.
CTPTF TOSP Timeline Update (Cont’d)

• Current Tariff Timeline Requirements for the TOSP:
  - SPP has seven (7) calendar days after BOD approval of a CU; or eighteen (18) months prior to the date that anticipated financial expenditure is needed for a CU to issue each RFP
  - The IEP has sixty (60) calendar days to provide its recommendation. The IEP may request of the Oversight Committee an additional thirty (30) calendar days.
CTPTF TOSP Timeline Update (Cont’d)

• Factors that could justify a longer Review Period:
  1) Complexity of the project being evaluated
     • Substation evaluations
     • EHV Transmission
     • Length of Transmission
     • Complexity of location of the CU
       – In a city/densely populated area
       – State Border crossings
     • All factors may require more time to complete a thorough evaluation of all Proposals and to provide a recommendation to the BOD.
CTPTF TOSP Timeline Update (Cont’d)

- Factors that could justify a longer Review Period Cont’d:

  2) Multiple CU’s at one-time

    - IEP Pool is limited in depth of experts
      - Having multiple CU’s under evaluation at one time could provide a significant strain on the IEP resources and availability.

    - Depending on the size of the IEP Pool and depth of expert knowledge available for multiple pools, having multiple CU’s under evaluation at one time may prove difficult for the IEP to thoroughly complete their responsibilities within current allotted timeframe.
CTPTF TOSP Timeline Update (Cont’d)

Option 1:

• Add Tariff language providing Staff more flexibility to stage the release of multiple CUs

• Potential Benefits of Option 1:
  • Allow for panels to be created using the best panelist for each specific project
  • Allow for better quality evaluations that are not impacted by other project evaluations

• Potential Negatives of Options 1:
  • Extends the completion time period of the TOSP for some CUs
CTPTF TOSP Timeline Update (Cont’d)

Option 2:

• Add Tariff language that could extend IEP Review Periods to longer lengths, up to 180 days

• Potential Benefits of Option 2:
  • Adds time for IEP to complete thorough evaluations
  • Lessens the impact of multiple CUs under evaluation

• Potential Negatives of Option 2:
  • Extends the completion time period of the TOSP for some CUs
CTPTF TOSP Timeline Update (Cont’d)

**Option 3:**

- Allow the use of consulting firms that have multiple expertise and resources available to perform the IEP functions

**Potential Benefits of Option 3:**
- Maintains current TOSP timelines
- Greater depth of expertise availability
- Potentially more current industry knowledge

**Potential Negatives of Option 3:**
- Potential perceived conflicts of interest
CTPTF TOSP Timeline Update (Cont’d)

Governing Documents Impacted:

- Options 1 and 2 - Require modifications to Attachment Y of the Tariff for timeframe modifications
  - Require SPP Revision Request Process
  - FERC approval process
- Option 3 - No governing documents require modification

Policy Change:

- Options 1 and 2 - No policy changes
- Option 3 - Requires approval of the Oversight Committee potentially BOD
MTDS Update
MTDS Update

• Minimum Design Standards Task Force (MDSTF) is finalizing version 2 of the Minimum Transmission Design Standards for Competitive Upgrades (MTDS)

• The Project Cost Working Group (PCWG), MTDSF, and CTPTF are working together to improve the MTDS and RFP documents for consistency.

• Areas of focus:
  • Clarify what standards and assumptions should be used in selecting a conductor
  • Accounting for the regional aspect and variances in conditions across SPP as a whole
  • Finalizing comments and revisions that have been outstanding since Revision 1 approval
MTDS Update

• MDSTF Plan
  • Held F2F meeting on June 23, 2016
  • Agreed on direction and plan for improvements to the Phase Conductor section in the Transmission Line portion of the MTDS for Competitive Upgrades
    • Refer to SPP Planning Criteria 7.2
    • Survey members and participants in SPP to determine what rating methodologies they use for their areas
    • Utilize SPP staff to compile the results and determine if a regional aspect to the rating methodologies can be determined.
    • Based on survey results create regional table or map for SPP staff to utilize when drafting an RFP.
      • Staff will use the table/map to prescribe what factors should be used by RFP Respondents when developing their RFP Proposals
        • Prescribe factors to include: Wind speed, weather, and potentially other impacting variables
IEP Update
Lessons Learned Process To-Date
IEP Process Update

- Industry Expert Panel Lessons Learned
  - IEP went through a lessons learned process with SPP Staff after completing its evaluation and recommendation report

- Key Areas identified for improvement include:
  - Agreed with CTPTF that the RFP Response Form should be based in a Word format where possible
  - Agreed with CTPTF that as part of the Rate Analysis, the ATRR and NPV templates should be improved for consistency in response format across all Proposals
  - RFP proposals should be more “project specific” in nature and contain fewer generalized responses
  - Would like to explore the opportunity to have longer evaluation window if needed
IEP Process Update (Cont’d)

- Agreed with CTPTF that the RFP Response Form should be based in a Word format where possible
  - The CTPTF is currently reviewing an updated Word version of the RFP Response Form. All questions and answers for the RFP Response Form have been moved to Word, except for Engineering Design responses, ATRR, and pro-forma financial statements.
  - The intention is to use this format for the next TOSP project
- Agreed with CTPTF that as part of the Rate Analysis, the ATRR and NPV templates should be improved for consistency in response format across all Proposals
  - The CTPTF is currently working on modifying the ATRR and NPV templates that would require all Proposals to submit the information within the same format. This will ensure better consistency and comparability in responses thereby making the evaluation process more straightforward
IEP Process Update (Cont’d)

• RFP proposals should be more “project specific” in nature and not contain as much generalized responses
  • Similar comments were received from the CTPTF. Currently they are evaluating how to have the RFP ask more specific questions to promote more relevant and specific answers to the project

• Would like to explore the opportunity to have longer evaluation window if needed
  • The IEP noted that for a more complex project, the evaluation period may need to be increased to allow a thorough review and recommendation
Next Steps
Continuing Process Improvements Steps
Next Steps

• Continue improvement efforts for the ATRR template
• Continue improvement efforts for the RFP Response Form
• MDSTF will be seeking approval of MTDS Rev 2 at October MOPC