

SPP- AECI JOA Meeting

July 6th, 2016

• Meeting Minutes •

8:00 a.m. – 12:00 p.m. CDT

1) Introductions and Overview

SPP welcomed staff from Associated Electric Cooperative Inc. to SPP's offices in Little Rock, AR.

AECI Staff in attendance:

Jeff Johns, Jeff Harrison, Tony Gott, Roger Clark, and Chris McGeeney

SPP Staff in attendance:

Adam Bell, David Kelley, Carl Monroe, Sam Ellis, Bruce Rew, Tim Miller, and Antoine Lucas

2) Review Past Action Items

All actions items resulting from the previous SPP-AECI JOA Meeting on November 17, 2015 at AECI's offices in Springfield, MO were resolved prior to this meeting.

3) Operational Topics

a) ACE Diversity Interchange Update

AECI gave an update on ACE Diversity Interchange (ADI). They stated that for the most part all of the ADI numbers were on track and looking good. In June 2016, AECI made the decision to shut off ADI due to negative impacts on CPS1. AECI anticipated turning ADI back on by the end of the week. AECI stated they were still happy with ADI and see benefit in continuing the process. SPP responded stating they see no operational or compliance issues when AECI suspends ADI.

b) TLR review

AECI provided their perspective of some of the more notable TLR occurrences over the past 6 months, focusing mostly on circumstances where TLR 5 was experienced. Brookline, Flint Creek, Siloam Springs and the Springfield Clay area were the flowgates around which most of the discussion was focused. SPP

noted all the TLR occurrences brought up by AECI aligned with the same timeframes and events noted by SPP operations. SPP discussed how a TLR is initiated by SPP.

An Action Item was taken for SPP to provide AECI a summary of the process SPP goes through when a TLR is taking place.

c) AECI CMP Participation

SPP asked AECI about the status of them joining the Congestion Management Process. AECI stated that everything was in place for them to go live and the majority of testing was complete, however they still had some questions and concerns with the results of the mock allocation runs. AECI is still working with TVA and the Congestion Management Working Group to ensure the calculations are correct before making a decision to go live. AECI has decided to wait to go live until after the summer peak season and are targeting a date sometime in September 2016.

An Action Item was taken for SPP to provide AECI with the presentation SPP provided to their stakeholders on AECI's Mock Allocations.

An Action Item was taken for AECI to contact SPP's CMP experts to answer questions about the mock allocation runs.

d) MISO Regional Transfers

SPP made a presentation on the MISO North-South regional transfer flows experienced in the Month of April 2016. The presentation also outlined Available System Capacity (ASC) usage for the same month. SPP noted updates like this one are regularly provided to stakeholders at the Seams Steering Committee. AECI asked if SPP had experienced any reliability issues due to these regional transfers. SPP responded that operations has been going generally well, although there have been occasions where SPP and MISO have had to work through specific reliability concerns that have been exacerbated by high regional transfers.

e) Transmission Reconfiguration Options

AECI asked SPP what their philosophy is on transmission reconfiguration. SPP stated it prefers re-dispatch prior to reconfiguration. SPP would consider reconfiguration only if an issue is persistent.

f) Brookline

SPP outlined some of the recent problems experienced on the SPP and AECl transmission systems in the Brookline area. SPP stated the issues experienced in the Brookline area along the SPP and AECl seam have been reoccurring for a number of years and are committed to working with the City of Springfield and AECl to determine whether there are long-term solutions to fix the issues once and for all. SPP and AECl discussed the desire to find a potential project to resolve the Brookline Area issues in the SPP-AECl JCSP and discussed different transmission expansion options that might provide a solution.

4) Planning Topics

a) SPP ITP Update

- **ITPNT**

SPP provided an update on the 2017 ITP Near-Term study. The ITPNT is a reliability focused study that is completed every year to address reliability issues on the SPP transmission system. SPP noted they are still in the preliminary model building phase of the study. The study began in April of 2016 and is scheduled to conclude in April of 2017 with project recommendations to SPP's stakeholders and Board of Directors.

- **ITP10**

SPP provided an update on the 2017 ITP 10 study. The ITP10 is a broader-scoped study than the ITPNT that looks at economics, reliability, and public policy drivers. SPP noted this study is scheduled to conclude in December of 2016. SPP reviewed the ITP10 needs in the area near the SPP and AECl seam.

- **TPITF**

SPP made AECl aware of the ongoing efforts within the SPP stakeholder process to improve SPP's transmission planning efforts. SPP noted the Transmission Planning Improvement Task Force (TPITF) was working to make SPP's regional transmission planning bigger, better, and quicker. The new process, as currently being discussed, would complete both economic and reliability planning each year. Details on the final changes implemented will be made public through the SPP stakeholder process.

b) Capacity Margin Task Force

SPP provided an update on the work of the Capacity Margin Task Force. This task force was formed to review and potentially update the SPP planning reserve margin and methodologies. A recommendation

for future planning reserve margin requirements were made to the SPP Board of Directors and approved in April of 2016.

c) AECI Long Range Plan (LRP) Update

AECI provided an update on their 2015-2025 Long Range Plan. AECI stated they had recently completed their regional plan, performed every other year, to address reliability issues on the AECI system. AECI noted areas near the SPP and AECI seam where needs and potential upgrades were identified. AECI is planning to perform another LRP in 2017 once the joint study with SPP is completed.

An Action Item was taken for SPP and AECI to check on a potential project around the Hollister, MO area.

d) SPP-MISO CSP

SPP provided an update on the ongoing Coordinated System Plan study they are performing with MISO. SPP stated in May that the SPP-MISO Joint Planning Committee decided to perform a joint study and the two parties are in the scope development phase of the study. SPP noted the 2016 study with MISO is proposed to be a targeted approach similar to the JCSP with AECI.

e) 2016 SPP-AECI JCSP

SPP and AECI stated the 2016 SPP-AECI JCSP was on track and making sufficient progress. SPP noted the delay in having the requisite models to begin the analysis should be cleared up by August 2016. AECI noted they also had some action items related to the study to complete.

- **Mid Missouri 345 kV Update**

SPP asked AECI on the status of their discussions with other parties as it related to a potential East to West 345 kV line. AECI stated they had not received a lot of traction or interest on the proposal but looked forward to studying the potential benefit to SPP in the 2016 JCSP.

f) Seams Projects Policy

SPP provided an update on the Seams Project Policy paper that resulted in new tariff language being filed at FERC. The purpose of the language was to provide SPP with the necessary tariff mechanisms to approve and cost allocate non-order 1000 seams projects. The filing at FERC was rejected and SPP stated they are working with stakeholders to consider next steps.

5) Other Topics

a) Z2 Update

SPP provided an update on the current status of the Z2 crediting process.

An Action Item was taken for SPP to notify AECl how billing and payments will be handled in the future after the initial amounts are determined.

b) SPP Compensation Shadow Calculation

SPP provided AECl a high level overview of the SPP Compensation Shadow Calculation, which is similar to the calculations being performed by AECl and the other Joint Parties.

6) Schedule Next Meeting

SPP and AECl set a tentative date of November 30, 2016 for the next SPP-AECl JOA Meeting.