



**Southwest Power Pool**  
**MARKETS & OPERATIONS POLICY COMMITTEE**  
**Special Teleconference**  
**May 30, 2017**

**-SUMMARY OF ACTIONS TAKEN-**

1. MOPC approved RR230 Lowering the Capacity Margin

**Southwest Power Pool**  
**MARKETS & OPERATIONS POLICY COMMITTEE**  
**Special Teleconference**  
**May 30, 2017**  
**MINUTES**

**MOPC Meeting**

**Agenda Item 1 – Call to Order and Administrative Items**

Chair Paul Malone (NPPD) called the meeting of the Markets and Operations Policy Committee (MOPC) to order at 4:00 p.m., welcomed everyone who was in attendance.

**Agenda Item 2 – Introductions and Receipt of Proxies (Attachment)**

Carl Monroe (SPP) called roll and read proxy statements; there were 78 teleconference participants representing approximately 40 of the 95 members. (Attachments - Attendance List and Proxy Statements).

**Agenda Item 3 – Review of Agenda (Attachment)**

Paul Malone (NPPD) presented the agenda for review.

**Agenda Item 4- Working Group (Attachment)**

Carl Monroe (SPP) presented the RR230 Lowering the Capacity Margin.

**Richard Ross (AEP) made a motion; seconded by Bill Dowling (Midwest) to approve RR230 Lowering the Capacity Margin effective June 1, 2017 until 10 business days after FERC takes action on RR187 (ER17-1098). The motion passed with five opposed-KGE-Westar, KEPC, DATC, DETHCO, Westar Energy; and two abstentions-Flat Ridge 2 Wind Energy, and Prairie Wind.**

Paul Malone adjourned the meeting at 5:10 p.m.

Respectfully submitted,

Carl Monroe,  
Secretary



**MARKETS & OPERATIONS POLICY COMMITTEE  
Special Net Conference  
May 30, 2017  
Tuesday 4:00p.m. - 5:00p.m. CT**

**• A G E N D A •**

**ADMINISTRATIVE ITEMS**

- 1. Call to Order and Administrative Items .....Paul Malone (10 minutes)
- 2. Receipt of Proxies .....Carl Monroe (1 minute)
- 3. Review of Agenda ..... Paul Malone (1 minute)

**REVIEW OF PAST ACTION ITEMS**

- 4. Action Items.....Carl Monroe (2 minutes)

**SPP MOPC WORKING GROUPS & TASK FORCES**

- 5. RR230 Lowering the Capacity Margin .....Carl Monroe (45 minutes)

**IMPORTANT REMINDER**

If desired; parties voting No or Abstain send comments to Carl Monroe by COB Wednesday

**SUMMARY OF ACTION ITEMS**

- 6. Action Items.....Carl Monroe (5 minutes)

**FUTURE MEETINGS**

- 7. Future Meetings..... Paul Malone (1 minute)
  - July 11-12, 2017 Denver, CO
  - October 17-18, 2017 Little Rock, AR
  - January 16-17, 2018 Oklahoma City, OK
  - April 10-11, 2018 Kansas City, MO

(1) - Background Material Included

First Name	Last Name	Company	MEMBER
Aaron	Doll	Empire District Electric Company	
Aaron	Pupa	LS Power	M
Al	Tamimi	Sunflower Electric Power Corp	M
Alan	Decker	GRDA	
Angie	Anderson	Sunflower Electric Power Corporation	
Aundrea	Williams	NextEra Energy Resources	M
Bill	Dowling	Midwest Energy Inc	M
Brian	Johnson	AEP	M
Bruce	Walkup	Arkansas Electric Cooperative Corporation	M
Burton	Crawford	KCPL	M
Carl	Monroe	Southwest Power Pool	
Carla	Holly	BP Wind Energy North America Inc.	M
Carroll	Reddick	Western Farmers Electric Cooperative	M
Chris	Lyons	Customized Energy Solutions	
Chris	Haley	Southwest Power Pool	
Dale	Haugen	Mount rail-Williams Electric Cooperative	M
Dan	Walter	Tri-State Generation and Transmission Assoc	P
Daniel	Trent	Associated Electric Cooperative Inc.	
Dave	Raatz	Basin Electric Power Cooperative	M
David	Kays	Oklahoma Gas and Electric Company	
Denise	Buffington	Kansas City Power & Light Company	M
Don	Frerking	Kansas City Power & Light Company	
ed	pfeiffer	quanta technology	
Ella	Callouette	NorthWestern Energy	
Eric	Alexander	GRDA	
Geoffrey	Rush	Oklahoma Corporation Commission	
Greg	McAuley	Oklahoma Gas & Electric	M
Heather	Starnes	Healy Law Offices/MJMEUC	P
Jack	Madden	GDS Associates, Inc. for ETEC/Tex-la/NTEC	P
Jake	Langthorne	OGE	M
James	Edwards	East River Electric Power Cooperative	M
Jamie	Hajek	NorthWestern Energy	
Jason	Mazigian	Basin Electric Power Cooperative	

Jason	Chaplin	OCC	
Jessica	Meyer	Lincoln Electric System	P
Jim	Flucke	Kansas City Power & Light	
Joe	Lang	OPPD	M
John	Olsen	Westar Energy, Inc.	M
John	Krajewski	Nebraska Power Review Board	
John	Knofczynski	East River Electric Power Cooperative	P
John	Stephens	City Utilities of Springfield, MO	
Jon	Iverson	OPPD	
Julian	Brix	SPP Board of Directors	
Kaye	McCarty	Southwest Power Pool	
Kenneth	Hale	City Utilities of Springfield, MO	P
Kevin	Kingsley	Montana-Dakota Utilities Co.	
Kevin	Galke	TEA for City Utilities of Springfield	
Kevin	Bornhoft	Corn Belt Power Cooperative	M
Larry	Holloway	Kansas Power Pool	M
Les	Evans	Kansas Electric Power Cooperative (KEPCo)	M
Louis	Guidry	Cleco	
Marisa	Choate	Southwest Power Pool	
Michael	Kossan	Central Power Electric Cooperative, Inc.	P
Mo	Awad	Westar Energy	M
Mounika	kurra	quanta technology	
Paul	Malone	Nebraska Public Power District	M
Paul	Johnson	AEP	M
Paul	Lampe	City of Independence, MO	M
Ray	Brush	NorthWestern Energy	M
Richard	Ross	American Electric Power	M
Robert	Safuto	Customized Energy Solutions	
Robert	Janssen	Dogwood Energy, LLC	M
Robert	Pick	NPPD	
Robert	Burner	Duke Energy	M
Ronald	Thompson, Jr.	Nebraska Public Power District	
Roy	True	ACES	
Scott	Bents	Iowa Utilities Board	
Terry	Wolf	Missouri River Energy Services	M
Todd	Fridley	Transource	M
Tom	Kleckner	RTO Insider	
Tom	Hestermann	Sunflower Electric Power Corporation	M
Walt	Cecil	Missouri Public Service Commission	

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**From:** [Florum, Dennis](#)  
**To:** [Kaye McCarty](#)  
**Cc:** [Carl Monroe](#)  
**Subject:** RE: MOPC Special Net Conference May 30 4-5pm CT  
**Date:** Thursday, May 25, 2017 8:34:43 AM

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Jessica Meyer from LES will be serving as my proxy for this special conference call.

Thank you,

Dennis

**Dennis Florom, P.E.**  
**Mgr, Energy & Environmental Operations**  
**Power Supply Division**

[dflorum@les.com](mailto:dflorum@les.com)

Work: 402-467-6862

Cell: 402-560-9854



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**From:** bounce-57471-84561@spplist.spp.org [mailto:bounce-57471-84561@spplist.spp.org] **On Behalf Of** Kaye McCarty  
**Sent:** Thursday, May 25, 2017 7:59 AM  
**To:** Markets and Operations Policy Committee <mopc@spplist.spp.org>  
**Subject:** MOPC Special Net Conference May 30 4-5pm CT

Please register for the Special MOPC Net conference scheduled for May 30, 2017 from 4:00pm-5:00pm CT at [Online Registration](#). The special teleconference/webex is for further discussion on the following:

SPP submitted the filing to implement RR 187 (ER17-1098) on March 3, 2017. This filing is to implement the policy with respect to resource adequacy, including who is responsible for resource adequacy, what the resource adequacy requirement is, and how and when the resource adequacy requirement can be and should be met. This filing is currently pending before the Federal Energy Regulatory Commission (FERC). As you know FERC is without a quorum and has not acted on the changes requested. One piece of the package is the establishment of a 12% Planning Reserve Margin. As part of the “dry run” of the Resource Adequacy process, members were asked to meet the 12% for the upcoming Summer Season starting June 1. This has created a situation that members would violate criteria based on



direction given in the adoption of the changes in RR187.

RR 230 was proposed to fill this gap as it changes current SPP Planning Criteria language to a 10.7% Capacity Margin, which is equivalent to the MOPC and BOD approved 12% Planning Reserve Margin. RR 230 will ensure members are in compliance with the SPP Criteria and also allow them to benefit from the reduced reserve margin while the entire Resource Adequacy package continues to be reviewed by FERC. RR 230 has been reviewed by the CAWG, and approved by the SAWG (2 oppositions), the TWG (3 abstentions), and the RCWG (unanimously). As this implements the direction of the members and BOD and request of the “dry run”, the MOPC is asked to approve the RR230.

In order to expedite the call and conversation, we need to have someone to motion and second this recommendation from the SAWG. Please respond to me at [cmonroe@spp.org](mailto:cmonroe@spp.org) if you will be on the call and are willing to fulfill those roles. Also, please let me know if you have a desire to address the issue and whether you would speak for or against the motion. We can use this to call on particular people at the start of the debate. Thanks for all your efforts!

The MOPC Agenda and background materials for May 30<sup>th</sup> are posted at [MOPC Agenda and Background Materials 20170530](#)

Carl Monroe

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**From:** [Carl Monroe](#)  
**To:** [Edwards, Jim](#)  
**Cc:** [Knofczynski, John](#); [Kaye McCarty](#)  
**Subject:** RE: Today's MOPC Meeting  
**Date:** Tuesday, May 30, 2017 4:16:08 PM

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Thanks!

-----Original Message-----

From: Edwards, Jim  
Sent: Tuesday, May 30, 2017 4:14 PM  
To: Carl Monroe <cmonroe@spp.org>  
Cc: Knofczynski, John <jknofczynski@eastriver.coop>  
Subject: **\*\*External Email\*\*** Today's MOPC Meeting

I give John Knofczynski my proxy vote for today's meeting

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**From:** [Carl Monroe](#)  
**To:** [Grotzinger, John](#)  
**Cc:** [Heather Starnes](#); [Healy, Doug](#); [Kaye McCarty](#)  
**Subject:** Re: \*\*External Email\*\* MOPC Special Net Conference May 30 4-5pm CT  
**Date:** Friday, May 26, 2017 11:27:35 AM

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Thanks!

> On May 26, 2017, at 10:21 AM, Grotzinger, John <jgrotzinger@mpua.org> wrote:

>

>

> Carl,

>

> I wanted to acknowledge my proxy to Heather Starnes. I am out of office at the time of the call. I wanted to be sure MJMEUC is represented on this issue.

>

> Thanks for your consideration.

>

> John E Grotzinger

> Chief Operating Officer

> MJMEUC

>

>

>

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**From:** [Carl Monroe](#)  
**To:** [Knottek, Jeff](#)  
**Cc:** [Hale, Kenny](#); [Kaye McCarty](#)  
**Subject:** RE: MOPC Mtg Proxy  
**Date:** Tuesday, May 30, 2017 12:18:18 PM

---

Thanks!

-----Original Message-----

From: Knottek, Jeff  
Sent: Tuesday, May 30, 2017 12:16 PM  
To: Carl Monroe <[cmonroe@spp.org](mailto:cmonroe@spp.org)>  
Cc: Hale, Kenny <[Kenny.Hale@cityutilities.net](mailto:Kenny.Hale@cityutilities.net)>  
Subject: \*\*External Email\*\* MOPC Mtg Proxy

Carl,  
Kenny Hale will have my proxy for today's meeting.  
Thanks  
Jeff

Sent from my iPhone

[City Utilities]

[City Utilities]<<http://www.cityutilities.net>>

PO Box 551 | Springfield, MO 65801-0551  
[cityutilities.net](http://www.cityutilities.net)<<http://www.cityutilities.net>>

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**From:** [Zehr, Mary Ann](#)  
**To:** [Kaye McCarty](#); [Carl Monroe](#)  
**Cc:** [Walter, Dan](#)  
**Subject:** \*\*External Email\*\* RE: MOPC Special Net Conference May 30 4-5pm CT  
**Date:** Thursday, May 25, 2017 9:06:48 AM

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Carl,

I will not be able to attend this meeting so I would like to designate Dan Walter from Tri-State as my proxy.

Thank you,  
Mary Ann

*Mary Ann Zehr* | Senior Manager, Transmission Contracts, Rates, and Policy  
Tri-State Generation and Transmission Association, Inc.  
Office: 303-254-3098 | Cell: 303-501-6710 | e-mail: [mzehr@tristategt.org](mailto:mzehr@tristategt.org)



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**From:** bounce-57471-84752@spplist.spp.org [mailto:bounce-57471-84752@spplist.spp.org] **On Behalf Of** Kaye McCarty  
**Sent:** Thursday, May 25, 2017 6:59 AM  
**To:** Markets and Operations Policy Committee  
**Subject:** [EXTERNAL] MOPC Special Net Conference May 30 4-5pm CT

Please register for the Special MOPC Net conference scheduled for May 30, 2017 from 4:00pm-5:00pm CT at [Online Registration](#). The special teleconference/webex is for further discussion on the following:

SPP submitted the filing to implement RR 187 (ER17-1098) on March 3, 2017. This filing is to implement the policy with respect to resource adequacy, including who is responsible for resource adequacy, what the resource adequacy requirement is, and how and when the resource adequacy requirement can be and should be met. This filing is currently pending before the Federal Energy Regulatory Commission (FERC). As you know FERC is without a quorum and has not acted on the changes requested. One piece of the package is the establishment of a 12% Planning Reserve Margin. As part of the “dry run” of the Resource Adequacy process, members were asked to meet the 12% for the upcoming Summer Season

starting June 1. This has created a situation that members would violate criteria based on direction given in the adoption of the changes in RR187.

RR 230 was proposed to fill this gap as it changes current SPP Planning Criteria language to a 10.7% Capacity Margin, which is equivalent to the MOPC and BOD approved 12% Planning Reserve Margin. RR 230 will ensure members are in compliance with the SPP Criteria and also allow them to benefit from the reduced reserve margin while the entire Resource Adequacy package continues to be reviewed by FERC. RR 230 has been reviewed by the CAWG, and approved by the SAWG (2 oppositions), the TWG (3 abstentions), and the RCWG (unanimously). As this implements the direction of the members and BOD and request of the “dry run”, the MOPC is asked to approve the RR230.

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Carl Monroe

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**From:** [Thomas, Ryan](#)  
**To:** [Madden, Jack](#)  
**Cc:** [Carl Monroe](#); [Kaye McCarty](#)  
**Subject:** Re: MOPC Special Net Conference May 30 4-5pm CT  
**Date:** Thursday, May 25, 2017 2:02:28 PM

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I confirm that Jack Madden has the proxies for both ETEC and Tex-La for this MOPC Special Net Conference.  
Ryan THOMAS

Sent from my iPhone

On May 25, 2017, at 8:06 AM, Jack Madden <[Jack.Madden@gdsassociates.com](mailto:Jack.Madden@gdsassociates.com)> wrote:

Ryan:

Please confirm that I have the proxies of ETEC and Tex-La for this MOPC Special Net Conference.

Thanks

---

**From:** [bounce-57471-84613@spplist.spp.org](mailto:bounce-57471-84613@spplist.spp.org) [<mailto:bounce-57471-84613@spplist.spp.org>] **On Behalf Of** Kaye McCarty  
**Sent:** Thursday, May 25, 2017 8:59 AM  
**To:** Markets and Operations Policy Committee <[mopc@spplist.spp.org](mailto:mopc@spplist.spp.org)>  
**Subject:** MOPC Special Net Conference May 30 4-5pm CT

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RR 230 was proposed to fill this gap as it changes current SPP Planning Criteria language to a 10.7% Capacity Margin, which is equivalent to the MOPC and BOD approved 12% Planning Reserve Margin. RR 230 will ensure members are in compliance with the SPP Criteria and also allow them to benefit from the reduced reserve margin while the entire Resource Adequacy package continues to be reviewed by FERC. RR 230 has been reviewed by the CAWG, and approved by the SAWG (2 oppositions), the TWG (3 abstentions), and the RCWG (unanimously). As this implements the direction of the members and BOD and request of the “dry run”, the MOPC is asked to approve the RR230.

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Carl Monroe

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**From:** [Carl Monroe](#)  
**To:** [Burke, Tom](#)  
**Cc:** [Mike Wise](#); [Kaye McCarty](#)  
**Subject:** Re: \*\*External Email\*\* Special MOPC Call Proxy  
**Date:** Thursday, May 25, 2017 12:27:20 PM

---

Thanks!

On May 25, 2017, at 12:28 PM, Burke, Tom <[tburke@gsec.coop](mailto:tburke@gsec.coop)> wrote:

Carl:  
Mike has my proxy for next week's meeting.  
Tom

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**From:** [Carl Monroe](#)  
**To:** [Meland, Thomas](#)  
**Cc:** [Kaye McCarty](#)  
**Subject:** RE: \*\*External Email\*\* FW: MOPC Special Net Conference May 30 4-5pm CT  
**Date:** Wednesday, May 31, 2017 7:24:28 AM

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Thanks Tom!

Carl

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**From:** Meland, Thomas  
**Sent:** Tuesday, May 30, 2017 11:22 AM  
**To:** Carl Monroe <cmonroe@spp.org>  
**Subject:** \*\*External Email\*\* FW: MOPC Special Net Conference May 30 4-5pm CT

Carl,

Mick Kosson will have my proxy vote on conference call.

Thank you,

Thomas L. Meland, P.E.  
General Manager  
Central Power Electric Cooperative, Inc.  
525 20th Ave SW  
Minot, ND 58701

Cell: (701) 721-1438  
Office Direct: (701) 837-7438  
Switchboard: (701) 852-4407  
Fax: (701) 852-4401

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**From:** [bounce-57471-120836@spplist.spp.org](mailto:bounce-57471-120836@spplist.spp.org) [<mailto:bounce-57471-120836@spplist.spp.org>] **On Behalf Of** Kaye McCarty  
**Sent:** Thursday, May 25, 2017 7:59 AM  
**To:** Markets and Operations Policy Committee  
**Subject:** MOPC Special Net Conference May 30 4-5pm CT

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before the Federal Energy Regulatory Commission (FERC). As you know FERC is without a quorum and has not acted on the changes requested. One piece of the package is the establishment of a 12% Planning Reserve Margin. As part of the “dry run” of the Resource Adequacy process, members were asked to meet the 12% for the upcoming Summer Season starting June 1. This has created a situation that members would violate criteria based on direction given in the adoption of the changes in RR187.

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Carl Monroe

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## Revision Request Recommendation Report

<b>RR #:</b> 230	<b>Date:</b> 5/9/2017
<b>RR Title:</b> Lowering the Capacity Margin	
<b>SUBMITTER INFORMATION</b>	
<b>Submitter Name:</b> Marisa Choate	<b>Company:</b> Southwest Power Pool
<b>Email:</b> <a href="mailto:mchoate@spp.org">mchoate@spp.org</a>	<b>Phone:</b> 501.688.1707
<b>EXECUTIVE SUMMARY AND RECOMMENDATION FOR MOPC AND BOD ACTION</b>	
All reviewing working groups have approved this RR. Recommend that the MOPC approve RR 230 as submitted.	
<b>OBJECTIVE OF REVISION</b>	
<p><b>Objectives of Revision Request:</b>  <i>Describe the problem/issue this revision request will resolve.</i></p> <p>RR 187 (ER17-1098) implements policy with respect to resource adequacy, including who is responsible for resource adequacy, what the resource adequacy requirement is, and how and when the resource adequacy requirement can be and should be met. This filing is currently pending before the Federal Energy Regulatory Commission (FERC). One piece of the package is the establishment of a 12% Planning Reserve Margin. As part of the “dry run” of this process, members were asked to meet the 12% for the upcoming Summer Season starting June 1. This percentage is lower than the 12% Capacity Margin currently outlined in the SPP Criteria.</p> <p><i>Describe the benefits that will be realized from this revision.</i></p> <p>RR 230 will allow members to benefit from the reduced reserve margin while the entire Resource Adequacy package continues to be reviewed by FERC. The MOPC and BOD approved 12% Planning Reserve Margin translates to a 10.7% Capacity Margin. Changes have been made to the SPP Planning Criteria in sections 4.1.9 and 6.3.5 to reflect this reduced margin.</p>	
<b>SPP STAFF ASSESSMENT</b>	
SPP staff supports this RR.	
<b>IMPACT</b>	
<p><b>Will the revision result in system changes?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p> <p><b>Summarize changes:</b></p> <p><b>Will the revision result in process changes?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p> <p><b>Summarize changes:</b></p>	
<p><b>Is an Impact Assessment required?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p> <p><b>If no, explain:</b></p>	
<b>Estimated Cost:</b> \$	<b>Estimated Duration:</b> months
<b>Primary Working Group Score/Priority:</b>	

SPP DOCUMENTS IMPACTED		
<input type="checkbox"/> Market Protocols	Protocol Section(s):	Protocol Version:
<input type="checkbox"/> Operating Criteria	Criteria Section(s):	Criteria Date:
<input checked="" type="checkbox"/> Planning Criteria	Criteria Section(s): 4.1.9,6.3.5	Criteria Date: 4/26/2016
<input type="checkbox"/> Tariff	Tariff Section(s):	
<input type="checkbox"/> Business Practice	Business Practice Number:	
WORKING GROUP REVIEWS AND RECOMMENDATIONS		
List Primary and any Secondary/Impacted WG Recommendations as appropriate		
<b>Primary Working Group:</b> <b>Supply Adequacy Working Group</b>	<b>Date:</b> 5/10/2017 <b>Action Taken:</b> Approved as modified <b>Abstained:</b> None <b>Opposed:</b> Empire, Westar	
<b>Reason for Opposition:</b> <b>Empire</b> objects to this RR on our experience with operational considerations. I realize that this RR has already been approved by the BOD and MOPC, but I cannot in good conscious approve something that lowers the capacity margin while SPP continues to have thousands of MW's of variable resources adding every year. This leads us closer and closer to an event that no one wants to experience. <b>Westar</b> considers RR230 unnecessary. If "As part of the "dry run" of this process, members were asked to meet the 12% for the upcoming Summer Season starting June 1" and there is no enforcement mechanism, the exercise of changing the criteria for the summer is not necessary. Without RR230, the region can still move forward using 2017 as a "dry run".		
<b>Primary Working Group:</b> <b>Transmission Working Group</b>	<b>Date:</b> 5/16/2017 <b>Action Taken:</b> Approved <b>Abstained:</b> City of Independence, ITC, SouthCentral MCN <b>Opposed:</b> None	
<b>Reasons for Abstention:</b> <b>City of Independence</b> doesn't think it is necessary and it really doesn't affect our company. <b>ITC:</b> Since the Tariff language has not yet been approved at FERC (our only objection), we are uncomfortable moving forward with changes to the Planning Criteria as an alternative route. However, we are supportive of the Deliverability Study and encourage SPP to carry out the study. We also believe that the Deliverability Study results should be made public. Currently, SPP is planning to keep the results confidential, which makes proactive transmission planning more difficult. <b>SouthCentral MCN</b> does not have resource requirements so we do not take a position.		
<b>Secondary Working Group:</b> <b>Reliability Compliance Working Group</b>	<b>Date:</b> 5/19/2017 <b>Action Taken:</b> <b>Abstained:</b> <b>Opposed:</b>	
<b>Reasons for Opposition:</b>		

<b>MOPC</b>	<b>Date:</b> <b>Action Taken:</b> <b>Abstained:</b> <b>Opposed:</b>
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**Reasons for Opposition:**

**COMMENTS**

**Comment Author:** Bryan Taggart (Westar)

**Date Comments Submitted:** 5/8/2017

**Description of Comments:** Westar considers RR230 unnecessary. If “As part of the “dry run” of this process, members were asked to meet the 12% for the upcoming Summer Season starting June 1” and there is no enforcement mechanism, the exercise of changing the criteria for the summer is not necessary. Without RR230, the region can still move forward using 2017 as a “dry run”.

**Status:**

**Comment Author:** Pat McCool (KCPL)

**Date Comments Submitted:** 5/8/2017

**Description of Comments:** While RR 230 captures the new Planning Reserve Margin target change to 12% as recommended in RR187, it does not address the policy change in RR 187 where the system peak responsibility is to be based upon the Forecasted Peak Demand rather than the LSM’s greatest net load (ie-actual peak). This is an integral part of the new PRM requirement and needs to be included in this Revision Request in order to accurately reflect the new criteria. In addition, members can pursue capacity contracts for the summer of 2017 based upon the results of the Deliverability Study, and that has also not been reflected in RR 230.

To appropriately capture the integrated package of changes that resulted from RR 187 and that were followed for meeting the 2017 summer PRM requirements, Kansas City Power & Light would recommend that attachment AA replace the current criteria with the exception of Sections 12 and 13 regarding the CONE and Deficiency Payment, which will not be in effect until year 2018.

**Status:**

**PROPOSED REVISION(S) TO SPP DOCUMENTS**

**Tariff (OATT)**

N/A

**Market Protocols**

N/A

**SPP Operating Criteria**

N/A

## **4.0 Capacity Margin**

This Criteria requires and provides for the sharing of reserve generating capacity as a means of reducing capacity requirements of each Member and providing reliable electric service to firm customers due to the equitable purchase, sale and exchange of generating capacity among Members.

### **4.1 Definitions**

#### **4.1.1 Load Serving Member**

A Load Serving Member shall mean any SPP Member assuming legal obligation to provide firm electric service to a customer or group of customers within SPP.

#### **4.1.2 Firm Power**

Firm Power shall mean electric power which is intended to be continuously available to the buyer even under adverse conditions; i.e., power for which the seller assumes the obligation to provide capacity (including SPP defined Capacity Margin) and energy. Such power shall meet standards of reliability and availability as that delivered to native load customers. For purchases and sales, the contract amount governs regardless of the amount actually delivered at the time of such Load Serving Member's greatest Net Load. Power purchased shall only be considered to be Firm Power if Firm Transmission Service is in place to the Load Serving Member for delivery of such power. Firm Power does not include “financially firm” power.

#### **4.1.3 System Capacity**

A Load Serving Member's System Capacity shall be equal to the capability of its generating facilities, including its ownership share of jointly owned units, demonstrated under procedures set forth in SPP Rating of Generating Equipment Criteria, adjusted to reflect the purchase from and/or sale to any other party of generating capacity or SPP defined Operating Reserve, under any appropriate agreement. For purchases and sales, the contract amount governs regardless of the amount actually delivered at the time of such Load Serving Member's greatest Net Load.

Capacity purchases shall only be considered if Firm Transmission Service is in place to the Load Serving Member for delivery of power from such capacity.

Unless reported separately, generating facilities owned by others within the Load Serving Member's system that are obligated to furnish firm power to customers within the Load Serving Member's system shall also be reported. Absent any bilateral contractual arrangements with the host Control Area, the host Control Area will not be required to be responsible for capacity and/or reserve requirements.

The reporting of generating facilities owned by others does not constitute an obligation on the Load Serving Member's part to furnish reserves or back up power for that generation.

#### **4.1.4 Net Load**

The term Net Load for any Load Serving Member shall mean, for any clock hour:

- a) Net generation by the Load Serving Member's facilities; plus b) Net receipts into the Load Serving Member's system; minus c) Net deliveries out of such Load Serving Member's system

Unless reported separately, the Net Load of other non-Load Serving Members located within the Load Serving Member's system shall also be reported. Absent any bilateral contractual arrangements, the reporting of these loads does not constitute an obligation on the Load Serving Member's part to furnish reserves, back up power, or incur financial obligations from SPP for that load.

#### **4.1.5 Capacity Year**

Capacity Year shall mean a period of twelve consecutive months beginning on October 1 of each calendar year. Any period less than a Capacity Year shall be designated as Short Term.

#### **4.1.6 System Peak Responsibility**

System Peak Responsibility of a Load Serving Member for any Capacity Year shall mean the Load Serving Member's greatest Net Load during that Capacity Year plus:

- a) The contract amount of Firm Power sold to others under agreements in effect as of the time of such Load Serving Member's greatest Net Load which provide for the sale of a specified amount of Firm Power; and minus
- b) The contract amount of Firm Power purchased from others under agreements in effect as of the time of such Load Serving Member's greatest Net Load which provide for the purchase of a specified amount of Firm Power.

In each case, the contract amount governs regardless of the amount actually delivered at the time of a Load Serving Member's greatest Net Load.

#### **4.1.7 Capacity Margin**

Capacity Margin shall mean the amount by which a Load Serving Member's System Capacity exceeds its System Peak Responsibility.

#### **4.1.8 Percent Capacity Margin**



Percent Capacity Margin shall be defined by the formula:

$$\text{Percent Capacity Margin} = (\text{Capacity Margin}/\text{System Capacity}) \times 100$$

#### **4.1.9 Minimum Required Capacity Margin**

Each Load Serving Member's Minimum Required Capacity Margin shall be ~~twelve~~ ten point seven (10.7%) percent (equivalent to a 12% reserve margin). If a Load Serving Member's System Capacity for a Capacity Year is comprised of at least seventy- five percent hydro-based generation, then such Load Serving Member's Minimum Required Capacity Margin for that Capacity Year shall be nine percent.

#### **4.1.10 System Capacity Margin Responsibility**

A Load Serving Member's System Capacity Responsibility for any Capacity Year shall mean the sum of that Load Serving Member's System Peak Responsibility and its Minimum Required Capacity Margin.

#### **4.1.11 Capacity Balance**

Capacity Balance shall mean the amount by which a Load Serving Member's System Capacity exceeds its System Capacity Responsibility.

#### **4.1.12 Firm Transmission Service**

Firm Transmission Service is that service defined in any applicable transmission service provider tariff.

### **4.2 Capacity Responsibility**

- a) Each Capacity Year, each Load Serving Member shall possess System Capacity at least equal to its System Capacity Responsibility.
- b) Prior to the establishment of its System Peak Responsibility for each Capacity Year, each Load Serving Member shall provide System Capacity by one or more of the following means:
  - i) Establishing a unit rating consistent with SPP generating equipment rating Criteria, prior to establishing its System Peak Responsibility;
  - ii) Reducing its System Peak Responsibility by purchase of Firm Power from any Member or non-Member by separate agreement;
  - iii) Separate written agreement with another Member or a non-Member for purchase of a specified amount of capacity; and/or

- iv) Reducing its Net Load.
- c) A Load Serving Member may purchase Short Term capacity to provide a part of its System Capacity or Short Term Firm Power to reduce its System Peak Responsibility subject to each of the following restrictions:
  - i) Such Short Term period shall not be less than four consecutive months, and shall include the day the Load Serving Member establishes its System Peak Responsibility. Such period shall begin during May 1 to June 1 or November 1 to December 1;
  - ii) The amount of Short Term capacity or Short Term Firm Power purchased shall not exceed 25% of the Load Serving Member's System Peak Responsibility; and
  - iii) The Load Serving Member shall purchase such Short Term Capacity or Short Term Firm Power prior to the start of the Short Term period.
- d) A Load Serving Member may sell Short Term Capacity or Short Term Firm Power from resources comprising its Capacity Balance, provided that it's System Capacity Responsibility is met.

### **4.3 Records**

Each Load Serving Member, upon request, shall provide accurate and detailed records of information related to this Criteria to the SPP Staff. Except for System Peak Responsibility, all other information shall be provided prior to establishing System Peak Responsibility for a Capacity Year and shall include; validation of System Capacity per SPP Rating of Generating Equipment Criteria, Capacity purchase and sale contracts, Firm Power purchase and sale contracts, and firm transmission service agreements. The SPP Staff shall verify information supplied by each Load Serving Member. Calculations shall be based on the highest peak load of each of the Load Serving Members during the Capacity Year. All capacity and demand values will be rounded to the nearest whole MW for purposes of this Criteria. All data submitted to SPP related to this Criteria shall be considered confidential by the SPP Staff and shall not be released in any form except by force of law

### **4.4 Generation Planning**

#### **4.4.1 Design Futures**

- a) In order to maintain a balanced design of the electric system, excessive concentration of generating capacity in one unit, at one location, or in one area shall be avoided.
- b) Auxiliary power sources shall be provided in each major generating station to provide for the safe shutdown of all the units in the event of loss of external power.
- c) In each major load area of SPP, a unit capable of black start shall be provided having the capability of restarting the other units in the area.

- d) Boiler controls and other essential automation of major generating units shall be designed to withstand voltage dips caused by system short circuits.

#### 4.4.2 Fuel Supply

Assurance of having desired generating capacity depends, in part, on the availability of an adequate and reliable fuel supply. Where contractual or physical arrangements permit curtailment or interruption of the normal fuel supply, sufficient quantities of standby fuel shall be provided. Due to the dependence of hydroelectric plants on seasonal water flows, this factor shall be taken into consideration when calculating capacity for capacity margin requirements.

#### 6.3.5 Capacity Benefit Margin (CBM)

CBM on a Flowgate basis is the amount of Flowgate capacity reserved by load serving entities to ensure access to generation from interconnected systems to meet generation reliability requirements. SPP will use a probabilistic approach for Regional and sub-regional Generation Reliability assessments. These assessments will be performed by the SPP on a biennial basis. Generation Reliability assessments examine the regional ability to maintain a Loss of Load Expectation (LOLE) standard of 1 day in ten years. The SPP capacity margin Criteria requires each control area to maintain a minimum of ~~12%~~10.7% capacity margin [\(equivalent to a 12% reserve margin\)](#) for steam-based utilities and 9% for hydro-based utilities. Historical studies indicate that the LOLE of one day in ten years can be maintained with a 10% - 11% capacity margin. SPP does not utilize CBM for calculations of ATC for some or all of the following reasons:

- (1) the existing level of internal capacity margin of each member is adequate
- (2) historical reliability indicators of transmission strength of the SPP area
- (3) Open Access transmission usage environment allows greater purchasing options

Since SPP does not utilize CBM for any flowgate within the SPP footprint, the CBM value used in any calculations will be zero.

<b>SPP Business Practices</b>
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N/A