

Southwest Power Pool, Inc.
HOLISTIC INTEGRATED TARIFF TEAM
SPP Holistic Integrated Tariff Team Meeting
Dallas, TX
August 21-22, 2018
• M E E T I N G M I N U T E S •

1. Welcome & Introductions

Chair Tom Kent called the Tuesday meeting to order at 9:01AM. A quorum was established on both days. Wes Berger (Xcel SPS) held proxy for Bill Grant.

2. Call to Order and Administrative Items

The meeting minutes from the July 31 – August 1, 2018 HITT meeting were approved unanimously.

3. Update from SPP Working Groups

a. GIITF Update

Al Tamimi (SEPC) provided an update of the current status and activities of the GIITF. Tamimi included the status of FERC Order 845, analysis and options related to ERIS/NRIS and GI geographical dispatch approach the task force has been working on.

b. SAWG Update (RFI 71)

Brad Hans (MEAN) discussed the evolution of the SAWG from the CMTF in 2016, the group's current action items and upcoming challenges. FERC recently approved the proposed tariff amendments from the SAWG in RR 251 effective July 1, 2018 for the 2019 season. The SAWG is also working on a Distributed Energy Resources whitepaper, Coincident/Non-Coincident Peak Methodology, Resource Accreditation and Testing, and new process in support of Attachment AA. Hans noted upcoming challenges related to the changing resource mix over the last 20 years, renewable caps, ELCC accreditation methodology, and peak seasons.

c. CAWG Update on Wind Rich Regions

John Krajewski (NPRB) shared a draft of the CAWG whitepaper outline that is being created for the review of the SEPC analysis related to the usage of their byway transmission facilities due to the high penetration of wind in their zone (see 4a below). Krajewski stated he expects the CAWG to be completed in the spring of 2019.

d. MWG Update on Hedging/ARRs

See 4b below.

4. Stakeholder Presentations

a. Sunflower

Tamimi presented SEPCs analysis of the use of their byway transmission system due to the high penetration of wind resources in their footprint. SEPC is concerned with the amount of byway transmission that has been built in the region over that few years where 67% of the cost is allocated to the SEPC zone and their analysis indicates that the lines are used primarily to move the wind energy out of the zone. The CAWG is reviewing this analysis at the request of the RSC and will be completing a whitepaper of their findings (see 3c above).

b. Congestion Hedging Challenges / Alternatives

Richard Ross (AEP) shared an update on the work of the MWG dealing with congestion hedging challenges and solutions. Ross discussed the differences in the TSR process versus the TCR/ARR process, impacts of counterflow, and a potential solution requiring nomination of counterflow. Ross also presented information on ARR feasibility based on number of constraints and the impacts of cutoff factors.

c. TO Compensation (RFI 69)

Tamimi discussed the issue of TO compensation, stating that generators do not pay any portion of the increased zonal reliability costs. When reliability standards or topology change and reliability fixes are required on GI facilities those are borne by the host TO zone. Tamimi continued by stating that SEPC has reactors that are not needed by SEPC but that currently serve a market function that they would like to retire versus spending the \$4M in repairs needed. Tamimi stated that since the market was relying on these facilities the market should pick up the cost of repairs and maintenance. Other stakeholders suggested that if SEPC or the ITP were not showing a need for the facilities they should retire them or could pursue compensation for the O&M costs through the interconnection agreements.

d. Deliverability Model

Mike Wise (Golden Spread) presented on a long-term view of transmission and energy markets. The core principle is to move from an LRE centric design for transmission service and transmission planning to an RTO centric design. The generation would be planned to the "market" and load would be planned from the "market". Parties could continue to submit designated resources, but it would no longer be required. Resource Adequacy would be studied similarly. This could be changed without modifications to the energy market and congestion rights.

e. NERC Essential Reliability Services

Mark Ahlstrom (NextEra) discussed things happening in the industry related to Essential Reliability Services and the use of innovative technologies to maintaining frequency, voltage and system balancing. Ahlstrom also discussed the impacts that battery storage required in FERC Order 841 could have on approached to power system operations and electricity markets.

5. PJM Presentation - How has PJM implemented ERIS/NRIS (RFI 65)

Mark Sims (PJM) provided an overview of PJM and the PJM transmission system, including the 345kV, 500kV and 765kV backbone of the system. Sims also detailed PJM generation deliverability process and testing for both energy and capacity resources.

6. HITT RFIs

a. Planning Information (RFI 61, 66, 67, 68, & 70)

Antoine Lucas (SPP) covered a number of open planning related RFI matters:

RFI 61 and 68: these two were combined and Lucas shared the review processes that were used in previous Sponsored Upgrade projects requests.

RFI 66: Lucas explained the zones were created in the GI cluster study process. The zones are created based on requests that are geographically and electrically similar. There are no specific rules in this analysis but engineering judgement is used by the staff completing the studies.

RFI 67: Lucas showed the number of GI requests in an ERIS status versus NRIS. Since 2002 approximately 93.5% of the requests have been for ERIS service. Lucas also showed that of the 18GW of wind installed in SPP roughly 92% were studied as ERIS and nearly 12GW has confirmed firm service.

RFI 70: Transmission Reliability Margin is the amount of flowgate capacity necessary to ensure that the interconnected transmission network is secure under a reasonable range of uncertainties in system conditions. Per MOD-008, must remove this TRM from that available capacity. TRM values are submitted to and approved by the TWG and ORWG.

b. ERIS/NRIS FERC Order in other regions (RFI 64)

Tessie Kentner (SPP) provided some background from previous FERC dockets and their consideration of changes to ERIS/NRIS. MISO has had two recent proposals (ER08-1169 and ER14-83) to make changes to the ERIS status that FERC has rejected. Kentner also highlighted two dockets from NYISO (ER04-449) and PJM (ER04-457) that pertained to the implementation of Order 2003 where FERC required both levels of interconnection service.

c. LRS of Schedule 11 (RFI 62)

Not discussed in this meeting.

d. Curtailment Data (RFI 63)

Not discussed in this meeting.

7. HITT Brain Storming Review “Solution Discussion for Agenda Item 1A” Review

Paul Suskie (SPP) presented a draft 'decision tree' for the group to review. The process could be used to help the group in driving to policy recommendations for the HITT Issues. This will be further discussed at the September 5, 2018 meeting.

8. Review / Update of the RFI list and parking lot items

Antitrust: SPP strictly prohibits use of participation in SPP activities as a forum for engaging in practices or communications that violate the antitrust laws. Please avoid discussion of topics or behavior that would result in anti-competitive behavior, including but not limited to, agreements between or among competitors regarding prices, bid and offer practices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that might unreasonably restrain competition.

9. Other Items

Additional meeting dates for October will be sent to the team; respond with availability.

10. Next Meetings

2018 HITT Team Meetings

- September 5, 2018 - Dallas, TX
- November 6, 2018 - Dallas, TX
- December 5, 2018 – TBD

11. 2019 Meeting Dates

This item was not discussed.

12. Adjournment

The meeting was adjourned at 2:58 PM on August 22, 2018.