

**Southwest Power Pool, Inc.**  
**HOLISTIC INTEGRATED TARIFF TEAM**  
**SPP Holistic Integrated Tariff Team Meeting**  
**DFW Hyatt, Dallas Texas**  
**April 3-4, 2019**

**• M E E T I N G M I N U T E S •**

**1. Call to Order & Introductions**

Chair Tom Kent (NPPD) called the meeting order at 9:01AM. A quorum was established.

**2. Welcome and Administrative Items**

The draft meeting minutes from the March 22, 2019 HITT Conference Call were introduced for approval. Mike Risan (BEPC) made a motion to approve; Mike Wise (GSEC) seconded the motion that was approved unanimously. The groups' goal is to have high-level recommendations this month.

**3. Review/discussion of HITT Issue 1A, 1B, 2, & 3 Draft Straw Proposal Recommendations**

Paul Suskie (SPP) began the discussion with presenting the latest version of the interdependencies document that includes a series of staff recommendations. These recommendations were categorized into Reliability, Market Enhancements, or Planning & Cost Allocation.

Reliability Recommendations

Resource Adequacy (Recommendations 1A-1.1 and 1A-1.2) – Suskie presented the staff straw proposal options that was an amended 1A-1.2 proposal that included a *study to evaluate the amount of ERS needed for the region and modify its resource adequacy requirements that obligate Load Responsible Entities (LRE) to maintain a certain level of planning reserves to also specify the attributes of generating resources or amounts of generating resources with specific attributes that qualify to meet the requirement. Task force members agreed that the words in the recommendation need to softened from SPP establishing an obligation for the LREs and limited to SPP performing the necessary studies to determine needs for Essential Reliability Services (ERS; e.g. frequency response / inertia, etc.) and Other Reliability Services (ORS) and work with the appropriate working groups to develop a mechanism for fair allocation of those requirements to the appropriate participants.* The task force agreed that staff should develop the studies to determine the levels of ERS and ORS that are needed and the generation attribute types that are needed to qualify to meet these needs. The creation of an obligation for the LREs was not accepted.

Continuation of the new products being evaluated by the MWG (Recommendation 2-1) stated *SPP should continue enhancements to the Integrated Marketplace that include: 1) Fast Start resource logic; 2) Ramping Capability; and 3) a Multi-day longer term market product.* The task force agreed that this evaluation work should continue. Staffs draft recommendation was accepted as drafted.

Staff had also provided a draft recommendation (Recommendation 2-2) that stated *SPP should review all NERC Essential Reliability Services to identify regional requirements for the SPP footprint and the compensation model associated with each ERS. Review the Regulation service compensation for appropriate valuation of these service and cost causation. Examine whether technology that reduces the need for Regulation service should receive some of the compensation.* This recommendation was accepted as drafted.

A potential recommendation (Recommendation 2-3) stated that *SPP should develop and implement an uncertainty product. This evaluation should include a method for calculating the requirements of this product.* The task force recommended support for this item.

Staff had also recommended to continue their evaluation of more optimal tools for use on the control room (Recommendation 2-7). *SPP should determine what additional operational tools are needed to ensure BES reliability is maintained at the upmost level.* This recommendation was accepted as drafted.

#### Market Enhancement Recommendations

Greg Sorenson (SPP MMU) discussed two market enhancement recommendations. These recommendations stated; (Recommendation 2-4) *SPP should evaluate whether generation (including renewable) offer requirements provide adequate safeguards against uneconomic production* and (Recommendation 2-5) *SPP should evaluate whether variable energy resources should have a requirement to offer at a specific level in the day ahead market. SPP should review incentives and consider Market Rule changes to improve day ahead participation for wind resources.* The task force agreed that both of these recommendations should be sent to the stakeholder process by the MWG.

A recommendation stating that SPP should evaluate the cost and benefits of more advanced economic evaluations of reliability (Recommendation 2-6) was discussed. In this recommendation three specific topics were addressed; Outage Coordination, Dynamic Line Ratings and Topology Optimization. At the end of the conversation the task force agreed that these tools should still be evaluated to ensure the associated reliability risks and economic benefits can be quantified and discussed through the stakeholder process.

After previous HITT discussions Staff has continued to develop a recommendation around modifying the current market based approach for congestion rights mechanisms (Recommendation 1A-7.1). The task force took a binding straw proposal (Bill Grant (Xcel) provided the motion; Richard Ross seconded) that stated: *HITT recommends that counter flow optimization is the preferred approach for the MWG to address congestion rights with the revenues at issue being limited to the ARR Excess Revenue of TCR auctions.* This motion passed unanimously with Dennis Florom (LES) abstaining.

#### Planning and Cost Allocation Recommendations

Lucas discussed the current Schedule AQ process and provided a recommendation (Recommendation 3-1 & 3-2). The recommendations stated that *SPP should modify the Attachment AQ (delivery point additions, modifications, or abandonments) process to be more transparent and allow for quicker results to facilitate potential load growth within SPP.* Lucas suggested that staff could provide some pre-determined interconnection points on the system based on available capacity; other connection points would then default to the current study process. Lucas also stated that the study reports could be shared with a larger audience to increase transparency but not be used to alter decisions. The task force agreed that this recommendations should be included for the SPP BOD.

Tessie Kentner (SPP) provided an update on the GI Three Stage process that had recently been approved by the stakeholders but had yet to be filed at FERC. With this recommendation (recommendation 1A-6) *SPP should evaluate the effectiveness of the 3-Phase Generator Interconnection Study process following implementation.* Included in this recommendation was that the first review be completed 18 months after the process is implemented. This recommendation was accepted as drafted.

The next planning based recommendation that was discussed was related to Local Planning Criteria (Recommendation 1A-5). The recommendation was to *establish uniform local planning criteria within each Schedule 9 pricing Zone. The criteria can vary between Zones, but all Transmission Owners within each Zone should be subject to the same local criteria in determining the need for Zonal Reliability Upgrades within the Zone.* After a lengthy discussion the following motion was made by Greg McAuley (OGE) and seconded by Denise Buffington (Evergy); *Establish uniform local planning criteria within each Schedule 9 pricing Zone. The criteria can vary between Zones, but all Transmission Owners within each Zone should be subject to the same local criteria in determining the need for Zonal Reliability Upgrades within the Zone. With the additional recommendation that the host TO invite transmission owners & transmission customers of that zone to participate when developing the zonal criteria before submitting to SPP.* This motion passed unanimously. Lanny Nickell (SPP) did note that there were occasions where a non-host TO in a zone had already filed and received FERC approval on Local Planning Criteria and this issue would be something that would need to be worked through.

The final planning recommendation (Recommendation 1A-2) addressed ERIS/NRIS valuation and the use of a deliverability model. The original recommendation stated; *SPP should develop and adopt a policy that creates the appropriate balance between cost assessed and value attained from SPP ERIS and NRIS generator interconnection (GI) products and generating resources with long term firm transmission service. The policy should add more value to the NRIS product by making NRIS eligible to attain benefits comparable to those awarded to Designated Network Resources (DNR) without the requirement for a transmission service study while also tightening thresholds for mitigation of ERIS system impacts. The policy should also address capacity accreditation. The value proposition should be maintained throughout all Transmission Services, Transmission Planning, and Integrated Marketplace processes to ensure effectiveness and equity for all impacted stakeholders.* During the discussion a motion was made by Mike Wise (GSEC) and seconded by Al Tamimi (SEPC) to add some additional emphasis on sub-regional delivery. The amended motion that was approved unanimously is as follows: SPP should develop and adopt a policy that creates the appropriate balance between cost assessed and value attained from SPP ERIS and NRIS generator interconnection (GI) products and generating resources with long term firm transmission service. The policy should add more value to the NRIS product by making NRIS eligible to attain benefits comparable to those awarded to Designated Network Resources (DNR) without the requirement for a transmission service study while also tightening thresholds for mitigation of ERIS system impacts. This includes the concept of deliverability on a sub-region basis. The policy should also address capacity accreditation. The value proposition should be maintained throughout all Transmission Services, Transmission Planning, and Integrated Marketplace processes to ensure effectiveness and equity for all impacted stakeholders.

The recommendations related to Cost Allocation were not addressed in this meeting.

**4. Review of Draft Report**

This item was not addressed in this meeting.

**5. Other Items**

N/A

**6. Next Meetings**

**2019 HITT Team Meetings**

- April 17-18, 2019 – Tulsa, OK
- April 25, 2019 – Dallas, TX
- April 29, 2019 – Tulsa – HITT Report Presentation to the SPP BOD/MC



7. **Adjournment**

Kent adjourned the meeting at 11:31 AM.

### **HITT Members**

Tom Kent (NPPD), Chair  
Rob Janssen (Dogwood), Vice-chair  
Al Tamimi (SEPC)  
Bill Grant (Xcel SPS)  
Brett Leopold (ICT)  
Cindy Ireland (AR PSC)  
Denise Buffington (Evergy)  
Dennis Florom (LES)  
Dennis Grennan (NPRB)

Greg McAuley (OG&E)  
Holly Carias (NextEra)  
Jim Eckelberger (SPP Director)  
Mike Risan (BEPC)  
Mike Wise (GSEC)  
Richard Ross (AEPSC)  
Rob Janssen (Dogwood)  
Shari Albrecht (KCC)  
Graham Edwards (SPP Director) - Phone

### **Meeting Participants:**

Jim Hotovy (NPPD)  
Aaron Doll (EDE/LU)  
Aaron Vander Vorst (Tradewind )  
Adam McKinnie (MOPSC)  
Andy Berg (MRES)  
Antoine Lucas (SPP)  
Ben Bright (SPP)  
Bernie Liu (Xcel)  
Brad Hans (MEAN)  
Brett Hooton (Gridliance)  
Brian Johnson (AEP)  
Brian Rounds (AESL)  
Calvin Daniels (WFEC)  
Carl Monroe (SPP)  
Carrie Dixon (Xcel)  
Charles Hendrix (SPP)  
Charles Locke (SPP)  
Chris Green (EDE/LU)  
Chris Haley (SPP)  
Chris Lyons (CES)  
Christine Aarnes (KCC)  
Cindy Ireland (AR PSC)  
CJ Brown (SPP)  
Daria Diaz (LPSC)  
David Kays (OG&E)  
David Schmitt (IUB)  
Denise Martin (SPP)  
Dennis Reed (MWRC)  
Don Shipley (SPP)

Jim Jacoby (AEP)  
Joe Fultz (GRDA)  
John Boshears (CUS)  
John Krajewski (NPRB)  
John Stephens (CUS)  
John Tennyson (CUS)  
John Varnell (TNSK)  
Jon Sunneberg (NPPD)  
Justin Hinton (SPP)  
Katie Southworth (Emvenergy)  
Kenny Hale (CUS)  
Lanny Nickell (SPP)  
Lee Elliott (SPP)  
Luke Haner (OPPD)  
Luke Hill (SPP)  
Malcolm Ainspan (NRG)  
Marisa Choate (SPP)  
Mary Ann Zehr (TSGT)  
Maurice Moss (CUS)  
Meena Thomas  
Natasha Henderson (GSEC)  
Nicole Wagner (SPP)  
Orijit Ghoshal (Invenergy)  
Paul Suskie (SPP)  
Raman Somayajulu (Enel)  
Ray Bergmeier (SEPC)  
Richard Dillon (SPP)  
Robert Pick (NPPD)  
Robert Safuto (CES)



Emily Pennel (SPP)

Eric Laverty (Aces)

Gary Cate (SPP)

Gary Hoffman (WAPA)

Gayle Freier (SPP)

Greg Garst (OPPD)

Greg Sorenson (SPP MMU)

Heather Starnes (MJMEUC/KMEA)

Jason Chaplin (OCC)

Jason Davis (SPP)

Jason Mazigian (BEPC)

Jeremy Severson (BEPC)

Jerry Bradshaw (CUS)

Ron Thompson (NPPD)

Russell Quattlebaum (SPP)

Ryan Kirk (AEP)

Sam Enfield (MAP)

Seth Cochran (DCE)

Shawn Geil (KEPCo)

Shawnee Claiborn-Pinto (PUCT)]

Steve Davis (SPP)

Steve Gaw (Wind Coalition)

Tessie Kentner (SPP)

Tom Hestermann (SEPC)

Walt Cecil (MOPSC)