

**Southwest Power Pool
WESTERN RELIABILITY EXECUTIVE COMMITTEE
Wednesday, April 5, 2023
8am to 10am MDT (9am to 10am CDT)
SPP Auditorium A - Net Conference
• M I N U T E S •**

1. Call to Order

Chair Denton McGregor called the meeting to order at 8:01 am MDT (9:01 am CDT) on Wednesday, April 5, 2023.

2. Attendance and Quorum Determination

CJ Brown (SPP) took attendance and determined a quorum was present.

3. Review and approval of WREC meeting agenda

Chairman McGregor reviewed the meeting agenda with the committee. Vice Chair Aust (WAPA) motioned to approve the agenda as presented, seconded by Michael Houglum (TSGT); with no further discussion or opposition, the agenda was approved.

4. Approval of WREC Minutes from the January 11, 2023 Open Meeting

Michael Houglum (TSGT) motioned to approve the previous meeting minutes as presented, seconded by Sam Rugel (TEP); with no further discussion or opposition, the minutes were approved.

5. Review of Past Action Items

- a) **Previous Action Item:** Leslie Sink (SPP) to prepare a budget estimation of expanded training options for Western focused training that could be offered by SPP. **On Agenda**
- b) **Previous Action Item:** SPP staff familiar with emissions waivers to be available at the next meeting. CJ to provide a copy of a waiver document with the if possible. **On Agenda**

6. WRWG April 4, 2023 Meeting Update

Brian Strickland (SPP) updated the group on yesterday's WRWG meeting. Topics included,

- Network Model Validation
- Guidelines for Sending Messages Across Seams
- MR-006 Outage Coordination & MR-011 SOL Methodology

- Grid Condition Notices in SPP West RC Area
- RC Metrics

7. Options for Expanded Western Focused Training

Leslie Sink (SPP) discussed a proposal in process that could expand SPP's western focused training offerings. The plan will be distributed via email for review at the next meeting. Multiple recent and ongoing changes in the west will likely impact the proposal. Currently the plan looks to offer 70 original CEHs in between virtual and in-person formats to Western Entities, as SPP does in the East. West specific simulation is also being considered.

Approximately 21 hours of CEHs are available to West Customers in 2023, including:

- 8 hour restoration principals (virtual)
- 5 additional e-learning modules are offered in 2023

Vice Chair Aust (WAPA) questioned if expanded training would require a separate agreement or be rolled into RC agreement. If all RC customers want it, it makes sense to roll it into the RC agreement. If a majority of entities do not, then a separate contract would be necessary.

8. Emissions Waivers

This topic will be kept on the agenda going forward.

9. EMS Upgrade

Tim Miller (SPP) updated the committee on ongoing efforts to upgrade of SPP's energy management system, market interface, replicated data server and modelling tools; which CJ Brown compares to a heart transplant. There will be no changes to ICCP or operator tools. A cutover to QA is underway now. SPP is planning a market outage from 8pm-10pm, April 18th, for production go-live. Confidence levels are high that it will be a manageable transition. Existing credentials should work in the new RDS now. If your company's do not, let SPP know via RMS ticket. Users will still be allowed to run their own studies, power flow, RTCA, etc.

10. West RTO

Daniel Baker (SPP) updated the committee on West RTO activities and anticipated timelines.

Go-Live for Markets+ is expected to be in late 2025 and RTO West April 1, 2026. SPP's West and East RTO footprints will be two separate balancing authorities. Late 2024 should see a big ramp up in SPP activity in west conversations. Similar to how SPP ramped up to its Integrated

Marketplace Go-Live in the East, several deployment tests with participating entities will be performed along the way. Pre-Existing BAs, will decertify as a BA but continue metering and serve as an intermediary between SPP and GOPs. A formal RTO West proposal is planned to be taken to SPP's Board at the end of this month for approval.

11. Western Resource Adequacy Program (WRAP) Update

Charles Cates (SPP) announced Eric Samson (SPP) is the newly appointed supervisor of WRAP. Samson informed the WREC that Western Power Pool (WPP) staff were onsite at SPP for FAT testing this week. Working group activities are ongoing. The forward showing team is running assessments and working with IT to develop a web application for workbooks. Both forward and ops teams are working on business practice manuals for Program Review Committee (PRC) review. Upcoming milestones include:

- Connectivity Testing in May
- Ops Trials in June (structured and unstructured testing)

12. Western Markets Update (WEIS/Markets+)

Steve Johnson (SPP) shared PSCo, PRPA and Black Hills went live in the WEIS Market Friday; tripling its size. Extra staff was onsite despite severe tornados that ripped through little rock that afternoon. There were some hiccups but all in all a success. WEIS should be running smoothly within the week. Up to 900 MWs at a given time has flowed from PSCo to WAPA since go-live. A press release will be coming soon that will include a WEIS benefits report. WEIS is estimated to have provided a \$31MM, \$1.35 per MW, net benefit to participants in 2022; \$61MM since inception in 2021. This 7 to 1 benefit is expected to increase in the future with the growth of the market. Sam Rugel (TEP) asked if any members had validated these numbers. Jon Aust (WAPA) shared that the WACM BA in WEIS compared to their hydro rate had realized \$4MM-\$5MM in reliability cost avoidance alone.

Markets+ has 31 entities signed on for Phase 1. That number may increase to 34 very soon. Bert Bressers (SPP) estimates these entities to collectively represent 64.4GW in peak load. Markets+ Participants Executive Committee (MPEC), the M+ version of MOPC, will be meeting face to face in Denver to begin forming working groups. The interim Markets+ Independent Panel (MIP) will be formed of 3 SPP Board Members; two of which have significant Western Interconnect experience.

Phase 1, estimated cost \$9.7MM, will focus on protocols and tariff language. An acceleration of timelines has been requested by participants. Therefore, SPP plans to present a base plan for comments to help condense timelines. Green House Gas is a new area to be addressed by M+. Seams and congestion rent allocation will take more discussion than other areas as well. Johnson hopes to have a tariff filed by end of 2023 or early 2024. Tentative go-live is October 2025. Lots of working group work will be done, virtually and in-person, in the coming months. A Reliability Committee will be established within the M+ governance. WREC members are encouraged to join the committee even if they aren't a Markets+ participant. SPP's RC service customers are expected to grow with Markets+. Phase 2, implementation, will begin after FERC approval is received.

Jon Aust (WAPA) suggested WREC look at our policies that make sense to change if we have 30 members instead of 13. Aust also questioned if a consolidation of Western Services being considered? Current SPP RC customers are expected to also be in M+, SPP West RTO, or neither. SPP believes the full RTO offering is the best value but realize some entities need more time or flexibility in the services they receive from SPP. Sam Rugel (TEP) asked about a Phoenix office. Discussions about Denver and/or Phoenix office location(s) are ongoing. Only funding entities have a vote. A lot of work is ongoing for participants and SPP. SPP staffing levels are increasing to meet the challenge. Several positions focused on western activities have a remote option. Jon Aust (WAPA) noted the simplest approach would be for everyone to join the SPP RTO.

Denton McGregor (BHE) asked if M+/WEIS/West RTO will be multiple SCEDs with 1 SCUC? Markets+ will be its own study instance that will optimize with WEIS.

13. EIM Project Update

Jonathan Aust (WAPA) shared that WALC transacted its first 5 MWs in EIM at 5am this morning. Sam Rugel (TEP) noted that since joining EIM last May, TEP has put transfer caps in place in case the market were to be lost unexpectedly. Abel Bustillos (EPE) was not present at today's meeting due to their EIM Go-Live April 1, 2023.

14. General Q&A/Open Forum

West Wide Congestion Management - CJ Brown (SPP)

Current seams issues will likely increase with markets growing. Enhancing the congestion management process in the West debate on how to handle it is needed before it hits real-time.

CAISO/RC West has been good to work with but improvement is needed. Brown asked for the support of WREC to move forward with Western Interconnect Wide Congestion Management Process at WIRCEC. Derek Hawkins added a consistent methodology is the biggest need. We can borrow some practices from the East but it won't be a simple copy/paste.

Michael Houglum (TSGT) questioned what use cases not covered under current cm methodology? CAISO and SPP have similar methodologies but they aren't optimized for the best use of resources when seams are involved. Who does what when there are seams issues should have pre-determined reasonability guidelines vs being debated in real-time. Peak had these conversations in real-time. It is nearly impossible to be consistent if every situation is treated as a one off. Bruce Rew (SPP) suggested if a new process is not created, there should be an escalation process for involving executives of the impacted entities. Derek Hawkins (SPP) added the solution needs to be scalable.

Action Item: SPP to keep West Wide Congestion Management on the agenda for the next WREC meeting and initiate process change discussions with CAISO and WIRCEC.

Water Levels for summer

Jon Aust (WAPA) shared it was good water year in most western areas. Lake Powell, as well as, Lake Mead and Mohave, inflows are expected to be good. Hoover's output is not expected to change in 2023-2024 but possibly in 2025 and beyond. Powell inflow estimations could be high if runoff is absorbed before it gets there due to previously dry conditions. Chris Bultsma (WAPA) added the Missouri River is looking at being slightly below average this year

Transitions to SPP Services

Changes typically seen resulting from the transition into in a SPP Imbalance Market, Markets+, RTO, etc. discussed. In the RTO, former BAs still maintain their meters and provide data to SPP. Reserve sharing group changes discussed. SPP offerings in the west plan to be compatible/deployed with the WPP Western Reserve Adequacy Program (WRAP).

Cliff Franklin shared SECI experiences with integrating into SPP’s Integrated Market including congestion costs and TCRs.

15. Summary of Action Items

- a. **Action Item:** SPP to keep West Wide Congestion Management on the agenda for the next WREC meeting and initiate process change discussions with CAISO and WIRCEC.
- b. **Action Item:** Carry over agenda items:
 - i. Expanded Western Focused Training Proposal Review - Leslie Sink (SPP) to
 - ii. Emissions Waivers – SPP

16. Future Meetings (WRWG/WREC Combo)

The WREC will start the charter review at the July meeting with an eye for what may need to change if the number of SPP West RC customers were to triple. Charter and budget approval will be on the October meeting agenda.

Future meeting dates are as follows:

<u>Tentative Date</u>	<u>Time</u>	<u>Host</u>
July 11-12, 2023	8am-10am MDT	WebEx
Oct. 10-11, 2023	Noon-Noon MT	Black Hills – Rapid City, SD
WRWG Day 1		
WREC Day 2		

17. Adjournment

Chair Denton McGregor called for a motion to adjourn the WREC meeting at 11:04am MDT (12:04pm CDT). Michael Houglum (TSGT); motioned to approve, seconded by Sam Rugel; with no further discussion or opposition, the meeting was adjourned.

Respectfully submitted,

Hamilton Bitely, WREC Staff Secretary Assistant

Attendance:

Denton McGregor (BHE, WREC Chair)
Jonathan Aust (WAPA, WREC Vice Chair)
Michael Houglum (Tri-State)
Sam Rugel (TEP)
Shane Sanders (AEPSCO)
Warren Rust (CSU)
Wade Kiess (PRPA)
Linda Jacobson-Quinn (Farmington)
Andrew Minter (CORE)
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Calvin Dacus (TEP)
Clifford Franklin (SECI)
Steve Owen (PSCO)
Scott Perhus (BHE)
Daniel Strickland (CSU)
Mike Shultz (CSU)
Jim Krajecki (Customized Energy Solutions, LTD)
Matthew Alvarado (Iowa Utilities Board)

Dennis Reed (MWRC)
Marcus Brown (NaturEner USA)
Joshua Dillon (Pine Gate Renewables)
Rajat Pungaliya (Pine Gate Renewables)
Erik Voice (Salem Electric)
Robert Romero (Tri-State G&T)
Marc Desmarais (WAPA)
Chris Bultsma (WAPA)
Gayle Nansel (WAPA)
John Roemen (WAPA)
Kyle Clanney (WAPA-RMR)
Ben Hammer (WAPA-UGP)
Robert Bray (AEPSCO)
Steve Ashbaker (WECC)
Eric Baran (WIRAB)
Walt Shumate
Farrokh Rahimi (OATI)

SPP Staff

CJ Brown (SPP, WREC Staff Secretary)
Hamilton Bitely (SPP)
Derek Hawkins (SPP)
Alex Watkins (SPP)
Brian Strickland (SPP)
Tim Miller (SPP)
Charles Cates (SPP)
Eric Samson (SPP)
Daniel Baker (SPP)
Leslie Sink (SPP)
Bruce Rew (SPP)
Will Tootle (SPP)
Margaret Quispe (SPP)
Terry Oxandale (SPP)

Divakar Arora (SPP)
Neil Robertson (SPP)
William Holden (SPP)