

**SOUTHWEST POWER POOL
FINANCE COMMITTEE MEETING**

**April 10, 2025
Teleconference**

MINUTES

Finance Committee Chair, Stuart Solomon, called the meeting to order at 8:00 a.m. The following members were in attendance:

Stuart Solomon, Chair	SPP Director
Susan Certoma, Vice Chair	SPP Director
Liz Moore	SPP Director
Brad Cochran	OG&E
Emily Koenig	Lincoln Electric System
Matt Pawlowski	NextEra Energy Resources
Al Tamimi	Sunflower Electric
Mike Wise	Golden Spread Electric Coop
Marie Gieringer	Staff Secretary
Sheri Dunn	Staff Secretary

Others in attendance: See attached meeting register.

Emily Koenig served as a proxy for Laura Kapustka. A quorum was present.

Minutes from January 16, 2025, meeting were reviewed. Liz Moore made a motion to accept the minutes. The motion was seconded by Emily Koenig and approved by unanimous voice vote.

The January 16 meeting action item included submitting scope changes to the Corporate Governance Group (CGC) for approval. The recommendation has been added to the CGC agenda on May 20, 2025.

DEFINING AFFORDABILITY

David Kelley, SPP VP of Finance and CFO, reviewed a draft of the SPP affordability model. He emphasized that in a rapidly changing world, SPP must remain aware of the long-term impacts of decision-making today and be considerate of each members' cost pressures. David requested any interested members of the finance committee to be part of a subgroup to further define SPP's affordability model.

AFFORDABILITY MOMENT

Marie Gieringer, SPP Director of Finance, Treasury and Credit, provided an overview of SPP's insurance program and actions taken to keep premiums flat in the last two years. These savings were primarily attributed to (1) switching insurance brokers, (2) aligning limits and retentions to be comparable to peers, and (3) reductions in cybersecurity insurance premiums, reflecting the insurance provider's recognition of the company's effective internal controls that help mitigate cyber risk.

2024 BENEFIT PLAN FUNDING

Zeynep Vural, SPP Sr. Manager of Treasury and Credit, introduced staff from SPP's actuary company, Milliman. Sarah Murray, William Strange and Ryan Cook provided an overview of the valuation reports for the pension and retiree healthcare plans and highlighted factors that impacted the recommended funding for 2025. Consistent with the valuation reports, SPP staff made the recommendation to the Committee to contribute \$8.02 million (budgeted at \$8.40) to the SPP Retirement Plan and \$0 (budgeted at \$0) to the Post-Retirement Healthcare Plan in 2025.

Stuart Solomon requested a motion from the Committee on the following recommendation: The Finance Committee recommends to the SPP Board of Directors to approve 2025 funding of the SPP Retirement Plan of \$8.02 million and the SPP Post-Retirement Healthcare Plan of \$0. The motion was made by Mike Wise and seconded by Brad Cochran. The motion was approved by a unanimous vote.

2024 FINANCIAL AUDIT REPORT

SPP Controller, Dianne Branch and Forvis Mazars audit partners Chris Lindner and Wade Luethy presented the results of the 2024 financial audit. Dianne covered highlights on the 2024 financial statements compared to 2023. A detailed narrative was provided in the meeting materials. The audit partners provided an overview of the audit, including an unmodified opinion, and presented the required communication to governance. No material weaknesses or significant deficiencies were noted. Additionally, there were no auditor-proposed or management-recorded entries reported.

The Committee convened a brief executive session with the auditors.

Stuart Solomon asked for a motion from the Committee on the following recommendation: Recommends the SPP Board of Directors accept in its entirety the 2024 audit report of FORVIS, LLC. The motion was made by Susan Certoma and seconded by Mattt Pawlowski. The motion was approved by a unanimous vote.

CORPORATE INSURANCE REVIEW

Zeynep Vural introduced Aleesia Pattie and Jess Tran, VP representatives from SPP's insurance broker, Marsh. They provided an overview of the state of the market and a summary of SPP's various policies and associated costs. Overall premiums, including broker fees, remained flat from 2024.

LINE OF CREDIT RENEWAL

Zeynep Vural noted that SPP's line of credit was established in 2016 with a \$30 million limit intended to supplement working capital and liquidity since SPP's budget does not include operating reserves. The current two-year term expires on September 30, 2025. She also shared SPP's other borrowings as of 3/31/2025.

Stuart Solomon requested a motion from the Committee on the following recommendation: Recommend the SPP Board of Directors to approve (1) the extension of the maturity date of the \$30 million revolving credit facility through September 2027 with all other financial terms and conditions remaining unchanged, (2) appropriate regulatory filings to obtain FERC approval, (3) SPP CEO and President to execute notes and agreements to effectuate the extension.

The motion was made by Mike Wise and seconded by Emily Koenig. The motion was approved by a unanimous vote.

FERC SHOW CAUSE 206 UPDATE

Jared Barker, Supervisor Credit, provided an update on the status of the FERC Show Cause Order 206. Per the 2022 Order, RTO/ISOs must demonstrate credit policies are just and reasonable if they do not contain both minimum portfolio and mark-to-auction TCR collateral requirements. SPP filed tariff changes to allow re-mark of monthly TCR products in August 2024. In March 2025, FERC approved the tariff changes, but did not terminate the show cause proceeding due to absence of re-mark in seasonal TCR products during the monthly TCR process in the approved tariff changes. On March 20, 2025, FERC granted SPP a 60-day time extension to respond to the Show Cause order, which necessitates an expedited stakeholder process review for SPP to file changes with FERC by May 19, 2025.

2026 BUDGET TIMELINE AND PROCESS

Will Vestal, FP&A Manager, provided an overview of the 2026 budget processes and timeline. He emphasized that the Strategic Plan serves as the foundation of the budget, guiding all planning efforts. The budget process begins with the operating plan, which outlines key initiatives and priorities for the upcoming year and ensures alignment with both organizational and member goals.

To support the objectives outlined in the operating plan, budget managers identify the necessary resources—ranging from capital expenditures to staffing needs—required to meet these commitments. Will shared the capital expenditure, headcount, and operating expense budgeting processes with the committee. Key upcoming milestones include finalization of the operating plan (July), consolidation of operating expenditures (August) and the preliminary Finance Committee budget meeting (September).

FUTURE MEETINGS

The next regularly scheduled meeting of the Finance Committee will be held virtually on July 17, 2025. The meeting will include a joint session with the Strategic Planning Committee (SPC) to review the Operating Plan. Other topics to be covered will include an affordability moment, mid-year financial review, process improvements update, IT highlights, 2026 budget update and formula rate template review. The September meeting will be in person and in SPP's Denver office. There will be a dinner for committee members the night before.

ACTION ITEMS

Sheri Dunn recapped the action items from the meeting as follows:

- 1) David Kelley to assemble a subgroup of members from the Finance Committee and possibly SPC member(s) to further define SPP's affordability model.

EXECUTIVE SESSION: CYBERSECURITY

The Committee convened an executive session with Felek Abbas, Chief Technology and Security Officer.

The meeting was adjourned at 11:50 a.m. in advance of the joint session with the Human Resource Committee to discuss staffing and compensation.

Respectfully Submitted,

Marie Gieringer and Sheri Dunn

Finance Committee Staff Secretaries

MEETING ROSTER

Name	Company
Aaron Fortson	City Utilities
Aleesia Pattie	Marsh
Bernie Liu	Xcelenergy
Casey Cathey	SPP
Chris Lindner	Forvis Mazars
Christine Aarnes	Sunflower
David Holt	SPP
David Kelley	SPP
Dianne Branch	SPP
Don Frerking-SPP	SPP
Don Shipley	SPP
Dustin Smith	SPP
Felek Abbas	SPP
Geoff Lomax	SPP
Heather Starnes	MEC
Jack Fowler	SPP
Jared Barker	SPP
Jarred Cooley	SPS
Jason Chaplin	Xcelenergy
Jennifer Pytlik	Xcelenergy
Jess Tran	Marsh
Jim Flucke	Evergy
Joe Gromley	SPP
Lanny Nickell	SPP
Mark Price	DC Energy
Micha Bailey	SPP
Patrick Clarey	FERC
Peyton Greenwald	SPP
Robert Pick	NPPD
Ross Patel	SPP
Russell Carey	SPP
Ryan Cook	Milliman
Sarah Murray	Milliman
Wade Luethy	Forvis Mazars
Will Vestal	SPP
William Strange	Milliman
Zeynep Vural	SPP



From: Emily Koenig <ekoenig@les.com>

Sent: Friday, April 4, 2025 9:28 AM

To: Kapustka, Laura <llkapus@nppd.com>; Marie Gieringer <mgieringer@spp.org>

Cc: Sheri Dunn <sdunn@spp.org>; Solomon, Stuart <solomonjss61@gmail.com>

Subject: RE: **External Email** RE: Finance Committee Meeting Materials & Reminders (April 10, Virtual)

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Yes, that works for me!

-Emily

Emily N. Koenig | Vice President, Financial Services & CFO

Chief Financial Officer, District Energy Corporation



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From: Kapustka, Laura L. <llkapus@nppd.com>
Sent: Friday, April 4, 2025 9:12 AM
To: Marie Gieringer <mgieringer@spp.org>; Emily Koenig <ekoenig@les.com>
Cc: Sheri Dunn <sdunn@spp.org>; Solomon, Stuart <solomonjss61@gmail.com>
Subject: [EXTERNAL] RE: ****External Email**** RE: Finance Committee Meeting Materials & Reminders (April 10, Virtual)

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Do you know llkapus@nppd.com?

Emily – could you serve as my proxy for next week’s Finance Comm meeting?

|

Laura

Laura Kapustka

Executive VP & Chief Financial Officer

Columbus General Office



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Marie Gieringer

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-Emily

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Laura