

SOUTHWEST POWER POOL
COST ALLOCATION WORKING GROUP MEETING
April 2, 2024

Conference Call

SUMMARY OF MOTIONS AND ACTION ITEMS

MOTION: To approve the Consent Agenda; including RR 610 as having no impact to any RSC approved policies. (Shawnee Claiborn-Pinto (PUCT) motioned / Matt Alvarado (IUB) seconded). Passed unanimously.

MOTION: CAWG moves to approve the initial Entry Fee collection and distribution policy as an initial step, with the intent to present it to the RSC for approval consideration in initiating the RR process. (John Krajewski (NPRB) motioned / Shari Albrecht (KCC) seconded). Passed with 11 yes and 1 abstention (NMPRC).

MOTION: CAWG moves to approve utilizing the CPP Transition Study to help justify and calculate the first Entry Fee with consideration of system needs, generator only upgrade costs, and annual production cost savings. The initial Entry Fee will be reviewed for viability with historical GI costs. (Matt Alvarado (IUB) motioned / Shari Albrecht (KCC) seconded) Passed with 11 yes and 1 abstention (NMPRC).

MOTION: Approves the entry fee applicability for ERIS and CRIS customers, including the unique situation for suspension and termination after Entry Fee commitment. The approval will provide initial policy direction for a revision request. (John Krajewski (NPRB) motioned / Greg Rislov (SDPUC) seconded) Passed with 11 yes and 1 abstention (NMPRC).

MOTION: Approves initially exploring Incremental Base Plan Funding and is appropriateness for the CPP Entry Fee Framework when CRIS converts to firm service (NITS). (Matt Alvarado (IUB) motioned / Shari Albrecht (KCC) seconded) Passed with 11 yes and 1 abstain (NMPRC).

MOTION: Endorses continuing to develop the Entry Fee maintenance, updates from annual assessments, and, as applicable, intra-queue priority. (Matt Alvarado (IUB) motioned / John Krajewski (NPRB) seconded) Passed with 11 yes and 1 abstention (NMPRC).

MOTION: Recommends the RSC approve RR 600.15 as implementing the BOD-approved terms and conditions for RTO membership and expansion in the Western Interconnection.

(Matt Alvarado (IUB) motioned / Greg Rislov (SDPRC) seconded) Passed with 7 yes, 3 no (APSC, PUCT, and KCC), and 2 abstentions (LPSC and OCC).

ACTION ITEMS:

Adam McKinnie (MOPSC) requested background information for the RSC on two separate complaints filed against SPP by Montana-Dakota Utilities and Mid-Continent Independent System Operator. Ben Bright will work with Staff to determine the appropriate venue for disseminating that information.

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COST ALLOCATION WORKING GROUP MEETING**

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MINUTES

AGENDA ITEM 1 – CALL TO ORDER, INTRODUCTIONS AND ADMINISTRATIVE ITEMS

Chair Lise Trudeau (MN PUC) called the meeting to order at 8:30 AM and a quorum was established. Walt Cecil (MOPSC) held proxy for Adam McKinnie (MOPSC) from 12:30-2:30 for this meeting and future CAWG meetings. Greg Rislov (SDPRC) held proxy for John Krajewski (NPRB) from 1:50-2:15. Cindy Ireland (APSC) held proxy for Shawnee-Claiborn-Pinto (PUCT) after lunch and Chris Hanson held proxy for Victor Shock (NDPSC).

AGENDA ITEM 2 – CONSENT AGENDA

MOTION: Move to approve the Consent Agenda; including RR 610 as having no impact to any RSC approved policies. (Shawnee Claiborn-Pinto (PUCT) motioned / Matt Alvarado (IUB) seconded). Passed unanimously.

AGENDA ITEM 3 – ACTION ITEMS

Ben Bright (SPP) provided an update on several action items. Updates to Item 126, regarding the history of the RSC, can be sent to Justin Hinton (SPP). Regarding Item 157, updates to generator outages and incentives related to Attachment AA, Bright noted that RR 616 Improved Outage Policy is in the approval cycle. Bright also stated that with regard to Item 185, HITT C2, RR 584 was filed at FERC on March 20, 2024.

AGENDA ITEM 4 – FERC UPDATE

Justin Hinton (SPP) stated that in the ELCC/PBA docket ER 24-1317, there were comments filed by the MMU and Golden Spread Electric. Additionally, there were protests filed by the public interest organizations and clean energy associations. Staff is working on preparing answers to the comments and protests.

In the PRM complaint docket, Staff is evaluating whether it will file an answer to the answer filed by the complainants.

On Friday, March 29, 2024, in Docket No. EL 24-96, a complaint was filed against SPP by the public interest organizations claiming that the current accreditation methodologies for all resources is unjust and unreasonable. Staff is evaluating the complaint and will prepare an answer.

Regarding Order 2222, Staff filed a request for an extension of time to file compliance.

AGENDA ITEM 5 – JTIQ UPDATE

Aaron Shipley (SPP) provided an update on RR 620 Joint Targeted Interconnection Queue (JTIQ). He noted that this item was no longer a voting item at the meeting due to continued discussions with MISO and will seek approval once final adjustments are made. Shipley, in addition to Charles Locke (SPP) and Don Frerking (SPP), reviewed the tariff changes and impacts and identified areas where approvals are necessary from CAWG and RTWG. Shipley will provide an update of ongoing discussions with MISO and actions taken from other working groups at the next CAWG meeting and intends to seek CAWG approval at the May 14, 2024 meeting.

AGENDA ITEM 7 – CONGESTION HEDGING UPDATE

Micha Bailey (SPP) provided a brief update and indicated that the study for CAWG is taking longer than expected but expects to have it ready for the May CAWG meeting. If it is completed by mid-April, it will be presented at the upcoming TWG and MWG meetings.

AGENDA ITEM 8 – HITT C1 UPDATE

Charles Locke (SPP) presented an update of HITT C1 and addressed the questions and concerns that were expressed in the Straw Poll results provided by CAWG members and stakeholders. Locke reviewed how SPP rates work and how subregional proposal fits within the context of decoupling and the subregional cost application proposal. Don Frerking (SPP) reviewed the impact with regard to designated resources and the associated network load. Locke indicated that there would be more information provided at the next meeting and indicated that a vote would be possibly considered in May, but June at the latest.

AGENDA ITEM 10 – CPPTF UPDATE

Sunny Raheem (SPP) provided information on the various components and framework of CPP Phase 1 Entry Fee with five areas up for CAWG consideration.

Ben Bright (SPP) suggested presenting the approval of this issue to the RSC in a single motion.

Entry Fee Collection and Distribution – Raheem discussed the collection and distribution flow, contribution parameters, payment structure, and distribution of the Entry Fee.

MOTION: CAWG moves to approve the initial Entry Fee collection and distribution policy as an initial step, with the intent to present it to the RSC for approval consideration in initiating the RR process. (John Krajewski (NPRB) motioned/ Shari Albrecht (KCC) seconded). Passed with 11 yes and 1 abstain (NMPRC).

Standing Up the First Entry Fee – Raheem reviewed the transition study and discussed the initial estimation of the Entry Fee including the historical cost considerations.

MOTION: CAWG moves to approve utilizing the CPP Transition Study to help justify and calculate the first Entry Fee with consideration of system needs, generator only upgrade costs, and annual production cost savings. The initial Entry Fee will be reviewed for viability with historical GI costs. (Matt Alvarado (IUB) motioned / Shari Albrecht (KCC) seconded) Passed with 11 yes and 1 abstention (NMPRC).

Applicability – Raheem also reviewed the applicability of the Entry Fee and discussed who it will apply to, when it will be enforced, and suspension and termination parameters.

MOTION: Approves the entry fee applicability for ERIS and CRIS customers, including the unique situation for suspension and termination after Entry Fee commitment. The approval will provide initial policy direction for a revision request. (John Krajewski (NPRB) motioned/ Greg Rislov (SDPUC) seconded). Passed with 11 yes and 1 abstention (NMPRC).

CRIS Incentives – Raheem reviewed the current cost allocation rules and reviewed the CRIS Cost Allocation options.

MOTION: CAWG approves initially exploring Incremental Base Plan Funding and is appropriateness for the CPP Entry Fee Framework when CRIS converts to firm service (NITS). (Matt Alvarado (IUB) motioned / Shari Albrecht (KCC) seconded) Passed with 11 yes and 1 abstain (NMPRC).

Policies to Continue to Develop – Raheem discussed remaining policies under development with three areas of focus: 1) annual assessment updates to determine if there is an appropriate amount of small adjustments between annual assessments, 2) determination of the frequency of updates for the Entry Fee, and cross-boundary sub-regional approach to determine who gets first right to 20-year assessment generation sites and volume.

MOTION: Endorses continuing to develop the Entry Fee maintenance, updates from annual assessments, and as applicable intra-queue priority. (Matt Alvarado (IUB) motioned / John Krajewski (NPRB) seconded) Passed with 11 yes and 1 abstention (NMPRC).

AGENDA ITEM 11 – SAWG/REAL UPDATE

RR 600.15 Attachment AA (RTO Western Expansion) – Marisa Choate (SPP) presented RR 600.15 which is one of sixteen revision requests implementing the SPP Board approved terms and conditions for RTO expansion. Specifically, this RR is needed to integrate the Western entities into the existing resource adequacy process in Attachment AA. She further indicated that this RR has been reviewed and approved by the SAWG and RTWG. Choate discussed the comments submitted by MEAN and stated that those concerns could be considered in the future. She also discussed the comments submitted by the MMU which were supportive along with some clean up language.

Comments from Basin regarding capacity across the DC Ties were discussed and voted on at the SAWG and RTWG and these changes are included in the RR.

MOTION: Recommends the RSC approve RR 600.15 as implementing the BOD-approved terms and conditions for RTO membership and expansion in the Western Interconnection. Matt Alvarado (IUB) motioned / Greg Rislov (SDPRC) seconded) Passed with 7 yes, 3 no (APSC, PUCT, and KCC), and 2 abstentions (LPSC and OCC).

RR 621 Fuel Assurance – Chris Haley (SPP) indicated that this policy item is still being debated at SAWG with more discussion will be held at the upcoming SAWG meeting this week. Haley indicated that the numbers in the presentation are not reflective of an approved policy. SAWG has proposed some directional changes to the methodology. Haley compared the methodologies under consideration and provided an impact example. High-level approval from SAWG and REAL was anticipated for April but Haley acknowledged this timing is at risk. The goal is to present this issue to the Board/RSC/MOPC in the July/August timeframe with an anticipated FERC filing in October 2024.

John Luallen (MMU) provided a few comments regarding a recommendation to create more equity between PBA and ELCC with an adder to the PBA during times of high need. Luallen acknowledged this RR is an attempt to address that concern and the MMU is supportive.

RR 622 Planning Reserve Margin- Chris Haley (SPP) provided a brief update on the current discussion surrounding the PRM and indicated that additional discussion would continue at the upcoming SAWG meeting and will provide additional information in future CAWG meetings.

FUTURE MEETINGS

Chair Trudeau suggested holding the June meeting in-person at the MARC Conference in Minneapolis, MN. There were no objections to this suggestion.

Trudeau adjourned the meeting at 3:19 pm.

CAWG MEMBERS

Lise Trudeau (MN PUC), Chair
Adam McKinnie (MOPSC)
Cindy Ireland (APSC)
Greg Rislov (SDPUC)
Shari Albrecht (KCC)
Jason Chaplin (OCC), Vice-chair

John Krajewski (NPRB)
Lane Sisung (LPSC)
Marc Tupler (NMPPRC)
Matt Alvarado (IUB)
Shawnee Claiborn-Pinto (PUCT)
Victor Schock (NDPSC)

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