

SOUTHWEST POWER POOL

RESOURCE AND ENERGY ADEQUACY LEADERSHIP TEAM (REAL)

January 26, 2024

8:30 am – 3:00 pm (Central)

WebEx

SUMMARY OF MOTIONS AND ACTION ITEMS

MOTION: To approve minutes from December 18, 2023. Ray Hepper (SPP BOD) motioned Cindy Ireland (APSC) second. The motion passed unanimously.

INITIAL MOTION: Adopt Commissioner French's motion to amend language as presented. Steve Gaw (APA) motioned / Andrew French (KCC) seconded. Motion passed with twelve (12) in favor and two (2) against (OMPA, AEP)

MOTION TO AMEND: Motion to amend the approved language with language presented by Richard Ross. Buddy Hasten (AECC) motioned / Richard Ross (AEP) seconded. Motioned **failed** with four (4) in favor, eight (8) against (SD PUC, KCC, APA, SPP Board (2), NPRB, APSC, OPPD), and two (2) abstaining (OCC, PUCT)

MOTION: Approve RR 606 as amended by REAL. Steve Gaw (APA) motioned / Shawnee Claiborn-Pinto (PUCT) seconded. Motion passed with ten (10) in favor and four (4) against (Evergy, AECC, OMPA, AEP)

MOTION: Approve Resource Availability policy as presented. Richard Ross (AEP) motioned / Ray Hepper (SPP BOD) seconded. Motion passed unanimously.

MOTION: Recommend MWG/ORWG review DR/RA policy and RR to develop aligned deployment and accessibility policy in coordination with SAWG effective at or before winter 2026/27. Steve Gaw (APA) motioned / Colton Kennedy (OPPD) seconded. Motion passed unanimously.

ACTION ITEM: REAL will be notified when PBA/ELCC is filed at FERC.

ACTION ITEM: Staff will provide a full Winter Storm Gerri Report at the next REAL meeting in February.

ACTION ITEM: Staff will bring more outage details from LOLE and EUE study results to the next REAL, including magnitude and duration.

ACTION ITEM: Raise concern with RSC, BOD, and SPP Legal regarding RR606 Language requiring the RSC and SPP to agree on PRM increase.

ACTION ITEM: Staff will work with MMU to ensure the availability concerns are addressed with RR605 and REAL work plan and recommend adjustments if necessary.

ACTION ITEM: A small group will brainstorm ideas regarding adjusting meeting dates with REAL or other working groups to ensure the timely posting of REAL meeting materials, thereby granting REAL members adequate time to review materials. The group is expected to present their feedback to REAL in February. (Ray Hepper, Colton Kennedy, Denise Buffington, Kim O'Guinn, Casey Cathey, Kristie Fiegen)

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AGENDA ITEM 1 – ADMINISTRATIVE ITEMS

Chairman Kristie Fiegen (SD PUC) called the meeting to order, conducted the roll call, and reviewed the agenda.

MOTION: To approve minutes from December 18, 2023. Ray Hepper (SPP BOD) motioned Cindy Ireland (APSC) second. The motion passed unanimously.

AGENDA ITEM 2 – STANDING UPDATES

- a. **REAL RA Work Plan** – Casey Cathey (SPP Staff) reviewed the 2023 accomplishments of the REAL Team and the upcoming Resource Adequacy policy targets. Cathey focused on the near-term policies being developed for the April MOPC meetings.
- b. **FERC – Resource Adequacy** – Justin Hinton (SPP Staff) provided an update on the ELCC and PBA filings, stating these are being finalized and hopefully filed in the next week or so. Dave Osburn (OMPA) requested that an email be sent to the REAL Team when these are filed at FERC.

ACTION ITEM: REAL will be notified when PBA/ELCC is filed at FERC.

- c. **Supply Adequacy Working Group (SAWG)** Colton Kennedy (OPPD) provided a high-level overview of SAWG's focus areas. He stated that the focus was largely on Winter Planning Reserve Margin, LOLE Study Results, Availability, and Outage Policy. SAWG is seeking the elevation of the Demand Response and Expected Unserved Energy (EUE) policies, which need review for prioritization.

MOTION: Recommend MWG/ORWG review DR/RA policy and RR to develop aligned deployment and accessibility policy in coordination with SAWG effective at or before winter 2026/27. Steve Gaw (APA) motioned / Colton Kennedy (OPPD) seconded. Motion passed unanimously

- d. **Operations Update** – CJ Brown (SPP Staff) provided an update on the recent winter storm Gerri. Brown stated there was ample warning of this event in the days leading up to it, and we were able to communicate early. It was a significant event similar to Elliott's but

lasted several days. Imports from neighboring systems and strong wind generation prevented the system from being in EEA events. Natural gas performed well with limited known procurement issues for those entities that had secured firm delivery. Brown will provide a more detailed update on this event at the next REAL meeting in February.

ACTION ITEM: Staff will provide a full Winter Storm Gerri Report at the next REAL meeting in February.

AGENDA ITEMS 3 – WINTER PRM/LOLE

Chris Haley (SPP Staff) reviewed the recently completed LOLE study for 2026 and 2029 and the application of cold weather outages and study assumptions between the studies that drove change in the PRM. SAWG will continue to analyze the results of this analysis and provide some recommendations to the REAL for their feedback.

ACTION ITEM: Staff will bring more outage details from LOLE and EUE study results to the next REAL, including magnitude and duration.

AGENDA ITEM 4 – RR 606 PRM DEVELOPMENT PROCESS COMPLIANCE FILING

Haley discussed the current draft of the FERC-required compliance filing that will be made on February 9, 2024. Since the last REAL meeting, there have been amendments to the language from the SAWG, CAWG, and SPP Staff that the MOPC has now approved. Subsequent to the MOPC approval, Andrew French (KCC) has introduced language that was deemed non-substantive to help streamline and clarify the previously approved language.

Proposed amended language for Section 6: "If the PRM approved by the Regional State Committee and the SPP Board of Directors is one (1) percentage point or greater than the current PRM (e.g., increased from 15% to 16%) or is one (1) percentage point or greater than the PRM value identified in the final results of the LOLE Study, the approved PRM will be implemented for the planning year beginning at least one year after the Regional State Committee's and the SPP Board of Directors' approval of the new PRM, but no earlier than the study years analyzed in the LOLE Study."

Some concern was voiced on this language as it does not include any direction should there be a conflict between the RSC and the Board. SPP Staff took an action item to provide a resolution to this issue prior to the RSC meeting in February.

Prior to voting on the motion for the amended language, Richard Ross (AEP) introduced alternative language to be added at the end of the French amendment: "If the Regional State Committee and the SPP Board of Directors seek to make changes greater than one (1) percentage point above the current PRM value or earlier than the study years analyzed in the LOLE Study, then a waiver from the limitations outlined in this session will be filed at FERC."

The group decided to act upon an initial motion first, then, if approved, seek an additional amendment to include the language introduced by Ross.

INITIAL MOTION: Adopt Commissioner French's motion to amend language as presented. Steve Gaw (APA) motioned / Andrew French (KCC) seconded. Motion passed with 12 in favor and two (2) against (OMPA, AEP)

MOTION TO AMEND: Motion to amend the approved language with language presented by Richard Ross. Buddy Hasten (AECC) motioned / Richard Ross (AEP) seconded. Motioned failed with 4 in favor, 8 against (SD PUC, KCC, APA, SPP Board (2), NPRB, APSC, OPPD) and two (2) abstaining (OCC, PUCT)

The final motion was needed to approve RR 606.

MOTION: Approve RR 606 as amended by REAL. Steve Gaw (APA) motioned / Shawnee Claiborn-Pinto (PUCT) seconded. Motion passed with 10 in favor and four (4) against (Evergy, AECC, OMPA, AEP)

ACTION ITEM: Raise concern with RSC, BOD, and SPP Legal regarding RR606 Language requiring the RSC and SPP to agree on PRM increase.

AGENDA ITEM 5 – AVAILABILITY LANGUAGE POLICY

Casey Cathey briefly walked through the policy being developed for Resource Availability, which includes the RSC action item to create an availability definition, MMU considerations, Winter RAR refiling language, and the general need for an availability policy. RR 605, being drafted to implement this policy, is scheduled to come back to this group for approval before the May RSC/Board meeting.

MOTION: Approve Resource Availability policy as presented. Richard Ross (AEP) motioned / Ray Hepper (SPP BOD) seconded. Motion passed unanimously.

Raleigh Moore (SPP MMU) presented the MMU opinion on the need for a Resource Availability policy given the trends they have witnessed, including available capacity trending down, the gap between planning and operational capacity, and resource advisories have been on the rise. Moore provided some information regarding the recent investigation into outages. Moore also shared the MMU position that additional outage language should be included in the SPP Tariff, as in other RTO/ISOs.

AGENDA ITEMS 6 – MAINTENANCE OUTAGE POLICY

Brooke Keene (SPP Staff) updated the REAL Team on the outage policy going to the RSC and Board in February. This updated policy has been streamlined to include those items needed in

April. An RR will be developed to implement this policy and is scheduled to come through the stakeholder community in the next quarter.

ACTION ITEM: Staff will work with MMU to ensure the availability concerns are addressed with RR605 and REAL work plan and recommend adjustments if necessary.

AGENDA ITEMS 7 – VOLL/PRICE FORMATION MARKET MECHANISM

Chuck Richter (Utilicast) provided an overview of recent industry data and the SPP approach for calculating the Value of Lost Load (VoLL). VoLL estimates how much electricity customers would be willing to pay to avoid service disruption. Richter provided estimation approaches and some 2018-2022 VoLL estimates for residential, commercial, and industrial customers.

AGENDA ITEMS 8 – OTHER ITEMS

Action Items noted in this meeting:

- REAL will be notified when PBA/ELCC is filed at FERC.
- Staff will provide the full Gerri Report at the next REAL meeting in February
- Staff will bring more outage details from LOLE and EUE study results to the next REAL, including magnitude and duration.
- Raise concern with RSC, BOD, and SPP Legal regarding RR606 Language requiring the RSC and SPP to agree on the PRM increase.
- Staff will work with MMU to ensure the availability concerns are addressed with RR605 and REAL work plan, and recommend adjustments if not.
- A small group will brainstorm ideas regarding adjusting meeting dates with REAL or other working groups to ensure the timely posting of REAL meeting materials thereby granting REAL members adequate time to review materials. The group is expected to present their feedback to REAL in the February. (Ray Hepper, Colton Kennedy, Denise Buffington, Kim O'Guinn, Casey Cathey, Kristie Fiegen)

AGENDA ITEM 9 – NEW BUSINESS

AGENDA ITEM 10 – ADJOURNMENT

Chair Fiegen adjourned the meeting.

REAL MEMBERS

Andrew French (KCC)
Chuck Hutchison (NPRB)
Cindy Ireland (AR PSC)
David Osburn (OMPA)
Denise Buffington (Evergy)
Jason Chaplin (OCC)
Kristie Fiegen (SDPUC)

Buddy Hasten (AECC)
Colton Kennedy (OPPD)
Ray Hepper (SPP Board)
Richard Ross (AEP)
Shawnee Claiborn-Pinto (PUCT)
Steve Gaw (Advanced Power Alliance)

REAL PARTICIPANTS

Aaron Doll
Adam McKinnie
Afshin Salehian
Alex Crawford
Eric Alexander
Amy Newton
Andrea Harrison
Andrew French
Apryl Eby
Ash Mayfield
Ben Bright
Bernie Liu
Bert Bressers
Brad Cochran
Bradley Payne
Brad Underwood
Brandon McCracken
Brett Springfield
Brian Berkstresser
Brian Rounds
Brian Sanning
Brooke Keene
Buddy Hasten
Jim Krajecki
CJ Brown
Calvin Daniels
Casey Cathey
Charles Hendrix
Charles Yeung
Chris Bultsma
Chris Cranford
Chris Haley
Chris Lyons
Chuck Hutchison
Charles Richter
Cindy Ireland
Colt Cornelius
Courtney Kennedy

Cristie Weaver
Cullen Reid
Daria Diaz
DJ Smith
Dan Sprinkle
Daniel Harless
David Osburn
David Kelley
David Sonntag
Denise Buffington
Dennis Florom
Dennis Reed
Carrie Dixon
Emily Shuart
Erin Cathey
Eugene Mauk
Greg Rislov
Greg Wannier
Heather Starnes
Chuck Hutchison
James Peters
Jarred Cooley
Jason Chaplin
Jason Mazigian
Jim Jacoby (AEP)
Jodi Walters
John Krajewski
John Luallen
Jon Thurber
JonathanHathhorn
Joshua Baxter
Justin Hinton
Justin Tate
Kara Kolkman
Keaton Riddle
Kim O'Guinn
Kristie Fiegen
Kylah McNabb

Larry Holloway
Lise Trudeau
Maria Gingras
Marie Thompson
Marisa Choate
Mark Eastwood
Masood Ahmad
Matthew Alvarado
Matt Powell
Maya Nevels
Melissa Seymour
Michael Riley
Natalie McIntire
Natasha Brown
Natasha Henderson
Paul Antony
Phillip Choi
Ryan Johnson
Raleigh Mohr
Ray Hepper
Richard Owen
Richard Ross
Robert Pick
Rodney Massman

Ryan Benton
Ryan Kirk -AEPSC
Ryne Garrison
Sarah Martz
Esat Guney
Seth Mayfield
Shannon Coleman
Shari Albrecht
Shawn Geil
Shawn McBroom
Shawnee Claiborn-Pinto
Steve Gaw
Steve Sanders
Steve Wright
Stuart Solomon
Terra Higgins
Tim Owens
Tom Kleckner
Tom Michelotti
Walt Shumate
Will McAdams
William Pickle