

SOUTHWEST POWER POOL

RESOURCE AND ENERGY ADEQUACY LEADERSHIP TEAM (REAL)

February 21, 2024

Grand Hyatt DFW, Dallas TX

8:00 am – 4:30 pm (Central)

SUMMARY OF MOTIONS AND ACTION ITEMS

MOTION: To approve minutes from December 18, 2023. Dave Osburn (OMPA) motioned / Richard Ross (AEP) seconded. The motion passed unanimously.

MOTION: Approve RR 605 as presented. Colton Kennedy (OPPD) motioned / Shawnee Claiborn-Pinto (PUCT) seconded. Motion passed unanimously with 1 abstention (APA).

MOTION: Approve the recommendation report as written and have SPP Staff develop a straw proposal for a market mechanism to incentivize availability and present it to the appropriate groups in Q1 2025. Ray Hepper (SPP Director) / Colton Kennedy (OPPD) seconded. Motion passed with 10 in favor, 1 against (Eversource) and 2 abstentions (PUCT, OCC)

MOTION: Endorse the Price Formation policy direction to dispatch the system based on the true obligation and price the system using the obligation without the impact of the load shed and emergency energy assistance. Richard Ross (AEP) motioned / Steve Wright (SPP Director) seconded. Motion passed unanimously with 1 abstention (PUCT)

MOTION: Endorse FERNs study approach. Dave Osburn (OMPA) motioned / Steve Gaw (APA) Motion approved unanimously with 1 abstention (PUCT).

ACTION ITEMS: Staff will survey generators to gather information on unit operations during winter storm Uri and bring feedback back to REAL.

ACTION ITEMS: Staff to provide an update on status of the resource adequacy target items and schedule.

ACTION ITEMS: Staff to provide data on the LRE's installed capacity.

SOUTHWEST POWER POOL
RESOURCE AND ENERGY ADEQUACY LEADERSHIP TEAM (REAL)
February 21, 2024
Grand Hyatt DFW, Dallas, TX
8:00 am – 3:00 pm (Central)

AGENDA ITEM 1 – ADMINISTRATIVE ITEMS

Chairman Kristie Fiegen (SD PUC) called the meeting to order, conducted the roll call, and reviewed the agenda. Andrew Lachowsky (AECC) held proxy for Buddy Hasten (AECC) and Keaton Riddle (Evergy) held proxy for Denise Buffington (Evergy).

MOTION: To approve minutes from December 18, 2023. Dave Osburn (OMPA) motioned / Richard Ross (AEP) seconded. The motion passed unanimously.

AGENDA ITEM 2 – STANDING UPDATES

- a. **FERC – Resource Adequacy** – Kim O’Guinn (SPP Staff) provided an update on the ELCC and PBA FERC filings, stating these are being finalized and will be ready to be filed within the next week.
- b. **Supply Adequacy Working Group (SAWG)** Colton Kennedy (OPPD) provided SAWG updates throughout the day during the various agenda topics.
- c. **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 the storm and SPP was able to communicate and commit generation early. Imports from neighboring systems were above what we experienced in Uri. Natural gas performed well with limited known procurement issues for those entities that had secured firm delivery. Changes implemented after the previous winter storms have provided value, but there are still concerns related to Resource Adequacy that need to be addressed.

AGENDA ITEMS 3 – FUTURE RESOURCE/EUE STUDY RESULTS

Charles Hendrix (SPP Staff) reviewed the defined goals for the Expected Unserved Energy (EUE) study in relationship to the Loss of Load Expectation (LOLE) that was recently completed. These goals are to develop forward-looking resource portfolios with increasing levels of wind, solar, Electric Storage Resources (ESR), and Demand Response (DR) resources, report EUE or other metrics for each scenario season, and once a standard has been determined, use it to calculate PRM and resource-specific ELCC values.

Kevin Carden (Astrape Consulting) discussed the methodology used in the study including study objectives, scenarios modeled, and assumptions. Carden also provided some additional details on the SERVIM tool being used for the study.

Bryan Despard (1898 Consulting) provided an overview of their observations from the study and study results. There are still a lot of discussions to be had with SAWG to develop an overall proposal to bring forward to the REAL, RSC, and Board.

Additional discussion was had regarding the need for additional direction from the REAL Team to the SAWG, but no action was taken on that item.

AGENDA ITEM 4 – FUEL ASSURANCE/OMC DISCUSSION

Alex Crawford (SPP) reviewed the previous policies that have been discussed and approved relating to Fuel Assurance and Out-of-Management Control (OMC). Crawford discussed the analysis being done by Staff and ongoing discussions with the SAWG. Next steps include finalizing recommendations and the development of a Revision Request.

AGENDA ITEM 5 – RR 605 RESOURCE AVAILABILITY

Chris Haley (SPP) noted that both SAWG and CAWG have approved this RR recently. There were a couple of changes since last reviewed by the REAL Team, including the inclusion of a definition for Authorized Outages. Keith Collins (SPP MMU) noted the MMU has filed comments in the RR and provided an overview of those comments.

MOTION: Approve RR 605 as presented. Colton Kennedy (OPPD) motioned / Shawnee Claiborn-Pinto (PUCT) seconded. Motion passed unanimously with 1 abstention (APA).

AGENDA ITEM 6 – RR 616 OUTAGE POLICY

Brooke Keene (SPP Staff) updated the REAL Team on the Outage Policy RR that will be brought back to the REAL Team for approval in March. This RR has been simplified to include those items related to Performance Based Accreditation (PBA) that are needed in the short-term. Additional outage concepts will be included in a future RR. Technical clarifications to the RR requested by the SAWG were discussed.

AGENDA ITEM 7 – MARKET MECHANISM

Brooke Keene provided an overview of the analysis completed related to the REAL Team direction to the REAL Markets Subgroup to consider additional ancillary service markets, including an availability market construct or other incentive-based mechanisms, to procure an appropriate resource mix providing reliable energy, considering the consistent regional mix changes experienced. The REAL Markets Subgroup has worked with the Market Working Group and explored five enhanced market mechanism options: Availability Market, Performance Credit Mechanism (PCM), Flexibility Product, Price Sensitive Demand, and Multi-Interval Energy Procurement Market. In January 2024, the Market Working Group (MWG) unanimously approved

a motion to continue monitoring the PCM development process in ERCOT and reevaluate the need for additional mechanisms once Resource Adequacy policies are implemented and evaluated. Ray Hepper (SPP Director) suggested the need for an incentive mechanism for availability. In February 2024, Hepper made a recommendation to approve the recommendation report as written and have SPP Staff develop a straw proposal for a market mechanism to incentivize availability and present it to the appropriate groups in Q1 2025. The MWG rejected that motion. The MMU commented that they agreed with the need to incentivize availability. Yasser Bahbaz (SPP) agreed that the timeline suggested in the alternative motion as doable.

MOTION: Approve the recommendation report as written and have SPP Staff develop a straw proposal for a market mechanism to incentivize availability and present it to the appropriate groups in Q1 2025. Ray Hepper (SPP Director) / Colton Kennedy (OPPD) seconded. Motion passed with 10 in favor, 1 against (Evergy) and 2 abstentions (PUCT, OCC).

AGENDA ITEM 8 – PRICE FORMATION

Daniel Harless (SPP) discussed a policy for price formation during load shedding and emergency energy assistance events. This topic has been discussed after winter storm Uri where during the emergency energy assistance and load shed prices were suppressed. Price formation during load shed has been the focus and the need for prices in real time reflect what is actually happening on the system.

MOTION: Endorse the Price Formation policy direction to dispatch the system based on the true obligation and price the system using the obligation without the impact of the load shed and emergency energy assistance. Richard Ross (AEP) motioned / Steve Wright (SPP Director) seconded. Motion passed unanimously with 1 abstention (PUCT)

AGENDA ITEM 9 – FERNS DEMAND ELECTRIFICATION RESULTS

This item was moved to the March REAL meeting.

AGENDA ITEM 10 – FERNS CAPACITY EXPANSION MODELING APPROACH

Afshin Salehian (SPP) and Hannes Pfeifenberger (Brattle) discussed the study looking at the most cost-effective future resource mix to meet system needs through 2050; how the costs of these systems vary across future scenarios, shortcomings of the current resource adequacy framework in a highly electrified future and how load management could impact reliability and system costs in the future.

MOTION: Endorse FERNS study approach. Dave Osburn (OMPA) motioned / Steve Gaw (APA) Motion approved unanimously with 1 abstention (PUCT).

AGENDA ITEM 11 – GI ENHANCEMENT INTRODUCTION

Steve Purdy (SPP) provided background on the current status of the GI service requests and the initiatives that are new and ongoing to achieve significant improvement and bring benefits to the GI process.

AGENDA ITEM 12 – OTHER BUSINESS

Action Items:

1. Staff will survey generators to gather information on unit operations during winter storm Uri and bring feedback back to REAL.
2. Staff to provide an update on status of the resource adequacy target items and schedule.
3. Staff will provide data on the LRE's installed capacity.

The REAL Team will continue to look at the schedule of meetings; March 22 meeting will be extended hours. There will be meeting space available in Little Rock for people who want to attend in person. Will also invite the RSC and Board to attend, if available.

AGENDA ITEM 13 – NEW BUSINESS - N/A

AGENDA ITEM 14 – ADJOURNMENT

Chair Fiegen adjourned the meeting.

REAL MEMBERS

Andrew French (KCC)	Buddy Hasten/Andrew Lachowsky (AECC)
Chuck Hutchison (NPRB)	Colton Kennedy (OPPD)
Cindy Ireland (AR PSC)	Ray Hepper (SPP Board)
David Osburn (OMPA)	Richard Ross (AEP)
Denise Buffington/Keaton Riddle (Evergy)	Shawnee Claiborn-Pinto (PUCT)
Jason Chaplin (OCC)	Steve Gaw (Advanced Power Alliance)
Kristie Fiegen (SDPUC)	

REAL 2/21/2024 Participants

Aaron Ramsdell	Ben Bright
Afshin Salehian	Bernie Liu
Alex Crawford	Bert Bressers
Amber Joyce	Brad Cochran
Amy Newton SPRM	Bradley Payne
Andrea Harrison	Brett Springfield
Andrea Harrison WFEC	Brian Despard
Andrew Lachowsky, AECC	Brian Rounds
Angela Sartori	Brooke Keene
Apryl Eby	Bryn Wilson
Ashlyn Collie	Calvin Daniels
Bakhtawar Khan	Casey Cathey

CES - Jim Krajecki
Charles Hendrix
Chris Hanson
Christine Aarnes
Clifford Franklin
Colt Cornelius
Colton Kennedy
Cullen Reid
Dan Sprinkle
Daniel Harless (SPP)
Daria Diaz
David Busse
David Longrie
David Sonntag WFEC
Deborah Currie
Denelle Peacey
Dixon, Carrie
Emon Mahony (SPP)
Erica Schmidt - Sunflower Electric
Erin Cathey
Eugene Mauk
Fredrick Kolp
Garrett Crowson
Hannes Pfeifenberger Brattle
Harper Conference Room
James Peters
Jason Chaplin
Jason Mazigian BEPC
Jason Rosenkranz
Jim Flucke - Evergy
Jim Jacoby AEP
Jodi Walters - EDPR
Joe Dan Wilson - GSEC
John Varnell
Jon Thurber, SD PUC
Jonathan Hathhorn (SPP)
Jordan Foster
Joshua Tupper
Julie Tackett
Kai Van Horn, Brattle
Kalun Kelley - WFEC
Kate Peters
Kayla Hahn
Keaton Riddle
Kim O'Guinn
Kylah McNabb
Larry Preston

Lee Anderson
Lee Elliott Invenergy
Lisa Barrett
Lise Trudeau
Malcolm Ainspan
Margaret Kristian
Maria Gingras
Marisa Choate
Martin Long
Matt Powell
Matthew Alvarado
Maya Nevels
Michael Eppink
Michael Riley
Mike Wise / Golden Spread Electric Cooperative
Natalie McIntire
Natalie McIntire
Natasha Brown OMPA
Paul Antony
Phil Choi
Rachel Passman
Raleigh Mohr
Richard Owen OGE
Robert Pick -NPPD
Rodney Massman
Ryan Benton OG&E
Ryan Johnson
Ryan Kirk -AEPSC
Ryan McCormick
Sarah Martz
Serhat Guney (SPP MMU)
Seth Mayfield SPP
Shannon Coleman
Shari Albrecht
Shawn McBroom
Steve Gaw
Steve Purdy
Steve Sanders
Terra Higgins
Tim Owens
Tom Hestermann
Tom Michelotti NWE
Trent A Campbell
Varnell, John
Venkata Bujimalla
Walt Cecil
Walt Shumate



Will Tootle
William Pickle

