

## **SOUTHWEST POWER POOL**

RESOURCE AND ENERGY ADEQUACY LEADERSHIP TEAM (REAL)

May 24, 2024

8:00 am – 5:00 pm (Central)

WebEx

## **SUMMARY OF MOTIONS AND ACTION ITEMS**

**MOTION:** To approve minutes from April 18 & 19, 2024. Ray Hepper (SPP Board) motioned / Shawnee Pinto-Claiborn (PUCT) seconded. *Passed unanimously.*

**MOTION:** Motion to approve the following policies as an interconnected package:

- 1) Set the Base Planning Reserve Margins at 36% for the winter season and 16% for the summer season, effective beginning with the 2026 summer season and 2026/27 winter season
- 2) Approve RR621 Fuel Assurance as presented
- 3) Approve extending applicability of the Sufficiency Valuation Curve such 2027/applies to summer 2026, winter 2026/27, summer 2027, winter 2027/28, summer 2028, and winter 2028/29
- 4) REAL to evaluate and update the SPP Attachment AA CONE effective for summer 2028

Colton Kennedy (OPPD) motioned / Andrew French (KCC) seconded. *Motion passed with 9 yes, 4 no (AEP, OCC, OMPA, AECC), and 1 abstention (PUCT).*

**AMENDED MOTION:** Motion to approve the following policies as an interconnected package:

- 1) Set the Base Planning Reserve Margins at 33/36/38% for the winter season and 16/16/17% for the summer season, effective beginning with the 2026 summer season and 2026/27 winter season
- 2) Approve RR621 Fuel Assurance as presented
- 3) Approve extending applicability of the Sufficiency Valuation Curve such 2027/applies to summer 2026, winter 2026/27, summer 2027, winter 2027/28, summer 2028, and winter 2028/29
- 4) REAL to evaluate and update the SPP Attachment AA CONE effective for summer 2028

Richard Ross (AEP) motioned / Shawnee Claiborn-Pinto (PUCT) seconded. *Motion failed with 6 yes and 8 no (SDPUC, KCC, NPRB, SPP Board, SPP Board, APA, APSC, OPPD).*

**MOTION:** Motion for SAWG to evaluate and recommend summer 2029 and winter 2029/30 PRM values for September 2024 REAL consideration, with consideration of adding appropriate Planned & Maintenance outage bandwidth. Colton Kennedy (OPPD) motioned / Steve Gaw (APA) seconded. *Passed unanimously.*

**MOTION:** The REAL Team's support in developing potential use cases for the VOLL in Resource Adequacy and Transmission Planning studies using the initial calculation methodology presented as Option B: Willingness to Pay. As the use cases are developed, the calculation methodology will continue to be evaluated to address the concerns of the total cost and marginal cost of outages and updated as appropriate. Richard Ross (AEP) motioned / Andrew French (KCC) seconded. *Motion passed with 10 yes and 4 abstentions (SPP Board, APA, OMPA, OPPD).*

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RESOURCE AND ENERGY ADEQUACY LEADERSHIP TEAM (REAL)

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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. Andrew Lachowsky (AECC) held a proxy for Buddy Hasten for the latter portion of the meeting. (AECC).

**MOTION:** To approve minutes from April 18 & 19, 2024. Ray Hepper (SPP Board) motioned / Shawnee Claiborn-Pinto (PUCT) seconded. *Passed unanimously.*

**AGENDA ITEM 2 – STANDING UPDATES**

- a. Resource Adequacy Policy Targets – Casey Cathey (SPP) reviewed the REAL Policy and Revision Request (RR) targets. Mr. Cathey stated that the intent is to vote on various policy issues and follow up with language at the June REAL meeting. He also noted that the intent is to group RR621 and RR622 to bring to the Regional State Committee (RSC) and Board for a vote. Regarding PRM stabilization, Mr. Casey stated that Staff is working with SAWG to develop longer-term solutions. For Demand Response, a small team is working under SAWG and expects this issue to be brought to the October RSC. Mr. Casey indicated that Ramping RAR is currently on track.
- b. FERC – Resource Adequacy – Justin Hinton (SPP) updated the Planning Reserve Margin (PRM) Complaint Docket. FERC issued an order requiring an additional compliance filing within 30 days that identifies a non-exhaustive list of factors to be considered when determining PRM. The compliance filing is due June 24, 2024.

**AGENDA ITEMS 3 – SPP RESOURCE ADEQUACY PACKAGE**

- a. RR621 Fuel Assurance – Alex Crawford (SPP) reviewed RR621 and indicated that this RR was approved at the last SAWG meeting. Mr. Crawford also stated that the SAWG took an action item to clarify the business practices to allow and reflect an improvement accreditation when a resource adds a secondary fuel type or other actions to improve fuel availability and start the year 2024 or Authorized Outages.

- b. Winter/Summer Planning Reserve Margin—This agenda item was skipped and was be discussed during Agenda Item 2f.
- c. Sufficiency Valuation Curve Applicability – Casey Cathey (SPP) highlighted the current tariff language and reviewed the recommended sufficiency valuation curve applicability table. Mr. Cathey stated that if this issue is approved, SPP Staff will work to codify it in an RR.
- d. Voluntary Load Mitigation Policy – CJ Brown (SPP) proposed an optional Voluntary Load Mitigation agreement between SPP and LREs to satisfy an LRE’s deficiency for a transitional period during the summer and winter seasons. A recommendation was made not to vote on this item during the meeting and to send the issue back to SAWG for further development.
- e. Future Projections of Planning Reserve Margins – Casey Cathey (SPP) stated that this presentation addressed the concern for longer-term projections and was a preview of data. As part of the proposal, Mr. Cathey recommended asking SAWG to develop a collection of values for the Summer 2029 and Winter 2029/2030 seasons to be considered by the REAL Team at the September 2024 meeting.

Charles Hendrix (SPP) – highlighted a few points under consideration, including winter and summer load forecasts, and presented season 2029 PRM draft results at varying LOLE levels.

- f. Votes on Resource Adequacy Package – Casey Cathey (SPP) reviewed the key considerations for Resource Adequacy PRM. CJ Brown (SPP) presented data reflecting the operating capacity margin compared to the recommended PRM. Mr. Brown also reviewed information on outages. Mr. Cathey discussed options for meeting the PRM requirement and SPP Staff recommendations.

Richard Ross (AEP) presented an alternative proposal.

Charles Hendrix (SPP) presented supplemental information for the 2023 LOLE study.

A motion was made and seconded to approve the proposed policies.

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- 2) Approve RR621 Fuel Assurance as presented
- 5) Approve extending applicability of the Sufficiency Valuation Curve such 2027/applies to summer 2026, winter 2026/27, summer 2027, winter 2027/28, summer 2028, and winter 2028/29
- 3) REAL to evaluate and update the SPP Attachment AA CONE effective for summer 2028

Colton Kennedy (OPPD) motioned / Andrew French (KCC) seconded

Richard Ross (AEP) made a motion to amend the initial motion, which was voted on first.

**AMENDED MOTION:** Motion to approve the following policies as an interconnected package:

- 1) Set the Base Planning Reserve Margins at 33/36/38% for the winter season and 16/16/17% for the summer season, effective beginning with the 2026 summer season and 2026/27 winter season
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- 4) REAL to evaluate and update the SPP Attachment AA CONE effective for summer 2028

Richard Ross (AEP) motioned / Shawnee Claiborn-Pinto (PUCT) seconded. *Motion failed with 6 yes and 8 no (SDPUC, KCC, NPRB, SPP Board, SPP Board, APA, APSC, OPPD)*

The Amended Motion failed.

The Initial Motion passed *with 9 yes, 4 no (AEP, OCC, OMPA, AECC), and 1 abstention (PUCT).*

**MOTION:** Motion for SAWG to evaluate and recommend summer 2029 and winter 2029/30 PRM values for September 2024 REAL consideration, with consideration of adding appropriate Planned & Maintenance outage bandwidth. Colton Kennedy (OPPD) motioned / Steve Gaw (APA) seconded. *Passed unanimously.*

#### **AGENDA ITEM 4 – VOLL CALCULATION METHODOLOGY**

Yasser Bahbaz (SPP) made a presentation to gain REAL Team support in developing potential use cases for the VOLL in Resource Adequacy and Transmission Planning studies using the initial calculation methodology presented as Option B: Willingness to Pay. Mr. Bahbaz reviewed the potential uses of VOLL and discussed VOLL estimation comparisons and the pros and cons of each

method. He indicated that the MWG approved this. An amendment to the staff-recommended motion was made and accepted.

**MOTION:** The REAL Team's support in developing potential use cases for the VOLL in Resource Adequacy and Transmission Planning studies using the initial calculation methodology presented as Option B: Willingness to Pay. As the use cases are developed, the calculation methodology will continue to be evaluated to address the concerns of the total cost and marginal cost of outages and updated as appropriate. Richard Ross (AEP) motioned / Andrew French (KCC) seconded. *Motion passed with 10 yes and 4 abstentions (SPP Board, APA, OMPA, OPPO).*

### **AGENDA ITEM 5 – NEXT STEPS**

Natasha Henderson presented the next steps for Resource Adequacy. She noted that the purpose of the presentation was to determine if any additional items needed to be considered and prioritized accordingly.

### **AGENDA ITEM 6 – OTHER ITEMS**

- a. Summary of Action Items – N/A
- b. Future Meetings – The next meeting is June 13, 2024, in Little Rock, AR. There is an open RSC Education Session on June 10th to discuss Resource Adequacy and consider JTIQ for a vote. The SAWG will discuss Demand Response on May 29, 2024, with a vote expected at the June meeting. An RSC and LRE meeting will be held in late June or early July to discuss PRM.

### **AGENDA ITEM 7 – NEW BUSINESS**

N/A

### **AGENDA ITEM 8 – ADJOURNMENT**

The meeting was adjourned at 3:31 p.m.

## **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)	

## **MEETING PARTICIPANTS**

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