SPS Concerns and reason for "no" vote

SPS opposed the SPP Priority Projects Phase II Reliability Report because of several factors, which became apparent through the review of the document and associated discussions. SPS's Transmission Asset Management Department is concerned the reliability analyses were not constructed appropriately and are showing disturbing results.

1. The Reliability Analysis looks for reliability problems caused by the addition of the Priority Projects themselves. It doesn't examine the addition of the proposed Priority Projects with the accompanying incremental wind generation that is being reflected in the economic studies to determine if the proposed Priority Projects are really the best transmission reliability choice to support wind injection at the locations assumed or simulated in the economic models.

2. A FCITC (First Contingency Incremental Transfer Capability) study was conducted to help quantify any potential impacts on inter-area transfer capability between SPP balancing areas. SPS understands it was not a definitive study on import and export capability. This study was extremely helpful, but also disturbing. It can be observed from the studies that minimal transfer capability increases seem to occur from western Kansas to eastern Kansas with the addition of the proposed Priority Projects. For the SPS area, it appeared that SPS import capability may have decreased with the addition of the proposed Priority Projects and SPS export capability saw small or minimal increase. There are clearly existing problems in the models caused by the load growth in the SPS area, and these models do not contain the SPP staff recommended upgrades found in the 2009 STEP. It may be that those upgrades should have been included in the analysis since load increases are reflected in the model. While the FCITC studies were a 'first cut' at this area of study, they raise disturbing questions as to the overall transmission capability that may be a result of the proposed Priority Projects. For example, it seems strange that adding another tie-line (the Hitchland-Woodward double-circuit 345 kV line) to the SPS area as a proposed Priority Project would negatively or minimally impact SPS's transfer capabilities.

Considering the cost of the proposed Priority Projects to ratepayers, SPS felt the reliability analysis raised more questions than it answered and felt compelled to vote no due to the results provided.

NPPD Concerns and reason for abstention

Nearly all of the FCITC limiters flagged in the NPPD system are localized load-serving issues and are not considered valid constraints from a regional transfer capability perspective. Due to these localized load-serving issues, the tested incremental transfer levels were too low to uncover any impacts to existing NPPD flowgates or produce any new potential NPPD regional limiters. Based on the FCITC Analysis results, it is not possible for NPPD to ascertain whether the Priority Project grouping will have an adverse or beneficial impact on transfer capability across the NPPD system.

NPPD also objects to the two alternative Priority Project groups which were chosen to be studied as they had no significant differences from a topology or electrical characteristic perspective. A reliability comparison of double circuit 345 kV to 765 kV operated at 345 kV is a fundamentally flawed exercise which, as shown in the report, yielded no comparison value. NPPD has continually supported the review of competing alternatives in the Priority Project analysis especially regarding the chosen Cooper – Maryville – Sibley project versus Nebraska City - Stranger and the evaluation of 345 kV single circuit versus 765 kV for the Kansas / Oklahoma projects.

KCPL reason for abstention

Harold Wyble, KCPL, has concern that considering all of the investment to be made in the Priority Projects, TWG should be able to have the necessary amount of time and effort to prepare a thorough FCITC analysis of the Priority Projects. He doesn't feel that TWG has had that opportunity due to SPP Staff's work load and aggressive schedule to complete the Priority Project analysis.

EDE reason for "no" vote

Previously stated in TWG minutes (excerpt): "Sam McGarrah, Empire District Electric, expressed concern that the reliability study scope does not allow the results of this study to be combined into the cost benefit analysis of the Priority Projects assessments. He stated 'since the economic assessments considered several levels of wind generation in SPP, the reliability analysis should include these levels of wind to adequately assess benefits of the Priority Projects. The reliability study was not based on similar system conditions as the other economic studies; therefore, the reliability issues associated with these conditions may not be adequately captured. It is likely that the results of this report will be summarized in the Priority Projects Report; consequently, the limitations of the results of the reliability study may not be properly characterized in the summary.'"