# SPP VISIT TO KANSAS LEGISLATURE

## MARCH 2024





### WHO IS SPP?

#### 501(c)(6) nonprofit corporation

One of 9 regional grid operators

110 member companies in 14 states

"Air traffic control" for high-voltage grid

Balance supply and demand across region

Maintain reliable grid operations

Operate wholesale energy market

Plan future transmission needs



# **KANSAS DISPATCH DATA**









# **QUESTIONS 1 AND 2**

AVAILABILITY OF DATA TO REFLECT ENERGY PRODUCED BY GENERATING FACILITIES LOCATED IN KANSAS THAT ARE OWNED OR CONTRACTED FOR PURCHASE BY KANSAS LOAD-SERVING ELECTRIC UTILITIES AND WERE CONNECTED TO TRANSMISSION LINES IN KANSAS IN 2023.

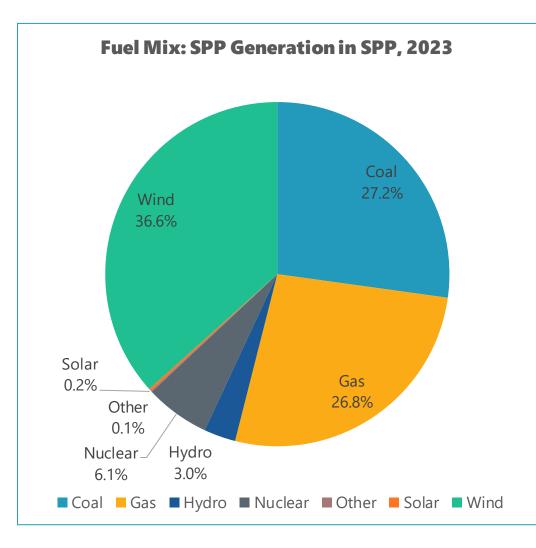
AVAILABILITY OF DATA TO REFLECT ENERGY PRODUCED BY GENERATING FACILITIES LOCATED IN KANSAS THAT ARE NOT OWNED OR CONTRACTED FOR PURCHASE BY KANSAS LOAD-SERVING ELECTRIC UTILITIES AND WERE CONNECTED TO TRANSMISSION LINES IN KANSAS IN 2023.

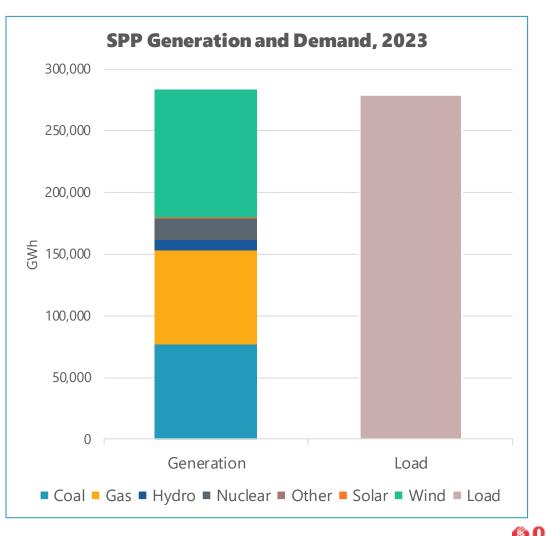


A portion of energy generated by Kansas entities serves other states, some multistate organizations serve a portion of Kansas' energy, and some entities use different structures (subsidiaries, partnerships and pooled energy) in SPP's market that do not align exactly (one-for-one) with the member entity in SPP. A single entity participating in SPP's market may serve customers in multiple states.

This is quoted from response to KS Senator Shallenberger on January 17, 2024

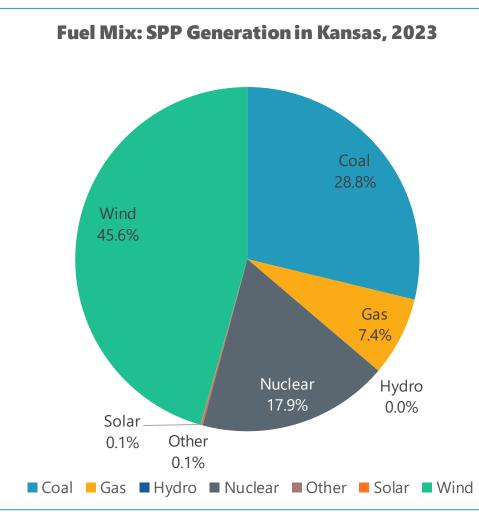
### **SPP GENERATION AND LOAD**

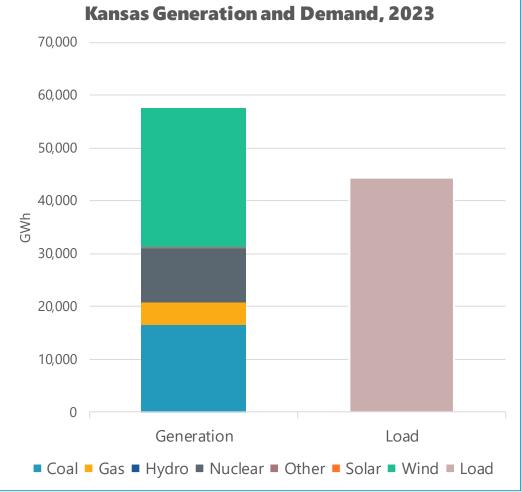




### FULL YEAR 2023 KANSAS GENERATION AND LOAD

For the year 2023, SPP saw Kansas generation exceed load & transmission losses in the state by 13,050 GWh (generating 29% more than demand)

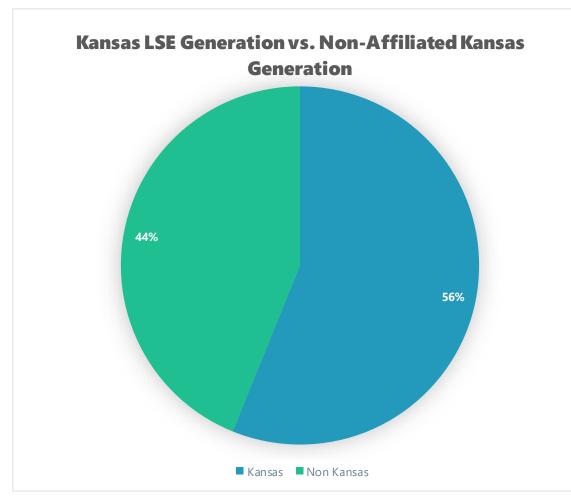


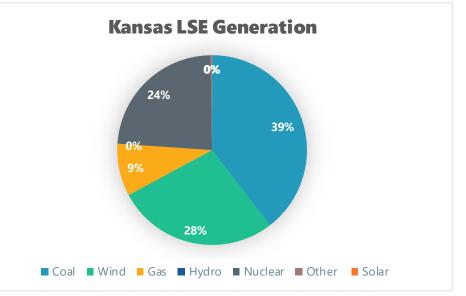


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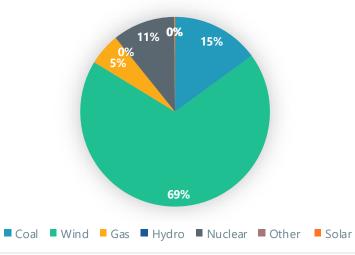
#### **ANSWER TO QUESTIONS 1 & 2:**

#### 2023 KANSAS LSE GENERATION VS. NON-AFFILIATED KANSAS GENERATION





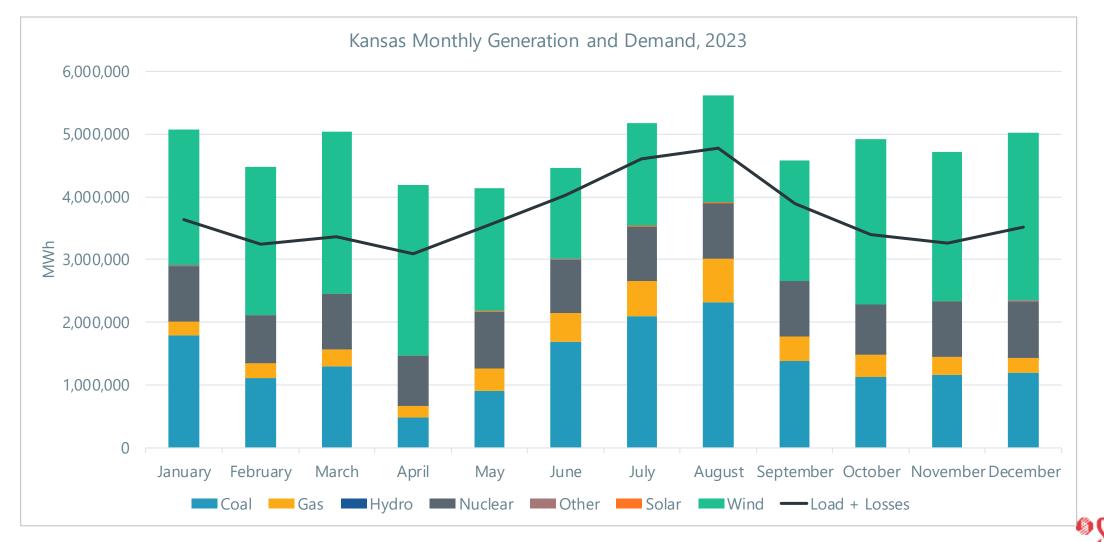
#### Non-Affiliated Kansas Generation



Kansas LSE Generation used to serve load outside of Kansas was included in Non-Affiliated Kansas Generation

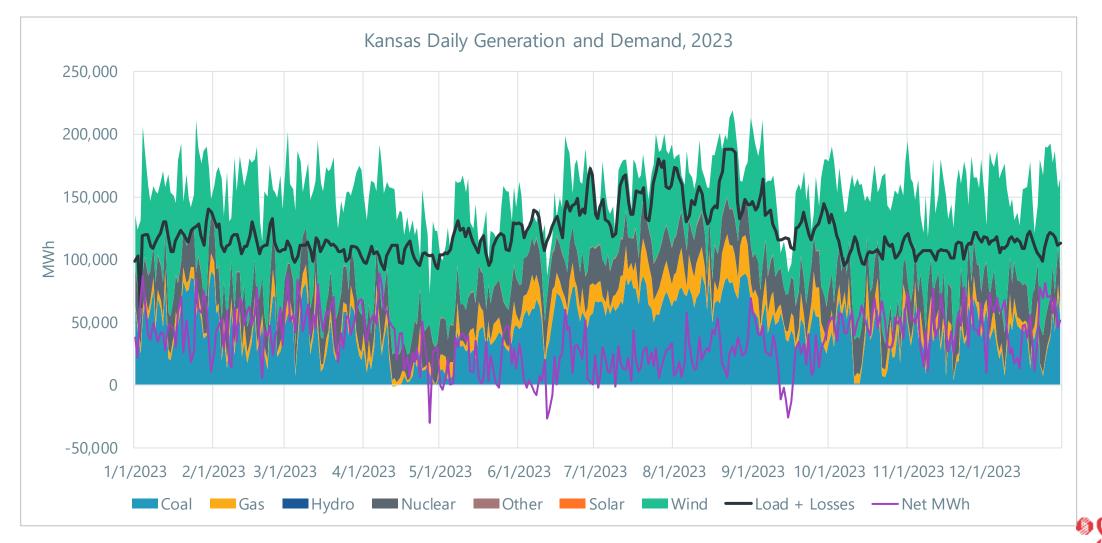
### MONTHLY 2023 KANSAS GENERATION AND LOAD

For the year 2023, SPP saw Kansas generation exceed load & transmission losses for every month



### DAILY 2023 KANSAS GENERATION AND LOAD

Consistent with what was observed in monthly trends, Kansas typically has more generation than demand. The days where there is more demand than generation are typically days with low wind and/or high demand.



### **DAILY 2023 NOTES KANSAS GENERATION AND LOAD**

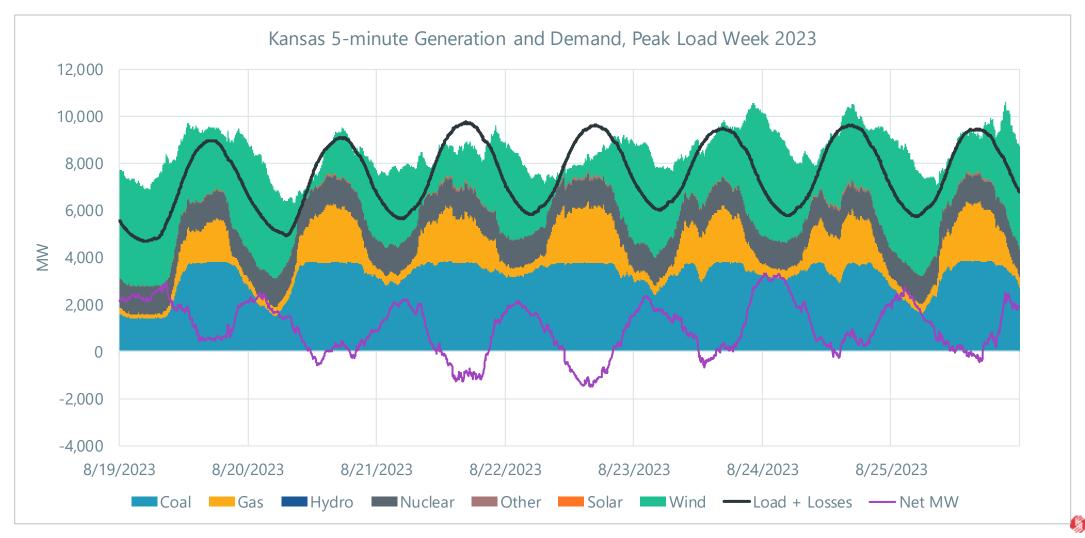
- Looking at daily totals:
  - Kansas was a net exporter on 346 of 365 days of the year (~95% of days)
  - The highest <u>exporting</u> days were typically in high wind, low load periods of spring, fall, and winter. Highest export day overall was 4/7/2023 (~88k MWh)
  - The highest importing days were typically shoulder month periods where several coal plants were offline and there was low wind. Highest import day overall was 4/27/2023 (~30k MWh)
    - One of the extreme cold days from this past January (1/1/2024) was actually very close to this (~29.5k MWh importing)

### **5-MINUTE INTERVAL 2023 NOTES KANSAS GENERATION AND LOAD**

- SPP state estimator data used to capture intra-day generation and demand in Kansas
- Highest export period of the year was 3/2/2023 14:130, with 5,423 net MW (exporting)
- Highest import period of the year was 6/28/2023 19:35, with net MW at -2,027 (importing)
  - Kansas observed slightly more imports during extreme winter event in January 2024 (-2,134 net MW at 1/14/2024 18:05)

### **PEAK LOAD WEEK 2023** KANSAS GENERATION AND LOAD

Showing Kansas generation and demand in SPP during summer peak load week (August 19-25, 2023). While overall exporting for the 7-day period, Kansas was importing across the afternoon hours (low wind) when demand was highest.



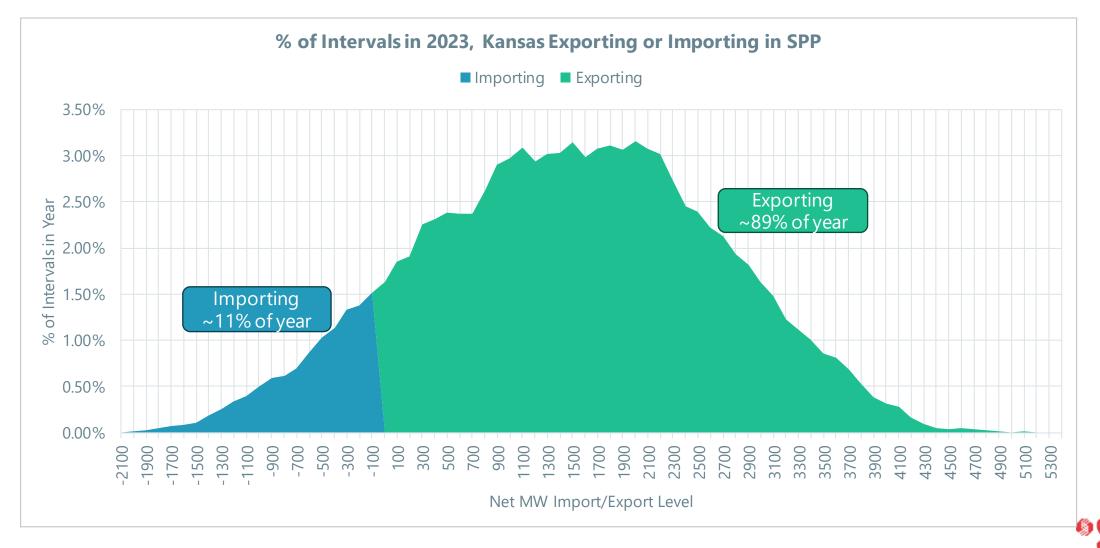
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# KANSAS COMPARISON TO NEIGHBORS



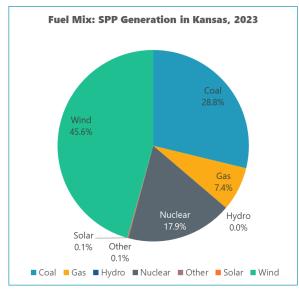
### **5-MINUTE INTERVAL 2023** KANSAS GENERATION AND LOAD

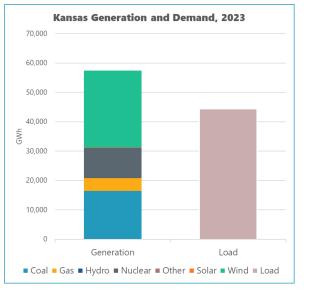
Showing distribution of MW import/export levels for Kansas for the year 2023.

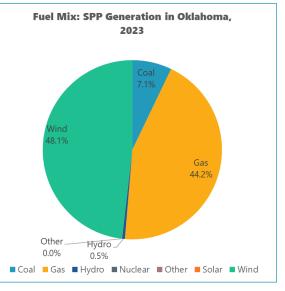


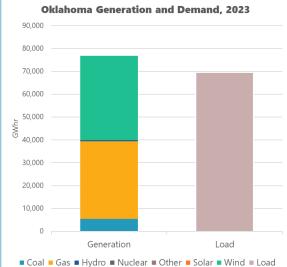
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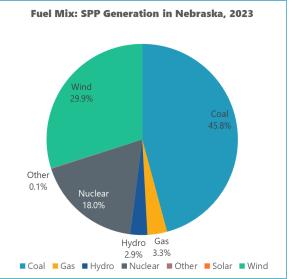
## **FULL YEAR 2023 GENERATION AND LOAD**

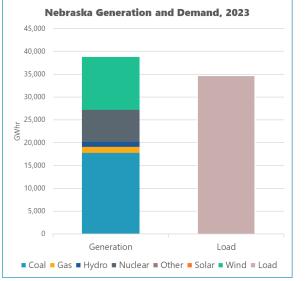


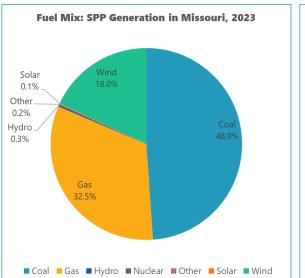


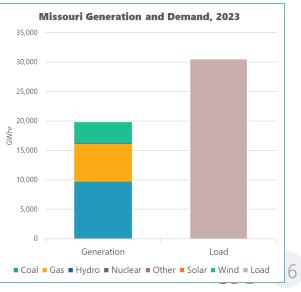












## **2023 IMPORTS VS EXPORTS – TIME & GENERATION**

		Tir	ne	(MWh)
	State	Import %	Export %	Import/Export
	Arkansas	99%	1%	50%
Alberta	lowa	100%	0%	80%
System Operator Ontario Independent Electric System Operator	Kansas	11%	89%	29%
Operator	Louisiana	99%	1%	45%
Midcintinent	New England Minnesota	100%	0%	81%
	Missouri	96%	4%	35%
California Southwest Power Pool	North Dakota	44%	56%	2%
California ISO Southwest Power Pool	Nebraska	27%	73%	12%
Electric Reliability Council of Texas	New Mexico	83%	17%	16%
of Texas	Oklahoma	30%	70%	10%
	South Dakota	30%	70%	36%
	Texas	33%	67%	9%

17

Generation

# **2024 ITP ANALYSIS**





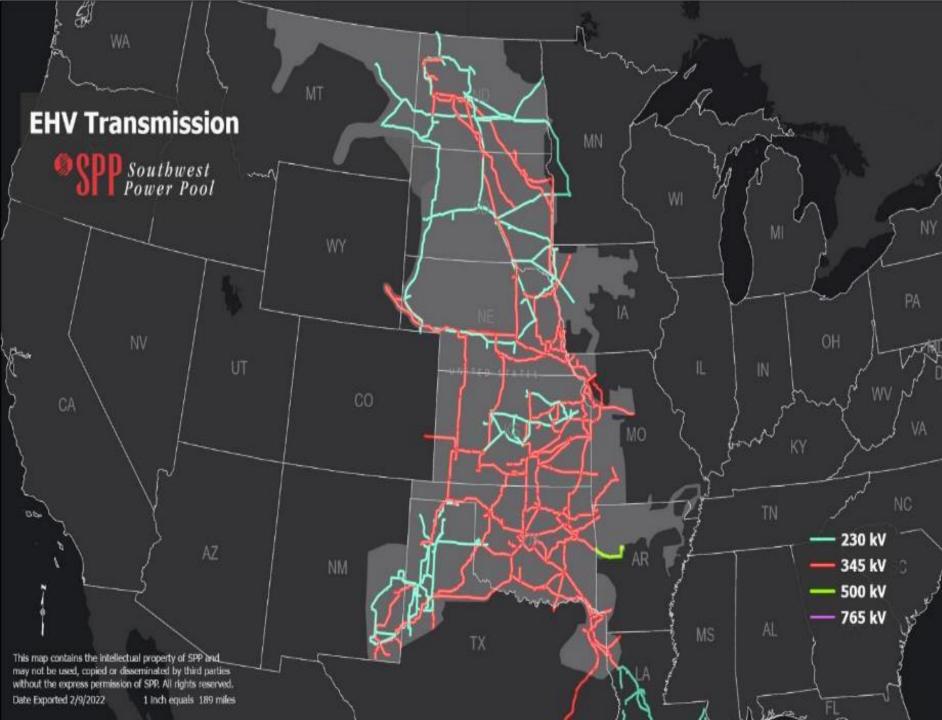




# **QUESTION 3**

PENDING TRANSMISSION PROJECTS IN KANSAS THAT HAVE BEEN ISSUED NTCS BY SPP, AND THE TRANSMISSION NEEDS THAT HAVE BEEN IDENTIFIED IN THE 2024 ITP THAT IS CURRENTLY UNDERWAY, INCLUDING SIGNIFICANT TRENDS BEING OBSERVED RELATIVE TO INCREASING TRANSMISSION CONGESTION.





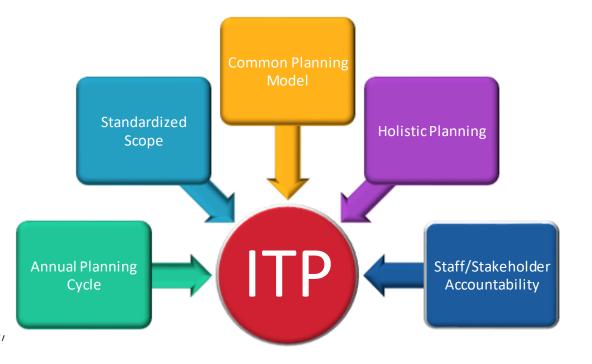
#### MILES OF TRANSMISSION: 72,820

- 69 kV 19,606
- 115 kV 17,032
- 138 kV 9,943
- 161 kV 5,677
- 230 kV 7,817
- 345 kV 12,655
- 500 kV 91

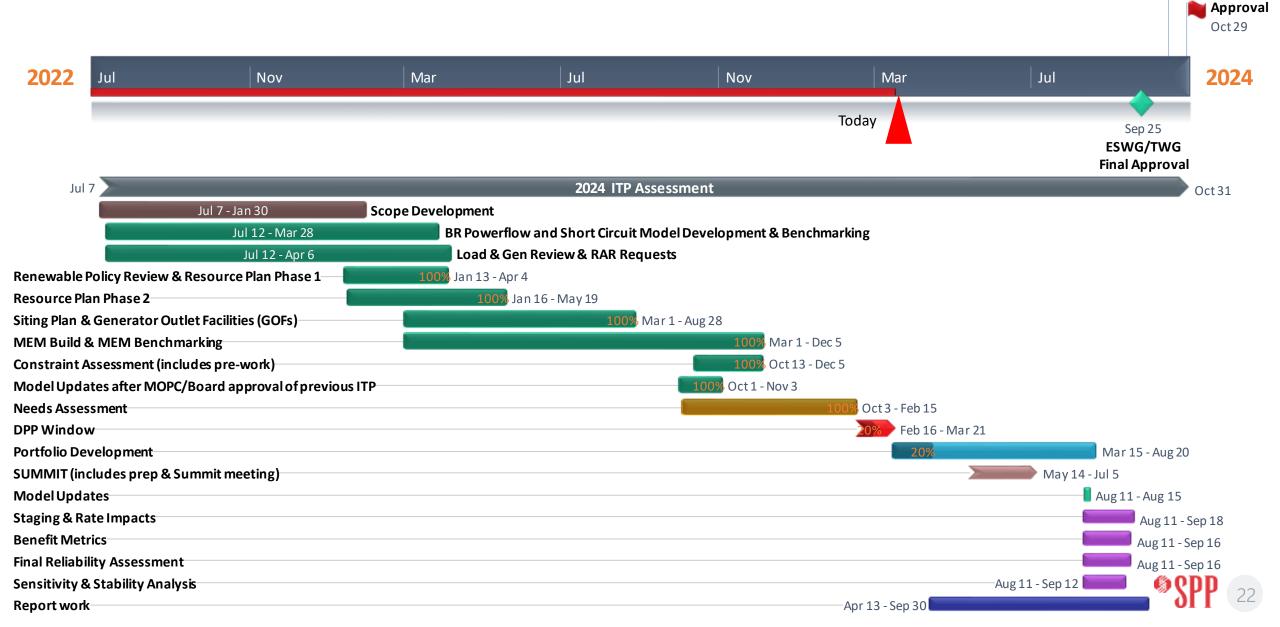
As of January 29, 2024

### FOUNDATIONS OF THE SPP INTEGRATED TRANSMISSION PLAN (ITP)

- Annual Planning Cycle
  - Planning study completes each year
- Standardized analysis and methodologies
  - Limits discussion/rework/approvals on items that are done each study
- Common Planning Models
  - Tariff and NERC compliance studies now completed on one model series
- Holistic Planning
  - Single planning process addressing reliability, economics, public policy, compliance, operations
- Staff/Stakeholder Accountability
  - Reporting on staff and stakeholder support of study milestones and transparent review of assumption/process changes prior to implementation



## **2024 ITP ASSESSMENT - TIMELINE**



MOPC

Oct15

Final Approva

**Board Fina** 

## **ANSWER TO 3: ITP DRIVERS**

- Load Growth (both existing and new load points)
  - 2024 ITP: 4% annual load growth estimate
    - Data Centers
    - Cryptocurrency loads
    - EV charging loads
    - Oilfield electrification
- Generator retirements

Forecasted Energy Storage& Renewable Generation



## **ANSWER TO 3: CONGESTION**

The main trends across the SPP footprint are relative to increasing transmission congestion due to increased load growth along with increased renewable generation. This is not just observed in Kansas, but across the SPP footprint. For each ITP cycle, we solve all the observed needs on the system, so each cycle is unique and congestion could increase or decrease in a particular area depending on new and updated data. For the 2024 ITP, less than 5% of all the SPP needs are in Kansas.

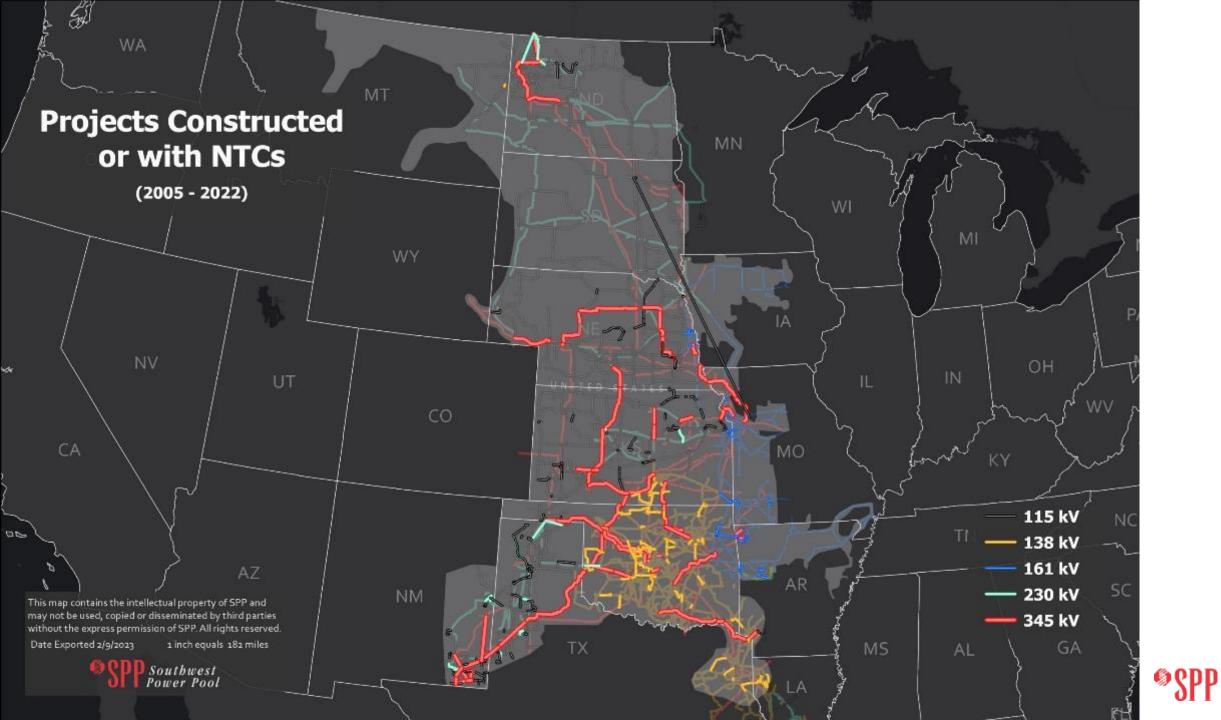
#### **ANSWER TO 3:**

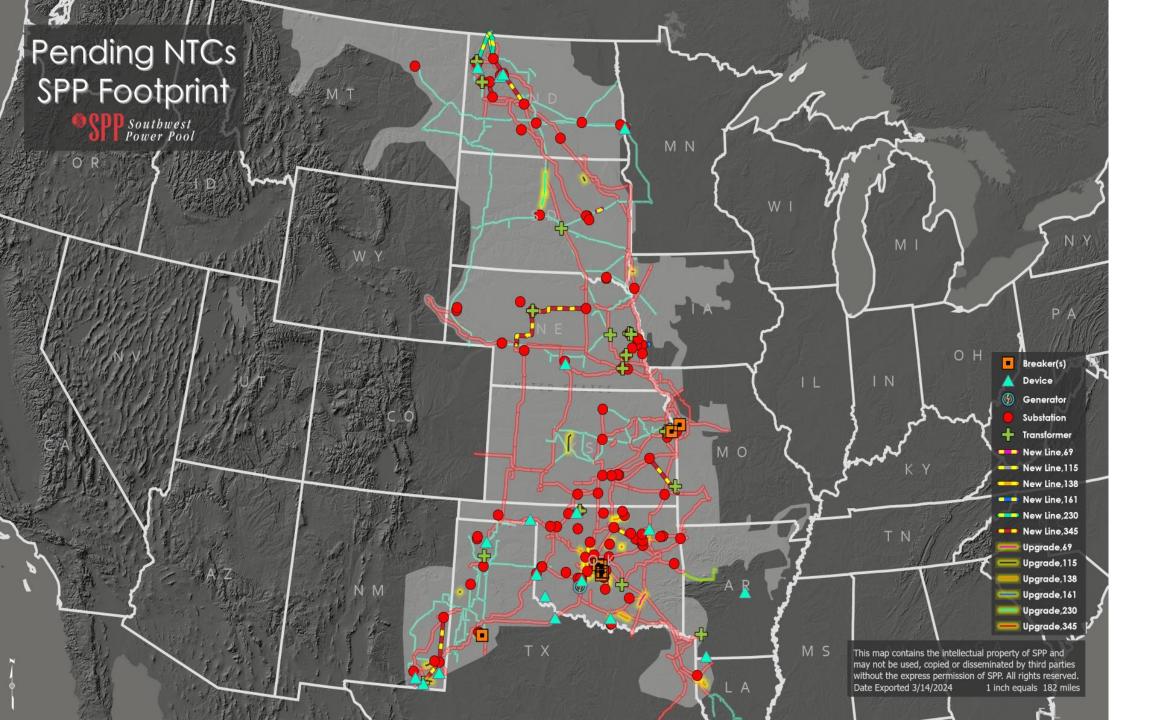
### **2024 INTEGRATED TRANSMISSION PLAN NEEDS**

### Unique 2024 ITP Needs: SPP Total vs. Kansas

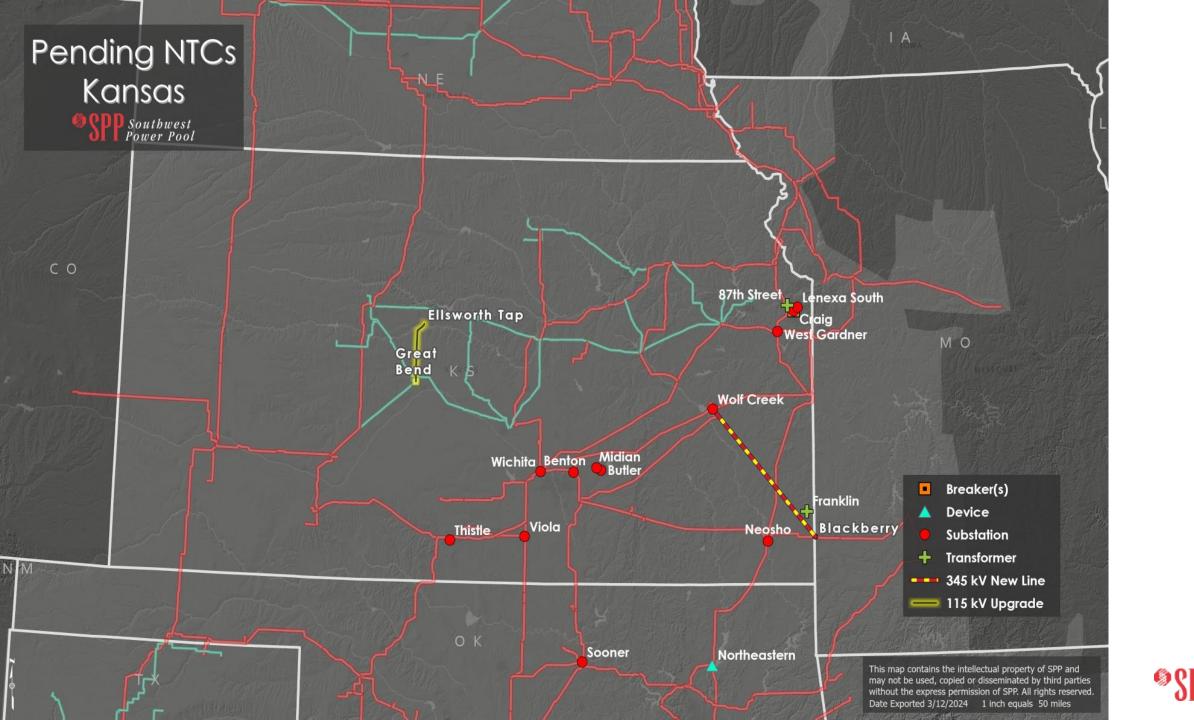
Need Type	SPP Total	Kansas
Base Reliability Thermal	88	2
Base Reliability Voltage	541	0
Winter Weather Thermal	31	5
Winter Weather Thermal	678	46
Economic	<u>275</u>	<u>21</u>
Total Needs	1613	74 (4.6%)

Note: Specific needs not available without NDA.





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### **PENDING NTCS**

NTC_ID	PID	diu	ProjectOwner	State(s)	Project Name	Upgrade Name	Project Type
		122622		KS		Swissvale 345 kV Substation Upgrades	Generation Interconnectio
		122804		KS	Sub - Northeast 161 kV	Northeast 161 kV Breakers	Regional Reliability
		112509	-	KS	Line - Wolf Creek - Blackberry 345 kV	Wolf Creek 345kV Terminal Equipment	Economic
		122637	-	KS	Spring Creek to Sooner 345kV GEN-2016-119 Interconnection Cos		Generation Interconnection
				KS/MO	Line - Wolf Creek - Blackberry 345 kV	Blackberry - Wolf Creek 345 kV	Economic
		143117		KS	Multi - Buffalo Flats - Degrasse - Thistle 345 kV Sub	Degrasse345 kV Substation	Generation Interconnectio
		143125		KS/	Sub - Renfrow 345 kV	Renfrow 345 kV Substation	Generation Interconnectio
		157202		KS	Sub - Craig 161 kV - Lenexa South 161 kV Ckt 2 Terminal Upgrades		Economic
		157203		KS	Sub - Craig 161 kV - Lenexa South 161 kV Ckt 2 Terminal Upgrades	Lenexa South 161 kV Ckt 2 Terminal Upgrade	Economic
220746	92970	157256	EM	KS	Device - Craig 161 kV Breaker	Craig 161 kV Breaker #1	Regional Reliability
220746	92970	157257	EM	KS	Device - Craig 161 kV Breaker	Craig 161 kV Breaker #3	Regional Reliability
220746	92970	157258	EM	KS	Device - Craig 161 kV Breaker	Craig 161 kV Breaker #4	Regional Reliability
220746	92970	157259	EM	KS	Device - Craig 161 kV Breaker	Craig 161 kV Breaker #5	Regional Reliability
220746	92970	158045	EM	KS	Device - Craig 161 kV Breaker	Craig 161 kV Breaker #6	Regional Reliability
220749	92999	157403	EKC	KS	Sub - Blackberry - Neosho 345 kV Terminal Equipment	Neosho 345 kV Terminal Upgrade	Economic
220749	93000	157405	EKC	KS	Sub - Butler 138 kV - Midian 138 kV Terminal Upgrade	Butler 138 kV Terminal Upgrade	Economic
220749	93000	157406	EKC	KS	Sub - Butler 138 kV - Midian 138 kV Terminal Upgrade	Midian 138 kV Ckt 1 Terminal Upgrade	Economic
220749	93053	157620	EKC	KS	XFR - Franklin 161/69 kV Ckt 2	Franklin 161/69 kV Transformer Ckt 2 (69 kV)	Economic
220749	93053	157621	EKC	KS	XFR - Franklin 161/69 kV Ckt 2	Franklin 161/69 kV Transformer Ckt 2 (161 kV)	Economic
220749	93900	158452	ЕКС	KS	Sub - Benton 345 kV - Wichita 345 kV Terminal Upgrades	Benton 345 kV Terminal Upgrade	Economic
220749	93900	158453	ЕКС	KS	Sub - Benton 345 kV - Wichita 345 kV Terminal Upgrades	Wichita 345 kV Terminal Upgrade	Economic
220749	94153	158653	EKC	KS	XFR - 87th St. 345/115 kV. Ckt 2	87th St. Terminal Equipment Ckt 2	Economic
220749	94153	158654	ЕКС	KS	XFR - 87th St. 345/115 kV. Ckt 2	87th St. 345/115 kV Transformer	Economic
220751	92940	157186	SEPC	KS	Device - Ellsworth Tap - Great Bend 115 kV Ckt 1 Structure Upgrad	Ellsworth Tap - Great Bend 115 kV Ckt 1 Structure Upgrade	Economic

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## COST ALLOCATION METHODOLOGY QUESTIONS





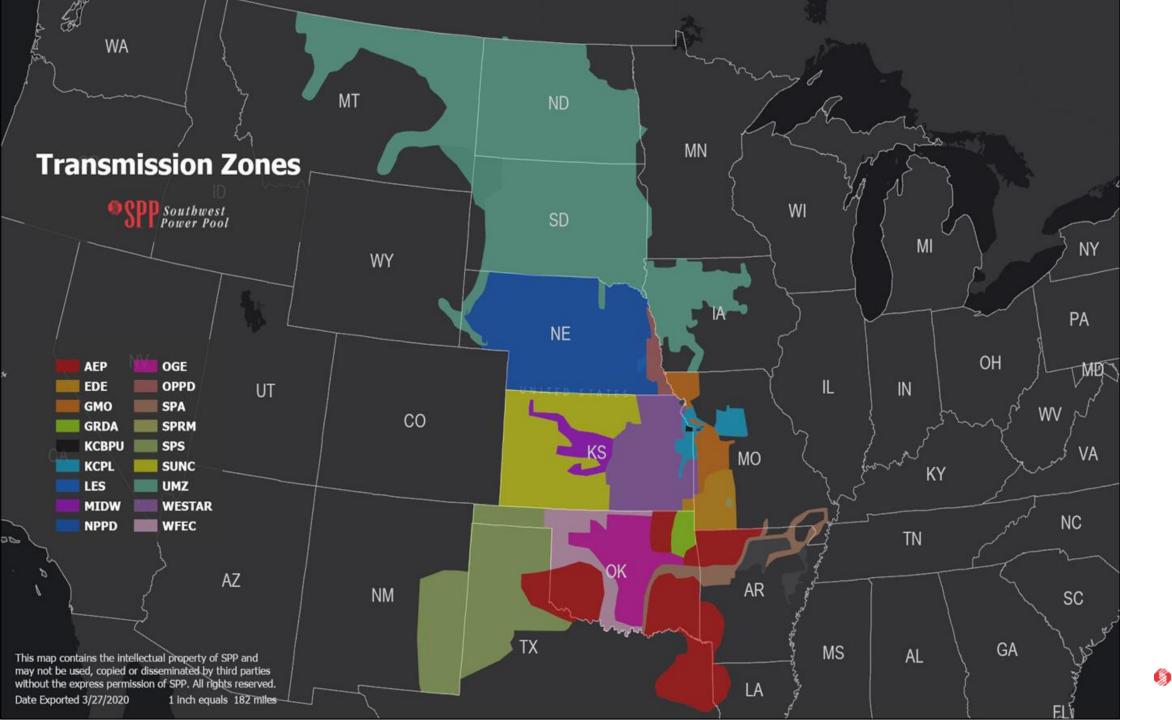




## **QUESTION 4**

SPPS CURRENT COST ALLOCATION METHODOLOGY FOR THE FOLLOWING MODIFICATIONS, UPGRADES AND REPLACEMENTS OF THE FOLLOWING:

- MODIFICATIONS TO THE EXISTING TRANSMISSION GRID REQUIRED TO BE CONSTRUCTED BY A SPP TRANSMISSION PLANNING ANALYSIS, EXCLUDING GENERATOR INTERCONNECTIONS AND DIRECT ASSIGNMENTS
- GENERATOR INTERCONNECTIONS
- UPGRADES REQUIRED SUBSEQUENT TO NEW GENERATING FACILITIES FOR THE PURPOSE OF REDUCING CONGESTION
- END-OF-LIFE FACILITY REPLACEMENTS



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## WHO PAYS FOR TRANSMISSION PROJECTS?

- **Sponsored**: Project owner builds and receives credit for use of transmission lines
- **Directly-assigned**: Project owner builds and is responsible for cost recovery and receives credit for use of transmission lines
- Highway/Byway: Most SPP projects paid for under this methodology

Voltage	Region Pays	Local Zone Pays
300 kV and above	100%	0%
above 100 kV and below 300 kV	33%	67%
100 kV and below	0%	100%

### **INVESTMENT BY IN-SERVICE YEAR**

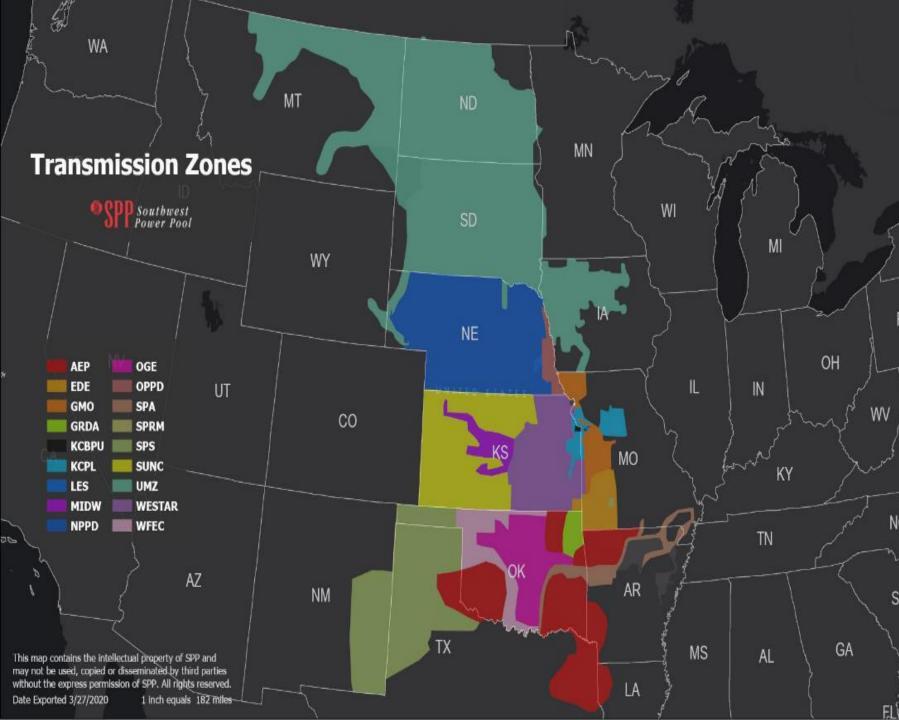
SPP's study processes have resulted in direction of ~\$12.3 billion in transmission investment since 2006



Updated Jan. 2024

### ANSWER TO QUESTIONS 4: SPP COST ALLOCATION METHODOLOGY

Scenario	<b>Cost Allocation Methodology</b>
Modifications to the existing transmission grid required to be constructed by a SPP transmission planning analysis, excluding Generator Interconnections and Direct Assignments	Highway Byway Methodology
Generator Interconnections	Direct Assignment to the GI Customer
Upgrades required subsequent to new generating facilities for the purpose of reducing congestion	Highway Byway Methodology
End-of-life facility replacements	Assuming this is referring to a legacy transmission facility, the local transmission zone would be responsible for these replacement costs



#### Regional Cost Allocation Review 3.1

Pricing Zone	Benefit/Cost Ratio
American Electric Power	2.19
Empire District	3.82
KCPL - Greater Missouri Operations	8.62
Grand River Dam	5.26
Kansas City Board of Public Utilities	13.67
Kansas City Power and Light	8.36
Lincoln Electric System	5.18
Midwest Energy	11.93
Nebraska Public Power District	6.24
Oklahoma Gas & Electric	4.07
Omaha Public Power District	3.84
City Utilities of Springfield	3.83
Sunflower Electric	4.37
Xcel - Southwestern Public Service	8.36
Basin- WAPA - Heartland Integrated	7.55
Westar Electric	6.93
Western Farmers Electric	9.11
	SPD 36
Total	5.81

## **INNOVATIVE COST ALLOCATION**









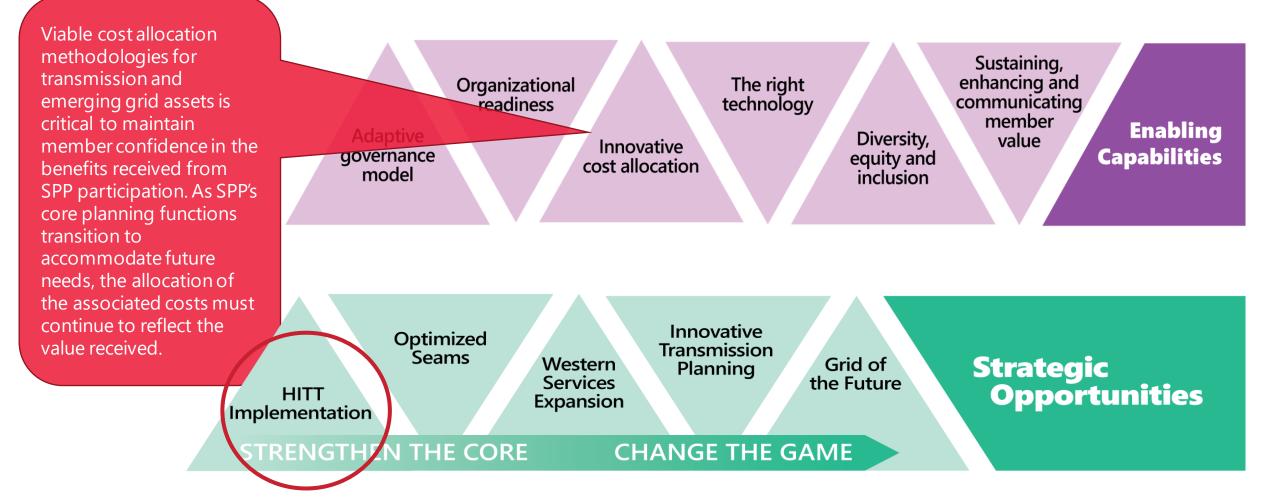
# **QUESTION 5**

CURRENT SPP INITIATIVES THAT MAY LEAD TO CHANGES IN COST ALLOCATION METHODOLOGIES THAT WILL BETTER ALIGN THOSE BEING ALLOCATED COSTS OF TRANSMISSION EXPANSION WITH THOSE THAT RECEIVE THE BENEFITS OF THAT TRANSMISSION EXPANSION.



#### spp.org/about-us/strategic-plan/

#### **INNOVATIVE COST ALLOCATION: STRATEGIC PLAN ALIGNMENT**



### **REGIONAL STATE COMMITTEE**

#### Retail regulatory commissioners from:

Arkansas	Minnesota	North Dakota
Iowa	Missouri	Oklahoma
Kansas	Nebraska	South Dakota
Louisiana	New Mexico	Texas

#### Primary responsibility for:

- Cost allocation for transmission upgrades
- Approach for regional resource adequacy
- Allocation of transmission rights in SPP markets





#### **2024 REGIONAL STATE COMMITTEE**



**John Tuma, RSC President** Minnesota Public Utilities Commission



Todd Hiett, RSC Vice President Oklahoma Corporation



Chuck Hutchison, RSC Secretary/Treasurer Nebraska Power Review



**Randel Christmann** North Dakota Public Service Commission



**Lori Cobos** Public Utility Commission of Texas



**Kristie Fiegen** South Dakota Public Utilities Commission



**Mike Francis** Louisiana Public Service Commission



Andrew French Kansas Corporation Commission



Sarah Martz Iowa Utilities Board



Pat O'Connell New Mexico Public Regulation Commission



**Scott Rupp** Missouri Public Service Commission



**Justin Tate** Arkansas Public Service Commission



## CURRENT EFFORTS AT FEDERAL ENERGY REGULATORY COMMISSION



### HITT C2 – WIND RICH AREAS



#### **Federal Energy Regulatory Commission**

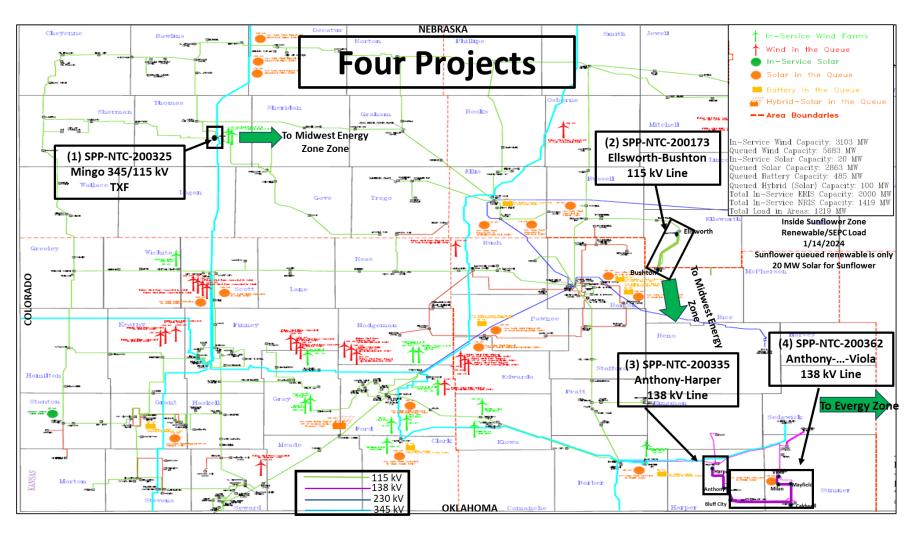
Date Filed: March 2024

FERC Docket: TBD

- Sunflower identified four "Byway"-voltage in its zone that it suggests primarily support the export of wind to other zones in the SPP region and, thus, function more like "Highway" facilities.
- On October 30, 2023, the RSC and SPP board approved a revised cost allocation proposal for these projects and directed SPP to make a Section 205 filing to allocate future revenue requirements of these projects on a region-wide basis.



# **REVISED COST ALLOCATION PROPOSED FOR FOUR PROJECTS IN THE SUNFLOWER ZONE**



- The total ATRR for these
   "Byway" projects is
   ~\$15.1M, so ~\$10.1M
   (67%) is currently
   allocated to the Sunflower zone.
- Future allocation of the \$10.1M on a basis would increase the region-wide rates by less than 2%, and overall rates by less than 0.5% on average.

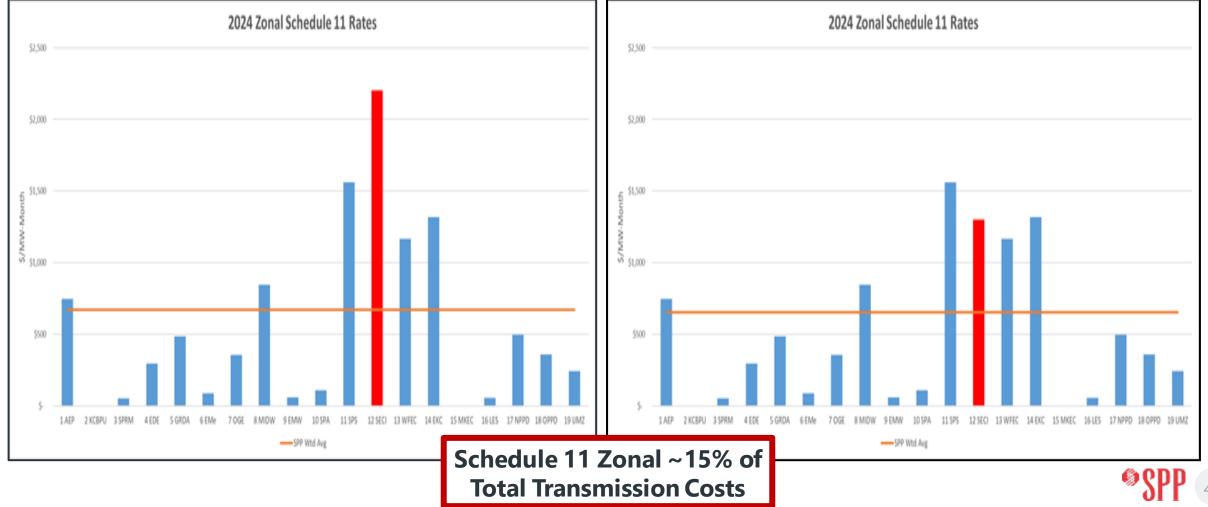
### **SUNFLOWER SCHED 11 ZONAL RATES**

#### New Rates Sch 11 Zonal Rates If Approved by FERC

(more than 3 times the SPP Avg)

**Existing Sch 11 Zonal Rates** 

(reduced to closer to 2 times the SPP Avg)



## LARGER SUBREGIONAL TRANSMISSION PRICING ZONES



### HITT C1

HITT C1 – decoupling of legacy transmission pricing zones and creation of larger zones

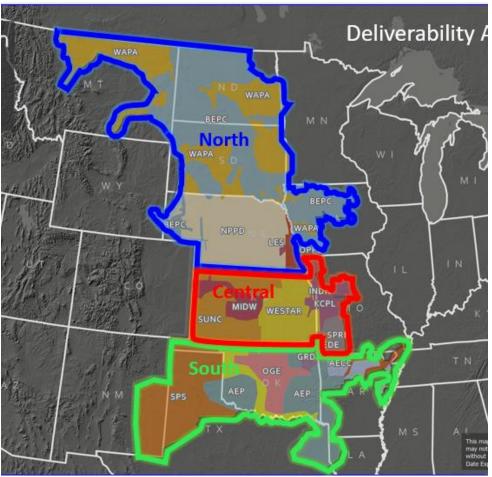
- Policies being developed by State Regulators/RSC/CAWG
- Coincide with the approval of expanded Deliverability zones in SPP

SPP Board approved Deliverability Zone Concept – February 2024

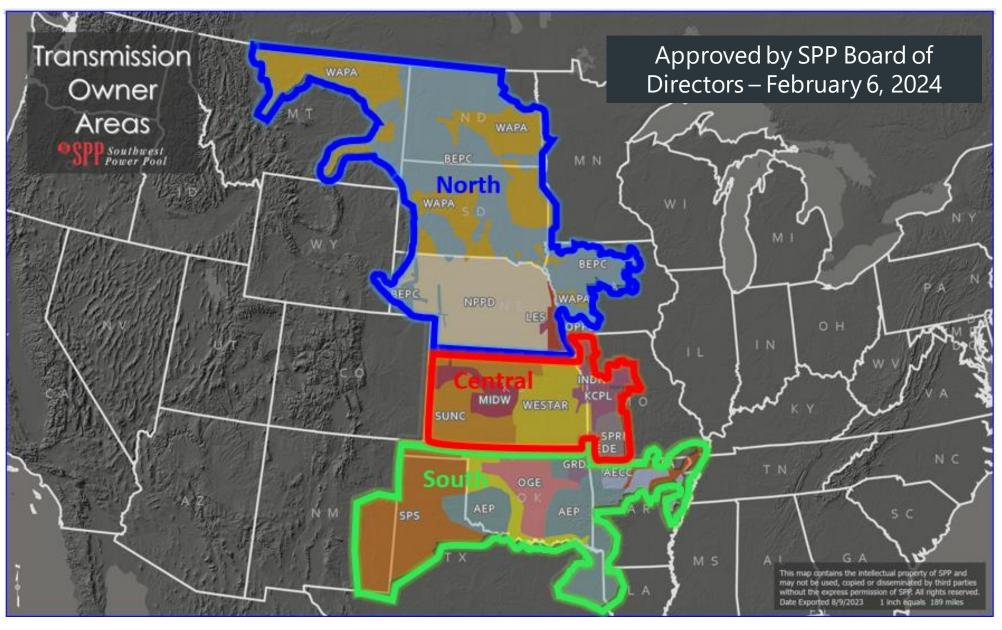
### SIGNIFICANT BOARD ACTION: DELIVERABILITY ZONES

## Approval has potential wide-ranging impacts on SPP

- Planning
  - Transmission Service, GI, ITP, etc.
- Resource Adequacy
  - New CRIS product, easier access to generation for Resource Adequacy
- Cost Allocation
  - HITT C1 (Decouple Sch. 9 & 11 Pricing Zones)
  - Consolidated Planning Process (Entry Fee)



### **APPROVED EXPANDED DELIVERABILITY ZONES**



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## CONSOLIDATED PLANNING PROCESS



#### **BENEFITS PROVIDED BY CONSOLIDATED PLANNING PROCESS**

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and solutions

of results

#### CPP can benefit multiple aspects of transmission planning

#### Load Serving Entity Provides cost certainty by collecting contributions through a new revenue stream to support transmission solutions Allow proactive inclusion of supply and demand **Transmission** System Increases system reliability Identifies multi-driver transmission needs Increases process efficiencies and delivery Advances technology and infrastructure

#### Generation **Developer**

- Significant reduction or elimination interconnection restudies
- Provides cost certainty for system upgrades that benefit multiple drivers



#### Optimizes transmission solutions to prevent the compounding effect of transmission rates through a piecemeal build-out approach

### **APPROACH FOR ENTRY-FEE DEVELOPMENT**

SCRIPT cost-sharing recommendations mention leveraging highway/byway cost allocation

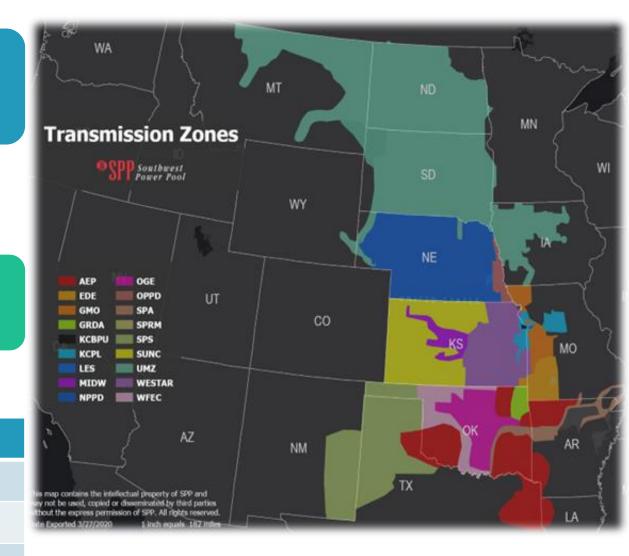
Upgrades to the SPP Transmission System are base plan funded through highway/byway cost allocation

- Region-wide load-ratio-share funding
- Zonal funding
- Recovered through SPP Tariff Schedule 11 rates

All upgrades eligible for highway or byway cost allocation must:

- Have an engineering and construction cost greater than \$100,000
- Be issued a Notification to Construct after June 19, 2010

Voltage	Regional	Zonal
300kV and above	100%	0%
100kV – 299kV	33%	67%
Below 100kV	0%	100%



#### **CPPTF'S ENDORSEMENT FOR COST ALLOCATION FRAMEWORK**

Motion passed with 9 for and 1 against

The CPPTF endorses moving forward with a build out of the Entry Fee rate structure for consideration in the final CPP design, with the following conditions:

- 1. The types of Network Upgrades included in the Entry Fee for the CPP will be determined during the detailed design efforts
- 2. Establishing the CPP may require a phased-in approach that combines elements of the Hybrid and Entry Fee model (referred to as Entry Fee) framework.
- 3. The final CPP design will be considered for endorsement after details are built out and feedback from other stakeholder groups is obtained



#### **CONSOLIDATED PLANNING PROCESS – ENTRY FEE CONCEPT**

#### Initial Policy Direction (January 2024)

Transition Plan
Service & Assessments Types included in CPP Phase 1

#### Process & Cost Allocation Framework (April 2024)

 Annual CPP Process Cycle Recommendation
 Entry-Fee Recommendations

#### Initial governing Language & Manual Revisions (July 2024)

- •ITP, 20 YR assessment, siting, Generator Interconnection
- •Initial SPP tariff revision request approvals

Entry-fee

• Process changes

#### Final Governing Language Manual Revisions (October 2024)

•Remaining SPP tariff revision request approvals



"Based on [Load Responsible Entity] and [Generator Owner] 2023 data submittals, by the 2026 summer season, no excess capacity from LREs will be available and by 2027 summer the SPP system as a whole will not be able to meet the 15% PRM."

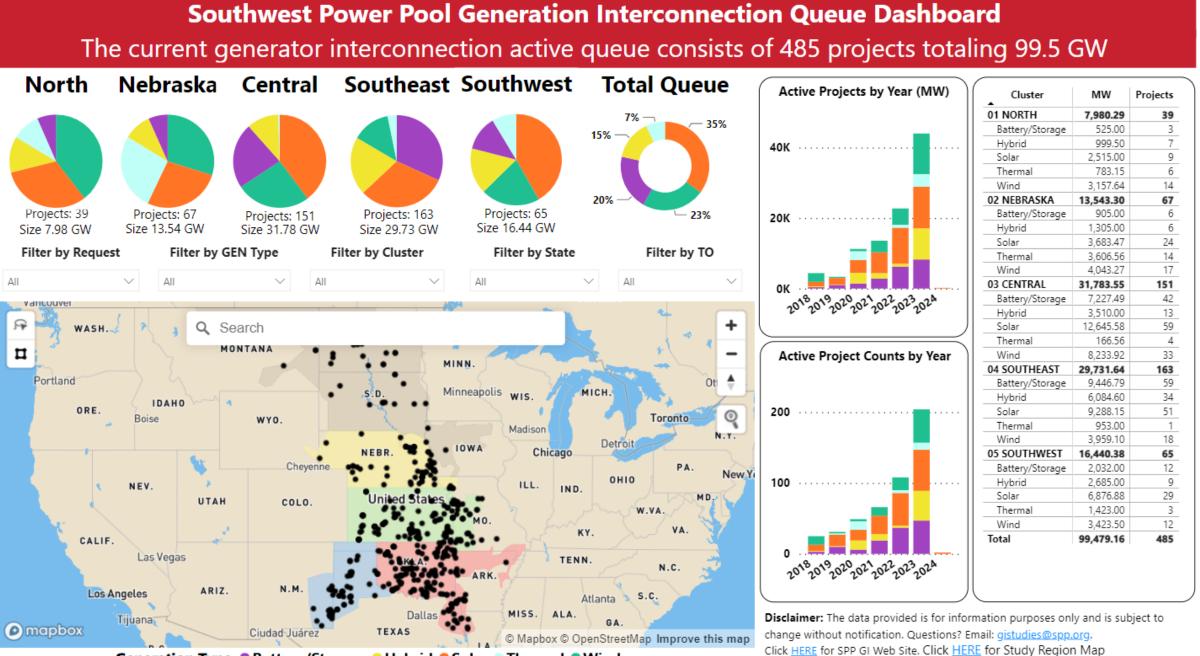
-2023 SPP Resource Adequacy Report

#### Investor Owned Utilities (IOUs) Cooperatives **Municipal Utilities Total System** 8,430 1,354 2,061 Capacity (MW) 2021 Historical System Peak 7,517 1,829 1,173 Responsibility (MW) System Capacity 914 232 181 Surplus (Deficit) **Total System** 7,906 1,929 1,318 Capacity (MW) 2026 Projected System Peak 7,652 Responsibility 1,941 1,255 (MW) System Capacity 254 (12) 63 Surplus (Deficit) **Total System** 7,309 1,817 1,295 Capacity (MW) 2031 Projected System Peak Responsibility 7,752 1,945 1,286 (MW) System Capacity (443) (128) 9 Surplus (Deficit) **Total System** 6,491 1,776 1,404 Capacity (MW) 2036 Projected System Peak Responsibility 7,927 1,955 1,311 (MW) System Capacity (1,432) (179) 93 Surplus (Deficit) **Total System** 4,288 1,775 1,227 Capacity (MW) 2041 Projected System Peak Responsibility 8,126 2,009 1,357 (MW) System Capacity (3,838) (234) (130)

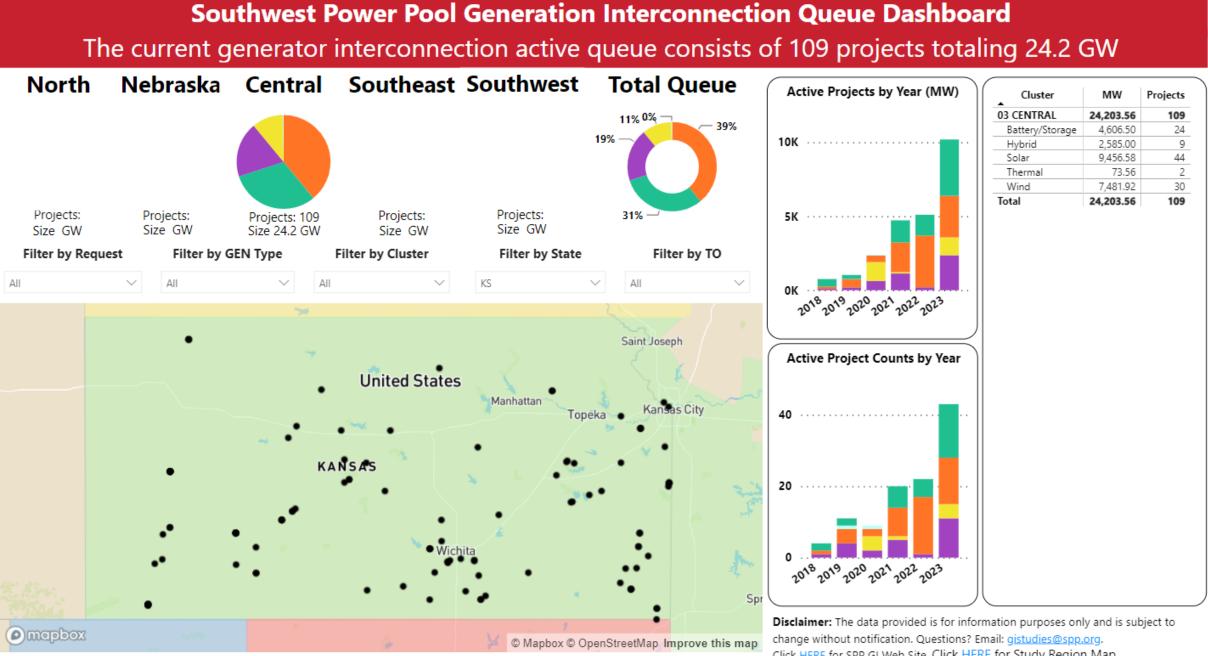
Surplus (Deficit)

Table 1—Overview of Current and Projected Total System Capacity and System Capacity Responsibility for Utilities Operating in Kansas

Source: Kansas Corporation Commission 2023 Electric Supply & Demand Biennial Report to the Kansas Legislature

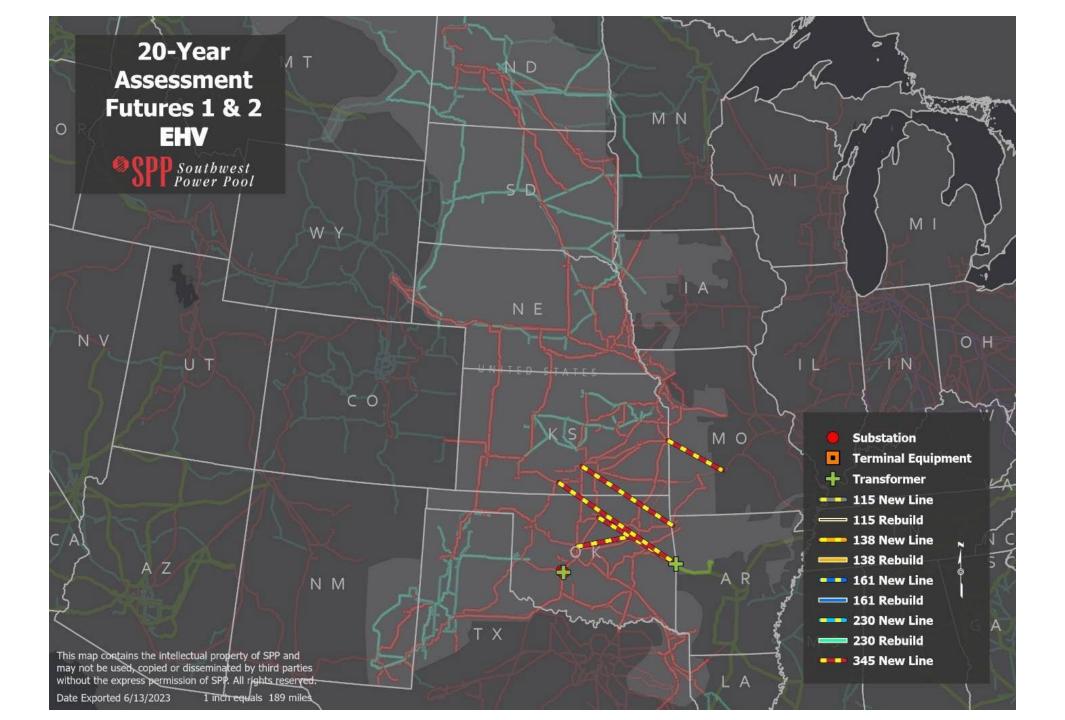


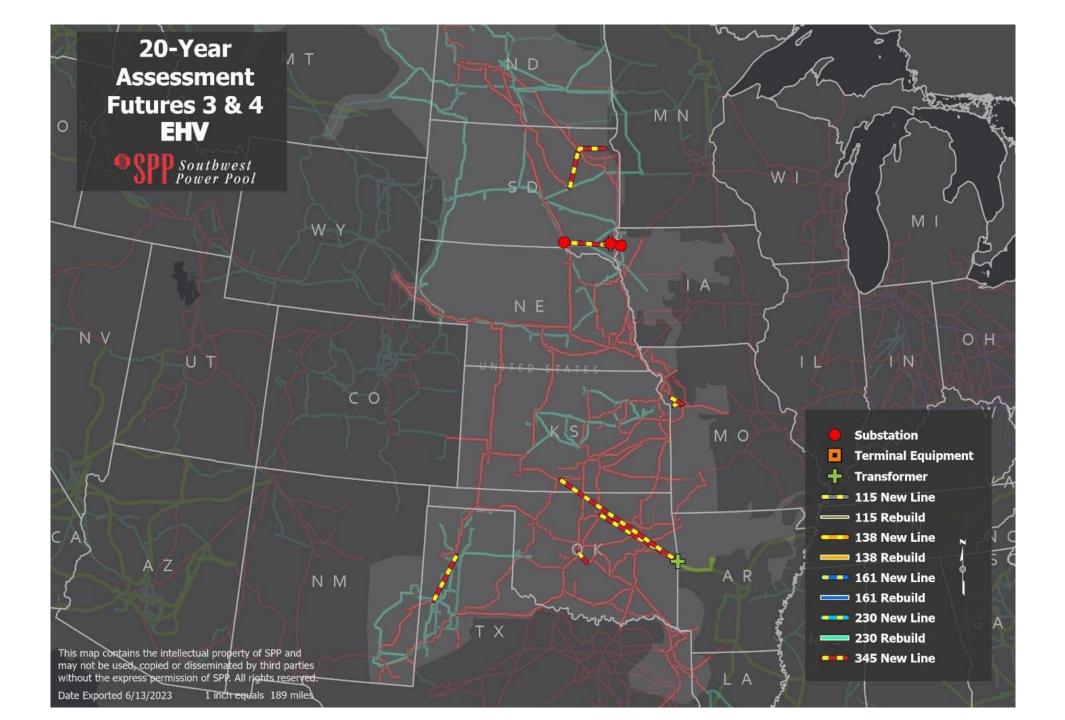
Generation Type 
Battery/Storage 
Hybrid 
Solar 
Thermal 
Wind



Generation Type 
Battery/Storage 
Hybrid 
Solar 
Thermal 
Wind

Click HERE for SPP GI Web Site. Click HERE for Study Region Map





### 2019 ITP Economic Projects Congestion Relief

