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KCC Chairperson

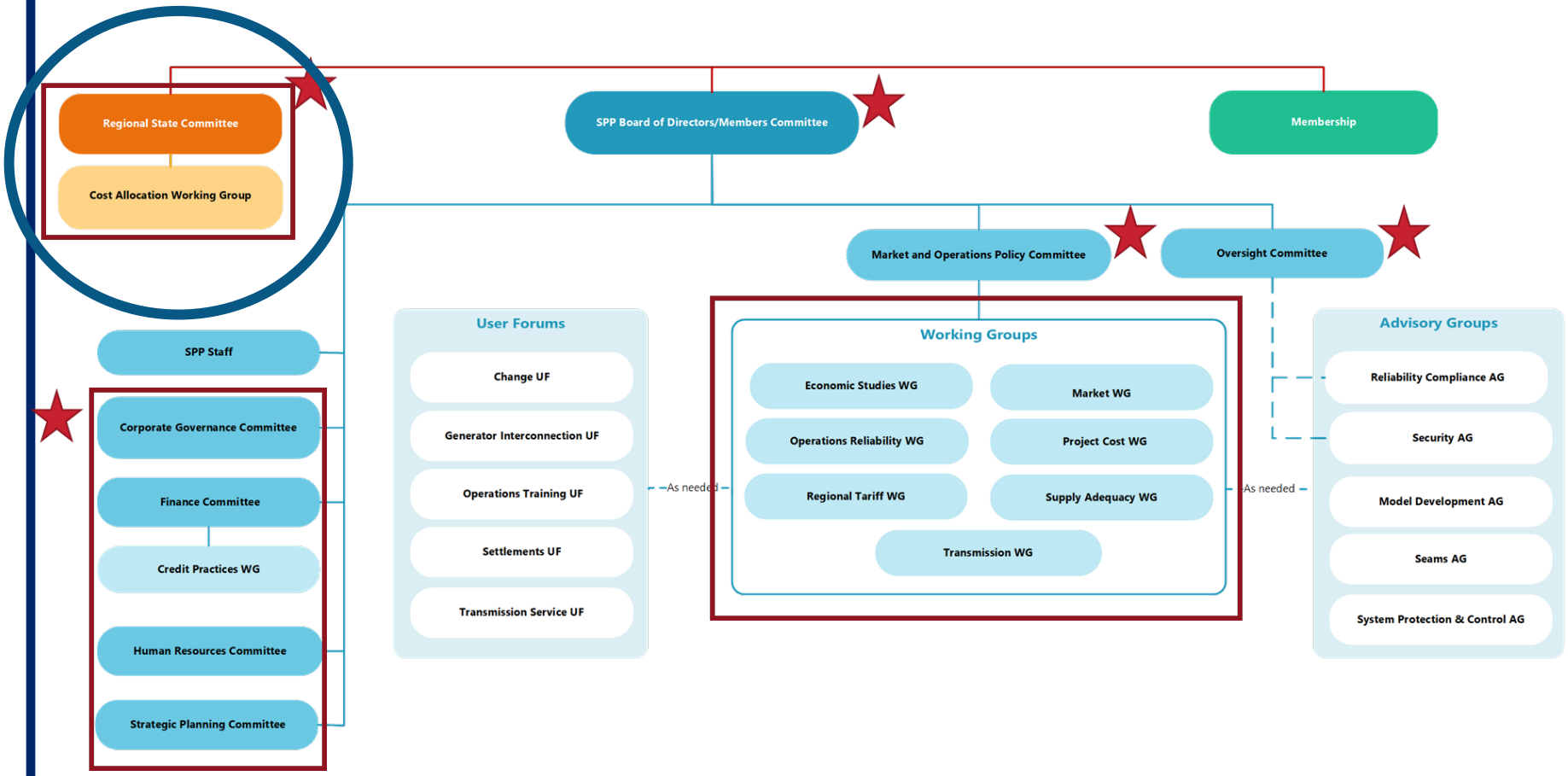
ESIG Fall Technical Workshop

October 28, 2025

Kansas
Corporation Commission

SPP Regional State Committee (RSC)

SPP ORGANIZATION STRUCTURE



SPP RSC Areas of Authority

1) Cost Allocation
2) Resource Adequacy
3) Financial Transmission Rights
4) Planning for Remote Resources

"As the RSC reaches decisions on the methodology that will be used to address any of these issues, SPP will file this methodology pursuant to Section 205 of the Federal Power Act. However, nothing in this section prohibits SPP from filing its own related proposal(s) pursuant to Section 205 of the Federal Power Act." – SPP Bylaws § 7.2

SPP Resource Adequacy Construct

Probabilistic Loss of Load Expectation (LOLE) study to determine planning reserve margins (PRMs)	Traditional “1-day-in-10” LOLE industry-standard
Current PRMs:	Summer: 15% Winter: 36%
Every load serving entity in SPP must comply with both seasonal PRMs	Self supply or procure capacity through bilateral transactions No central capacity market

SPP Resource Adequacy Reforms

- ✓ Add winter season resource adequacy requirement
- ✓ New accreditation methodologies for both renewables and traditional resources
- ✓ Recognize generator performance during system critical hours in accreditation calculations
- ✓ Improve generator outage policies
- ✓ Generator interconnection enhancements
- ? Develop standardized metrics to better measure and value potential “loss of load” events (VOLL, nEUE, etc.)
- ? Assess reliability value of interregional transfer capability (non-firm imports)

Consideration of Imports in SPP Resource Adequacy Construct

Firm Imports

- SPP currently considers/allows firm imports from external Balancing Authorities
  - Resources must 1) have firm transmission service and 2) cannot be committed to satisfy external RA requirements.

Non-Firm Imports

- Not currently considered in LOLE studies or allowed to satisfy load-serving entities' resource adequacy requirements.
- Under consideration to set the PRM for SPP's western balancing area.

Benefits of Considering Non-Firm Imports

Should result in need for less capacity (lower PRMs) to meet LOLE standard

- Diversity of load patterns and peaks associated with diversity of time zones
- Diversity of availability of intermittent resources across a wider geographic footprint
- For smaller systems, diversity of generation resources from outside Bas

SPP LOLE study for its Western BA does consider non-firm imports

- Reduces PRMs dramatically (28% to 19% in summer; 53% to 40% in winter)
- LOLE risk shifts from 70/30 winter to 60/40 summer due to availability of imports in the winter
- Benefits likely lower for larger balancing areas

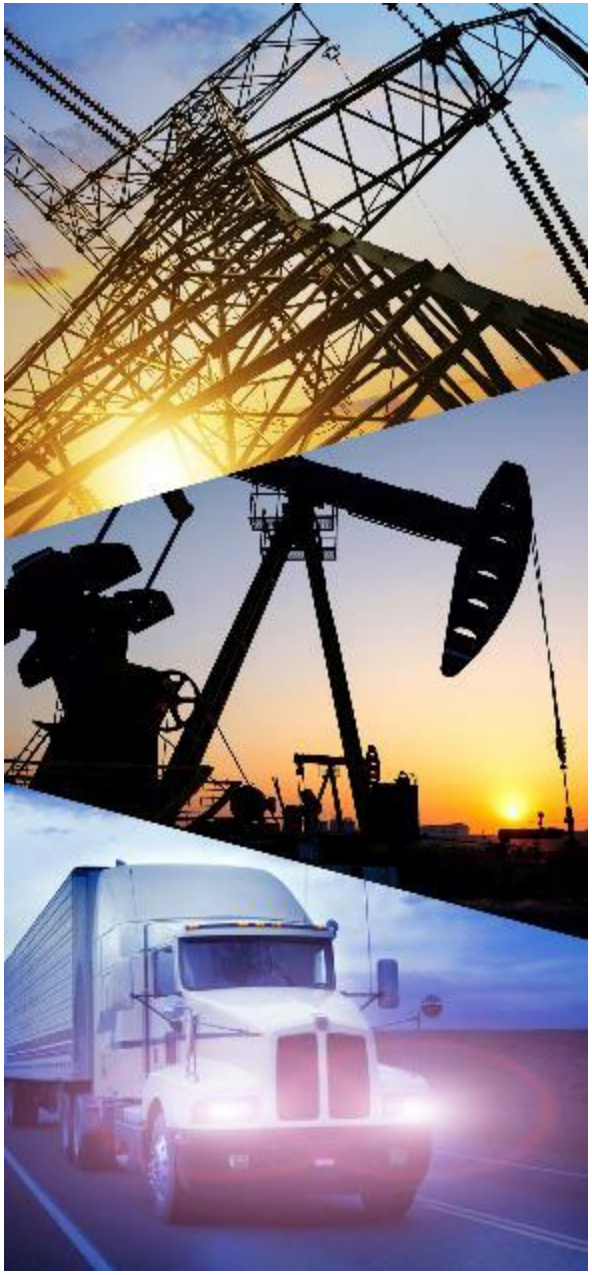
Other Considerations

Risks:

- Including existing non-firm imports in LOLE study reduces PRMs but does not actually improve resource adequacy (unless it incentivizes additional transmission).
- No control over the dispatch of resources committed to other BAs and other Resource Adequacy constructs.
- Availability of surplus capacity in external areas appears to be shrinking, which may lead to over-projections of available imports.

Complicated Questions:

- Should transmission facilitating non-firm imports be seen as a “system benefit” that allows for lower planning reserve margins? If so, what is the incentive to build that transmission?
- Should transmission facilitating non-firm imports be accredited and treated as a generation resource? If treated as a resource, who receives the accredited capacity?
- How is *existing* transmission capability treated in either scenario handled?
- Should focus be on valuing existing imports in an LOLE study or valuing imports in future transmission planning?



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