

ONE HUNDRED FIFTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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August 29, 2017

Mr. Nick Brown
President and CEO
Southwest Power Pool
201 Worthen Drive
Little Rock, AR 72223

Dear Mr. Brown:

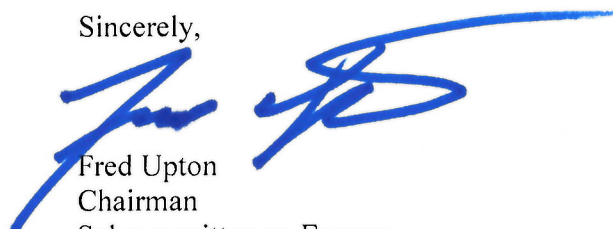
Thank you for appearing before the Subcommittee on Energy on Wednesday, July 26, 2017, to testify at the hearing entitled "Powering America: A Review of the Operation and Effectiveness of the Nation's Wholesale Electricity Markets."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions with a transmittal letter by the close of business on Wednesday, September 13, 2017. Your responses should be mailed to Elena Brennan, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, DC 20515 and e-mailed in Word format to Elena.Brennan@mail.house.gov.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,



Fred Upton
Chairman
Subcommittee on Energy

cc: The Honorable Bobby L. Rush, Ranking Member, Subcommittee on Energy

Attachment

Attachment—Additional Questions for the Record

The Honorable Fred Upton

1. It has been more than 7 years since FERC embarked on its efforts to promulgate new transmission planning reforms which resulted in Order No. 1000. Your RTO is designated as “Order 1000 transmission planning regions.” Now that you have had real-world experience with these reforms, do you think FERC’s efforts at reforming transmission planning and cost allocation have succeeded, failed, or landed somewhere in between?
2. Your RTO stretches all the way from the Gulf of Mexico to the Canadian border and your footprint has grown more dramatically than any other RTO during the past few years. To what do you attribute your rapid expansion and addition of new service territories?
3. Unlike some of the other RTOs, Southwest Power Pool does not have a capacity market, and hence does provide resources with a capacity payment.
 - a. How do resources that compete in your markets recover costs?
 - b. How do you ensure that your real-time and day-ahead energy markets send accurate price signals that incentivize investment in existing and new generating and transmission resources?
4. Your RTOs and ISOs play a central role in operating the wholesale electricity markets and (with the exception of ERCOT) your primary regulator is the Federal Energy Regulatory Commission. Do you believe that FERC is appropriately engaged in overseeing wholesale electricity markets?
 - a. Are there additional areas of regulatory oversight that requires the attention of this Subcommittee?

The Honorable John Shimkus

1. If, as we learned at the hearing, markets were structured to build only the least expensive generation, we would build nothing but natural gas plants right now.
 - a. Is that correct? Is that what’s happening?
 - b. If not, how do you explain other generation sources entering the market?

The Honorable Billy Long

1. RTO development began in late 1999 with ISO development soon to follow. Both organizations help to monitor our electric power system. There are still a number of gaps in our electric system where problems could occur. What are your thoughts about the creation of another RTO that could include the states of Nevada, Arizona, Colorado, and other western states? Should it be an RTO or an ISO?
2. How are you planning to manage the growing surplus of generation in your respective regions?

The Honorable Frank Pallone, Jr.

1. Consumer advocates have identified the resource imbalance between the stakeholder members of the RTO/ISO Boards and the small consumer community as a major barrier to having meaningful representation of consumer viewpoints included in decisions about grid operation and capital project evaluation and approvals. What mechanisms, reductions in costs of stakeholder participation, or other support does your RTO/ISO provide to the small consumer community to facilitate their participation in RTO/ISO governance?
2. You indicated at the hearing that Southwest Power Pool had a formal structure (e.g. committee or liaison position) for obtaining input on consumer views and concerns on grid management. Please provide detail about how consumer views are incorporated into decision-making at your RTO/ISO.
 - a. Do consumer advocates have voting representation on the Board?
 - b. Do consumer advocates participate actively in the development and approval of grid planning?
 - c. Are there funds available to support full-time staff that serve the interests of consumer advocates? If so, what is the source of those funds?