



City of Grand Island

Tuesday, November 13, 2012

Council Session

Item I1

#2012-337 - Approving Authorization of Local Security Administrator for the Southwest Power Pool (SPP)

Staff Contact: Tim Luchsinger, Utilities Director

Council Agenda Memo

From: Timothy Luchsinger, Utilities Director

Meeting: November 13, 2012

Subject: Approving Authorization of Local Security Administrator for the Southwest Power Pool (SPP)

Item #'s: I-1

Presenter(s): Timothy Luchsinger, Utilities Director

Background

Prior to 2009, Nebraska utilities conducted power purchases and sales with each other via bilateral transactions. Bilateral transactions are simply two utilities agreeing on a quantity and price. In 2009, all large Nebraska utilities including Nebraska Public Power District, Omaha Public Power District and Lincoln Electric Systems officially joined Southwest Power Pool (SPP). SPP is a regional transmission operator that, among other things provides a real-time energy market that allows participants to buy and sell power directly into the market and avoid the interaction with multiple companies that come with bilateral transactions. Bilateral transactions still continue and this is the only way that Grand Island currently buys and sells power with other companies.

In 2014, SPP plans to deploy a new market called the Integrated Market. This market increases in complexity and requires utilities to provide next day forecasting and pricing information in an effort to utilize the lowest cost energy for load. It will also have a real-time energy market for correcting imbalances from the day-ahead market. With the onset of the integrated market, bilateral transactions will most likely be phased out entirely, and SPP will serve Grand Island's load requirements and dispatch its generating units as required, providing for the system's demand.

Discussion

Users accessing the SPP web portal to conduct transactions on behalf of their organizations must be allowed to do so by the organization's Local Security Administrator (LSA). The LSA is authorized by the respective organization to perform duties which include the management of the organization's users and their associated roles and access levels. In order for operational transactions to be performed on the SPP market for Grand Island through the SPP web portal, the Department recommends that

Utilities Director Tim Luchsinger be authorized to be the Local Security Administrator and perform the required duties of the LSA in accordance with City policies and procedures.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council authorize Utilities Director Tim Luchsinger to perform duties of the Southwest Power Pool Local Security Administrator for the Grand Island Utilities Department.

Sample Motion

Move to authorize Utilities Director Tim Luchsinger to perform the duties of the Southwest Power Pool Local Security Administrator for the Grand Island Utilities Department.

RESOLUTION 2012-337

WHEREAS, in 2009, all large Nebraska utilities including Nebraska Public Power District, Omaha Public Power District and Lincoln Electric Systems officially joined Southwest Power Pool (SPP); and

WHEREAS, SPP is a regional transmission operator that allows participants to buy and sell power directly into the market; and

WHEREAS, SPP plans to deploy a new Integrated Market in 2014 that will require utilities to provide next day forecasting and pricing information in an effort to utilize the lowest cost energy for load; and

WHEREAS, with the onset of the integrated market, SPP will serve Grand Island's load requirements and dispatch its generating units as required to provide for the system's demand; and

WHEREAS, users accessing the SPP web portal to conduct transactions on behalf of their organizations must be allowed to do so using the organization's Local Security Administrator (LSA); and

WHEREAS, the LSA is authorized by the respective organization to perform duties which include the management of the organization's users and their associated roles and access levels; and

WHEREAS, in order for operational transactions to be performed on the SPP market for Grand Island through the SPP web portal, it is recommended that Utilities Director Tim Luchsinger be authorized to be the Local Security Administrator and perform the required duties of the LSA.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Tim Luchsinger, Utilities Director, is hereby authorized to be the Local Security Administrator and perform the required duties of the LSA in accordance with City policies and procedures.

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Adopted by the City Council of the City of Grand Island, Nebraska, November 13, 2012.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
November 9, 2012	☐ City Attorney