

**Section Two – MWG Response – Boston Pacific and SPP MMU Concerns**

The detailed MWG review of each concern raised by Boston Pacific (December 30, 2010) and SPP Market Monitoring Unit (MMU) (January 18, 2011) is addressed in the seven position papers. These Position Papers are included as Appendices 1 through 7 of this report. The table below provides a list of Integrated Marketplace design issues raised by Boston Pacific or MMU.

Market Feature/Process	Boston Pacific	MMU
Transmission Congestion Cost Management	✓	✓
Transmission Losses (Marginal Loss Allocation)	✓	-
Virtual Bidding (Virtual Transactions)	✓	-
Must Offer Requirement	✓	-
Manual Dispatch	✓	-
Combined Cycle Modeling	✓	-
Settlements	✓	-
Reserve Zones – Obligation Transfer	✓*	✓
Reserve Zones – Minimum Requirement Calculation	-	✓

- ✓ Issue raised
- ✓\* No issue originally found. Issue raised after further review
- No issue raised

**Summary**

All of the Boston Pacific and MMU recommendations were resolved through either modifications of the Integrated Marketplace design or acceptance by Boston Pacific of the existing design with the exception of five-minute settlement, the Must Offer provision and Combined Cycle enhanced special handling.

**Recommendation**

The MOPC recommends proceeding with implementation of the Integrated Marketplace design as accepted by MOPC at their January 12, 2011 meeting with Combined Cycle Standard Design on March 1, 2014 and implementation of the Combined Cycle Enhanced Design no later than March 1, 2015 and with the following modifications:

1. Explicitly describe the process for adjusting the ARR nomination caps
2. Remove the provision allowing the Reserve Zone internal obligation transfers
3. Remove the provision allowing an operating Reserve Zone minimum to be equal to the available Operating Reserve in a zone.

**Approved:** Markets and Operations Policy Committee April 12-13, 2011  
 Motion passed with on opposed-KBPU  
 11 abstentions-Golden Spread, OMPA, Tenaska Power, Cargill Power Markets, Entergy Services, KEPC, OPPD, Sunflower Elec, LEPA, Lafayette Utilities, Independent

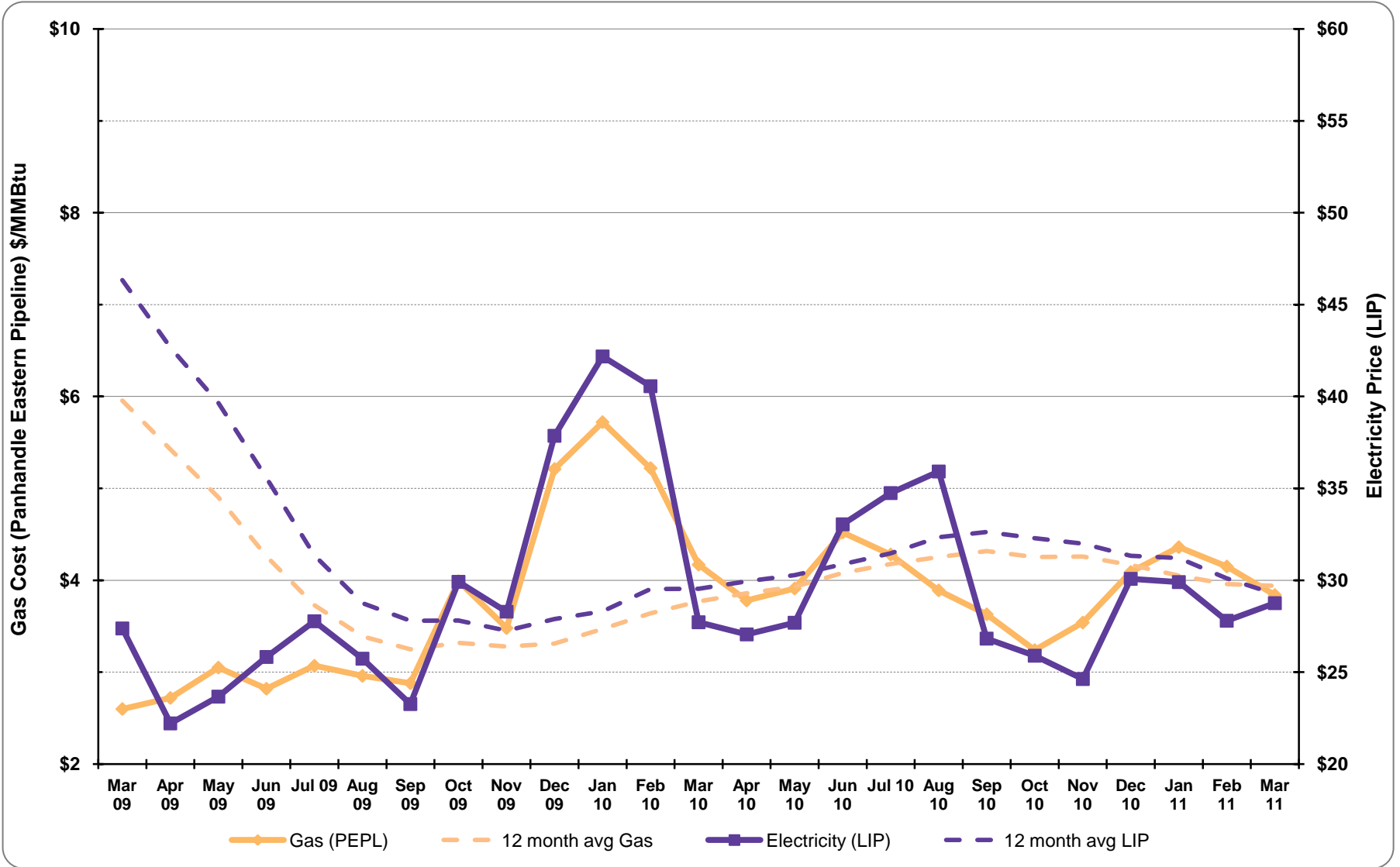
MWG Motion to MOPC: The MWG recommends proceeding with implementation of the Integrated Marketplace design as accepted by MOPC at their January 12, 2011 meeting with the following modifications:

1. Explicitly describe the process for adjusting the ARR nomination caps
2. Remove the provision allowing the Reserve Zone internal obligation transfers

Remove the provision allowing an operating Reserve Zone minimum to be equal to the available Operating Reserve in a zone. Passed with two abstentions from OMPA and AEP

**Action Requested:** Approval of the MOPC's recommendation on the Integrated Marketplace.

4c. EIS Prices



<i>in \$</i>	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	2009	2010	2011	Prev 12 mo
Monthly Avg LIP (\$/MWh)	42.18	40.56	27.72	27.06	27.69	33.05	34.75	35.92	26.82	25.89	24.63	30.08	29.90	27.80	28.75	27.89	31.33	28.82	29.26
PEPL Gas Cost (\$/MMBtu)	5.72	5.22	4.17	3.78	3.91	4.52	4.28	3.89	3.63	3.24	3.54	4.09	4.36	4.15	3.84	3.31	4.17	4.12	3.94
<b>Average</b>																			