



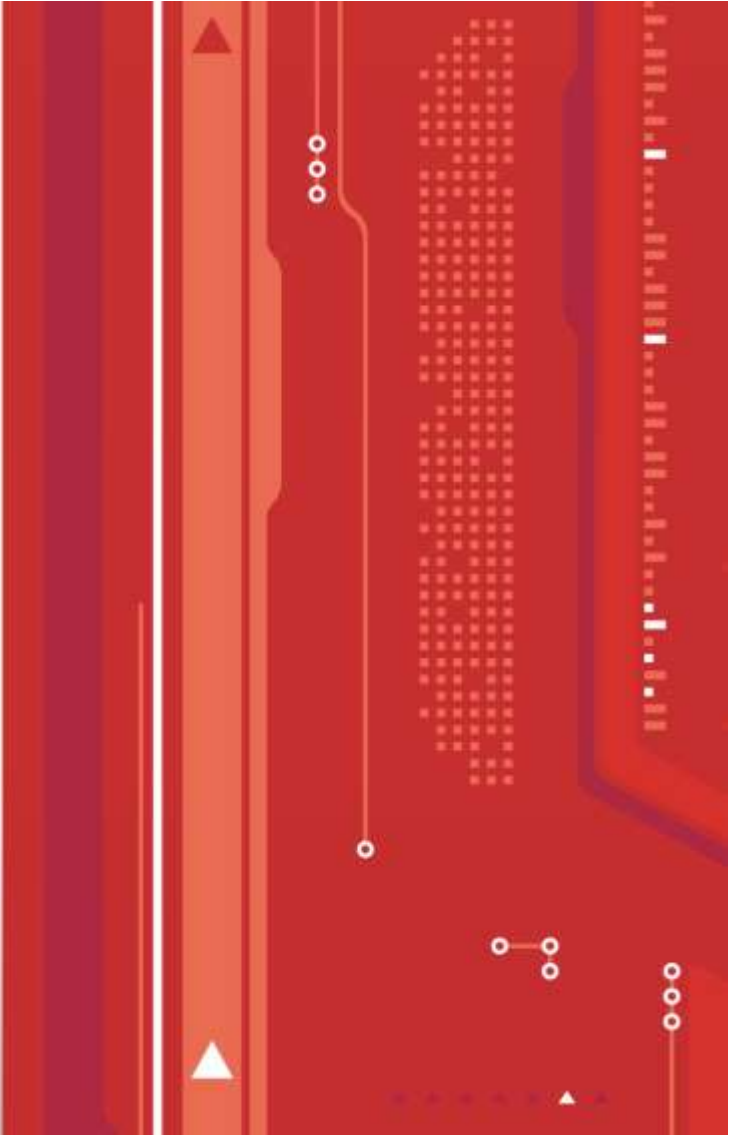
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today and in the future



RTWG Report to the MOPC

November 4, 2013


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Chairman RTWG



APPROVAL ITEMS: MARKETPLACE COMPLIANCE REVISION REQUESTS

MCRRs – Integrated Marketplace

MCCR 100 (p39 41 50)—Must Offer Requirement

- As directed by FERC:
 - (p39) Adding around the screening process and MMU’s related responsibilities with conforming changes to section 3.9 of Attachment AF to be consistent with section 2.11.1 of Attachment AE.
 - (p41) Removing sections 3.9.A(2) and 3.9.A(3) from Attachment AF.
 - (p50) Modifying to allow load transfers and/or bilateral contracts to count toward must-offer obligations.
 - (p50) Clarifying the net resource capacity definition in section 2.11.1 of Attachment AE to account for the full range of firm purchases subject to the day-ahead must-offer obligation.
- RTWG approved on October 30, 2013 with one abstention (Xcel).
- RTWG recommends that the MOPC approve MCCR 100.  | 4

MCRRs – Integrated Marketplace

MCCR 115 (p108 110 111 112 113 115 118 132)—Manual Commitments & Make Whole Payments

- Per FERC’s direction:
 - (p108) Revising provisions to clarify that, time permitting, only the Transmission Provider will manually commit resources for a Local Reliability Issue.
 - (p109-110) Describing the process used by the Market Monitor to assess whether the manual commitment by the Transmission Provider and a local transmission operator is discriminatory.
 - (p109-110) Revising the Tariff to explain when and why manual commitments are made and how local transmission operators and SPP decide which resources to commit.
 - (p110) Adding a provision requiring the Transmission Provider, local transmission operators, and Resource owners to develop operating guides for known and recurring Local Reliability Issues.

MCRRs – Integrated Marketplace

MCCR 115 (p108 110 111 112 113 115 118 132)—Manual Commitments & Make Whole Payments

- (p111) Revising provisions so that there is an assessment of whether manual commitments made by SPP are discriminatory and to clarify that the Market Monitor will review the manual commitments made by both SPP and the local transmission operator.
- (p112) Including language denying compensation to generators affiliated with local transmission operators where SPP and/or the Market Monitor determine that the commitment made by the local transmission operator was done in a discriminatory fashion.
- (p113) Adding a requirement to notify the Commission’s Office of Enforcement or successor organization of any suspected discrimination in the selection of Resources
- (p115) Removing “or local transmission operator” from section 6.1.2(3) of Attachment AE.

MCRRs – Integrated Marketplace

MCCR 115 (p108 110 111 112 113 115 118 132)—Manual Commitments & Make Whole Payments

- (p118) Revising section 8.6.5 of Attachment AE to limit RUC make whole payment eligibility for resources committed by a local transmission operator to instances when the commitment is meant to address emergency-related reliability issues (i.e., Local Emergency Condition) on facilities not monitored by SPP.
- (p132) Revising the definition of “Local Reliability Issue” to provide more information on what constitutes a Local Reliability Issue and the basis that SPP makes its commitment decision to address Local Reliability Issues.
- RTWG approved with modifications on October 23, 2013 with one abstention (Xcel).
- RTWG recommends that the MOPC approve MCCR 115.

MCRRs – Integrated Marketplace

MCCR 116 (p158)—Marginal Losses

- FERC found that SPP’s proposal to refund marginal loss surplus to load would result in prices that do not accurately reflect the price of energy and could provide disincentives to generators to locate near load.
 - Revising proposal for refunding marginal loss surplus consistent with the method used by MISO.
- RTWG approved with modifications on October 30, 2013 with three abstentions (Empire, NPPD, OPPD).
- RTWG recommends that the MOPC approve MCCR 116.

MCRRs – Integrated Marketplace

MCCR 131 (p227)—Bilateral Settlement Schedules

- As directed by FERC:
 - Revising section 2.2(11) to allow load transfers if the seller agrees to assume responsibility for the buyer’s load that is transferred.
- RTWG approved with modifications on October 30, 2013 with one abstention (Xcel).
- RTWG recommends that the MOPC approve MCCR 131.

MCRRs – Integrated Marketplace

MCCR 134 (p137)—Make Whole Payments—Allocation of RUC MWP Cost to Virtual Energy Bids

- As directed by FERC:
 - Removing virtual energy bids from RUC make whole payment cost allocation methodology.
- RTWG approved on October 24, 2013 with one opposition (Tenaska) and five abstentions (AECC, KCPL, NPPD, OPPD, Xcel).
- RTWG recommends that the MOPC approve MCCR 134.



MCRRs – Integrated Marketplace

MCCR 136 (p296 298 299 300 321 322)—Mitigated Offer Development and Mitigated Offer Development by MP

- As directed by FERC:
 - Changes to clarify and support SPP’s proposed calculation of mitigated offers, including opportunity costs.
 - Revisions designed to ensure consistency in calculation of input costs, explication of mitigation measures.
 - Adding additional detail regarding MMU oversight/response in connection with mitigated offers and mitigated offer disputes.
- RTWG approved with modifications on October 23, 2013 with one opposition (NPPD) and one abstentions (Xcel).
- RTWG recommends that the MOPC approve MCCR 136.



CONSENT AGENDA: MARKETPLACE COMPLIANCE REVISION REQUESTS

MCRRs – Integrated Marketplace

MCCR 101 (p129)—Make Whole Payments—Regional v. Local Allocation

- As directed by FERC:
 - Removing the first instance of the phrase “will be determined” in the third sentence of section 8.6.7.
 - Moving the phrase “to address a Local Reliability Issue” after the phrase “excluding make whole payments made to Resources committed.”
 - Providing a clear definition of “Settlement Area.”
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 101.

MCRRs – Integrated Marketplace

MCCR 102 (p146)—Make Whole Payments – Revisions to RUC MWP Cost Allocation Methodology

- As directed by FERC:
 - Adding the words “or reduce output of” in between “provide” and “energy” in section 6.4.1.1(7).
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 102.

MCRRs – Integrated Marketplace

MCRR 103 (p150 151)—Make Whole Payments – Other MWP Issues

- As directed by FERC:
 - Moving the phrase “multiplied by the OOME MW” in the first sentence of section 8.6.6 to the end of that sentence.
 - Redefining the definition of “economic operating point” in section 8.6.6(1).
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCRR 103.

MCRRs – Integrated Marketplace

MCRR 104 (p196)—ARR Allocation Process

- As directed by FERC:
 - Modifying sections 7.1.3(1) and 7.1.3(3) to read, “ARR Nomination Cap for a particular month or season is equal to the ~~minimum~~ lesser of a) the sum Network Integration Transmission Service Candidate ARR for that particular month or season as calculated in Section 7.1.2 of this Attachment AE and any additional Network Integration Transmission Service Candidate ARR for that particular month or season as calculated in Section 7.5.1 of this Attachment AE or b) One hundred and three percent (103%) of the average of that customer’s three most recent annual peak Network Loads.”
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCRR 104.

MCRRs – Integrated Marketplace

MCCR 105 (p261)—Parameters for Mitigation of Economic Withholding

- As directed by FERC:
 - Removing the word “caps” from the first sentence in section 3.7.
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 105.

MCRRs – Integrated Marketplace

MCCR 106 (p272)—Frequently Constrained Area Mitigation of Economic Withholding

- As directed by FERC:
 - Modifying the last sentence of section 3.1.1 so that it reads: “Any new or modifications to existing Frequently Constrained Areas are subject to prior Commission approval.”
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 106.

MCRRs – Integrated Marketplace

MCCR 107 (p273)—Frequently Constrained Area Mitigation of Economic Withholding

- As directed by FERC:
 - Replacing the phrase “any of its resources” with “any or some of its resources jointly” in section 3.1.1.1.
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 107.

MCRRs – Integrated Marketplace

MCCR 108 (p274)—Frequently Constrained Area Mitigation of Economic Withholding

- As directed by FERC:
 - Revising the section reference in section 3.2(A)(2) to refer to section 3.2(A)(1).
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 108.

MCRRs – Integrated Marketplace

MCCR 109 (p323)—Mitigated Offer Development by MP

- As directed by FERC:
 - Amending the sentence so that it reads: “Mitigation measures will remain in place until such time that the Market Participant demonstrates the validity of the Resource Offer parameter or the Market Participant notifies the Market Monitor that the Resource Offer parameter has been changed to a value that is within the tolerance band as described above, and the Market Monitor has verified that this change has occurred.”
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 109.

MCRRs – Integrated Marketplace

MCCR 110 (p369)—Uneconomic Production

- As directed by FERC:
 - Amending the final sentence in section 3.2(B) such that it reads “An Energy Offer below \$25/MWh will not be subject to mitigation measures for economic withholding.”
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 110.

MCRRs – Integrated Marketplace

MCCR 111 (p391)—General Monitoring

- As directed by FERC:
 - Amending the first sentence in section 4.5 to read: “The [M]arket [M]onitor shall monitor Markets and Services for the exercise of transmission market power by....”
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 111.

MCRRs – Integrated Marketplace

MCCR 112 (p392)—General Monitoring

- As directed by FERC:
 - Specifying in section 4.5 that the SPP MMU shall provide referrals of any perceived market design flaws and recommend tariff language changes to the Commission’s Office of Energy Regulation and not the Commission’s Office of Enforcement.
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 112.

MCRRs – Integrated Marketplace

MCCR 113 (p55 63)—Demand Response Resources

- As directed by FERC:
 - (p55) Wholesale customers may be aggregated into a larger demand response resource.
 - (p63) End-use customers may be aggregated into a single dispatchable or block demand response resource behind an aggregated price node containing multiple electrically equivalent points.
- RTWG approved on October 24, 2013 with one abstention (Xcel).
- RTWG recommends that the MOPC approve MCCR 113.

MCRRs – Integrated Marketplace

MCCR 114 (p383)—Monitoring and Mitigation of Virtual Bids and Offers

- As directed by FERC:
 - Defining the term “electrically similar” to refer to any and all points at which there is sufficient divergence for mitigation.
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 114.

MCRRs – Integrated Marketplace

MCCR 117 (p130)—Make Whole Payments—Regional v. Local Allocation

- FERC stated that if OOME payment amounts could pertain to reliability issues affecting the Transmission System the local OOME payment amounts are to be included in local allocations and regional OOME payment amounts are to be included in regional allocations.
 - Adding language to make clear that OOME payment for Local Reliability Issues are funded via RUC and MWP Cost Allocation and OOME payments for regional reliability area are funded via RNU.
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 117.

MCRRs – Integrated Marketplace

MCCR 118 (p259)—Parameters for Mitigation of Economic Withholding

- As directed by FERC:
 - Adding additional clarity to ensure that mitigation will occur in the absence of a local reliability issue only when there is a binding constraint or a binding Reserve Zone and the additional conditions apply.
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 118.

MCRRs – Integrated Marketplace

MCRR 119 (p82)—Variable Energy Resources

- As directed by FERC:
 - Revising section 2.15 of Attachment AE to adopt the wind VER meteorological data requirements from the LGIA, as filed in SPP’s Order No. 764 compliance proceeding.
 - Revising section 3.1.2 of Attachment AE to explain SPP’s methodology for determining output forecast for dispatchable VERS.
- RTWG unanimously approved with modifications on October 30, 2013.
- RTWG recommends that the MOPC approve MCRR 119.

MCRRs – Integrated Marketplace

MCRR 120 (p173)—Operating Reserves

- As directed by FERC:
 - Revising the definitions for “Regulation-Up” and “Regulation-Down” such that they do not preclude otherwise-qualified resources from providing regulation-down and regulation-up service.
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCRR 120.

MCRRs – Integrated Marketplace

MCCR 121 (p361)—Conduct and Impact Thresholds

- As directed by FERC:
 - Limiting the reporting of non-mitigation after a pre-offer consultation occurs to instances when the resulting offer violates both the conduct and impact threshold.
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 121.

MCRRs – Integrated Marketplace

MCCR 122 (p369)—Uneconomic Production

- As directed by FERC:
 - Adding language providing that it will monitor for uneconomic production being accomplished (1) via the energy offer where the incremental energy offer price for the resource is less than 50 percent of the applicable reference level and (2) via time-based or other resource offer parameters (non-time and non-dollar based), including in situations when the resource has a positive Resource-to-Load Distribution Factor.
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 122.

MCRRs – Integrated Marketplace

MCCR 123 (p379)—Physical Withholding and Unavailability of Facilities

- As directed by FERC:
 - Removing additional conditions in section 4.6.4.1 and related subsections from the determination of possible physical withholding that is reported to the Commission.
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 123.

MCRRs – Integrated Marketplace

MCCR 124 (p169)—Price Formation During Shortage Conditions

- As directed by FERC:
 - Proposing additional Tariff language with more detail on how demand curves are developed and how prices will be determined during operating reserve shortage conditions.
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 124.

MCRRs – Integrated Marketplace

MCCR 125 (p83)—Variable Energy Resources

- FERC requires SPP to submit Tariff revisions to use SPP's output forecast, rather than the maximum output limit submitted by a wind-powered VER, in the event that the limit is not updated, is not submitted, or exceeds the resource's physical operating limit in the real-time market and not in the RUC processes.
 - Deleting RUC language relating to wind VER Max Operating Limits and moving that language into the wind VER RTBM sections (DVER and NDVER)
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 125.

MCRRs – Integrated Marketplace

MCCR 126 (p302)—Mitigated Offer Development

- As directed by FERC:
 - Adding specificity in Attachment AF to reflect that the opportunity cost reflect revenues that a resource could have properly recovered were it to run during a period of time other than the mitigation period.
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 126.

MCRRs – Integrated Marketplace

MCCR 127 (p380)—Physical Withholding and Unavailability of Facilities

- As directed by FERC:
 - Removing certain conditions from the transmission facility physical withholding screens.
 - Adding an additional condition to help the Market Monitor to identify additional attempts to exercise market power.
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 127.

MCRRs – Integrated Marketplace

MCCR 128 (p179)—Overall Congestion Management Proposal

- As directed by FERC:
 - Revising to allow Transmission Customers to obtain ARRs without requiring them to give more than one year of notice that they will be rolling over their rights.
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 128.

MCRRs – Integrated Marketplace

MCCR 129 (p181)—Overall Congestion Management Proposal

- As directed by FERC:
 - Adding language to make the TCR auction subject to mitigation, as needed.
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 129.

MCRRs – Integrated Marketplace

MCCR 130 (p223 225)—Bilateral Settlement Schedules

- As directed by FERC:
 - (p223) Revising the language for both the buyer and seller to confirm a Bilateral Settlement Schedule is consistent with the default mechanism in section 8.2.1.
 - (p225) Revising so that the Transmission Provider's termination of a Bilateral Settlement Schedule if a party is in default is consistent with the default terms and conditions in Attachment X.
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 130.

MCRRs – Integrated Marketplace

MCCR 132 (p222 226)—Bilateral Settlement Schedules

- As directed by FERC:
 - (p222) Revising the transition mechanism to all apply to all unsettled bilateral agreements entered into prior to the start of the Integrated Marketplace (March 1, 2014). The date in the Tariff language filed in February 2013 used a date of the October 18, 2012, which was the date of the first compliance order issued for Marketplace.
 - (p226) Correcting the section reference “7.1.1(1)(a) or 7.1.1(2)(a)” to remove the incorrect sub-section and reference only section 7.1.1(1)(a).
- RTWG approved on October 24, 2013 with one abstention (NPPD).
- RTWG recommends that the MOPC approve MCCR 132.

MCRRs – Integrated Marketplace

MCCR 133 (p224)—Bilateral Settlement Schedules

- As directed by FERC:
 - Revising Addendum 2 to Attachment AE to further explain the proposed numbers and reconcile some inconsistencies in addressing the source and sink for TCRs.
- RTWG unanimously approved with modifications on October 30, 2013.
- RTWG recommends that the MOPC approve MCCR 133.

MCRRs – Integrated Marketplace

MCCR 135 (p239)—Pseudo-Tie Arrangements

- As directed by FERC:
 - Adding in section 2.14.5 an explanation of the process for determining which Reserve Zone to assign a registered External Dynamic Resource during the registration process.
- RTWG unanimously approved with modifications on October 24, 2013.
- RTWG recommends that the MOPC approve MCCR 135.

MCRRs – Integrated Marketplace

MCCR 137 (p326 339 340)—Variable Energy Resources and Mitigation of Demand Response

- As directed by FERC:
 - Revising mitigation and monitoring provisions to clarify whether they apply to Demand Response Resources, DVERs and NDVERs.
- RTWG approved with modifications on October 24, 2013 with two abstentions (NPPD, Xcel).
- RTWG recommends that the MOPC approve MCCR 137.



MCRRs – Integrated Marketplace

MCRR 138 (p304)—Mitigated Offer Development

- **As directed by FERC:**
 - **Clarifying the use of certain abbreviated formula terms in Attachment AF.**
- **RTWG approved on October 24, 2013 with one abstention (NPPD).**
- **RTWG recommends that the MOPC approve MCRR 138.**