



PR20130016
Long-Term
Congestion Rights
Member Impacting
Project Overview



Table of Contents

.....	1
Table of Contents	2
Version Control	2
Document Purpose	2
Executive Summary	3
Business Impact	3
Technical Impact	3
Member Requirements	3
iHedge Changes	4
Implementation and Back-out Plan	5
Implementation	5
Back-out Plan	5
Summary of Timeline	6
Assumptions	7
Risks	7
Additional Documentation	7
Communication Plan	7
Next Steps	8
FAQs	8

Version Control

Version	Date	Author	Change Description
1.0	4/14/14	D. Giessmann	Initial Draft
2.0	7/18/14	E. Brooks	Member Requirements, Training, Implementation, Summary of Timeline, Risks, Next Steps, FAQs sections were updated.
3.0	09/15/14	E. Brooks	Summary Timeline, Next Steps
4.0	11/12/14	E. Brooks	Summary Timeline, Next Steps, FAQs
<u>5.0</u>	<u>1/14/15</u>	<u>E. Brooks</u>	

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Document Purpose

This template should be used to provide initial and ongoing communication of member impacting projects to the CWG and membership.

The Project Manager should provide the MIPO with an initial review period. The CWG Representative should review the MIPO and provide feedback and response, including request for a MIPO review meeting, during the comment period.

All MIPO updates will be red-lined, and that version will be saved as MIPO_<PR#_NAME_V#.R#> where V# is the version number associated with the touch point, and R# is the release within that touch point. The latest version will have accepted redline from the previous version, and any new changes redlined. The CWG and/or project liaison will be notified of any MIPO change.

Executive Summary

The Long-Term Congestion Rights (LTCR) project will establish an Annual LTCR Verification and Annual LTCR Allocation process and make the necessary system changes to the congestion hedging software that allows load serving entities (LSEs) and then Non-LSEs to hedge long-term power supply arrangements for more than one year. The current LTCR design guarantees rights can be held as long as the transmission service reservation (TSR) exists and has rollover rights, i.e. rights in perpetuity. Per FERC Order 681, SPP must establish long-term firm transmission rights, and per an October 2012 compliance ruling, SPP's compliance filing should happen within 180 days after the commencement of the Integrated Marketplace which will enable the Commission to review the filing prior to the second year of market operations. This has been interpreted to mean SPP should have the long-term rights process implemented in the second annual allocation/auction process (i.e. February 2015 implementation).

Business Impact

Users Impacted

Entities that have long term firm transmission rights and are eligible to participate in the ARR Allocation and TCR auctions.

Business Functions Impacted

The LTCR market will build upon the TCR market by allowing LSEs and then Non-LSEs to hedge long-term power supply arrangements for more than one year.

Technical Impact

SPP Systems/Processes Impacted

- OASIS Transfer Tool (OTT)
- iHedge
- Credit Management System (CMS)

Anticipated Member Systems/Processes Impacted

The iHedge system will enable Market Participants to obtain Long Term Congestion Rights (LTCRs) that can roll over in future years. Once LTCRs are awarded, they will be directly converted into TCRs. Market Participants will have the option to sell these TCRs in the Annual and Monthly Auctions and/or trade them in the TCR Secondary Market with other Market Participants. Reports will be generated and can be downloaded via the Market User Interface within iHedge.

Member Requirements

Eligible Market Participants that intend to acquire LTCRs and subsequent TCRs will need to be able to use the updated iHedge production system through the SPP Portal and perform testing on their systems. Specifically, they will need to test changes to existing APIs. For more details on testing, reference the Testing Section below.

Market Participants with LTCR-eligible Point-to-Point transmission service, including Grandfathered Agreements, will have the opportunity to register LSE Attestations confirming that they are a Load Serving Entity as defined in SPP Tariff Attachment AE.

iHedge Changes

Market Participants can expect the following iHedge application changes for LTCR.

1. Updated TCR Market User Interfaces (MUI):
 - MUI LTCR Nomination Editor and Credit Verification
 - *New* LTCR Nomination Portfolio
 - *New* LTCR Nomination Editor
 - Similar Credit Verification
 - MUI TCR Auction Bids/Offers
 - No software changes
 - *New* Ability to offer TCRs into the Annual Auction
2. New or updated MUI Downloads:
 - *New* Market Term for downloads: Long-Term Allocation
 - Private Downloads:
 - Existing TCRs
 - Transmission Service Reservations
 - *New* Aggregated LTCRs
 - *New* TCRs Converted from LTCRs
 - *New* LTCR Allocation Results
 - Public Downloads:
 - Binding Constraints
3. API updates:
 - Market Service
 - TCR Auction Service
 - *New* LTCR Nomination Service
4. Supported web browsers:
 - IE10
 - Firefox 20
 - Chrome 25
5. Existing Portal used in MTE
 - MTE Connectivity being handled separately. MTE Connectivity Kick-off meeting held August 1, 2014.
6. No Settlement determinant changes and no new charge types

Testing

The Market Participant testing will determine if member systems can successfully interact with SPP's iHedge system for the LTCR Verification, LTCR Allocation, Annual ARR Allocation, and Annual TCR Auction.

In preparation for Market Participant testing, SPP will provide the API specifications, test scenarios, and test scripts to the Market Participants.

SPP intends to make initial API specifications available to Market Participants July 25, 2014, and intends to publish final API specifications October 13, 2014. SPP has identified a number of test scenarios that will be used, limited to no more than seven. The test scenarios will be for the new LTCR Allocation and updated functionality of the Annual ARR Allocation and Annual TCR Auction. SPP will provide the test scenarios for Market Participant review in mid-October and intends to discuss them at the October 2014 CWG meeting. SPP will provide test scripts to Market Participants prior to testing. The testing is planned to begin November 10, 2014 and run through January 16, 2015.

The scope of the LTCR project is to test connectivity with the SPP iHedge system and interaction through User Interface and/or API for the LTCR Verification, LTCR Allocation, Annual ARR Allocation, and Annual TCR Auction. This test approach is different from the approach used in the Integrated Marketplace Phase 1 Transmission Congestion Rights project in that testing will focus on system functionality. The testing scenarios will cover only functionality needed for Market Participants to effectively obtain LTCRs, ARRs and TCRs in 2015. The LTCR market design specifies LTCR can roll-over in perpetuity, so beginning in 2016, Market Participants can choose to retain their LTCRs. The test scenarios involving iHedge system's LTCR component in 2016 and beyond (known as Year 2) will be scheduled after project implementation, currently projected for mid-2015.

In addition to Market Participant Testing, SPP will conduct the following Test Stages for new core LTCR functionality in iHedge:

- o Factory Acceptance Test (FAT)
- o Site Acceptance Test (SAT)
- o System Integration Test (SIT)
- o Functional Integration Test (FIT)
- o Performance

Although these tests are non-Member Impacting, there could be some overlap of testing activities in Member-facing environments. SPP will communicate when this occurs.

Training

SPP held three net-conferences for Market Participants and stakeholders. Three job aids ~~have also been~~were provided to help Market Participants complete testing activities. Due to the late October 2014 FERC ruling requiring changes in the LTCR Allocation process, updated training and/or job aids ~~will be provided~~were also provided and remain available in the SPP Learning Center (LMS). A self-study version of the net-conference training will be made available to SPP Members and Market Participants later in 2015.

Implementation and Back-out Plan

Implementation

The project team finalized detailed requirements in April 2014, and the vendors finalized design in June. The vendors are building their systems and testing will occur on their systems beginning late August.

SPP will make initial API specifications available to Market Participants in late July and publish final API specifications in early October. CWG will review the test scenarios in October and begin testing on November 10, 2014. Testing will be conducted through January 16, 2015.

Due to the nature of the LTCR Market Design, the schedule has tight timelines to meet implementation of February 2, 2015. Any delays in implementation could cause the March 1, 2015 FERC requirement to be in jeopardy.

Back-out Plan

A back-out plan ~~will be~~has been developed ~~at a later date~~and documented.

Summary of Timeline

The FERC-mandated date is to implement no later than March 1, 2015. Due to the LTRC Market Design, the planned implementation for the project necessitates a launch of February 2, 2015. The following timeline summarizes the project tasks and shows tasks completed.

Date	Responsible Party	Action	Status
4/30/14	Project Team	Detailed Requirements complete	Complete
5/7/14	Project Team, Vendors	Vendor Design Complete	Complete
5/12/14-8/22/14	Project Team/Vendors	Build/Test	Complete
7/25/14	Vendor	Vendor Publish Initial API specifications	Complete
08/25/14 - 01/23/15	Project Team	Internal Testing	WIP
09/19/14	Project Team	Distribute MP Test Approach	Complete
10/13/14	Project Team	SPP Publish Final API specifications	Complete
10/10/14-10/22/14	Market Participants	Review test scenarios	Complete
11/10/14	Market Participants	Testing opens	Complete
1/16/15	Market Participants	Testing closes (last day to send results)	
<u>1/16-1/19</u>	<u>Project Team</u>	<u>Software Development migration to production</u>	
<u>January 2015 Meeting 1 /21/15</u>	CWG	Final Update to CWG before implementation	
1/30/15-2/2/15	Project Team	Implementation <u>New Functionality Available</u>	

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Assumptions

Success assumes testing is complete prior to February 2, 2015 project implementation.

Risks

Risk Title	Description
FERC Ruling	<p>FERC’s rejection of our proposed LTCR Tariff could impact the LTCR design and software development. Re-design of software would lead to missing the project implementation date.</p> <p>Status: (1)LTCR Tariff filed 07/31/14. (2)A response was received 10/28/14 and SPP’s assessment of the impact of the ruling are minor system changes. SPP has spoken with the vendor about these changes and development is underway. SPP feels confident in the ability to receive and properly test the updates before project implementation and tested.</p>
MP Testing	Although SPP testing is non-Member Impacting, there could be some overlap of testing activities in Member-facing environments.
Project Timeline	LTCR Project has tight timelines that need to be met to achieve February 2, 2015 implementation.

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Additional Documentation

The LSE Attestation form will be accepted for testing through November 21 and production mid-until February. A definite date will be communicated once the 2015 calendar is finalized- 13th. The 2015 MP Guide has been posted.

Communication Plan

All project communication and information will be posted to the [SPP Change Working Group Project Documentation folder](#). This MIPO will be updated upon change or with any new information, a redline version posted to the project documentation folder, and the CWG notified.

Next Steps

Action	Assignee	Status & Due Date
Send project communication and identify liaison at member/participant companies as necessary	CWG Staff Secretary	4/24/14 - Complete
Response due	CWG Representative	5/22/14 - Complete
Publish initial API specifications	Project Team	Due: 7/28/14 - Complete
First LTCR Liaison Meeting	Project Team	Date: 8/1/14, 1:30-3 pm CDT Note: Will discuss API specifications and sample download files - Complete
Publish MP Test Approach	Project Team	09/19/14 - Complete
LTCR Liaison Meeting	Project Team	Date: 09/30/14, Complete Date: 10/24/14, Complete
LTCR Testing Meeting Schedule	Project Team	Kickoff: 11/6/14, Complete Weekly Calls: Start: 11/17/14, Started End: 01/12/15, 2 pm – 3 pm CST No meetings: 12/22/14 & 12/29/14
Publish Final 2.0 API specifications	Project Team	Due: 10/13/14 – Complete
MP Testing Starts	Project Team	11/10/14 – Complete
MP Testing Results due via RMS ticket	LTCR Liaisons/Test Leads	LTCR Allocation 1 – 11/20/14 (Complete) LTCR Allocation 2 – 12/02/14 (Complete) LTCR Allocation 3, Monthly Auction – 12/11/14 (Complete) Annual Allocation – 1/2/15 (Complete) Annual Auction – 1/12/15
Publish Final 2.1 API specifications (updated)	Project Team	12/1/14 (Complete)
MP Testing Weekly Calls w/ Incremental Training	Project Team	12/8/14 -1/12/15 (Complete)

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FAQs

Frequently asked questions will be added to the document as identified or necessary.

- Are there any changes to Settlements charge types or bill determinants for the LTCR project?
Answer: No
- In what internet browser will the LTCR testing take place?

Answer: Internet Explorer 10, Firefox 20, Chrome 25

3. What type of PTP TSRs need to be submitted with the attestation form

Answer: Long-term Firm Point-to-Point Transmission Service Reservations, under SPP's OASIS or Grandfathered Agreements, should be submitted in the attestation form.

4. For the LTCR Allocation testing, in what LTCR Round should we be testing? There is no data available for Round 1, and data is available for Round 2.

Answer: With the LTCR process designed to be a two-round process—the first round for renewal/surrender of previously awarded LTCRs and the second round for new/additional LTCRs—SPP is utilizing Round 2 for MP testing. MP testing will be held on Round 1 functionality after project implementation, currently projected for mid-2015.

5. The testing email states that the deadline for LTCR allocation 1 nominations is 13 Nov. The LTCR allocation 1 tab in the test cases spreadsheet only shows a deadline of 20 Nov at the bottom of the last page.

Answer: The Nov 20 date at the bottom of the test cases tab is strictly for returning test results of both nomination tasks due 13 Nov (because of the nomination window) and reviewing results tasks due 20 Nov. The full activities are listed in the MP Test Approach, monthly presentations, and reminder emails.