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- 1.3f Base Plan Region-wide Load Ratio Share:** Ratio of a Network Customer's or Transmission Owner's Resident Load in the SPP Region to the total load in the SPP Region computed in accordance with Section II.B. to Schedule 11 of this Tariff and calculated on a calendar year basis, for the prior calendar year.
- 1.3g Base Plan Region-wide Rate:** Regional component of the rate (per kW of Reserved Capacity for Point-to-Point Transmission Service) assessed by SPP in accordance with Schedule 11 to recover the revenue requirement of facilities classified as Base Plan Upgrades.
- 1.3h Base Plan Upgrades:** Those upgrades included in and constructed pursuant to the SPP Transmission Expansion Plan in order to ensure the reliability of the Transmission System. Base Plan Upgrades shall also include those upgrades required for new or changed Designated Resources to the extent allowed for in Attachment J to this Tariff.
- 1.3i Base Plan Zonal Annual Transmission Revenue Requirement:** For each Zone, the sum of the annual transmission revenue requirement for each Base Plan Upgrade and of the Base Plan Avoided Revenue Requirement(s), if any, that are allocated to the Zone in accordance with Attachments J and S to this Tariff.
- 1.3j Base Plan Zonal Charge:** Zonal component of the charge assessed by SPP in accordance with Schedule 11 to recover the revenue requirement of facilities classified as Base Plan Upgrades.
- 1.3k Base Plan Zonal Load Ratio Share:** Ratio of a Network Customer's or Transmission Owner's Resident Load in a Zone to the total load in that Zone computed in accordance with Section II.A. to Schedule 11 of this Tariff and calculated on a calendar year basis, for the prior calendar year.
- 1.3l Base Plan Zonal Rate:** Zonal component of the rate (per kW of Reserved Capacity for Point-to-Point Transmission Service) assessed by SPP in accordance with Schedule 11 to recover the revenue requirement of facilities classified as Base Plan Upgrades.

- 1.3m Business Day:** Shall mean Monday through Friday, excluding Federal Holidays.
- 1.3n Calendar Day:** shall mean any day including Saturday, Sunday or a Federal Holiday.
- 1.4 Commission:** The Federal Energy Regulatory Commission.
- 1.5 Completed Application:** An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.
- 1.6 Control Area:** An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:
- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
  - (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;

is April 1, 1999. For Network Integration Transmission Service the Effective Date of this Tariff is February 1, 2000.

- 1.10c EIS Market:** The Energy Imbalance Service market as described in Attachment AE to this Tariff.
- 1.16 Load Ratio Share:** Ratio of a Transmission Customer's Network Load in a Zone to the total load in that Zone computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under part III of this Tariff and calculated on a calendar year basis, for the prior calendar year.
- 1.17 Load Shedding:** The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.
- 1.18 Long-Term Firm Point-To-Point Transmission Service:** Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.
- 1.18a Market Monitor:** The entity within SPP that is responsible for performing the monitoring and mitigation activities described in Attachments AF and AG. .
- 1.18b Market Participant:** An entity that generates, transmits, distributes, purchases, or sells electricity or provides ancillary services with respect to such services (or contracts to perform any of the foregoing activities) within, into, out of, or through the Transmission System. Market Participant expressly includes:
- (a) Transmission Owner(s) and any of their affiliates including Transmission Owners providing transmission service to: (i) bundled retail load for which such Transmission Owners are taking neither Network Integration Transmission Service nor Firm Point-to-Point Transmission Service under this Tariff; and (ii) load being served under Grandfathered Agreements for which such Transmission Owners are taking neither Network Integration Transmission Service nor Firm Point-to-Point Transmission Service under this Tariff, (b) Transmission Customers, (c) Network Customers, (d) Generation Interconnection Customers and (e) any Eligible Customer offering Resources for sale into the EIS Market that executes the Service Agreement specified in Attachment AH. In order to be a Market Participant, the Eligible Customer must be a Transmission Customer; must have executed a Service Agreement, or on whose behalf an unexecuted

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Service Agreement has been filed with the Commission; or must be otherwise bound by the terms of this Tariff.

**1.18c Market Protocols:** The protocols implementing this Attachment AE, as amended from time to time in accordance with the SPP Membership Agreement.

**1.18d Member:** A member of SPP.

**1.19 Native Load Customers:** The wholesale and retail power customers of the Transmission Owner(s) on whose behalf the Transmission Owner(s), by statute, franchise, regulatory requirement, or contract, has (have) undertaken an obligation to construct or operate the Transmission Owner's(s') system(s) to meet the reliable electric needs of such customers. In addition, Native Load Customers also may include the customers of the Federal Government on whose behalf the Government, by policy, statute, regulatory requirement, or contract, delivers Federal capacity and energy to meet all or a portion of the reliable electric needs of such customers.

**1.20 Network Customer:** An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

**1.21 Network Integration Transmission Service:** The transmission service provided under Part III of the Tariff.



- 1.39 Reserved Capacity:** The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.
- 1.39a Resident Load:** The load for which Base Plan Charges are applicable pursuant to Part V of the Tariff.
- 1.40 Service Agreement:** The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.
- 1.41 Service Commencement Date:** The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.
- 1.42 Short-Term Firm Point-To-Point Transmission Service:** Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.
- 1.42a SPP:** The Southwest Power Pool, Inc.
- 1.42b SPP Markets & Services:** The markets that are operated by, and the services provided by, SPP under this Tariff. These include, but are not limited to, (a) transmission and ancillary services, (b) the EIS Market, (c) any congestion management market or system, (d) any ancillary services market, and (e) any other markets or services administered, coordinated or facilitated by SPP.
- 1.42c SPP Membership Agreement:** The Southwest Power Pool Membership Agreement detailing the rights and obligations of the SPP and SPP Members.
- 1.42d SPP Region:** The geographic area of the Transmission System.

**1.42e SPP Transmission Expansion Plan:** The SPP RTO shall regularly perform transmission planning studies. These studies shall assess the reliability and economic operation of the SPP Transmission System. Transmission expansion required over the planning period shall be submitted to the SPP Board of Directors.

**1.43 System Impact Study:** A coordinated assessment by the Transmission Provider and the affected Transmission Owner(s) of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service or (ii) to determine the Attachment Facilities, other Direct Assignment Facilities, and system upgrades that are needed to accept power into the grid at without mark-up. Each Transmission Owner's schedules for Scheduling, System Control and Dispatch Service and for Reactive Supply and Voltage Control from Generation Sources Service shall be available through the SPP OASIS. Each Transmission Owner also shall maintain schedules which offer (1) Regulation and Frequency Response Service, (2) Operating Reserve - Spinning Reserve Service, and (3) Operating Reserve - Supplemental Reserve Service. Transmission Customers shall pay the Transmission Provider providing any of these services directly for the service. Each Transmission Owner's schedules for these services also shall be available through SPP OASIS. The Transmission Customer serving load within a Transmission Owner's(s') Control Area(s) is required to acquire these three Ancillary Services, whether from the Transmission Owner(s), from a third party, or by self-supply. The Transmission Customer may not decline the Transmission Owner's(s') offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Owner(s). The Transmission Provider shall determine whether the Transmission Customer has adequately demonstrated that it has acquired the Ancillary Services from another source. If the Transmission Provider determines that the Transmission Customer is taking Ancillary Services that it has not paid

for from an SPP Member or otherwise has not made adequate arrangements for Ancillary Services, then the Transmission Provider may impose a penalty equal to 200% of the specific Ancillary Service charge for the host Control Area (i.e. the Control Area where the load is located) for the entire length of the reserved period but not exceeding one month. The Transmission Provider shall compensate any affected Control Areas or generators for 100% of the specific Ancillary Service charge for the period for which they have provided service. The penalty revenues in excess of that amount shall be used to reduce the Transmission Provider's administrative costs. The Transmission Provider will provide Energy Imbalance Service in accordance with Schedule 4 and the procedures specified in Attachment AE. All Market Participants are required to obtain/provide this service through the Transmission Provider at the rates set forth in Attachment AE. terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

## **7 Billing and Payment**

This Section 7 shall not apply to the use and/or provision of Energy Imbalance Service. All billing and payment matters associated with the use/provision of Energy Imbalance Service shall be as specified in Attachment AE.

- 7.1 Billing Procedure:** Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within fifteen (15) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider. Invoices may be issued using estimated data, to the extent actual data is not available by the fifth (5th) working day of the month following service. Adjustments reflecting the difference in billing between the estimated and actual data will be included on the next regular invoice, with such adjustment being due when that invoice is due.

**SCHEDULE 4**  
**Energy Imbalance Service**

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to/from the Transmission System over a single hour. The Market Participant must purchase this service from the Transmission Provider. The Transmission Provider will obtain and provide this service and the Market Participant shall utilize this service in accordance with Attachment AE. Charges and credits to and payments from and to Market Participants for use and provision of this service shall be calculated by the Transmission Provider based upon the applicable Locational Imbalance Prices pursuant to Attachment AE.

A Market Participant that is serving load utilizing Network Integration Transmission Service will not require any additional transmission service arrangements for the delivery of Imbalance Energy.

Transmission for deliveries of Energy Imbalance Service will be furnished through otherwise unscheduled transmission service reservations, with an allowed dead-band of up to 4% of the amount of total transmission service reserved at no additional charge. A Market Participant that is serving load utilizing Point-to-Point Transmission Service shall be charged the hourly Non-Firm Point-to-Point Transmission Service rate, determined in accordance with Schedule 8 to this Tariff, multiplied by the amount of EIS energy transmitted in excess of the sum of 4% of the Market Participant's total Point-to-Point Transmission Service Reservations in each hour (but not less than 1 megawatt) and the capacity available over and above actual deliveries scheduled on those reservations in the same hour.

A Market Participant Transmission Owner that is providing transmission service under Grandfathered Agreements and/or that is providing transmission service to bundled retail load for which such Transmission Owner is not taking Network Integration Transmission Service or Point-to-Point Transmission Service under this Tariff shall be charged the hourly Non-Firm

Point-to-Point Transmission Service rate, determined in accordance with Schedule 8 to this Tariff, multiplied by the actual amount of Imbalance Energy transmitted in excess of 4% of the sum of such Transmission Owner's bundled retail load and load under Grandfathered Agreements in each hour. However, if such Market Participant Transmission Owner has a pending application before state regulatory authority(ies) having jurisdiction over its bundled retail load or the Transmission Provider, to serve bundled retail load using Network Integration Transmission Service under this Tariff, the Market Participant Transmission Owner shall not be charged for transmission service associated with the amount of Imbalance Energy consumed in each hour prior to the effective date of the final order or decision resulting from that application.

Market Participants that are not taking Network Integration Transmission Service or Point-to-Point Transmission Service that are offering their Resources for sale into the EIS Market that have executed the Service Agreement specified in Attachment AH are not subject to hourly Non-Firm Point-to-Point Transmission Service charges for any Imbalance Energy delivered to the EIS Market.

## **ATTACHMENT L**

### **TREATMENT OF REVENUES**

#### **I. Payments and Distribution of Revenues**

Payment will be made in accord with Section 7 of this Tariff to the Transmission Provider as agent for the Transmission Owners for all services provided under this Tariff except that payments to the Transmission Provider for use of Energy Imbalance Service will be made in accord with Section 6 of Attachment AE. The Transmission Provider will distribute the revenues received to the Transmission Owners and to the providers of ancillary services in accord with the provisions of this Attachment L.

#### **II. Allocation of Transmission Service Revenues**

##### **A. Grandfathered Agreements**

Except by mutual agreement of the Parties to Grandfathered Agreements, the Transmission Provider shall have no claim to the revenues collected under such agreements, and shall not collect or allocate any revenues for transmission service related to such transactions. The Transmission Owner providing the transmission service under the Grandfathered Agreements, therefore, will continue to receive payment directly from the customer under the Grandfathered Agreement.

##### **B. Network Integration Transmission Service**

Revenues collected by the Transmission Provider for Network Integration Transmission Service under Schedule 9 shall be fully allocated to the Transmission Owner(s) of the host Zone. Where a Network Customer has designated Network Load not physically interconnected with the Transmission System under Section 31.3, revenues collected by the Transmission Provider for Network Integration Transmission Service for that network load shall be allocated to the Transmission Owners on the same basis as Point-To-Point Transmission Service.

**C. Point-To-Point Transmission Service**

Except to the extent required under Section IV of this Attachment L, revenues collected by the Transmission Provider for Point-To-Point Transmission Service under Schedules 7 and 8 shall be allocated as follows:

1. Revenues collected by the Transmission Provider for Point-To-Point Transmission Service under Schedules 7 and 8 associated with power transactions where the generation source(s) and load(s) are located within the host Zone shall be fully allocated to the Transmission Owner of that host Zone whether the generation source is controlled by the Transmission Owner or another entity.

2. All other Transmission Provider Point-To-Point Transmission Service revenues under Schedules 7 and 8 collected by the Transmission Provider (i.e., other than those revenues specified in paragraph C.1) are shared between all Zones fifty percent (50%) in proportion to Existing Zonal Annual Transmission Revenue Requirements; and fifty percent (50%) based upon the MW-mile impacts incurred by the Transmission Owners. The Existing Zonal Annual Transmission Revenue Requirements used shall be those stated in Attachment H. The MW-mile impacts shall be determined by use of the procedures in Attachment S.

3. Where there are Transmission Owners within a Zone whose facilities have not been included in the rates stated in Attachments H and T, the Transmission Provider will further allocate the Point-to-Point Transmission Service revenues allocated to that Zone among the Zone's Transmission Owners on the same basis as the revenues are allocated to the Zone. For the application of this provision each Transmission Owner shall have an annual revenue requirement filed with the Commission.

4. For Point-To-Point revenue collected for use over transmission facilities that have been upgraded in an aggregate study, a portion of the revenue will be credited to the Transmission Customers. Transmission Customers who funded the upgrade will receive a portion of the revenue equal to the response factor percentage of each reservation based on the monthly ATC calculation. Allocation shall continue for all new requests until such time as Transmission Customers have been fully compensated for the portion of the upgrade over the base transmission



10. Any additional revenues received under Section 22.1 shall be treated in the same manner as revenues under Section II.C. of this Attachment L.
11. Revenues associated with Energy Imbalance Service under Schedule 4 will be paid to the providers of the service consistent with Attachment AE.

**V. ADJUSTMENTS TO REVENUE ALLOCATIONS IN THE EVENT OF CUSTOMER NON-PAYMENTS**

If the amounts received by Transmission Provider for transmission and ancillary services are insufficient to fully pay the owners of facilities or providers of such services, then the following procedures apply:

**(1) General.** The Transmission Provider only shall be required to remit to the Transmission Owners or providers of ancillary services revenues that it has received under the SPP Tariff for transmission or ancillary services.

**(2) Using Security.** The Transmission Provider shall use the financial assurances provided by a Market Participant if necessary to cover any amounts due and owed by that Market Participant in accordance with the procedures specified in the Transmission Provider's credit policy.

**(3) Reduction Of Payments.** If to the extent that the procedures in paragraph (2) do not yield sufficient funds to pay in full all amounts due and owed, then the following procedures will apply.

Any partial payment from a Market Participant, not involving a disputed amount, will be allocated to all service types in proportion to amounts invoiced for each service type. Such allocated amounts will be remitted to the respective service provider(s). Subsequent customer payments will be allocated to service type in proportion to unremitted balance amounts and remitted to the respective service provider(s). In the event that multiple invoices remain unpaid, a Market Participant's payment will be used to satisfy oldest unpaid invoiced amounts first. In the event that payments are due to a Market Participant who has an unpaid undisputed balance due for services provided or for transmission credits pursuant

to the provisions of this Tariff, such payments and credits will be automatically reduced to satisfy such unpaid undisputed balances due.

**VI. Exception to the Provisions of Section II.C of this Attachment L**

Pursuant to the Agreement of the Southwest Power Pool Transmission Owners and Southwest Power Pool for the Upgrade for the LaCygne to Stilwell 345 kV Transmission Line (“LaCygne-Stilwell Agreement”) submitted to the FERC on February 20, 2003 in Docket No. ER03-547, and conditionally accepted by the Commission in an order dated April 10, 2003, the Transmission Provider and the Transmission Owners agreed to create an exception to the provisions of this Attachment L for the sole purpose of distributing revenues associated with upgrades to the LaCygne to Stilwell 345 kV line, as set forth in the LaCygne-Stilwell Agreement, which has been incorporated into this Attachment L.

**ATTACHMENT M**  
**LOSS COMPENSATION PROCEDURE**

**PURPOSE**

This loss compensation procedure will be used to quantify transmission loss energy that the Transmission Customer is required to replace to the Transmission Owner(s) under this Tariff. The Transmission Customer shall be responsible for replacing the losses due on a real time basis. The Transmission Customer shall replace the loss energy to the Control Area(s) affected by the transactions in accordance with the options set forth below.

Each Transmission Owner shall maintain a schedule showing its allocation of loss energy for the provision of transmission service on its system. For the Commission regulated Transmission Owners, these allocations shall be pursuant to Commission approved schedules. The average loss factor (LAVG) for each Transmission Owner are stated in Appendix 1 to this Attachment M.

**LOSS DETERMINATION - NETWORK INTEGRATION TRANSMISSION SERVICE**

The Network Customer is responsible for replacing losses, associated with Network Integration Transmission Service to its Network Load, to each Zone in which its Network Load is located. The Network Customer's loss responsibility is the product of the Zone loss factor and the energy delivered within that Zone by the Network Customer.

Where a Network Customer has designated Network Load not physically interconnected with the Transmission System under Section 31.3, the Network Customer is responsible for replacing losses, associated with Network Integration Transmission Service to its Network Load, for schedules from Network Resources (as well as other non-designated generation resources)

transaction will be determined by multiplying the MW's of the schedule by that Owner's TPF and loss factor (LAVG). The Transmission Customer shall replace the loss energy shown in the loss matrix (as a percentage of the transaction) to the Transmission Owners for each transaction. The Transmission Provider shall be responsible for allocating the replaced loss energy among the Transmission Owners consistent with the above methodology.

### **OPTIONS FOR THE SETTLEMENT OF LOSSES**

A Transmission Customer may meet its obligation to replace loss energy under the Tariff that is associated with all transactions into or within the Transmission System through self-supply and/or purchase of Imbalance Energy. Losses associated with all transactions into and within the Transmission System shall be determined in accordance with the provisions of this Attachment M and priced in conjunction with the operation and settlement of the Energy Imbalance Service Market as described in Attachment AE. Losses associated with all transactions through and out of the Transmission System shall be determined in accordance with the provisions of this Attachment M and settled by self-supply or financially pursuant to the provisions for the Optional Annual Purchase of Loss Energy set out below, for such transactions.

#### **Optional Annual Purchase of Loss Energy**

The Transmission Customer may meet its obligation to replace loss energy under the Tariff by electing to purchase all loss energy for which it is responsible under this Tariff on an annual basis. Such election will be for a full calendar year and shall be exercised by execution of a Service Agreement for Loss Compensation Service, Attachment N, on or before December 1 of the prior calendar year. Under this Agreement, the Transmission Customer will purchase the specified quantity of loss energy for all transactions under this Tariff. New Transmission Customers may make such election at the time they first execute Attachment A or Attachment B under this Tariff, but in no event at a time later than the time at which they first take service under the Tariff. In this circumstance, the term of the election will be for the remainder of the calendar year. The Transmission Customers will fully pay for such losses

Compensation for losses will be at a cost determined by multiplying the MWh of loss energy by a price index. The price index will be determined by multiplying the price of commodity gas times an estimated average heat rate of 10.5 MMBtu/MWh. The price of commodity gas will be determined each month as the price published under the heading of "Houston Ship Channel/Beaumont, Texas Index", "large packages only", under the subheading of Inside F.E.R.C.'s GAS MARKET REPORT. The price will become effective on the day after the index is posted on the SPP OASIS and remain effective until the day after the next posting of the index. This index is updated monthly.

$$(\text{gpi/MMBtu}) * 10.5 (\text{MMBtu/Mwh}) = \$/\text{Mwh}$$

Where: gpi = the "Houston Ship Channel/Beaumont Texas Index."

### **Loss Allocation**

Energy delivered and payments made in the settlement of losses will be reconciled with each Zone and directly allocated to each Zone by the Transmission Provider.

**ATTACHMENT AE**  
**ENERGY IMBALANCE SERVICE MARKET**

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## **1. Introduction**

This Attachment sets forth the scheduling and dispatching responsibilities of the Transmission Provider and Market Participants relating to the provision of Energy Imbalance Service and sets forth the operation, pricing and settlement of the market for Energy Imbalance Service (EIS). This Attachment addresses the three time frames that are pertinent to the administration of the Energy Imbalance Service market: Day-Ahead Period, Hour-Ahead Period and Real-Time Period.

### **1.1 Definitions**

#### **1.1.1 Adjusted Net Scheduled Interchange**

Net Scheduled Interchange as adjusted for EIS Market dispatch instructions, reserve sharing schedules, and inadvertent interchange payback schedules.

#### **1.1.2 Ancillary Service Plan**

A plan submitted by a Market Participant with Schedule 3, Schedule 5 and Schedule 6 obligations to meet its next day obligations and current day obligations.

#### **1.1.3 Confidential Information**

As referenced within Attachments AE, AF and AG to this Tariff, information containing or revealing:

- (a) Any confidential, proprietary, or commercially sensitive information, or information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Market Participant that is conspicuously designated as Confidential Information in writing, on each page of the document, by Disclosing Party at the time the information is provided to Receiving Party, whether conveyed electronically, in writing, through inspection, or otherwise;
- (b) Any confidential, proprietary, or commercially sensitive information, or information of a plan, specification, pattern,

procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Market Participant that is provided orally and designated as Confidential Information, by Disclosing Party at the time the information is provided to Receiving Party;

- (c) Any customer information designated by the customer as proprietary, unless the customer has authorized the release for public disclosure of such information;
- (d) Any software, products of software or other vendor information that SPP is required to keep confidential under its agreements.

Confidential Information does not include Critical Energy Infrastructure Information (“CEII”) materials as designated by FERC, which must be obtained in accordance with FERC regulations.

**1.1.4 Day Ahead Period**

The time period starting at 0700 and ending at 1530 Central Prevailing Time of the day prior to the Operating Day.

**1.1.5 Disclose or Disclosure**

To, directly or indirectly, disclose, reveal, distribute, report, publish, or transfer Confidential Information to any entity other than to the Disclosing Party which provided the Confidential Information.

**1.1.6 Dispatch Interval**

The interval for which the Transmission Provider issues dispatch instructions for Energy Imbalance Service. The dispatch interval is currently 5 minutes.

**1.1.7 Dispatchable Resource**

A Resource for which an Offer Curve has been submitted and that is available for dispatch by the Transmission Provider.

**1.1.8 Energy Imbalance Service**

The Ancillary Service defined under Schedule 4 to this Tariff.

**1.1.9 Energy Imbalance Service Charge/Credit**

A Market Participant's hourly charges and credits associated with its Imbalance Energy at a Settlement Location.

**1.1.10 Energy Imbalance Service Uplift Charge/Credit**

A Market Participant's hourly charge associated with an EIS Market revenue shortfall that is created when the total of all Energy Imbalance Service Credits is greater than the total of all Energy Imbalance Service Charges in an hour or a Market Participant's hourly credit associated with an EIS Market revenue excess that is created when the total of all Energy Imbalance Service Charges is greater than the total of all Energy Imbalance Service Credits in an hour.

**1.1.11 Energy Imbalance Service Uplift Obligation**

An hourly value in megawatts per hour calculated by the Transmission Provider for each Market Participant that is utilized by the Transmission Provider to determine each Market Participant's Energy Imbalance Service Uplift Charge/Credit.

**1.1.12 Energy Schedule**

A set of hourly energy injection and withdrawal values, in megawatts per hour, submitted by Market Participants, at valid sources and sinks.

**1.1.13 Hour Ahead Period**

The time period following the close of the Day-Ahead Period and ending thirty minutes before the Operating Hour.

**1.1.14 Hourly Uninstructed Deviation Megawatt**

The average of the absolute value of a Resource's Uninstructed Deviation Megawatt for an Operating Hour.

**1.1.15 Imbalance Energy**

The amount of Energy Imbalance Service in megawatts per hour that is provided or consumed by a Market Participant at a Settlement Location in an hour.

**1.1.16 Intermittent Resource**

A Resource that meets all of the following criteria: a) the fuel source can not be stored, b) the output of the Resource is by nature weather-driven, and c) it has limited capabilities to be dispatched and to respond to changes in system demand and transmission security constraints.

**1.1.17 Locational Imbalance Price**

The market clearing price for Energy Imbalance at a specific location which shall be equivalent to the marginal cost of serving load at that location as calculated by the Transmission Provider's security constrained economic dispatch algorithm.

**1.1.18 Market Schedule**

A set of internal schedules created by the Transmission Provider where the source and sink of the schedule are determined based on the outcome of the real-time dispatch process or a reserve sharing event.

**1.1.19 Meter Settlement Location**

The effective point at which a Market Participant's registered load and Resources interchange energy with the EIS Market.

**1.1.20 Net Energy Imbalance Service Charge/Credit**

The sum of a Market Participant's Settlement Location specific Energy Imbalance Service Charge/Credits in an hour.

**1.1.21 Net Scheduled Interchange**

The algebraic sum of all Energy Schedules into or out of a Control Area.

**1.1.22 Offer Curve**

A set of price/quantity pairs associated with a Dispatchable Resource that represents the prices and amounts of dispatchable energy or curtailable consumption offered to the Transmission Provider for the provision of Energy Imbalance Service.

**1.1.23 Operating Day**

The daily period beginning at midnight for which transactions within SPP are scheduled.

**1.1.24 Operating Hour**

A 60 minute period of time during the Operating Day corresponding to a clock hour.

**1.1.25 Physical Schedule**

An Energy Schedule that has a source that is a Self-Dispatched Resource or that is scheduled into, out of, or through the SPP Market.

**1.1.26 Real Time Period**

The time period during an Operating Hour in which the Transmission Provider or the Control Area operator balances the system by deployment of energy from Energy Imbalance Service and Schedule 3, Schedule 5 or Schedule 6 Services.

**1.1.27 Reported Load**

A Market Participant's actual value of energy withdrawn from the Transmission System at a Settlement Location, including Transmission System losses, adjusted as described under Section 5.1 to be consistent with Settlement Area Net Load.

**1.1.28 Resources**

Assets which are defined within the Market System which inject energy into the transmission grid, or which reduce the withdrawal of energy from the transmission grid, and may be self-dispatched or directly dispatchable by the Transmission Provider. These Resources include generation and controllable load.

**1.1.29 Resource Plan**

A Market Participant's plan to meet its energy obligations including specification of Resource operating characteristics.

**1.1.30 Scheduled Generation**

The amount of energy scheduled to be injected at a Settlement Location pursuant to submission of an Energy Schedule that is used in the calculation of a Market Participant's Imbalance Energy at a Settlement

Location. This value is assumed to be a negative value for settlement purposes.

**1.1.31 Scheduled Load**

The amount of energy scheduled to be withdrawn at a Settlement Location pursuant to submission of an Energy Schedule that is used in the calculation of a Market Participant's Imbalance Energy at a Settlement Location. This value is assumed to be a positive value for settlement purposes.

**1.1.32 Self-Dispatched Resource**

A Resource that is not available for economic dispatch by the Transmission Provider to support market operations.

**1.1.33 Settlement Area**

An area within a single Control Area in the Transmission System for which interval metering can account for the net injections and net interchange associated with that area.

**1.1.34 Settlement Area Metered Net Interchange**

The algebraic sum of all energy flowing into or out of a Settlement Area during an hour.

**1.1.35 Settlement Area Net Load**

The sum of, as adjusted to account for Transmission System losses associated with through or out service as specified in Attachment M, (a) net injections at each Settlement Location within the Settlement Area and (b) Settlement Area Metered Net Interchange.

**1.1.36 Settlement Location**

Locations defined for the purpose of commercial operations and settlement. A Settlement Location can be either a single Meter Settlement Location or, for load, an aggregation of Meter Settlement Locations within one Settlement Area as designated during the asset registration process by a Market Participant serving load.

**1.1.37 Shut-down Mode**

The period one hour before and one hour after the scheduled time that a Resource is to be de-synchronized from the electrical grid.

**1.1.38 Start-up Mode**

The period of time two hours before and two hours after the scheduled time for a unit to synchronize to the grid.

**1.1.39 State Estimator**

A standard industry tool that produces a power flow model based on available real-time metering information, information regarding the current status of lines, generators, transformers, and other equipment, bus load distribution factors, and a representation of the electric network, to provide a complete description of system conditions, including conditions at busses for which real-time information is unavailable.

**1.1.40 Test Mode**

Operation of new facilities not yet commercially accepted by the owner of the Resource that is designed to assist in commercial acceptance testing of the Resource by the owner or, the operation of a Resource that has been off-line due to an extended maintenance period. This operation must be coordinated with the Transmission Provider to the extent possible.

**1.1.41 Uninstructed Deviation Charge**

A Market Participant's charge associated with a Resource that is determined to have operated outside an acceptable operating tolerance relative to dispatch instructions in accordance with procedures set forth in this tariff.

**1.1.42 Uninstructed Deviation Megawatt**

The megawatt amount by which a Resource's actual output in a Dispatch Interval is above or below that Resource's acceptable operating range.



## **1.2 Market Participant Obligations**

### **1.2.1 Service Agreement**

In order for a Market Participant to offer energy for sale from its registered Resources into the EIS Market, it must execute the Service Agreement specified in Attachment AH prior to its initial submission of Offer Curves pursuant to Section 1.2.6.

### **1.2.2 Application and Asset Registration**

- (a) Applications for a Market Participant to provide services in the EIS Market must be submitted to the Transmission Provider no later than 45 Calendar Days prior to the expected date of participation. Completed applications must contain the required information specified under the application procedures specified in the Market Protocols.
- (b) As part of the application process, Market Participants must register all load, including applicable load associated with Grandfathered Agreements, and Resources with the Transmission Provider in accordance with the registration process specified in the Market Protocols.
- (c) Market Participants may elect to define a single Settlement Location that aggregates multiple Meter Settlement Locations associated with their load assets. Such a Settlement Location is used for settlements purposes only and the Meter Settlement Locations being aggregated must be within a single Settlement Area.
- (d) Market Participants may subsequently modify their initially registered assets once their participation in the EIS Market has commenced in accordance with the asset registration procedures specified in the Market Protocols.
- (e) Market Participants that register and intend to offer a Resource that is not part of a reserve sharing group must execute a Reserve

Sharing Cost Allocation agreement. [NOTE: Agreement does not currently exist. Issued discussed at MOPC.]

### **1.2.3 Market Manipulation**

Market Participants shall not engage in any market manipulation activities. Such actions or transactions that are without a legitimate business purpose and that are intended to or foreseeably could manipulate market prices, market conditions, or market rules for electric energy or electric products are prohibited. Such activities include but shall not be limited to the activities specified in Section 7.2 of Attachment AF.

### **1.2.4 Resource Plans and Energy Schedules**

Market Participants with assets in the SPP Region that have been registered pursuant to Section 1.2.2 shall submit to the Transmission Provider Resource Plans to meet all their energy obligations in accordance with the timelines and data requirements specified in Section 2.2 of this Attachment AE. Market Participants who submit an Energy Schedule to the Transmission Provider shall follow the timelines and data requirements specified in Section 2.2 of this Attachment AE.

### **1.2.5 Ancillary Service Plans**

Market Participants with obligations to supply Schedule 3, Schedule 5 and/or Schedule 6 service to load within SPP shall submit to the Transmission Provider an Ancillary Service Plan to meet their Schedule 3, Schedule 5 and Schedule 6 obligations in accordance with the timelines and data requirements specified in Section 2.3 of this Attachment AE.

### **1.2.6 Resource Offer Curves**

Market Participants electing to submit Offer Curves to the Transmission Provider for the provision of Energy Imbalance Service shall submit such Offer Curves in accordance with the timelines and data requirements specified in Section 2.5 of this Attachment AE.

### **1.2.7 Scheduling and Dispatch**

Market Participants shall, where applicable:

- (a) Follow the Transmission Provider's dispatch instructions relating to Dispatchable Resources and Self-Dispatched Resources, during normal system conditions and system emergency conditions;
- (b) Incorporate the Transmission Provider's Adjusted Net Scheduled Interchange, as calculated pursuant to Section 4.1, into their respective Control Area energy management systems;
- (c) Report Resource Plan changes to the Transmission Provider throughout the Operating Day resulting from changes in Resource availability;
- (d) Report changes to Ancillary Service Plans resulting from changes in Resource availability to the Transmission Provider; and
- (e) Abide by the procedures set forth in the Market Protocols.

### **1.2.8 Energy Imbalance Service Settlement**

Market Participants, or their designated meter agent, shall submit to the Transmission Provider for each hour of the Operating Day meter data representing the actual generation output and actual load consumption, or estimates thereof, associated with their registered load and Resources in accordance with the timelines specified in the Market Protocols.

## **1.3 Transmission Provider Obligations**

### **1.3.1 Market Protocols**

The Transmission Provider shall prepare, maintain and update the Market Protocols consistent with this Tariff. The Market Protocols shall be posted on the SPP website.

### **1.3.2 Scheduling and Dispatch**

The Transmission Provider shall evaluate Resource Plans submitted by Market Participants during the Day-Ahead Period and the Hour-Ahead Period in accordance with Sections 2 and 3 of this Attachment.

- (a) In the Real-Time Period, the Transmission Provider shall dispatch Resources to provide Energy Imbalance Service economically on the basis of least-cost, security-constrained economic dispatch and the prices and operating characteristics offered by Market Participants and

shall adjust the dispatchable energy range of such Resources to account for any capacity associated with the provision of the services specified under Schedule 3, Schedule 5 and Schedule 6 of this Tariff by these Resources in accordance with Section 4 of this Attachment AE.

- (b) In the Real-Time Period, the Transmission Provider shall issue dispatch instructions to Self-Dispatched Resources in accordance with
- (i) the approved Resource Plan;
  - (ii) the approved Energy Schedules and;
  - (iii) as required for system reliability requirements.

### **1.3.3 Ancillary Service Plans**

- (a) The Transmission Provider shall calculate the Schedule 3, Schedule 5 and Schedule 6 obligations for Market Participants in accordance with the procedures set forth in the SPP Criteria on a daily basis.
- (b) The Transmission Provider shall evaluate the Ancillary Service Plan submitted by a Market Participant to ensure that the Market Participant has identified sufficient Resources or that the Market Participant has entered into bilateral transactions to meet its Schedule 3, Schedule 5 and Schedule 6 obligations for the next Operating Day.

### **1.3.4 Energy Imbalance Service Pricing**

The Transmission Provider shall calculate a Locational Imbalance Price at each Settlement Location in accordance with Section 4.4 of this Attachment AE.

### **1.3.5 Energy Imbalance Service Settlements**

The Transmission Provider shall calculate Energy Imbalance Service settlement quantities at each Settlement Location, calculate charges and credits associated with the provision of Energy Imbalance Service based upon the settlement quantities and the associated Locational Imbalance Prices in accordance with Section 5 of this Attachment AE and render

invoices to Market Participants detailing net charges or credits associated with provision of Energy Imbalance Service in accordance with Section 6 of this Attachment AE.

### **1.3.6 EIS Market Participation Readiness**

The Transmission Provider shall validate each Market Participant's ability to provide services in the EIS Market, as applicable. Such validation shall include verification that the Market Participant has met the technical and communications requirements for EIS Market participation specified in the Market Protocols and has met the credit requirements specified under the SPP credit policy.

**1.3.7** The Transmission Provider shall manage the inadvertent interchange accounts for the SPP region in accordance with the principles provided in section 2.6.

## **2. Day-Ahead Period Activities**

The Transmission Provider and Market Participants shall adhere to the following scheduling procedures regarding development of the next day operating plan.

### **2.1 Transmission Provider Forecast Information**

No later than 0730 Central Prevailing Time on the day prior to the Operating Day, the Transmission Provider shall:

- (a) Develop an hourly load forecast for each Settlement Area and for the SPP Region for the next seven days and shall provide these hourly load forecasts electronically for use by Market Participants' in developing their Resource Plans; and
- (b) Calculate each Market Participant's Schedule 3, Schedule 5 and Schedule 6 obligations for the next Operating Day and shall post these obligations electronically. Market Participant Schedule 3, Schedule 5 and Schedule 6 obligations shall be calculated by the Transmission Provider as specified in the SPP Criteria and this Tariff.

### **2.2 Resource Plan and Energy Schedule Submittal Requirements**

No later than 1100 Central Prevailing Time on the day prior to the Operating Day, Market Participants must submit Resource Plans for the next Operating Day to the

Transmission Provider. A Market Participant must submit a Resource Plan that provides a sufficient amount of MW capacity to meet all of the Market Participant's energy obligations, including the load forecasts and any third party bilateral transactions that transfer energy obligations to the Market Participant. Market Participants may also submit Energy Schedules and such schedules must be submitted in accordance with the timelines set forth in Attachment P.

**2.2.1** A Market Participant's Resource Plan shall be submitted according to the following:

- (a) Resource Plans shall be submitted using the data formats and procedures defined in the Market Protocols
- (b) A Market Participant's Resource Plan shall contain the following information associated with each of that Market Participant's Resources:
  - i. Resource type, either generation, controllable load, or plant;
  - ii. Resource's hourly minimum capacity limit in megawatts per hour and hourly maximum capacity limit in megawatts per hour, where both limits are adjusted as required for the participant's Ancillary Service Plan, and ramp rate;
  - iii. Resource hourly forecasted generation in megawatts per hour for the next seven days;
  - iv. Resource status for SPP dispatch for the next seven days; and
  - v. A planned operating schedule in the absence of a market.

**2.2.2** A Market Participant's Energy Schedule shall be submitted according to the following:

- (a) Energy Schedules shall be submitted using the data formats and procedures defined in the Market Protocols.

- (b) Such hourly Energy Schedules must specify a megawatt per hour amount of energy at the source, which may include self-provision of Transmission System losses, and a megawatt per hour amount of energy at the sink.
- (c) Market Participants must associate Energy Schedules with a specified source and sink that are valid Settlement Locations in order for the Energy Schedules to be utilized in the calculation of Imbalance Energy.
- (d) Market Participants that submit Energy Schedules are required to ensure that the total of the scheduled megawatt per hour injections submitted is equal to the total of the scheduled megawatt per hour withdrawals submitted plus self-provided Transmission System losses for through or out transactions per Attachment M.
- (e) Market Participants that are parties to Grandfathered Agreements shall identify to the Transmission Provider which party is responsible for submission of Energy Schedules.

### **2.3 Ancillary Service Plans**

Market Participants must submit Ancillary Service Plan information to meet their Schedule 3, Schedule 5 and Schedule 6 obligations, to the extent that such obligations exist, to the Transmission Provider no later than 1100 Central Prevailing Time on the day prior to the Operating Day. Ancillary Service Plans shall include identification of the Market Participant's Resources providing the Services and identification of any bilateral transactions that transfer these obligations to or from the Market Participant. A Market Participant's Ancillary Service Plan shall be submitted according to the following:

- (a) Market Participants shall submit Ancillary Service Plans in accordance with the data formats and submittal procedures specified in the Market Protocols.

- (b) Market Participants that are parties to Grandfathered Agreements shall identify to the Transmission Provider which party is responsible for submitting Ancillary Service Plans related to such agreements.

## **2.4 Resource Plan and Ancillary Service Plan Evaluation**

**2.4.1** No later than 1200 Central Prevailing Time on the day prior to the Operating Day, the Transmission Provider shall complete an evaluation of the Ancillary Service Plans submitted pursuant to Section to verify that each Market Participant has met its Schedule 3, Schedule 5 and Schedule 6 obligations. If the Transmission Provider determines that a Market Participant has not met one or more of these ancillary service obligations, the Transmission Provider shall notify the Market Participant. The Market Participant shall modify its Ancillary Service Plan and/or its Resource Plan as necessary to meet its ancillary service obligations and shall submit such modifications to the Transmission Provider no later than 1300 on the day prior to the Operating Day. Such revisions shall be coordinated with the Transmission Provider.

**2.4.2** Between 1300 and 1530 Central Prevailing Time on the day prior to the Operating Day, the Transmission Provider shall perform a review of the aggregate capacity scheduled in all of the Market Participant Resource Plans. This review shall include an assessment of the total operating capacity scheduled and a contingency analysis. The inputs to this analysis shall be the load forecasts developed pursuant to Section 0 the Resource Plans submitted pursuant to Section 0, including any applicable Energy Schedules; and Ancillary Service Plans submitted pursuant to Section 0. The objective of performing this evaluation is to ensure there is sufficient operating capacity scheduled so that the Transmission Provider may operate the system reliably to meet the load forecast and ancillary service requirements. If the Transmission Provider determines there is insufficient operating capacity for the next Operating Day, the Transmission Provider shall immediately notify those Market Participants



that have not scheduled sufficient Resources to meet their energy obligations as set forth in Section 2.2 and each such Market Participant shall modify its Resource Plan and/or its Ancillary Service Plan to correct the deficiency and resubmit such plans to the Transmission Provider. Furthermore, if the Transmission Provider determines that a Market Participant's submitted Resource Plan cannot be implemented reliably, the Transmission Provider shall immediately notify the Market Participant and the Market Participant shall modify its Resource Plan and resubmit such Resource Plan to the Transmission Provider.

**2.4.3** Within two hours of being notified by the Transmission Provider, the Market Participant is required to resubmit its Resource Plan or Ancillary Service Plan to address the deficiency. To the extent the Transmission Provider determines additional capacity is required for system reliability purposes, the Transmission Provider may also direct a Market Participant to commit additional generation to ensure the Market Participant has sufficient resources to meet its energy obligations and Ancillary Service obligations.

## **2.5 Resource Offers**

(a) Market Participants must submit Offer Curves for each Resource that has been identified in the Market Participant's Resource Plan as available for dispatch by the Transmission Provider for the provision of Energy Imbalance Service. Offer Curves may be submitted or modified up to thirty minutes prior to the Operating Hour. Offer Curves shall be Resource specific and shall specify the amounts and prices of energy available for dispatch. The smallest increment of energy that may be specified in an Offer Curve shall be one megawatt per hour. To the extent that a Market Participant does not submit a new Offer Curve for a Resource identified in that Market Participant's Resource Plan as available for dispatch by the Transmission Provider, the Transmission Provider shall

utilize the last valid Offer Curve submitted for the purposes of Resource dispatch.

- (b) If a Market Participant is determined to have an Offer Capped Resource pursuant to Section 3.2.2 of Attachment AF to this Tariff, then the provisions of Section 3.2.4 of Attachment AF to this Tariff shall apply to that Resource's submitted Offer Curves.
- (c) Offer Curves shall be submitted in accordance with the data formats and submittal procedures specified in the Market Protocols.

## **2.6 Inadvertent Payback Schedules**

The Transmission Provider shall maintain inadvertent accounts and administer inadvertent payback for all Control Areas participating in the SPP market. In doing so, SPP shall adhere to the following principles:

- (i) Inadvertent payback shall be administered in accordance with NERC criteria, applicable joint operating agreements, and Good Utility Practice; and
- (ii) Inadvertent payback decisions shall be made without regard to possible profits or losses resulting from changes in energy costs over time.

(a) Prior to implementation of the SPP Markets, the Transmission Provider shall establish, in consultation with each Control Area, its pre-market inadvertent interchange balance. After implementation of the SPP Markets, the Transmission Provider shall calculate the inadvertent payback schedules for each Control Area necessary to reduce these pre-market balances to zero over time. The Transmission Provider shall communicate these payback schedules to each affected Control Area. Such inadvertent payback schedules will be used in the calculation of the Control Areas Adjusted Net Scheduled Interchange value.

(b) After implementation of the SPP Markets, there will be no inadvertent interchange within the SPP Market. SPP shall manage inadvertent

interchange for the SPP Market. All deviations from schedules with Market Participants will be settled financially as part of the Imbalance Energy settlements process. Each hour SPP shall sum the difference between actual and schedule net interchange of all Control Areas within SPP to determine the SPP inadvertent interchange. To payback the inadvertent interchange, SPP shall create an obligation in the security constrained dispatch requirements.

### **3. Hour-Ahead Period Activities**

#### **3.1 Modifying Resource Plans, Ancillary Service Plans, and Offer Curves**

Following the close of the Day-Ahead Period, Market Participants may amend the information submitted during the Day-Ahead Period as follows:

- (a) Market Participants may submit new or revised Resource Plans for the next Operating Hour up to thirty minutes prior to the Operating Hour;
- (b) Market Participants may submit new or revised Energy Schedules to be approved by twenty minutes prior to the [hour or](#) beginning of the [hour of the](#) ramp. The last Energy Schedule approved as of twenty minutes prior to the [hour or](#) beginning of the [hour of the](#) ramp shall become final and shall be utilized to determine the Market Participant's Scheduled Generation and Scheduled Load for the purposes of calculating a Market Participant's Imbalance Energy for the applicable Operating Hour and Settlement Location.
- (c) Market Participants may submit new or revised Offer Curves up to thirty minutes prior to the Operating Hour. The last Offer Curve submitted as of thirty minutes prior to the Operating Hour shall become final and shall be utilized by the Transmission Provider in determining the dispatch of Energy Imbalance Service Resources and in the calculation of Locational Imbalance Prices for the applicable Operating Hour.
- (d) Market Participants may submit new or revised Ancillary Service Plans up to forty-five minutes prior to the Operating Hour.

### **3.2 Hour Ahead Resource Plan and Ancillary Service Plan Evaluation**

Prior to the start of the Operating Hour, the Transmission Provider shall review the Resource Plans and Ancillary Service Plans using the same process described in Section 2.4.

## **4. Real-Time Period Activities**

The following procedures and principles shall govern: (1) the dispatch of Resources made available to the Transmission Provider for the provision of Energy Imbalance Service, including provisions for deviations from dispatch instructions; (2) adjustments made during periods when reserves are activated; (3) procedures for coordinating TLR events and market operations; and (4) the calculation of Locational Imbalance Prices during the Real Time Period.

### **4.1 Dispatch Process**

- (a) Throughout the Operating Day, generally every 5 minutes, the Transmission Provider shall:
  - (i) Perform a security constrained economic dispatch (SCED) for the SPP Region utilizing an optimization method to determine the least costly means of obtaining energy to serve the next increment of load based upon submitted Offer Curves, Resource operating data submitted as part of the Resource Plan, binding transmission constraints, forecasted SPP Region load and system conditions from the State Estimator;
  - (ii) Communicate to Market Participants dispatch instructions that specify the desired megawatt output of Dispatchable Resources based upon the security constrained economic dispatch solution; and
  - (iii). Communicate to Market Participants dispatch instructions that specify the scheduled megawatt output of Self-Dispatched

Resources based upon the Energy Schedules accepted 20 minutes prior to the ramp.

- (iv). Calculate an Adjusted Net Scheduled Interchange for each Control Area in the SPP Region to account for the Dispatchable Resource dispatch instructions, reserve sharing schedules, and inadvertent interchange payback schedules and communicate this Adjusted Net Scheduled Interchange to the Control Areas for implementation.

Procedures for communication of dispatch instructions shall be specified in the Market Protocols.

- (b) In performing the security constrained economic dispatch under Section 0, the Transmission Provider shall ensure that the energy dispatch of Dispatchable Resources does not conflict with any specified provision of Schedule 3, Schedule 5 and Schedule 6 Service associated with said Dispatchable Resources. To accomplish this, the Transmission Provider shall adjust the dispatchable energy range of Dispatchable Resources to account for the provision of these Services. Details of the Dispatchable Resource dispatchable energy range adjustment shall be specified in the Market Protocols.
- (c) If a Dispatchable Resource fails to follow the Transmission Provider's dispatch instructions communicated pursuant to Section 0 for six consecutive Dispatch Intervals, that Resource shall be considered a Self-Dispatched Resource until such time that the Market Participant Resource owner demonstrates to the Transmission Provider that such Resource is capable of following the Transmission Provider's dispatch instructions.
- (d) An acceptable operating tolerance will be defined for Dispatchable and Self-Dispatched Resources. A Resource shall be considered as following a dispatch instruction in a Dispatch Interval if the actual output of that Resource is within the acceptable operating range. Resources whose actual output falls outside this operating tolerance shall be considered as failing to follow a dispatch instruction. A Resource's acceptable operating

range shall be defined by a high and low tolerance level calculated as follows subject to a minimum range of 5 megawatts above or 5 megawatts below the expected output level and a maximum acceptable operating range of 25 megawatts above or 25 megawatts below the expected output level:

$$RH_i = \text{Max}( 5 , \text{Min} ( ( EOL_i * DBP ) , 25 ) ) + \text{REGUP}$$

$$RL_i = \text{Max} ( 5, \text{Min} ( ( EOL_i * DBP ) , 25 ) ) + \text{REGDN}$$

Where:

RH = Resource high operating tolerance or over generation limit (megawatt)

RL = Resource low operating tolerance or under generation limit (megawatt)

EOL = The expected operating level for the Resource in megawatts as communicated in the Transmission Provider's dispatch instruction.

DBP = Dead band percentage for all Resources is initially set to 10 %,

REGUP = Regulation up service being maintained on the Resource as indicated in the Ancillary Service Plan (MW) for the Operating Hour.

REGDN = Regulation down service being maintained on the Resource as indicated in the Ancillary Service Plan (MW) for the Operating Hour.

i = Dispatch Interval within Operating Hour.

Resources providing Schedule 5 and Schedule 6 services shall be considered following dispatch instructions during any Dispatch Interval in which these Services have been deployed.

- (e) To the extent that a Resource is determined by the Transmission Provider to have failed to follow the Transmission Provider's dispatch instructions, such failure to follow dispatch instruction determination in accordance

with the procedures set forth under Section 4.1(c) of this Attachment AE, the Market Participant owner of that Resource shall be subject to an Uninstructed Deviation Charge. Resources shall not be subject to Uninstructed Deviation Charges for any Uninstructed Deviation Megawatts caused by: (1) manual deployment of dispatch instructions by the Transmission Provider; (2) operating a Resource in Test Mode; (3) operation of a Resource in Start-up Mode or Shut-down Mode; (4) instances when a Resource trips after receiving dispatch instructions from the Transmission Provider or (5) the Resource is an Intermittent Resource. Uninstructed Deviation Charges shall be calculated by the Transmission Provider in accordance with Section 5.5 of this Attachment AE. The Transmission Provider may also waive Uninstructed Deviation Charges to the extent a Market Participant can demonstrate such deviation was caused solely by events or conditions beyond its control, and without the fault or negligence of the Market Participant.

- (e) In the event of a system failure related to the SPP EIS Market systems or Market Participant systems providing data to SPP that impact Transmission Provider's ability to calculate dispatch instructions for a Resource or Resources, the Transmission Provider will suspend the calculation of dispatch instructions for such Resources and treat them as Self-Dispatched Resources until the calculations of dispatch instructions can be restored.

#### **4.2 Reserve Sharing Schedules**

- (a) The Transmission Provider will activate operating reserves in accordance with the Ancillary Service Plans, SPP Criteria and all applicable reserve sharing agreements. The Transmission Provider shall calculate the interchange schedules for each Control Area necessary to implement a reserve sharing activation in accordance with the SPP Criteria. The Transmission Provider shall communicate these interchange schedules to

each affected Control Area and such schedules will be used in the calculation of the Control Area's Adjusted Net Scheduled Interchange.

- (b) Market Participants may submit an Energy Schedule to the Transmission Provider in relation to a reserve sharing activation in one of the following methods:
- i. In response to a reserve sharing agreement being activated, Market Participants may enter an Energy Schedule for a specific Resource so that it is dispatched to provide reserve energy for the event.
  - ii. Prior to real-time, Market Participants may supply a default distribution that will be used by the Transmission Provider to automatically generate Energy Schedules for the Market Participant's Resources such that they will be dispatched according to these schedules in the event of a reserve activation.
  - iii. Market Participants may override a default distribution by entering an Energy Schedule for a specific Resource.

To the extent that no Energy Schedules are submitted in response to the activation of a reserve sharing agreement, the Transmission Provider shall issue dispatch instructions to Resources scheduled to provide Ancillary Services in accordance with the limits set forth in the Offer Curves and Ancillary Service Plans for such Resources.

- (c) Market Participants may revise Energy Schedules submitted in relation to a reserve sharing event after the fact to account for differences between actual operations and the original schedules. Such revisions must be submitted no later than 0100 three days after the Operating Day in which the event occurred. After this time, Energy Schedules are final and shall be used in the calculation of the Market Participant's Imbalance Energy.



### **4.3 Coordination of Market Operations under TLR Conditions**

The Energy Imbalance Market operates continuously throughout the Operating Day. The Transmission Provider shall use the following process to coordinate the operations of the Energy Imbalance Market during times when a TLR event is declared to manage congestion on one or more constrained flowgates.

- (a) The Transmission Provider shall submit tags to the NERC IDC for both Physical Schedules and Market Schedules.
- (b) The Transmission Provider shall determine the aggregate MW flow (i.e. the Market Flow impact) on each Coordinated and Reciprocal Coordinated Flowgate caused by Market Schedules and intra-Control Area Physical Schedules and shall report the Market Flow impact on each flowgate to the NERC IDC. The Transmission Provider shall also assign the Market Flow impact a curtailment priority of NH-2, NN-6, or F-7 in accordance with TLR procedures.
- (c) When congestion occurs on a flowgate that requires a TLR event, the NERC IDC will prescribe curtailments of all tags, except Market Schedules and intra-Control Area Physical Schedules. Moreover, the NERC IDC will define the total curtailment required in Market Flows.
- (d) The Transmission Provider shall achieve the required reduction in Market Flows using the following order until the desired reduction in Market Flows is achieved:
  - i. Dispatchable Resources will be redispatched to eliminate Market Flows associated with Market Schedules and any impact on Locational Imbalance Prices will be calculated per Section 4.4.
  - ii. Physical Schedules will be curtailed based on curtailment priority and the generation shift factor associated with the Self-Schedule Resource. The Transmission Provider shall make available to Market Participants the generation shift factors for their Resources.

- (e) The Transmission Provider shall notify Market Participants if a curtailment is expected to continue into the next Operating Hour. Market Participants may revise their Energy Schedules or operating schedule for Self-Dispatched Resources for the next Operating Hour so long as they maintain the required reduction level in Market Flows required.

#### **4.4 Calculation of Locational Imbalance Prices**

A Locational Imbalance Price shall be calculated for each Meter Settlement Location and shall be calculated as the market clearing price at that location based on the security constrained economic dispatch, the Dispatchable Resource Offer Curve prices and resource characteristics submitted by Market Participants and data from the State Estimator. The following rules will be used in calculating the Locational Imbalance Prices:

- (a) Locational Imbalance Prices are calculated by the Transmission Provider for each Dispatch Interval as part of the security constrained dispatch solution described under Section 0. In performing these calculations, Dispatchable Resources will be eligible to set the Locational Imbalance Price under the following conditions:
  - (i) The Dispatchable Resource must be operating below its maximum capacity limit, such limit as adjusted in accordance with Section 0;
  - (ii) The Dispatchable Resource must be operating above its minimum capacity limit, such limit as adjusted in accordance with Section 0; and
  - (iii) The Dispatchable Resource output must not be ramp rate constrained such that the Dispatchable Resource cannot achieve the optimal desired dispatch point under the economic dispatch.

Self-Dispatched Resources are not eligible to set the Locational Imbalance Price.

- (b) The Transmission Provider shall calculate Locational Imbalance Prices for use in settlement as follows:
  - (i) A Locational Imbalance Price shall be calculated for each Meter Settlement Location for every Dispatch Interval.
  - (ii) The Locational Imbalance Price for a load Settlement Location for a Dispatch Interval within the Operating Hour shall be equal to the load weighted average of Locational Imbalance Prices calculated for Meter Settlement Locations aggregated to that Settlement Location for that Dispatch Interval. The load weights utilized in this calculation shall be based upon the actual real-time load calculated at each Meter Settlement Location by the State Estimator in that Dispatch Interval. For Resources, the Locational Imbalance Price for a Resource Settlement Location for a Dispatch Interval shall equal the Locational Imbalance Price calculated for the Meter Settlement Location for the Resource.
  - (ii) The Locational Imbalance Price at a Settlement Location for an Operating Hour shall be equal to the arithmetic average of the Locational Imbalance Prices calculated for each Dispatch Interval at that Settlement Location within that Operating Hour.
- (c) In the event that a failure of SPP's EIS Market systems results in a loss of data required for calculation of Locational Imbalance Prices, Imbalance Energy will continue to be settled financially under this Tariff based upon estimated Locational Imbalance Prices. The Transmission Provider shall notify Market Participants if Imbalance Energy is to be settled using estimated prices. The estimated Locational Imbalance Prices shall be calculated as follows.
  - (i) If Locational Imbalance Pricing data is missing for two hours or less, the most recently calculated Locational Imbalance Prices for each affected Settlement Location shall be utilized for settlement

purposes for each of the hours in which Locational Imbalance Pricing data is missing.

- (ii) If more than two hours of Locational Imbalance Pricing data is missing, the Locational Imbalance Prices for each hour for which data is missing shall be calculated on a Zone basis based upon the cost associated with the provision of Schedule 4 Service. The cost associated with provision of Schedule 4 Service shall be computed as the greater of (1) actual cost of the highest-cost MWh of energy procured for the purposes of providing Schedule 4 Service, if such energy was procured; or (2) the fuel cost and other variable costs associated with the production of the highest-cost MWh of energy produced for the purpose of providing Schedule 4 Service, such costs not to include opportunity costs. SPP must specifically request the Schedule 4 Service cost information from affected Zone suppliers and the affected Zone suppliers must provide the requested cost information to SPP no later than 24 hours after the request is made.

## **5. EIS Settlement Activities**

### **5.1 Calculation of EIS Market Settlement Quantities**

The Transmission Provider shall calculate each Market Participant's Imbalance Energy megawatt per hour amounts for each hour at each Settlement Location as follows. The settlement interval for Imbalance Energy shall be an Operating Hour.

- (a) The sum of the Reported Load within a Settlement Area must equal the Settlement Area Net Load. To the extent that the Transmission Provider observes that a difference exists, the Transmission Provider shall adjust each Market Participant's Reported Load within the Settlement Area such that the sum of Reported Load within the Settlement Area is equal to the Settlement Area Net Load. The adjustments to Reported Load within the Settlement Area shall be performed by the Transmission Provider utilizing profiled data and interval meter data load weighted allocation factors as

described in the Market Protocols. The load weighted allocation factors within a Settlement Area associated with profiled data and interval meter data shall be calculated based upon an 80% weighting factor for profiled data and a 20% weighting factor for interval metered data. The load weighted allocation factors shall be calculated as follows:

(i) The profiled data allocation factor (PDAF) for the Settlement Area shall be:

$$\text{PDAF} = (.80 \times \text{total profiled load in Settlement Area}) \text{ divided by;} \\ ((.80 \times \text{total profiled load in Settlement Area}) + (.20 \times \text{total interval load in Settlement Area})); \text{ and}$$

(ii) The interval data allocation factor (IDAF) for the Settlement Area shall be equal to  $(1 - \text{PDAF})$ ;

(b) A Market Participant's Imbalance Energy for each Resource at each Settlement Location shall be equal to the difference between that Market Participant's actual net generation for that Resource at that Settlement Location and that Market Participant's Scheduled Generation for that Resource at that Settlement Location.

(c) A Market Participant's Imbalance Energy for each load at each Settlement Location shall be equal to the difference between that Market Participant's Reported Load at that Settlement Location and that Market Participant's Scheduled Load at that Settlement Location.

## **5.2 Energy Imbalance Service Charges/Credits**

The Transmission Provider shall calculate each Market Participant's Energy Imbalance Service Charge/Credit for each hour at each Settlement Location as follows.

(a) A Market Participant's Energy Imbalance Service Charge/Credit at each Settlement Location shall be equal to that Market Participant's Imbalance Energy at that Settlement Location multiplied by the Locational Imbalance Price for that Settlement Location.

- (b) A Market Participant's Net Energy Imbalance Service Charge/Credit shall be equal to the sum of that Market Participant's Settlement Location specific Energy Imbalance Service Charges/Credits.

### **5.3 Under Scheduling Charges**

During any hour, if the Transmission System was constrained causing Locational Imbalance Prices to diverge and a Market Participant's Scheduled Load was less than 96% of that Market Participant's Reported Load at an applicable Settlement Location in that hour, that Market Participant may be subject to an Under Scheduling Charge. Once the above two conditions have been satisfied, the Transmission Provider shall calculate any applicable Under Scheduling Charges for that Market Participant as follows.

- (a) The Transmission Provider shall sort the Market Participant's Resources with negative Imbalance Energy in ascending order according to each Resource's Locational Imbalance Price.
- (b) The Transmission Provider shall sort the Market Participant's load with positive Imbalance Energy in ascending order according to each load's Locational Imbalance Price and shall include only those loads with positive Imbalance Energy resulting from Scheduled Load at that Settlement Location that is less than 96% of Reported Load at that Settlement Location.
- (c) Utilizing the sorted lists developed under Sections 0 and 0 of this Attachment AE and starting with the Resource with the lowest Energy Imbalance Price, the Transmission Provider shall match each Resource's Imbalance Energy against that Market Participant's load Imbalance Energy, starting with the load Imbalance Energy with the lowest associated Locational Imbalance Price, until all of the load Imbalance Energy has been accounted for or until no additional Resources remain.
- (d) A Market Participant's Under Scheduling Charge, for each Resource identified under Section 0 of this Attachment AE as being required to match that Market Participant's load Imbalance Energy, shall be calculated as follows. This calculation is only performed for Resources

that have a Locational Imbalance Price that is greater than the Locational Imbalance Price of the associated load Settlement Location.

Resource Under Scheduling Charge = (RLIP – LLIP) \* Resource Imbalance Energy,

where

RLIP = Locational Imbalance Price at the Resource's Settlement Location,

LLIP = Location Imbalance Price of the associated load Settlement Location,

Resource Imbalance Energy = the amount of that Resource's Imbalance Energy required to offset the Market Participant's load Imbalance Energy as calculated under Section 0.

#### **5.4 Over Scheduling Charges**

During any hour, if the Transmission System was constrained causing Locational Imbalance Prices to diverge and if a Market Participant's Scheduled Load is greater than 104% of that Market Participant's Reported Load at an applicable Settlement Location, that Market Participant may be subject to an Over Scheduling Charge. Once the above two conditions have been satisfied, the Transmission Provider shall calculate any applicable Over Scheduling Charges for each hour for that Market Participant as follows.

- (a) The Transmission Provider shall sort the Market Participant's Resources with positive Imbalance Energy in descending order according to each Resource's Locational Imbalance Price.
- (b) The Transmission Provider shall sort the Market Participant's loads with negative Imbalance Energy in descending order according to each load's Locational Imbalance Price and shall include only those loads with negative Imbalance Energy resulting from Scheduled Load at that Settlement Location that is greater than 104% of Reported Load at that Settlement Location.

- (c) Utilizing the sorted lists developed under Sections 0 and 0 of this Attachment AE and starting with the Resource with the highest Locational Imbalance Price, the Transmission Provider shall match each Resource's Imbalance Energy against that Market Participant's load Imbalance Energy, starting with the load Imbalance Energy with the highest associated Locational Imbalance Price, until all of the load Imbalance Energy has been accounted for or until no additional Resource's remain.
- (d) A Market Participant's Over Scheduling Charge, for each Resource identified under Section 0 of this Attachment AE as being required to satisfy that Market Participant's load Imbalance Energy, shall be calculated as follows. This calculation is only performed for Resources that have a Locational Imbalance Price that is less than the Locational Imbalance Price of the associated load Settlement Location.

$$\text{Resource Over Scheduling Charge} = (\text{LLIP} - \text{RLIP}) * \text{Resource Imbalance Energy},$$

where,

RLIP = Locational Imbalance Price at the Resource's Settlement Location,

LLIP = Location Imbalance Price of the associated load Settlement Location,

Resource Imbalance Energy = the amount of that Resource's Imbalance Energy required to offset the Market Participant's load Imbalance Energy as calculated under Section 0.

## 5.5 Uninstructed Deviation Charges

The Transmission Provider shall calculate Uninstructed Deviation Charges for each hour in which a Resource has been determined to have failed to follow the Transmission Provider's dispatch instructions. For each Dispatchable Resource that failed to follow dispatch instructions in accordance with the procedures set forth under Section 4.1(d) of this Attachment AE, the Transmission Provider shall calculate an Uninstructed Deviation Charge as follows:



- (a) For each Dispatch Interval in an Operating Hour, if a Resource's actual output is greater than (EOL + RH), then that Resource's Uninstructed Deviation Megawatt in that Dispatch Interval is equal to the actual output – (EOL + RH), where EOL and RH are as defined under Section 4.1(d) of this Attachment AE;
- (b) For each Dispatch Interval in an Operating Hour, if a Resource's actual output is less than (EOL - RL), then that Resource's Uninstructed Deviation Megawatt in that Dispatch Interval is equal to the actual output - (EOL - RL), where EOL and RL are as defined under Section 4.1(d) of this Attachment AE;
- (c) For each Dispatch Interval in the Operating Hour, if a Resource's actual output is within the acceptable operating range as defined in Section 4.1(d) that Resource's Uninstructed Deviation Megawatt in that Dispatch Interval is equal to zero;
- (d) For each Operating Hour, the Transmission Provider shall calculate an Hourly Uninstructed Deviation Megawatt for each Resource that is equal to the average of the absolute value of the Uninstructed Deviation Megawatts calculated for each Dispatch Interval for each Resource in that Operating Hour.
- (e) For each Operating Hour and for each Resource, the Transmission Provider shall calculate an Uninstructed Deviation Charge:

$$\text{Uninstructed Deviation Charge} = ( \text{Min} (\text{Hourly Uninstructed Deviation Megawatt}, 25) * 10 \% + ( \text{Max} ( 0 , \text{Hourly Uninstructed Deviation Megawatt} - 25 ) * 25 \% ) ) * \text{Resource Locational Imbalance Price}.$$

- (f) For each Operating Hour, a Market Participant's Uninstructed Deviation Charge shall be equal to the sum of that Market Participant's Resources' related Uninstructed Deviation Charges.

## **5.6 Revenue Neutrality**

To the extent that the sum of all charges calculated under Sections 0, 0, 0, and 5.5 is not equal to the sum of all credits calculated under Sections 5.2, 5.3, 5.4 and 5.5 for any hour in the Operating Day, the Transmission Provider shall perform the following calculations for each applicable hour of the Operating Day for each Market Participant such that the total charges are equal to the total credits in each applicable hour.

- (a) For each hour, the system Net Energy Imbalance Service Charge/Credit shall be equal to the sum of all Market Participant Net Energy Imbalance Service Charge/Credits.
- (b) For each hour, a Market Participant shall have an Energy Imbalance Service Uplift Obligation at each Settlement Location that is equal to the sum of the absolute value of that Market Participant's actual net generation at that Settlement Location, the absolute value of that Market Participant's Reported Load at that Settlement Location, the absolute value of that Market Participant's bilateral transaction purchases external to the SPP Region at that Settlement Location and the absolute value of that Market Participant's bilateral transaction sales external to the SPP Region at that Settlement Location.
- (c) For each hour, each Market Participant's Energy Imbalance Uplift Charge/Credit at each Settlement Location shall be equal to that Market Participant's pro-rata share of the sum of all Market Participant Energy Imbalance Service Uplift Obligations for all Settlement Locations multiplied by the system Net Energy Imbalance Service Charge/Credit as calculated pursuant to Section 5.3.1.
- (e) The system Over Scheduling Charge shall be equal to the sum of all Market Participants' Over Scheduling Charges.
- (f) The system Under Scheduling Charge shall be equal to the sum of all Market Participants' Under Scheduling Charges.
- (g) The system Uninstructed Deviation Charge shall be equal to the sum of all Market Participants' Uninstructed Deviation Charges.

- (h) A Market Participant's Energy Imbalance Uplift Charge/Credit in an hour shall be equal to the sum of that Market Participant's Settlement Location specific Energy Imbalance Uplift Charges/Credits in that hour, plus [the system Over Scheduling Charge in that hour + the system Under Scheduling Charge in that hour + the system Uninstructed Deviation Charge in that hour] multiplied by (the sum of that Market Participant's Energy Imbalance Service Uplift Obligation over all Settlement Locations in that hour / the sum of all Market Participant's Energy Imbalance Service Uplift Obligations over all Locations in that hour).

## **6. Billing**

The Transmission Provider shall prepare a billing statement each billing cycle in accordance with this Section of Attachment AE. Such billing statements shall be prepared for each Market Participant in accordance with the charges and credits specified in Section 5 of this Attachment AE, and showing the net amount to be paid or received by the Market Participant. Billing statements shall provide sufficient detail, as specified in the Market Protocols, to allow verification of the billing amounts and completion of the Market Participant's internal accounting. Unresolved billing disputes shall be settled in accordance with procedures specified in Section 12 of this Tariff.

### **6.1 Settlement Statements**

- (a) The Transmission Provider shall issue a preliminary settlement statement for an Operating Day no later than 5 Calendar Days following the applicable Operating Day unless the 5th day following the applicable Operating Day is not a Business Day, in which case, the preliminary settlement statement shall be issued on the first Business Day thereafter.
- (b) The Transmission Provider shall issue a final settlement statement for an Operating Day no later than 44 Calendar Days following the applicable Operating Day unless the 44th Calendar Day following the applicable Operating Day is not a Business Day, in which case, the final settlement statement shall be issued on the first Business Day thereafter.
- (c) The Transmission Provider shall make corrections to the preliminary and final settlement statements for an Operating Day for data errors and

settlement statement disputes that have been resolved. Settlement associated with a specific Operating Day shall be considered final at the end of the 365th Calendar Day following the applicable Operating Day.

- (d) To the extent that a Market Participant, or its designated meter agent, does not submit meter data representing that Market Participant's actual hourly Resource output and load consumption in accordance with the timelines specified in the Market Protocols, the Transmission Provider shall use estimated data for that Market Participant that is equal to that Market Participant's Scheduled Generation and Scheduled Load for the applicable hours for the purposes of calculating the preliminary statements specified under Sections 0. In the event that actual meter data is not submitted prior to the issuance of a final settlement statement, the Transmission Provider shall use the best available data to it, which may include estimated meter data as developed by the Transmission Provider, for the purposes of calculating final settlement statements.

## **6.2 Invoices**

- (a) The Transmission Provider shall issue an invoice detailing all charges and credits specified in Section 5 of this Attachment AE on a weekly basis in accordance with the invoice issue dates specified in the Market Protocols.
- (b) The Transmission Provider shall make payments to the Market Participant for any net credit shown on the invoice and the Market Participant shall make payment to the Transmission Provider for any net charge shown on the invoice, including disputed amounts. Resolution of disputed amounts shall be shown as an adjustment on future invoices.
- (c) Market Participants shall make payment to the Transmission Provider that is equal to the net charge shown on the invoice by no later than 5:00 pm Central Prevailing Time on the 3rd Business Day following the day the invoice was issued.
- (d) The Transmission Provider shall make payment to the Market Participant that is equal to the net credit shown on the invoice by no later than 5:00 pm Central Prevailing Time on the 5th Business Day following the day the

invoice was issued subject to the procedures specified under Section V of Attachment L.

- (e) All payments to the Market Participant and all payments to the Transmission Provider shall be made by electronic funds transfer in U.S. dollars.

### **6.3 Invoice Disputes**

In the event that a dispute arises between the Market Participant and the Transmission Provider concerning any initial or final settlement statements contained within an invoice that cannot be resolved to the Market Participant's satisfaction, such disputes shall be resolved as follows:

- a) The Market Participant must notify the Transmission Provider within 30 Calendar Days following the issue date of the applicable invoice that contains the final settlement statement with items that the Market Participant wishes to dispute. The notice of dispute must contain the minimum information specified in the Market Protocols. No items associated with a final settlement statement contained within an invoice may be disputed after 30 Calendar Days following the issuance of the invoice except as specified under subsection 0.
- (b) If the Transmission Provider determines that additional information is required concerning a submitted notice of dispute, the Transmission Provider shall notify the Market Participant no later than 30 days following the date the notice of dispute was submitted to the Transmission Provider. The Market Participant must then submit additional information to the Transmission Provider within 30 days in order to have the notice of dispute considered valid.
- (c) The Transmission Provider shall use its best efforts to notify the Market Participant of approval or denial of the submitted notice of dispute within 20 Business Days following the close of the applicable 30 day window specified under subsection 0 or subsection 0. If the Transmission Provider estimates that it will take longer than the 20 Business Day window to analyze a specific billing dispute, the Transmission Provider shall notify

the Market Participant and provide an estimate of the amount of time required to complete the analysis.

- (d) If the Transmission Provider denies a Market Participant's notice of dispute or the Market Participant is not satisfied that it is receiving timely consideration of the dispute, the Market Participant may initiate the dispute resolution procedures specified under Section 12 of this Tariff.

#### **6.4 Interest on Unpaid Balances**

Interest on any unpaid amounts shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the invoice to the date of payment.

#### **6.5 Customer Default**

Customer default will be handled in accordance with Attachment X (SPP Credit Policy).

### **7. Confidentiality Provisions**

This Section 7 shall apply to Confidential Information disclosed by a Market Participant to SPP or by SPP to a Market Participant or its designee, the Market Monitor, the Commission, or an Authorized Requestor and shall only be applicable to Confidential Information referenced within this Attachment AE, Attachment AF and Attachment AG.

#### **7.1 Restrictions on Confidential Information Provided to Receiving Party**

SPP or any Market Participant ("Receiving Party") may not Disclose Confidential Information received from the other ("Disclosing Party") to any person, corporation, or any other entity except as specifically permitted in this Section 7 of Attachment AE.

A Market Participant that is subject to a freedom of information or similar statute must, prior to receiving Confidential Information, provide the Transmission Provider a statement identifying and forwarding copies of the particular statute, rule or regulation, protective order, or practice that will allow that Market Participant to keep Confidential Information received by it hereunder confidential and non-public, and of limited distribution within the Market Participant as

described above. In the event that such Market Participant receives a request pursuant to the applicable freedom of information or similar statute for information deemed confidential pursuant to this section, the Market Participant shall promptly notify the Disclosing Party of such request.

#### **7.1.1 Procedures for Confidential Information**

Receiving Party shall adopt procedures within its organization to maintain the confidentiality of all Confidential Information. Such procedures must provide that:

- (a) The Confidential Information will be Disclosed to Receiving Party's directors, officers, employees, representatives and agents only on a "need to know" basis;
- (b) Receiving Party shall make its directors, officers, employees, representatives and agents aware of Receiving Party's obligations under this Section 7;
- (c) Receiving Party shall cause any copies of the Confidential Information that it creates or maintains, whether in hard copy, electronic format, or other form, to identify the Confidential Information as such; and to retain such confidential marking;
- (d) Before Disclosing Confidential Information to a representative or agent of Receiving Party, Receiving Party shall require a nondisclosure agreement with each such representative or agent. Such nondisclosure agreement shall contain confidentiality provisions substantially similar to the terms of this Section 7.

Any Receiving Party seeking to dispute the designation of information as confidential may challenge such designation through the SPP dispute resolution process as established in Section 12 of this Tariff, unless the Receiving Party has received Confidential Information in connection with a proceeding at the Commission or in connection with a state regulatory proceeding. Any challenge to the confidentiality of Confidential Information obtained in connection with an administrative or legal

proceeding shall be presented for consideration to the appropriate court or tribunal.

### **7.1.2 Exceptions**

Without violating the confidentiality provisions of this Section 7, a Receiving Party may disclose certain Confidential Information:

- (a) As required by any law, regulation, or order, or expressly required or permitted by this Tariff, provided that the Receiving Party must make reasonable efforts to restrict public access to the Disclosed Confidential Information by protective order, by aggregating information, or otherwise if reasonably possible; or
- (b) If the Disclosing Party that supplied the Confidential Information to the Receiving Party has given its prior written consent to the Disclosure as set forth in Subsection 7.1.4(c), which consent may be given or withheld in Disclosing Party's sole discretion; or
- (c) If, before it is furnished to Receiving Party, the Confidential Information is in the public domain; or
- (d) If, after it is furnished to Receiving Party, the Confidential Information enters the public domain other than through a manner inconsistent with the provisions of this Section; or
- (e) If reasonably deemed by the Receiving Party to be required to be Disclosed in connection with a dispute between Receiving Party and Disclosing Party; provided that the Receiving Party must make reasonable efforts to restrict public access to the Disclosed Confidential Information by protective order, by aggregating information, or otherwise if reasonably possible; or
- (f) To a Transmission Owner engaged in transmission or distribution system planning and operating activities, provided that the Transmission Owner has executed a confidentiality agreement with requirements substantially similar to those in this Section 7; or
- (g) To a vendor or prospective vendor of goods and services to SPP so long as such vendor or prospective vendor: (i) is not a Market



Participant and (ii) executes a confidentiality agreement with terms substantially similar to those in this Section 7.

### **7.1.3 Injunctive Relief and Specific Performance**

It may be impossible or very difficult to measure in terms of money the damages that would accrue due to any breach by Receiving Party of this Section 7, or any failure to perform any obligation contained in this Section 7, and, for that reason, among others, a Disclosing Party affected by a Disclosure or threatened Disclosure is entitled to injunctive relief, including specific performance, of this Section 7 (but is not hereby precluded from seeking other forms of relief). In the event that a Disclosing Party institutes any proceeding to enforce any part of this Section 7, the affected Receiving Party, by entering any agreement incorporating this Tariff, now waives any claim or defense that an adequate remedy at law exists for such a breach.

### **71.4 Market Participant Access and SPP Use of Confidential Information**

- (a) No Market Participant shall have a right hereunder to receive or review any documents, data, or other information of another Market Participant, including documents, data, or other information provided to SPP, to the extent such documents, data, or information have been designated as Confidential Information under this Section 7; provided, however, a Market Participant may receive and review any composite documents, data, and other information that may be developed based on such Confidential Information if the composite does not, directly or by its nature, disclose any individual Market Participant's confidential data or information.
- (b) SPP shall collect and use Confidential Information only in connection with its authority under this Tariff and the retention of such information shall be in accordance with SPP's retention policies. Except as otherwise provided in Sections 7.1.2, 7.1.5, 7.2

and 7.3, SPP shall not disclose to Market Participants or to third parties, any Confidential Information of a Market Participant or a Market Participant Applicant; provided that nothing contained herein shall prohibit SPP from providing Market Participant Confidential Information to NERC or any of its Regional Reliability Councils to the extent that: (i) the SPP determines, in its reasonable discretion, that the exchange of such information is required to enhance and/or maintain reliability within the SPP Region and its neighboring Control Areas; (ii) such receiving entity is bound by a written agreement to maintain such confidentiality; and (iii) the SPP has notified the affected Market Participant of its intention to release such information no less than five (5) Business Days prior to the release.

- (c) Nothing contained herein shall prevent SPP from releasing a Market Participant's Confidential Information to a third party provided that the Market Participant has delivered to SPP specific, written authorization for such release setting forth the data or information to be released, to whom such release is authorized, and the period of time for which such release shall be authorized. SPP shall limit the release of a Market Participant's Confidential Information to that specific authorization received from the Market Participant. Nothing herein shall prohibit a Market Participant from withdrawing such authorization upon written notice to the SPP who shall cease such release as soon as practicable after receipt of such withdrawal notice.

#### **7.1.5 Required Disclosure**

- (a) Notwithstanding anything in this Section 7 to the contrary except Section 7.2, Section 7.3 and Section 7.4, if a Receiving Party is required by applicable law, or in the course of administrative or judicial proceedings, other than Commission or state regulatory proceedings or investigations, to Disclose to third parties, other

than to the Commission or its staff or a state regulator or its staff, Confidential Information that is otherwise required to be maintained in confidence pursuant to this Tariff, the Receiving Party subject to such Disclosure requirement may Disclose such information; provided, however, that the Receiving Party shall not release the data until the affected Disclosing Party(ies) provide written consent or until the affected Disclosing Party's(ies') legal avenues to prevent the disclosure are exhausted. As soon as the Receiving Party learns of the Disclosure requirement and prior to making Disclosure, it shall notify the affected Disclosing Party(ies) of the requirement and the terms thereof and the date on which it may be required to Disclose the information. The affected Disclosing Party(ies) may direct, at their sole discretion and cost, any challenge to or defense against the Disclosure requirement. The Receiving Party shall cooperate with such affected Disclosing Party(ies) to the maximum extent practicable to minimize the Disclosure of the Confidential Information consistent with applicable law. To the extent reasonably possible, the confidentiality of Confidential Information subject to this Section 7.1.5 will be maintained with (a) a protective order, (b) other procedures available for protecting confidential data or (c) by aggregating data to prevent Disclosure of Confidential Information.

Each Receiving Party shall cooperate with the affected Disclosing Party(ies) to obtain proprietary or confidential treatment of such Confidential Information by the person to whom such information is Disclosed prior to any such Disclosure.

- (b) Section 7.1.5(a) does not apply to Disclosure of information to the Commission or its staff or to a state regulator or its staff.

### **7.1.6 Limitations**

Nothing contained in Section 7.1 through and including 7.1.5 shall require any Receiving Party to violate any law or file a lawsuit in order to prevent disclosure of Confidential Information.

## **7.2 Confidentiality Provisions Applicable to the Market Monitor Reporting to the Board of Directors**

For the purposes of this Section 7.2, references to Market Monitor shall mean the Market Monitor that is an external contractor reporting to the Board of Directors as defined under Section 3.1 of Attachment AG.

- (a) Notwithstanding anything in this Section 7 to the contrary, in order to enable the Market Monitor to discharge its duties, SPP is authorized to provide Market Participant Confidential Information and any other information, data or materials that constitutes Confidential Information under this Tariff to the Market Monitor. For purposes of Confidential Information provided by SPP to the Market Monitor, the SPP will be considered to be a Disclosing Party, and for purposes of this Section 7.2, the Market Monitor will treat both the SPP and, if known to the Market Monitor, the Market Participant originally providing specific Confidential Information as Disclosing Parties in the event the Market Monitor receives a request for Confidential Information under this Section 7.2.
- (b) The Market Monitor shall use all reasonable procedures necessary to protect and preserve the confidentiality of all Confidential Information as defined in Section 7.1 received by it in connection with the discharge of its duties.
- (c) Except as may be required by subpoena or other compulsory process or as set forth in Sections 7.4(a) and 7.4(b), the Market Monitor shall not Disclose Confidential Information to any person or entity except to the Commission or its staff or to a state regulator or its staff without prior written consent. Upon receipt of a subpoena or other compulsory process

for the Disclosure of Confidential Information, the Market Monitor shall promptly notify the affected Disclosing Party(ies) that originally provided the data and shall provide all reasonable assistance requested by the affected Disclosing Party(ies) to prevent Disclosure, and if possible under the terms of the subpoena or other compulsory process shall not release the data until the affected Disclosing Party(ies) provide written consent or until the affected Disclosing Party(ies') legal avenues to prevent disclosure are exhausted. To the extent reasonably possible, the confidentiality of a Confidential Information subject to this Subsection 7.2(b) will be maintained with (i) a protective order, (ii) other procedures available or protecting confidential data or (iii) by aggregating data to prevent Disclosure of Confidential Information.

### **7.3 Disclosure to Commission**

- (a) Notwithstanding any provisions of this Section 7 to the contrary, if the Commission or its staff, during the course of an investigation or otherwise, requests Confidential Information from SPP and/or the Market Monitor that is otherwise required to be maintained in confidence pursuant to this Tariff, SPP and/or the Market Monitor, as applicable shall provide the requested information to the Commission or its staff, within the time provided for in the request for information. Should the SPP and/or the Market Monitor require additional time to provide the information requested due to logistical matters such as the volume of information requested or technical complexity involved, SPP and/or the Market Monitor will promptly communicate that need to the individual requesting the information and they shall establish the time for production of the requested information.
- (b) In providing the information to the Commission or its staff, SPP and the Market Monitor shall, consistent with 18 C.F.R. §§ 1b.20 and/or 388.112, request that the Confidential Information be treated as confidential and non-public by the Commission and its staff and that the Confidential Information be withheld from public disclosure. SPP and/or the Market

Monitor shall promptly notify the affected Disclosing Party(ies) that originally submitted the requested Confidential Information when it receives from the Commission or its staff a request for Disclosure of Confidential Information.

#### **7.4 Disclosure to State Regulatory Commissions**

- (a) Notwithstanding any provisions of this Section 7 to the contrary, and pursuant to the provisions of Section 7.4(c) below, if any state regulatory commission, or other state governmental department that shares the regulatory responsibilities of such commission, or duly authorized members of their respective staff, or counsel of record or consultant to such a regulatory commission, during the course of an investigation or otherwise acting in fulfillment of a constitutional and/or statutory authority, obligation or duty, or any regional state committee (RSC) formed by such state regulatory commissions through its staff, collectively "Authorized Requestor," requests Confidential Information from SPP and/or the Market Monitor that is otherwise required to be maintained in confidence pursuant to this Tariff, or reports that are derived from or contain such information, SPP and/or the Market Monitor shall provide the requested information or reports to the Authorized Requestor within the time provided for in the request for information. Should SPP and/or the Market Monitor require additional time to provide the information requested due to logistical matters such as the volume of information requested or technical complexity involved, SPP and/or the Market Monitor will promptly communicate that need to the Authorized Requestor. In the event that the request is made in a docketed proceeding, the request for additional time shall be treated in accordance with the agency's rules of practice and procedure or other applicable procedures. Otherwise, the Authorized Requestor and SPP and/or the Market Monitor shall mutually establish the time for production of the requested information.

- (b) SPP and/or the Market Monitor will promptly provide to the affected Disclosing Party(ies) that originally provided the Confidential Information to SPP and/or the Market Monitor notice of and all relevant information related to the request for such information. In providing the Confidential Information to the Authorized Requestor, SPP and/or the Market Monitor shall, consistent with the terms of the statute, rule or agreement applicable to the Authorized Requestor, request that the information be treated as confidential and non-public by the Authorized Requestor and that the information be withheld from public Disclosure; provided, however, that this required non-Disclosure shall not extend to Confidential Information that is, or becomes publicly available other than through a manner inconsistent with this Section 7.
- (c) To facilitate the process described above, any Authorized Requestor prior to making its first request for information to either SPP or the Market Monitor pursuant to this Section 7.4 shall provide to both SPP and the Market Monitor: (i) a list of the constitutional and/or statutory authority, obligation or duty, or in the case of RSC staff the agreement, establishing or specifying the particular Authorized Requestor's duty, responsibility or authority in fulfillment of which it will make requests to SPP and/or the Market Monitor under this Section 7.4 for information; and (ii) a statement identifying and forwarding copies of the particular statute, rule or regulation, protective order issued by the Authorized Requestor, or practice that will allow the Authorized Requestor to keep Confidential Information received by it hereunder confidential and non-public, and of limited distribution within the Authorized Requestor. In the case of RSC staff this requirement will be deemed met by the execution of a nondisclosure agreement with SPP and the Market Monitor containing terms typical of or customary to such agreements sufficient to bind RSC staff having access to Confidential Information pursuant to this Section 7.4 to maintain such information as confidential and not to Disclose the information to third parties who are not Authorized Requestors.

- (d) In the event that an Authorized Requestor receives a request pursuant to the applicable freedom of information or similar statute for information deemed confidential pursuant to this section, the Authorized Requestor shall promptly notify the Disclosing Party of such request.
- (e) Notwithstanding other provisions in this Section 7.4, all Authorized Requestors may participate in meetings or teleconferences with the Market Monitor where Confidential Information may be discussed verbally. Authorized Requestors that do not satisfy the conditions under this Section 7.4 to take possession of Confidential Information may participate in such meetings or teleconferences if they have executed a nondisclosure agreement with the Market Monitor containing: (i) an agreement not to take notes that would contain Confidential Information disclosed in such meetings or teleconferences and not to retain any materials the Market Monitor may distribute at the meeting; and (ii) terms and conditions typical or customary to such agreement sufficient to bind individuals receiving Confidential Information pursuant to this Section 7.4 to maintain such information as confidential and not to Disclose the information to third parties.
- (f) A Disclosing Party shall have the right to challenge any disclosure of Confidential Information under this Section 7.4 by seeking appropriate relief at the Commission.

#### 7.5 Preservation of Rights

Notwithstanding any provision in this Section 7, a Disclosing Party shall have the right to pursue all appropriate actions to prevent or contest any attempt to remove the confidential status or any order removing such confidential status of its Confidential Information.

#### 7.5 Notice

Notwithstanding any provision in this Section 7, the Transmission Provider shall provide at least five business days notice to the Disclosing Party of its intent to provide Confidential Information to any other entity.



The Transmission Provider shall not be required to provide such notice if such disclosure is prohibited by law or Order or required by law or Order prior to five business days.

**MARKET POWER MITIGATION PLAN**

**ATTACHMENT AF**

Issued by: L. Patrick Bourne  
Director, Transmission and Regulatory Policy  
Issued on: June 15, 2005

Effective: March 1, 2006

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## 1. Purpose and Objective

The Market Mitigation Measures (the "Measures") contained within this Market Power Mitigation Plan provide for mitigation of the exercise of horizontal and vertical market power by Market Participants in certain specified circumstances. The Market Monitor shall implement the Market Power Mitigation Plan as defined in this Attachment AF.

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Deleted: requirements under Section 5 of Attachment AG and are intended to provide for intervention into SPP's Markets and Services, if necessary, to mitigate the potential

## 2. Definitions

For purposes of this Plan, capitalized terms shall have the meanings specified below:

Deleted: . Market mitigation is an essential function for Regional Transmission Organizations (RTOs) and is required by FERC's Order 2000.

### 2.1 Generator-to-Load Distribution Factor

The simulated impact of incremental power output from a specific Resource ("source") on the loading of a specific flowgate based on delivery to a representation of the locational weighting of all loads within all Settlement Locations ("sink").

### 2.2 Initial Assessment

The assessment that the Market Monitor shall conduct prior to the start of the EIS Market for the purpose of identifying opportunities for Transmission/Generation Owners to exercise transmission market power and establishing parameters for monitoring such opportunities. No sanctions or penalties will be recommended for problems that are found and corrected through the assessment.

### 2.3 Measures

SPP's Market Mitigation Measures set forth in this document.

### 2.4 Plan

SPP's Market Power Mitigation Plan set forth in this Attachment AF.

## **2.5 Transmission/Generation Owners**

Any Market Participant owning or controlling both transmission and generation assets in the SPP Region.

## **3. Economic Withholding – Energy Market Power**

### **3.1 Principles**

There are two principles for mitigating Economic Withholding in the EIS Market operated by SPP.

#### **3.1.1 Mitigate Only During Transmission Constraints**

Mitigation will be applied only at the time of, and in places with, transmission constraints.

#### **3.1.2 Do Not Mitigate Below Long Run Marginal Cost of New Investment**

Mitigation should not create or exacerbate a supply shortage by capping prices below the level needed to attract investment that would relieve the shortage. This level shall be based on the long run marginal cost of the least-cost generation supply that could be developed within the shortest period of time, which is currently a new, natural gas-fired combustion turbine, peaking generation facility.

### **3.2 Mitigation Measure**

When any transmission constraint is binding in the EIS Market, the Offer Curve prices associated with Resources with Generator-to-Load Distribution Factors that are greater than or equal to 5% that are located on the importing side of each constraint shall be no higher than the Offer Cap for each Resource.

### **3.2.1 Location and Determination of Binding Constraints**

Binding transmission constraints in the EIS Market will be located on groups of transmission elements designated as flowgates. The determination of whether a transmission constraint is binding in the EIS Market will be based on the Transmission Loading Relief (TLR) congestion management process and the EIS Market security constrained dispatch process for such determination.

### **3.2.2 Determination of Offer Capped Resources**

An Offer Cap, as calculated in accordance with Section 3.2.4, shall apply to certain Resources within electrical proximity to a constrained flowgate. Such Resources will be determined for each flowgate through the use of Generator-to-Load Distribution Factors. All Resources that are located on the importing side of a constrained flowgate that have Generator-to-Load Distribution Factors greater than or equal to 5% (i.e., for each 100 MW increase in Resource output, the flowgate imports are reduced by 5 MWs or greater) shall be subject to an Offer Cap. A list of all Resources subject to an Offer Cap shall be posted electronically by the Transmission Provider for each flowgate.

### **3.2.3 Reassessment of Affected Status**

The Market Monitor will reassess the status of Resources subject to Offer Caps when transmission and generation facility additions, outages, changes, or changes in ownership occur that may reasonably cause the Resources' Offer Capped status to change. In any event, the Market Monitor will reassess the status of Offer Capped Resources on an annual basis.

### **3.2.4 Calculation of Offer Caps**

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The Offer Cap for each Resource subject to an Offer Cap will be calculated daily and disclosed to the Market Participant responsible for submitting Offer Curves for such Resource and will be effective until replaced by a new Offer Cap. Specifically, Offer Caps will be equal to the sum of (a) the estimated annual fixed cost of a new, natural gas-fired, combustion turbine peaking generation facility in \$/megawatt-year divided by the annual hours of constraint, (b) an adder equal to the estimated non-fuel variable operation and maintenance costs of a new, natural gas-fired, combustion turbine peaking generation facility in \$/megawatt-hour, and (c) the fuel cost of the peaking facility in \$/megawatt-hour calculated as the heat rate multiplied by a natural gas price index. The formula for the calculation is as follows:

$$\text{Offer Cap} = (\text{AFC} / \text{AHC}) + \text{VOM} + \text{FC}$$

wherein the variables are defined as:

AFC = Annual Fixed Cost (Annual Investment Recovery Requirement (\$/megawatt-year) + Annual Fixed Operations and Maintenance Adder (\$/megawatt-year))

AHC = Annual Hours of Constraint

VOM = Variable Non-Fuel Operations and Maintenance Adder (\$/megawatt-hour)

FC = Fuel Cost (Heat Rate \* Natural Gas Price Index) (\$/megawatt-hour)

The estimated annual fixed cost of a new, natural gas-fired, combustion turbine peaking generation facility in \$/megawatt-year divided by the annual hours of constraint, which is the (AFC/AHC) term in the formula above, is subject to a minimum value of

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\$100/MWh in the calculation of the Offer Cap for an Affected Resource.

Offer Caps do not function as price caps on the EIS Market. Resources other than Resource identified under Section 3.2.2 are not subject to an Offer Cap. These resources may bid higher than, and set a price in the EIS Market that is above any Offer Cap. During periods of constraint on flowgates, Market Participants with Resources subject to Offer Caps as identified under Section 3.2.2 are restricted to submitting Offer Curve prices at or below their respective Offer Caps. All Resources, including those Resources identified under Section 3.2.2, will be charged/compensated based upon the Locational Imbalance Price associated with each Resource.

Deleted: .

(a) *Annual Fixed Cost*

The annual fixed cost of a new, natural gas-fired, combustion turbine peaking generation facility shall be based upon the calculated value of the annual carrying cost associated with the recovery of the total fixed costs to develop, build and finance such a facility plus the fixed operation and maintenance costs. Such costs shall be reviewed annually by the Market Monitor with input from SPP. Any changes to such costs, along with justification for the changes, shall be filed with the Commission for approval. Such costs, along with any studies justifying the costs, shall be posted electronically by the Transmission Provider. As of the date that this Plan is accepted for filing by the Commission, the Annual Fixed Cost shall be equal to \$ 70,840 /Megawatt-year.

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(b) *Variable Non-Fuel O&M Adder*

The adder equal to the estimated non-fuel variable operation and maintenance costs of a new, natural gas-fired, combustion turbine peaking generation facility shall be based on the non-fuel operating and maintenance costs of such a facility not included in the calculation of annual fixed costs as described above. Such cost shall be reviewed annually by the Market Monitor with input from SPP. Any changes to such costs, along with justification for the changes, shall be filed with the Commission for approval. Such costs, along with any studies justifying the costs, shall be posted electronically by the Transmission Provider. As of the date that this Plan is accepted for filing by the Commission, the Variable Non-Fuel O&M Adder shall be equal to \$ 4 /Megawatt-hour.

(c) *Annual Hours of Constraint*

The annual hours of constraint will be calculated individually for each affected Resource under Section 3.2.2 of a Market Participant and will be based on the most recent 365 days (366 days for a leap year) of total hours of constraint in the EIS Market for constrained flowgates affecting each Resource. In the event that multiple constraints simultaneously affect a Resource, overlapping hours of constraint will be eliminated from the Offer Cap calculation for such a Resource.

During the first year of operation of the EIS Market, the hours of duration for TLR Level 3 and above events for each flowgate shall be used as a proxy for hours of

constraint in the EIS Market. For each flowgate, this proxy shall apply for all months prior to the start of the EIS Market that are included in the calculation of annual hours of constraint. The annual hours of constraint will be updated weekly for inclusion in the daily calculation of the Offer Cap on each affected resource and will be posted electronically by the Transmission Provider for each flowgate.

(i) New Flowgates

When a new flowgate is established, the annual hours of constraint used in the calculation of the Offer Cap for each Resource that is pivotal to the new flowgate will be 32 hours until the actual number of hours of constraint on the flowgate has exceeded 32 hours. After 32 hours has been reached, the actual hours of constraint will be used. After the flowgate has been active for 12 months, the Offer Cap calculation will only use the actual constrained hours for the 365 day (366 for leap year) rolling sum. If a Resource is pivotal to more than one flowgate, the minimum applies to the sum of all the flowgates for the first year of the new flowgate.

(d) *Fuel Cost*

The fuel cost of a new, natural gas-fired, combustion turbine peaking generation facility shall be based on the estimated full-load heat rate of the facility multiplied by a fuel price index. The fuel price index for each Resource will be based on an industry accepted natural gas pricing index for the natural gas pricing point nearest to the Offer Capped Resource(s) of each Market Participant. The fuel price shall be further modified based on an

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estimate of the distribution cost for moving natural gas to the affected resource(s). Alternative pricing points and fuel price modifiers shall be evaluated annually by the Market Monitor with input from Market Participants and SPP. The fuel price portion of each Offer Cap shall be recalculated daily for inclusion in each Offer Cap. As of the date that this Plan is accepted for filing by the Commission, the heat rate used in the Fuel Cost calculation shall be equal to 10,450 btu/kwh.

### 3.3 Imposition of Mitigation

Offer Caps will be imposed when any transmission constraint is binding in the EIS Market as determined by SPP's Market Operators through the TLR congestion management process and the EIS Market security constrained dispatch process. Offer Caps will only be applied to the Resources identified under Section 3.2.2.

#### 3.3.1 Exceptions

Market Participants with Offer Capped Resources may request an exception to an Offer Cap for a Resource. If the Transmission Provider after consultation with the Market Monitor determines that an exception is reasonable, the Transmission Provider shall submit a filing with the Commission. Market Participants also may submit a filing with the Commission seeking an exception.

### 5. Physical Withholding – Energy Market Power

No mitigation is necessary or warranted for Physical Withholding in the EIS Market as the market is voluntary. The Market Monitor will monitor participation

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**Deleted:**

**Deleted:** based on a demonstration that their opportunity cost, risk, or facility operating cost exceeds

**Deleted:** applicable Offer Cap. Requests for exceptions to an Offer Cap must be submitted in advance to the Market Monitor. The Market Monitor will determine whether to grant the request based on meeting the standards set forth below. Exceptions may only be granted prospectively for Offer Curves not yet accepted by SPP for determining dispatch signals in the EIS Market.

**Deleted:** (a) *Opportunity Cost*

**Deleted:** A bid above the applicable Offer Cap for an Offer Capped Resource would be justified if the Market Participant owner can demonstrate in advance that it could deliver and sell electricity to another market, such as MISO or Energy, for a higher price. The Market Participant owner must provide documentation, in the form of an approved transmission service request, that electricity from its Resource is deliverable to such market for the request to be granted by the Market Monitor. The opportunity cost of operating Resources with limited energy would also be considered an exception. ¶

(b) *Risk* ¶

A bid above the applicable Offer Cap for an Offer Capped Resource would be justified if a Market Participant can demonstrate in advance a risk of incurring higher costs, such as those costs associated with operating Resources above normal operating levels. Adequate documentation of such risks must be provided with the exception request for the request to be granted by the Market Monitor. ¶

(c) *Facility Operating Cost* ¶

A bid above the applicable Offer Cap for an Offer Capped Resource would be justified if a Market Participant can demonstrate in advance that its fixed and variable operation and maintenance plus fuel costs to produce electricity from the Offer Capped Resource are higher than the applicable Offer Cap for that Resource. Adequate documentation of operating costs, in the form of FERC Form 1 plant cost information or other standard report to the U.S Federal Government, as applicable, must be provided. ¶ [1]

**Deleted:** exception request for the request to be granted by the Market Monitor. ¶

**Deleted:** Any exception to an Offer Cap granted by the Market Monitor shall be subject to Commission review. ¶

to determine whether decisions to participate in the EIS Market have a significant adverse impact on market outcomes.

## 6. Unavailability of Facilities-Energy Market Power

No mitigation is necessary or warranted for Unavailability of Facilities in the EIS Market, since participation in the market is voluntary. The Market Monitor will monitor for any potential instances of Unavailability of Facilities and shall report on any such instances.

## 7. Market Conduct

### 7.1 Market Behavior Rules

FERC has set conditions for all suppliers with market-based rates which are termed "market behavior rules." The Market Monitor shall monitor for violations of these market behavior rules and report any suspected violations to FERC Staff in accordance with the FERC's reporting protocols for market monitors.

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Market Participants are required to abide by these market behavior rules. The Market Monitor will specifically focus on the second rule regarding market manipulation.

### 7.2 Market Manipulation

The Market Monitor will monitor the EIS Market for potential instances of market manipulation. Such actions or transactions that are without a legitimate business purpose and that are intended to or foreseeably could manipulate market prices, market conditions, or market rules for electric energy or electric products are prohibited. As listed by the FERC, prohibited behavior includes (a) wash trades,

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Deleted: are listed below: :

Deleted: 1. Unit Operation: Seller will operate and schedule generating facilities, undertake maintenance, declare outages, and commit or otherwise bid supply in a manner that complies with the Commission-approved rules and regulations of the applicable power market. Compliance with this Market Behavior Rule 1 does not require Seller to bid or supply electric energy or other electricity products unless such requirement is a part of a separate Commission-approved tariff or requirement applicable to Seller.

Deleted: 2. Actions or transactions undertaken by Seller that are explicitly contemplated in Commission-approved rules and regulations of an applicable power market (such as virtual supply or load bidding) or taken at the direction of an ISO or RTO are not in violation of this Market Behavior Rule. Prohibited actions and transactions include, but are not limited to:

Deleted: <#>pre-arranged offsetting trades of the same product among the same parties, which involve no economic risk and no net change in beneficial ownership (sometimes called "wash trades");¶  
<#>transactions predicated on submitting false information to transmission providers or other entities responsible for operation of the transmission grid (such as inaccurate load or generation data; or scheduling non-firm service for products sold as firm), unless Seller exercised due diligence to prevent such occurrences;¶  
<#>transactions in which an entity first creates artificial congestion and then purports to relieve such artificial congestion (unless Seller exercised due diligence to prevent such an occurrence); and¶  
<#>collusion with another party for the purpose of manipulating market prices, market conditions, or market rules for electric energy or electricity products.¶

Deleted: 3. Communications: Seller will provide accurate and factual information and not submit false or misleading information, or omit material information, in any communication with the Commission, Commission-approved market monitors, Commission-app[... [2]

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(b) submission of false data, (c) actions to cause artificial congestion and (d) collusive acts.

#### **7.2.1 Remedies**

The Market Monitor will monitor and report on any market manipulation in the EIS Market and take action as required pursuant to Section 7 of Attachment AG.

### **8. Miscellaneous Provisions**

#### **8.1 Rights and Remedies**

The Plan does not restrict SPP and Market Participants from asserting any rights they may have under state and federal regulation and laws, including initiating proceedings before the FERC regarding any matter which is subject to this Plan.

Except as otherwise stated in this Plan, disputes as to the implementation of, or compliance with, this Plan shall be subject to the dispute resolution procedures under this Tariff or the SPP Bylaws as applicable or may be raised with the FERC.

**Deleted: 8.2 Effective Date¶**  
The Plan shall be effective as of the date it is accepted for filing by the FERC.¶

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Director, Transmission and Regulatory Policy  
Issued on: June 15, 2005

Effective: March 1, 2006

**MARKET MONITORING PLAN**

**ATTACHMENT AG**

Issued by: L. Patrick Bourne  
Director, Transmission and Regulatory Policy  
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## 1. Purpose and Objective

### 1.1 Purpose of the Plan

This Market Monitoring Plan (the “Plan”) is intended to provide for the monitoring of SPP’s Markets and Services and submissions of recommendations to the FERC and the SPP Board of Directors.

Deleted: mitigation

Deleted: potential exercise of horizontal

### 1.2 The Market Monitoring Plan

The Plan shall be developed, implemented and maintained by SPP’s Market Monitor. The Market Monitor has the responsibility for implementing the Plan by (a) continuously monitoring SPP’s Markets and Services, (b) implementing market mitigation measures explicitly provided for in this tariff, (c) recommending compliance and corrective actions per this tariff, (d) collecting and retaining the data and information necessary for the performance of the Plan, (e) recommending updates to the monitoring and mitigation plans contained within Attachments AG and AF to this Tariff, and (f) periodically reporting on SPP’s Markets and Services.

Deleted: and vertical market power by Market Participants. Market monitoring and mitigation is an essential function for Regional Transmission Organizations (RTOs) and is required by FERC’s Order 2000.

Deleted: approved

Deleted: conducting investigations and, if necessary,

Deleted: developing, reviewing and

### 1.3 Objective

The objective of the Market Monitor is to (a) monitor and report on possible abuses of horizontal and vertical market power in SPP’s Markets and Services by any Market Participant (b) monitor and recommend any changes with regard to the design and implementation of SPP’s Markets and Services to improve the operation of markets to benefit consumers and Market Participants and (c) monitoring Market Participants’ compliance with market rules. The Market Monitor will work to ensure that its functions and activities are implemented fairly and consistently, and that it protects and fosters competition while minimizing interference with open and competitive markets. Making recommendations to improve the operation of markets and preventing the exercise of market power in advance rather than punishing offenders afterward shall be the preferred approach.

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The Market Monitor will recognize that entities otherwise identified as having market power may engage in conduct giving the impression of market power but, after analysis by the Market Monitor, may prove to be pro-competitive and efficient. In making this distinction, the Market Monitor will generally focus on an analysis of the identified conduct and associated market impacts, rather than seeking to determine the intent of the Market Participant (e.g., conducting profitability analyses that would require comprehensive information on all the physical and final positions of a participant).

#### 1.4 Independence of the Market Monitor

The Market Monitor shall be independent from Market Participants to perform those activities necessary to provide impartial and effective market monitoring within the scope of the Plan. Notwithstanding the foregoing, in the normal course the Market Monitor shall verify information with affected Market Participants prior to making recommendations or reports.

Deleted: granted complete independence

Deleted: No person or entity may screen, alter, delete or delay the findings, conclusions and recommendations developed by the Market Monitor that fall within the scope of the market monitoring responsibilities contained in this Plan.

## 2. Definitions

For purposes of this Plan, capitalized terms shall have the meanings specified below:

### 2.1 Confidential Information

The term defined under Attachment AE to this Tariff.

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### 2.2 Data and Information

Writings, documents and records of every type, including audio recordings and electronic files.

### 2.3 External Market Monitor

The external contractor retained by SPP to perform certain market monitoring services as specified in its contract with SPP.

### 2.4 FERC Staff

The responsible office within FERC designated to receive reports submitted by market monitors.

## 2.5 Interested Government Agencies

The FERC and any state regulatory commission or agency with regulatory oversight responsibilities for SPP Transmission Owners.

## 2.6 Plan

SPP's Market Monitoring Plan set forth in this Attachment AG.

# 3. Market Monitor

The Market Monitor is responsible for implementing the Market Monitoring Plan as defined in this Tariff.

**Deleted:** It is also responsible for issuing periodic reports to the Board of Directors, the Commission, the RSC, and other appropriate state regulatory authorities.

## 3.1 Staffing and Resources

The Market Monitor shall be an organization within SPP reporting to the President of SPP comprised of employees of SPP with the necessary experience and qualifications to perform the duties of the Market Monitor. The duties and responsibilities of the Market Monitor reporting to the Board of Directors shall be assigned by the Board of Directors. SPP shall establish and provide appropriate staffing and/or resources for the Market Monitor and shall ensure that the Market Monitor has such adequate employees, funding and/or other resources, access to required information, and the full cooperation of SPP Staff, Organizational Groups, and other persons, as necessary, for the effective functioning of the Market Monitor and implementation of this Plan. SPP shall have full responsibility for implementing Attachments AF and AG. SPP may delegate certain responsibilities pursuant to a contract with an External Market Monitor. SPP shall file such contract with the Commission.

**Deleted:** consistent with Section 3.17 of the SPP Bylaws, Attachment AF and Attachment AG of this Tariff.

## 3.2 Relationships and Notifications

As a general principle, the Market Monitor may obtain input from the SPP, FERC Staff, SPP Staff, the RSC, and affected state regulatory authorities for the purpose of executing its duties. However, in accordance with this tariff, the Market Monitor may at any time bring any matter to the attention of the Board of Directors, the officers of SPP, FERC, or other affected state regulatory

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authorities, as the Market Monitor may deem necessary or appropriate. After any initial investigation of market design/policies, the Market Monitor shall also provide notification to the Board of Directors, the President of SPP, and FERC Staff as soon as practicable in the event it identifies a significant market problem that may require (a) further investigation, (b) a change to this Tariff, or (c) action by FERC. The Market Monitor shall also interface with FERC Staff and other RTO and ISO market monitors in adjacent regions as needed for the purpose of addressing electricity market issues in a comprehensive manner. The Market Monitor shall promptly notify the President of SPP of all such notifications, communications or reports.

### 3.3 Independence

The Market Monitor shall abide by SPP's Standards of Conduct, which shall be appropriate for establishing the professional and financial independence of the Market Monitor. The Market Monitor shall certify compliance with such policies to the President of SPP. The Market Monitor shall require any external consultants or experts to certify compliance with these policies.

## 4. Market Monitoring

### 4.1 Markets to be Monitored

The Market Monitor will monitor SPP's Markets and Services, which are the markets that are operated by, and the services provided by, SPP under this Tariff. The Market Monitor will not monitor bilateral energy, transmission or capacity markets and services not administered, coordinated or facilitated by SPP, except to assess the effect of these markets and services on SPP's Markets and Services, or the effects of SPP's Markets and Services on these unmonitored markets. Similarly, the Market Monitor will not monitor the energy, transmission or capacity markets and services in regions adjacent to the SPP Region except to

**Deleted:** The primary purposes of market monitoring are to (a) obtain objective information about SPP's Markets and Services, (b) assess the behavior of Market Participants, and (c) assess the behavior of other markets and services that impact the performance of SPP's Markets and Services.

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assess the effect of these markets and services on SPP's Markets and Services, or the effects of SPP's Markets and Services on these adjacent markets.

#### **4.2 Market Monitoring Scope**

The Market Monitor will implement the Plan. The markets will require continuous monitoring by the Market Monitor. The Market Monitor will monitor SPP's Markets and Services by reviewing and analyzing market data and information including, but not limited to:

- (a) Resource and Ancillary Services (Capacity) Plans, schedules and Offer Curves submitted for generating units or a portfolio of generating units in or affecting any of SPP's Markets and Services;
- (b) Actual commitment and dispatch of generating units or a portfolio of generating units, including but not limited to generator MW capability and output, MVAR capability and output, status, and outages;
- (c) Locational Imbalance Prices at all Settlement Locations in or affecting any of SPP's Markets and Services;
- (d) Control area data, including but not limited to control area demand, area control error, net scheduled interchange, actual total net interchange, and forecasts of operating reserves and peak demand;
- (e) Conditions or events both inside and outside SPP Region control areas affecting the supply and demand for, and the quantity and price of, products or services sold or to be sold in SPP's Markets and Services;
- (f) Information regarding transmission services and rights, including the estimating and posting of Available Transfer Capability ("ATC") or Available Flowgate Capability ("AFC"), administration of this tariff, the operation and maintenance of the transmission system, any auctions or other markets for transmission rights, and the reservation and scheduling of transmission service;
- (g) Information regarding the nature and extent of transmission congestion in the region and, to the extent practicable, transmission congestion on any

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- other system that affects SPP's Markets and Services, including but not limited to causes of, costs of and charges for transmission congestion, transmission facility loading, MVA capability, line status and outages;
- (h) Settlement data, including but not limited to hourly integrated Settlement Location MW; and
  - (i) Any information regarding collusive or other anticompetitive or inefficient behavior in or affecting any of SPP's Markets and Services.

In addition to the monitoring of market data and information, the Market Monitor may communicate with SPP Staff and Market Participants at any time for the purpose of monitoring and assessing market conditions.

#### **4.3 Monitoring for Potential Transmission Market Power Activities**

The Market Monitor shall monitor SPP's Markets and Services for potential transmission market power activities by reviewing and analyzing data and information related to the availability of transmission facilities that impact access to services under this Tariff. The Market Monitor will monitor for activities particularly with respect to the withholding of transmission facilities or transmission capacity, including activities such as but not limited to, the following:

- (a) Physical withholding by Transmission Owners by providing improper information related to the availability of transmission, such as information related to the capability or other modeling data used by SPP for use in system operations;
- (b) Economic withholding by Transmission Owners through the use of methods and data for estimating costs of interconnection and system upgrades that is not comparable for affiliates and non-affiliates;
- (c) Unavailability of transmission facilities through planned and unplanned maintenance outages that routinely exceed historical baselines.

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The Market Monitor shall refer any instance(s) of potential transmission market power directly to FERC. Where appropriate, the Market Monitor shall also provide the FERC with an estimate of damages equal to (i) the effect on prices multiplied by (ii) the affected energy produced by the Transmission/Generation Owner. The Market Monitor may also request the FERC to impose additional sanctions and penalties, which may consist of a fixed dollar amount based on each instance, or an amount up to (i) the effect on prices multiplied by (ii) the affected energy produced by Market Participants other than the Transmission/Generation Owner.

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#### 4.4 Maintenance of Monitoring Plan

At least every three years, after receiving input from the Market Monitor, Market Participants, regulatory authorities, and others, SPP shall evaluate this Plan to determine if changed market conditions have changed its effectiveness and require that it be modified.

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#### 5. Market Power Mitigation Plan

Deleted: The Market Monitor shall develop and implement a Market Power Mitigation Plan. Such plan shall include mitigation measures, which specify market power mitigation protocols to prevent the exercise of market power and/or other market manipulation in SPP's Markets and Services.¶

##### 5.1 Implementation¶

The Market Monitor will implement the Market Power Mitigation Plan. This will require the Market Monitor to determine when and to what extent mitigation is required based on application of the approved mitigation protocols. ¶

##### 5.2 Development¶

The Market Monitor is responsible for proposing and designing new mitigation measures based on existing and anticipated market conditions and recommending updates to the mitigation plan. Development and recommendation of mitigation measures should be undertaken by the Market Monitor with the advice and input of SPP and the RSC.¶

##### 5.3 Approval¶

SPP is responsible for obtaining approval from FERC to apply market power mitigation measures. Proposed mitigation measures must be approved by FERC prior to implementation by the Market Monitor. Approved mitigation measures are contained in the Market Power Mitigation Plan described under Attachment AF.

### 5. Review of Market Activity

#### 5.1 Requests

Any Market Participant or Interested Government Agency may raise any issue with the Market Monitor and request that the Market Monitor consider the issue in its monitoring and reporting. The Market Monitor may include this issue in its monitoring or reporting if it determines it is appropriate to do so. The Market Monitor should not monitor or report on any complaint pertaining to issues not related to SPP's Markets and Services or activities not monitored and overseen by the Market Monitor.

Deleted: submit in writing a complaint or request for review to the Market Monitor. Upon receipt of such complaint or request, the Market Monitor will decide whether a review should be conducted. As an initial screen, the

Deleted: review

Deleted: A review will be conducted if the Market Monitor determines it should be conducted.



Any requests by Market Participants and Interested Government Agencies to the Market Monitor may be made confidentially. The Market Monitor shall maintain the confidentiality to the extent practicable.

Deleted: Requests

Deleted: for

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Deleted: keep the identity of the requestor confidential and shall keep the existence of any review conducted confidential from all uninvolved parties and from involved parties, other than the requesting party,

## 6. Compliance and Corrective Actions

Deleted: Nothing in this section should be interpreted as preventing the Market Monitor from conducting reviews, either confidentially or publicly, without first receiving a written complaint from a Market Participant or Interested Government Agency. The Market Monitor may initiate reviews into any matter at any time that pertains to SPP's Markets and Services that is part of its market monitoring and/or market power mitigation obligation.

### 6.1 Compliance

The Market Monitor shall administer SPP's FERC-approved mitigation plan specified in Attachment AF and remedy any actual or potential abuse of market power or market design inefficiencies as part of its monitoring process. However, the Market Monitor's activities are limited to matters that (i) are expressly set forth in this Tariff; (ii) involve objectively-identifiable behavior; and (iii) do not subject the Market Participant to sanctions or other consequences other than those expressly approved by the Commission and set forth in this Tariff. As part of the monitoring process, the Market Monitor may:

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- (a) Engage in discussions with Market Participants to informally resolve issues of mitigation and compliance;
- (b) Issue a demand letter requesting Market Participants causing the issue to arise to change actions as the Market Monitor deems proper to achieve mitigation and/or compliance; and
- (c) Implement any FERC-approved, applicable mitigation measure with or without prior discussions or a demand letter, as appropriate.

Deleted: investigatory

The Market Monitor may also engage in discussions with persons or entities other than Market Participants as necessary as part of any investigatory or compliance process.

Market Participants shall also be encouraged to initiate discussions with the Market Monitor to obtain an informal opinion regarding potential compliance

consequences of any future actions such participant may wish to take that would impact SPP's Markets and Services.

Informal discussions and the issuance and content of any demand letter for compliance purposes shall be confidential, subject to (a) the right of the Market Participant(s) involved to waive such confidentiality and (b) the resolution of the issue, at which time other Market Participants may be provided notice of the resolution if deemed appropriate for the furtherance of the purposes and objectives of this Plan.

## 6.2 Corrective Actions for Market Design

If the Market Monitor discerns any weaknesses or failures in market design and market rules, including the determination that SPP's Markets and Services are not resulting in just and reasonable prices or providing appropriate incentives for investment in needed infrastructure, the Market Monitor shall advise the appropriate Organizational Group of SPP, the President of SPP, the RSC, appropriate state authorities, and FERC Staff. Should SPP not respond within 60 days, the Market Monitor may recommend changes in market design and market rules to the Board of Directors, FERC and the RSC as needed. If SPP responds, but does not recommend changes to market design and market rules that are acceptable to the Market Monitor, the Market Monitor shall report to the Board of Directors and the appropriate regulatory body or bodies as needed, and then SPP may file a petition or submission seeking appropriate action from FERC or any other appropriate enforcement agency. The Market Monitor shall make recommendations for changes to this Tariff as necessary to correct weaknesses or failures in SPP's Markets and Services.

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In the event that any weaknesses or failures in market design require immediate corrective action to ensure just and reasonable prices, the Market Monitor may request the President of SPP to authorize an immediate FERC filing requesting

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implementation of a corrective action while the appropriate Organizational Group of SPP responds to the Market Monitor's notification as described above. The requested immediate corrective action should be the method least intrusive or disruptive to SPP's Markets and Services necessary to resolve the market weakness or failure as determined by the Market Monitor. Prior to making such a request to the President of SPP, the Market Monitor will make reasonable efforts to discuss with affected Market Participants and the staff of affected Interested Government Agencies the market weakness or failure potentially requiring immediate corrective action.

7. [Periodic Reports and Reports to Government Agencies](#)

Deleted: Reporting

7.1 **Reports to the Board of Directors**

The Market Monitor shall prepare and submit to the Board of Directors periodic reports at least on an annual basis (and any other reports required by the Board of Directors) relating to its activities. In such reports, the Market Monitor may make recommendations regarding any matter within its purview. The reports to the Board of Directors shall include recommendations as to whether changes are necessary to the Market Monitor, this Plan, this Tariff, the SPP Bylaws, agreements between SPP and its Members, or any other policies, procedures, and standards under the Market Monitor's purview. Any such reports may be subject to confidentiality provisions consistent with Section [8.1](#).

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7.2 **Reports to Government Agencies**

The Market Monitor shall submit to the [FERC Staff](#) and other affected regulatory authorities, including Regional State Committees, the reports provided to the Board of Directors and other such reports either as may be requested by the [FERC Staff](#), or such authorities, subject to protection of confidential, proprietary and commercially sensitive information and the protection of the confidentiality of ongoing monitoring activities.

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8. **Data Access, Collection and Retention**

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The Market Monitor shall regularly collect and maintain Data and Information necessary for monitoring SPP's Markets and Services and implementing mitigation protocols.

**8.1 Confidentiality**

SPP and Market Participants may designate Data and Information as Confidential Information consistent with the terms of SPP's Membership Agreement and Section 7 of Attachment AE. If the designation of Confidential Information appears to be unreasonable, the Market Monitor may challenge such designation of Confidential Information consistent with Section 7 of Attachment AE.

The Market Monitor shall provide Confidential Information to Interested Government Agencies consistent with the terms of Section 7.4 of Attachment AE.

**8.2 Access to SPP Data and Information**

The Market Monitor shall have access to all Data and Information gathered or generated by SPP in the course of its operations. This Data and Information shall include, but not be limited to, that listed in Section 4 of this Plan. All Data and Information listed in Section 4 of this Plan shall be retained by SPP for a minimum period of three years.

**8.3 Access to Market Participant Data and Information**

Market Participants shall retain all Data and Information listed below, and in Section 4 of this Plan as applicable, for a minimum of three years and will promptly provide any such Data and Information to the Market Monitor upon request. Any such request will be accompanied by an explanation of the need for such Data and Information and a specification of a reasonable form or format in which the data is to be produced. Market Participants may designate such Data and Information as Confidential Information, but such Data and Information may not be redacted or modified in any manner prior to delivery to the Market Monitor by the Market Participant.

Data and Information to be retained by Market Participants and provided to the Market Monitor upon request:

- (a) All Data and Information relating to the costs of operating a generating unit, including but not limited to, heat rates, start-up fuel requirements, fuel purchase costs, environmental costs, and operating and maintenance expenses;
- (b) All Data and Information regarding opportunity costs of a generating unit, including but not limited to, regulatory, environmental, technical, or other restrictions that limit the run-time or other generating unit operating characteristics;
- (c) All Data and Information relating to the operating status of a generating facility, including generator logs showing the generating status of a specified unit, including information relating to a forced outage, planned outage or derating of a generating unit;
- (d) All Data and Information relating to the operating status of a transmission facility, a contingency, or other operating consideration, including forced outages, planned outages or derating of a transmission system component;
- (e) All Data and Information relating to transmission system planning, including studies, reports, plans, models, analyses, and filings with FERC or any state regulatory commission;
- (f) All Data and Information relating to the ability of a Market Participant or its affiliate to determine the pricing or output level of generating capacity owned by another entity, including but not limited to any document setting forth the terms or conditions of such ability.

If any additional Data and Information not listed above or in Section 4 of this Plan is required from Market Participants by the Market Monitor for the purpose of fulfilling its responsibilities, the Market Monitor may request such Data and Information from Market Participants. Such Data and Information shall be provided in a timely manner by Market Participants. Any such request shall be

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accompanied by an explanation of the need for such data or other information, a specification of the form or format in which the data is to be produced, and an acknowledgement of the obligation of the Market Monitor to maintain the confidentiality of the data. If a Market Participant receiving a request for Data and Information not listed above or in Section 4 of this Plan believes that production of the requested Data and Information would impose a substantial burden or expense, or would require the party to produce information that is not relevant to achieving the purposes or objectives of this Plan, the Market Participant receiving the request shall promptly so notify the Market Monitor. The Market Monitor shall review the request with the receiving Market Participant to determine whether, without unduly compromising the objectives of this Plan, the request can be narrowed or otherwise modified to reduce the burden or expense of compliance, and if so shall so modify the request. No party that is the subject of a data request shall be required to produce any summaries, analyses or reports of the data that do not exist at the time of the data request.

If the Market Monitor determines that the requested Data and Information has not or will not be provided in a timely manner, the Market Monitor may utilize (a) the dispute resolution procedures under this Tariff or under the SPP Bylaws as applicable or (b) a filing with the appropriate regulatory or enforcement agency to compel the production of the requested information.

#### **8.4 Certification and Auditing**

The Market Monitor shall, from time to time, audit Market Participants to ensure compliance with the data retention requirements established in this Plan. Market Participants shall cooperate with the Market Monitor in such audits. The Market Monitor will annually destroy, and certify such destruction to the Board of Directors, information in its possession which is no longer reasonably necessary.

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**9. Miscellaneous Provisions**

**9.1 Rights and Remedies**

This Plan does not restrict SPP and Market Participants from asserting any rights they may have under state and federal regulation and laws, including initiating proceedings before the FERC regarding any matter which is subject to this Plan.

**9.2 Disputes**

Disputes as to the implementation of, or compliance with, this Plan shall be subject to the dispute resolution procedures under this Tariff ~~or under the SPP~~  
Bylaws as applicable or subject to review by FERC.

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**10. Review of Market Monitor**

The activities of the Market Monitor shall be reviewed from time to time ~~by the~~  
Board of Directors.

Deleted: in accordance with procedures adopted

Deleted: 12. Effective Date¶  
This Plan shall be effective as of the date it is accepted for filing by the FERC.

A bid above the applicable Offer Cap for an Offer Capped Resource would be justified if the Market Participant owner can demonstrate in advance that it could deliver and sell electricity to another market, such as MISO or Entergy, for a higher price. The Market Participant owner must provide documentation, in the form of an approved transmission service request, that electricity from its Resource is deliverable to such market for the request to be granted by the Market Monitor. The opportunity cost of operating Resources with limited energy would also be considered an exception.

(b) *Risk*

A bid above the applicable Offer Cap for an Offer Capped Resource would be justified if a Market Participant can demonstrate in advance a risk of incurring higher costs, such as those costs associated with operating Resources above normal operating levels. Adequate documentation of such risks must be provided with the exception request for the request to be granted by the Market Monitor.

(c) *Facility Operating Cost*

A bid above the applicable Offer Cap for an Offer Capped Resource would be justified if a Market Participant can demonstrate in advance that its fixed and variable operation and maintenance plus fuel costs to produce electricity from the Offer Capped Resource are higher than the applicable Offer Cap for that Resource. Adequate documentation of operating costs, in the form of FERC Form 1 plant cost



information or other standard report to the U.S Federal Government, as applicable, must be provided with the

3. Communications: Seller will provide accurate and factual information and not submit false or misleading information, or omit material information, in any communication with the Commission, Commission-approved market monitors, Commission-approved regional transmission organizations, or Commission-approved independent system operators, or jurisdictional transmission providers, unless Seller exercised due diligence to prevent such occurrences.
4. Reporting: To the extent Seller engages in reporting of transactions to publishers of electricity or natural gas price indices, Seller shall provide accurate and factual information, and not knowingly submit false or misleading information or omit material information to any such publisher, by reporting its transactions in a manner consistent with the procedures set forth in the Policy Statement issued by the Commission in Docket No.PL03-3 and any clarifications thereto. Seller shall notify the Commission within 15 days of the effective date of this tariff provision of whether it engages in such reporting of its transactions and update the Commission within 15 days of any subsequent change to its transaction reporting status. In addition, Seller shall adhere to such other standards and requirements for price reporting as the Commission may order.
5. Record Retention: Seller shall retain, for a period of three years, all data and information upon which it billed the prices it charged for the electric energy or electric energy products it

sold pursuant to this tariff or the prices it reported for use in price indices.

6. Related Tariffs: Seller shall not violate or collude with another party in actions that violate Seller's market-based rate code of conduct or Order No. 889 standards of conduct, as they may be revised from time to time. Any violation of these Market Behavior Rules will constitute a tariff violation. Seller will be subject to disgorgement of unjust profits associated with the tariff violation, from the date on which the tariff violation occurred. Seller may also be subject to suspension or revocation of its authority to sell at market based rates or other appropriate non-monetary remedies.