







































































# Next steps for Market Monitoring Unit

Should Mountain West join the SPP market, the Market Monitoring Unit will:

- ✓ Obtain data and information necessary to do an assessment of market power.
- ✓ Perform a study of both inter-regional and intra-regional market power.
- ✓ Present any concerns and provide recommendations.
- ✓ Consider implications of market power for potential future expansion.

# Options for dealing with potential market power concerns

- Develop an approach that gradually reduces/loosens mitigation.
- Evaluate frequently constrained areas more often.

## POTENTIAL TOPICS FOR THE 2018 LOOKING FORWARD REPORT

As always, the *Looking Forward Report* will focus on broad market and regulatory events that (a) potentially could have a significant impact on SPP's markets and/or (b) could require the Board's special attention. We will develop the list of topics in consultation with the Board to ensure that we focus our Report on issues of greatest interest. To kick-start a potential list of topics, we provide the following list of potential topics for discussion at the Oversight Committee's October 6 meeting.

- (a) A discussion of the status of "baseload" resources, including an update on retirements and at-risk capacity, reliability impacts, and the drivers of baseload shutdowns. This would include summaries of the recent U.S. DOE study on the topic, as well as studies from the U.S. Chamber of Commerce and The Analysis Group.
- (b) An analysis of renewable resources and energy storage one year into the Trump administration. We will consider the status of federal tax credits, state renewable portfolio standards, and the potential of solar inverters and storage to increase renewable capacity on the grid. We will include recent studies from Berkeley Labs, the U.S. DOE, Goldman Sachs, researchers at Cal-Berkeley, and SNL Financial. We will draw out the importance of SPP's definitions of ancillary services to the future of battery storage.
- (c) An update on the plateauing of demand for electricity and its impact on the need for investment in new transmission. We will look for efforts by transmission owners and grid planners to define new metrics for the value of transmission, and will look for updates on the drivers of flat demand, including energy efficiency and distributed generation.
- (d) An update on environmental regulations in the Trump era. Central to this will be a review of court action on challenges to President Obama's Clean Power Plan (CPP). The Trump Administration's EPA has said that it plans to rescind or repeal the CPP. The issue is whether it must repeal *and replace* the CPP. For example, on August 8, 2017, the DC Circuit extended the period in which CPP implementation will be held in abeyance. However, promoting the "replace" argument, two of the judges reminded the court that under a 2009 Supreme Court ruling the EPA has an "affirmative statutory obligation to regulate greenhouse gases." (*West Virginia et al v EPA*) In a related, but separate line of court action, environmental organizations are challenging specific companies for their failure to take climate change into account when complying with environmental law. For example, the Conservation Law Foundation has sued Shell Oil for not considering the rise in sea levels and more intense storms in its discussion of compliance with clean water rules. "Climate attribution" is the broader term for a new political and analytic approach to show the links between global climate change and major events such as Hurricanes Harvey and

Irma; we will discuss that approach here.

- (e) An update on the Shale Gas Revolution. We will ask the important question once again – “Will the shale gas and oil revolution continue?” We will begin with our important near-term metric – production per new well this year compared to last year. In addition, we reported last year that those who believe it will continue for the long-term base their hopes on big data analytics – we will check back to hear if this is still the case. In contrast, at least one prominent writer titled his recent article “Shale gas is not a revolution” – it is just once more cycle of shifting from shortage to abundance and back to shortage. We will look into new forecasts that show a plateauing of U.S. demand for natural gas and improving economics for LNG exports. We also will highlight an ISO New England study warning against overreliance on natural gas for electric generation.
- (f) We will assess further developments in decentralization and the new utility business model, including discussion of transmission and non-transmission alternatives, utility customer satisfaction and engagement, municipalization of load seeking to take control from incumbent utilities, and new studies regarding “cutting the cord” with the grid; we will cite reports by Swiss Re, Johns Hopkins, Navigant Research, Stanford University, Wells Fargo, and London Economics. We will also update our previous discussion of blockchain technology and its potential to impact the grid.
- (g) Short update on electric vehicles, including the shared, autonomous, electric vehicle model and related technical developments. Specifically, we would examine the basics of the “machine learning” algorithms that are being deployed to launch and improve upon autonomous driving technology. We will note the fundamentals of driverless vehicle software and hardware components, and their limitations, to prompt an informed discussion on the feasibility of driverless vehicles.
- (h) An update on jurisdictional issues in the electricity industry, including state decisions in Illinois and New York regarding state efforts to support in-state nuclear generation, and new challenges to FERC authority in approving natural gas pipelines.

SPP Organizational Group Self-Evaluation/Assessment  
(August 2016 – July 2017)

**GROUP NAME:** Oversight Committee

**CHARTER/SCOPE UPDATE:** Charter/Scope has been reviewed:

**Y** or **N**

**MEMBER ROSTER/ATTENDANCE:**

Member	Company	# Present	# Absent
*Altenbaumer, Larry	Director	3	0
Bernard, Phyllis	Director	5	0
*Edwards, Graham	Director	3	0
Martin, Josh (C)	Director	5	0
*Scherr, Bruce	Director	3	0
*Skilton, Harry	Director	3	0
Michael Desselle	Staff Secretary	5	0

**\*Only on Committee for part of the assessment period.**

**AVERAGE OVERALL ATTENDANCE (INCLUDING NON-GROUP MEMBERS):** 18

**MEETINGS HELD TO DATE:** **Live:** 5 **Teleconference:** 0

**AVERAGE LENGTH OF MEETINGS:** 6:20

**NUMBER OF VOTES TAKEN:** 6

**\*MEETING COST(S):** \$62,365.89

\* Meeting costs include hotel expenses (room rental, A/V, food and beverage), estimate of teleconference expenses, and Director fees for attendance.

**MAJOR ACCOMPLISHMENTS/ISSUES ADDRESSED BY THE GROUP:**

- 1.
- 2.
- 3.

**MAJOR PENDING ISSUES BEFORE THE GROUP:**

- 1.
- 2.
- 3.