








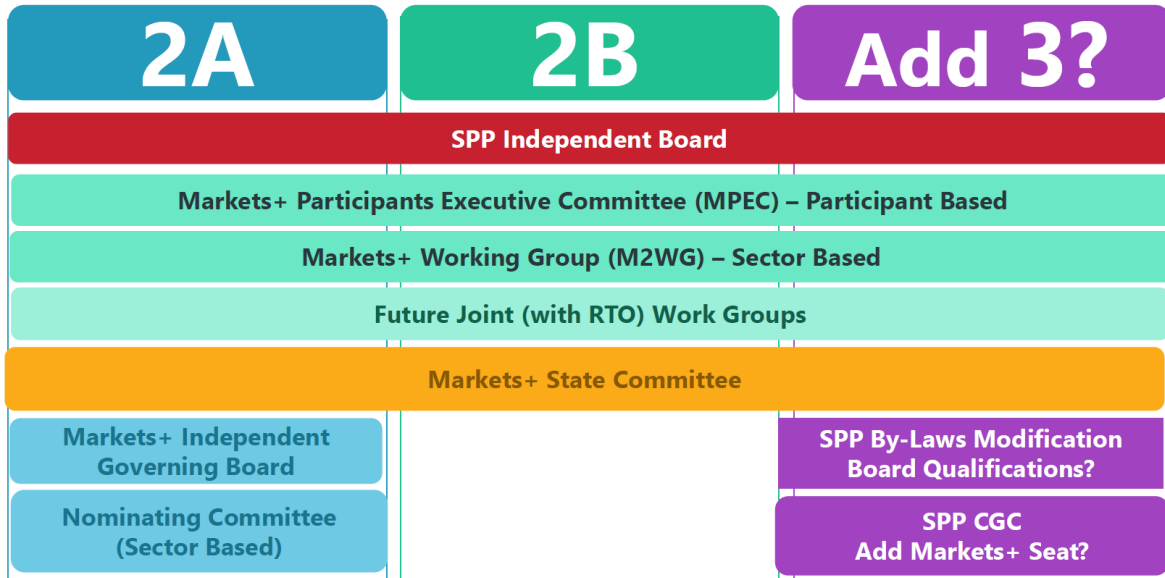
## MARKETS+ GOVERNANCE DESIGN COMMENTS

### What stakeholder interest(s) do you represent?


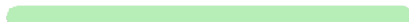

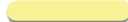
		Response percent	Response total
Independent Power Producer		4.35%	1
State Regulator		0%	0
Public Interest Organization		8.7%	2
Cooperative		4.35%	1
Municipal		4.35%	1
Federal Agency		8.7%	2
Investor Owned Utility		21.74%	5
Other		47.83%	11

Statistics based on **23** respondents;

## MARKETS+ GOVERNANCE OPTIONS



### What governance option do you prefer?

		Response percent	Response total
Option 2A only		4.35%	1
Option 2B only		0%	0
Option 2A with 3		56.52%	13
Option 2B with 3		21.74%	5
Need more information to determine		17.39%	4
None of the above		0%	0

Why do you support the option you chose?	
Option 2A only	A market structure in which a participants committee is the final decision-making body prior to an SPP Board decision does not provide adequate room for Western state regulators and stakeholders to provide input on the market rules and tariff design recommended to the Board for filing at FERC. Option 2B lacks that sector-based stakeholder input. NIPPC is not opposed to consideration of Option 3 (in addition to Option 2B), but it appears to involve changes on the margins of SPP governance that are unlikely to fundamentally improve the internal governance of Markets+ nor the relation of Markets+ to SPP writ large.
Option 2A with 3	Shell Energy suggest Option 2A with 3 is the best near-term governance solution for Markets+ because it will ensure an independent, balanced approach to issues of governance given its use of a sector-based nominating committee. We believe any Market Participant Executive Committee should be broadly inclusive with sector-based representation as well.
Option 2A with 3	WPTF believes Option 2A with 3 is the best option for governance of Markets+. This option creates a robust, autonomous Markets+ Governance Structure with an independent governing board and sector-based nominating committee, while also making additional changes to the SPP RTO's existing governance to recognize the addition of Markets+, which helps set the stage for potential full participation by Markets+ participants in the SPP RTO down the line. The existence of a Markets+ Governing Board assures full independence in the decisions that are made on tariff changes and business practices for Markets+, bypassing some of the challenges of membership restrictions and equitable representation associated with primary use of an executive committee structure to make decisions regarding Markets+ (i.e. Option 2B). Additionally, while recognizing that a market participants committee was approved by FERC for SPP's Western Energy Imbalance Service (WEIS), WPTF has concerns that such a governance structure may not be able to garner FERC approval for the much-expanded market functions that would be performed under Markets+. WPTF's members, and competitive market outcomes in general, have derived significant benefits from inclusivity in energy market governance, and Option 2A with 3 enables meaningful representation and participation from the diverse stakeholders that exist in the industry, while also providing significantly higher chances of receiving FERC approval. Under the Option 2A (with 3) structure, WPTF believes a Market Participant Executive Committee, composed of a broadly defined "market participant" membership, along with several additional "stakeholder" seats, would facilitate additional opportunities for stakeholder participation and input into the market structure. Through public meetings, the market participant committee would review working group proposals, potential tariff changes, and business practices and make recommendations to the Markets+ Governing Board. Additionally, we believe a Market Participant Executive Committee should be supported by sector-based working groups and committees which would weigh in on market issues and policy decisions.
Option 2A with 3	As came out of the working group discussions during the stakeholder meeting on March 29 in Phoenix, the Markets+ Independent Governing Body in Option 2A has strong support as the preferred, inclusive and durable way to ensure fair and equitable outcomes for all participants. Option 2A will be completely independent from any entity, group or sub-region's interests to ensure fair and equitable outcomes. Not only will Option 2A achieve independent decision making through the Governing Board, but it will also enable more robust discussion and review to take place in the Markets+ Participants Executive Committee (MPEC) as the final committee to inform the Markets+ Independent Governing Body. Further development of the model (e.g., definition of a market participant, other committees, specific role for states and PIOs, decision making processes, etc., will be needed, but should be achievable as demonstrated by similar efforts undertaken for the WRAP governance framework. In addition, details related to the "with 3" option will similarly be needed to accommodate inclusiveness and representation of the Markets+ footprint within the existing SPP governance framework, particularly at the Board level.

Why do you support the option you chose?	
	Such details may include a requirement that there be a Markets+ Seat on the SPP CGC and modifications to the SPP Independent Board Qualifications to include some (perhaps two) Board members having substantive western grid experience and knowledge. However, these changes but should be limited (and thus hopefully more acceptable to SPP's existing members) as a result of (1) the distinct Markets+ Independent Governing Body with delegated authority over decisions specific to Markets+ under Option 2A with 3, and (2) the fact that the existing SPP Independent Board and SPP staff are fully adhere to the principle of independence.
Option 2A with 3	APS supports option 2A +3 for several reasons. First, Option 2A provides for an independent governing board specifically dedicated to the markets + footprint. While standing up a separate independent Board in addition to the existing independent SPP Board of Directors may be a bit cumbersome and clunky at the onset, we believe it will go a long way to instilling trust and confidence amongst the markets+ participants. In addition, option 2A continues to provide the market participants with an appropriate amount of influence over market policy. While all stakeholders play an important role in the markets + paradigm, those of us who will be bound (both financially and regulatorily) to the markets + tariff must be able to have a forum to both evaluate and direct policy discussions. We believe the Markets Participants Executive Committee will give us this forum. The Markets + Board and Executive Committee coupled with the sector based working groups provides for a robust and inclusive governance framework. APS is also supportive of the additional layer of overall SPP bylaw and governance changes as described in option 3. While option 2B will ensure that most decisions regarding the markets+ tariff and BPM remain within the primary purview of the markets + governing Board, there will be certain issues that in front of the SPP Board of Directors. Additionally, given the amount of interest in future full market participation (both in the near on long term) we believe now is an appropriate time to make certain changes to directors qualifications and makeup of the Corporate Governance Committee of SPP.
Option 2A with 3	We prefer 2A with 3 but can support 2B with 3. The SPP board is independent so the additional independent governing board with the 2B design seems unnecessary and costly. As a result, we picked 2A. The "3" addition seems reasonable for input into the board under 2A or 2B.
Option 2A with 3	Option 2A is the best choice to ensure independence and transparency for the Markets + offering. It will require less direct oversight of the SPP board and will have the flexibility to evolve as the Markets + offering grows. The 2A option also ensures that the governing body overseeing the program is representative of the participants and stakeholders impacted. The reason we believe Option 3 is also critical is that it is a stated goal of SPP's to evolve the Markets + offering into an RTO, or have Markets + participants eventually join the RTO. In order to maintain independence and transparency, the governance of the market needs to evolve simultaneously with the market itself. It is not appropriate to incrementally add features or transfer participants from one offering into another without having the appropriate structure in place from the start. The changes that are needed to the SPP board structure to accommodate a full western RTO include establishing a sector based nominating committee and creation of committee structures with representation by non-market participant groups such as public interest organizations. Currently the SPP RTO does not adequately capture stakeholder input and does not allow meaningful participation of non market participants.
Option 2A with 3	As past market initiatives in the West have proven, trust is an essential factor in building a successful market. Option 2A has a much better chance of developing the trust that will be needed to make Markets Plus successful. Bonneville believes that a Markets Plus independent governing board is necessary in order to establish a foundation that will attract participants and garner support from stakeholders. While it is well recognized that the SPP board is independent, there is concern among key potential Markets Plus participants and stakeholders that, under 2B, SPP RTO participants may have too much influence over Markets Plus, and that stakeholders may find it difficult to have their voices adequately recognized. The Markets Plus independent

Why do you support the option you chose?	
	governing board proposed under option 2A would put a check on participants' control over the market, and would give other constituencies a direct path to the decision makers. Bonneville believes a Markets Plus independent governing board is needed to provide undivided focus on Markets Plus. The SPP board rightly prioritizes its attention on the SPP RTO, and Markets Plus would be an additional, tangential obligation that may potentially join the larger market in the future. The importance of a Markets Plus independent board is the ability to prioritize and give undivided attention to the nuances and practical implications of Markets Plus. Bonneville supports the addition of a Market Plus representative on the SPP Corporate Governance Committee as part of sub option 3. Adding a Markets Plus representative as a voting member would be beneficial for coordination with the SPP board and leadership. However, Bonneville does not believe that the other changes discuss in sub-option 3 (changes to SPP bylaws and qualifications for SPP board members) are necessary at this time, but should be considered if there is interest from participants to merge the markets in the future.
Option 2A with 3	Option 2A strikes a reasonable balance between ensuring the main decision-making body for Markets+ (a) has the requisite expertise to make well-informed decisions for Markets+'s unique Western footprint and (b) is free from bias towards any group of market stakeholders or subset of the market footprint. Based on the Phoenix meeting Option 2A also importantly appears to have preliminary support from a critical mass of Markets+ stakeholders. Ensuring the SPP Board has sufficient Western Interconnection expertise (via Option 3 as an add-on) seems appropriate based on Chelan's understanding that under either Option 2A or 2B, the SPP Board will retain oversight authority over Markets+.
Option 2A with 3	PGP supports Option 2A which would establish an independent governing board for Markets+. PGP believes such a board will be necessary to encourage participation in Markets+ and achieve support from stakeholders. In addition, this option also closely aligns with PGP's governance principles and the objectives developed by the Markets+ governance working group as it would allow for decision-making that is free from bias or conflicts that could potentially arise if decisions are made by a market-participant based committee. Further, this option appropriately recognizes the autonomous nature of Markets+ from the SPP RTO (to start) by putting significant decision-making authority with a Board specifically established for Markets+. PGP also supports the other key elements in the Option 2A governance structure which include: <ul style="list-style-type: none"> <li>o A participants committee</li> <li>o A stakeholder based/working group committee</li> <li>o A states' committee</li> <li>o A sector-based nominating committee for the Markets+ independent governing board</li> </ul> PGP is not opposed to the concept of establishing future joint work groups for issues that impact Markets+ and the SPP RTO during a later phase when optimization between the SPP RTO and Markets+ is expected. However, in order to support this concept, PGP believes more discussion is needed on how the joint work groups would function and what other governance topics/questions may need to be addressed in this future optimization phase. PGP provides more detail on this in response to question 6. PGP supports option 3 as an add-on to Option 2A. It is appropriate to modify SPP's bylaws to include Western Interconnection Experience because this ensures the SPP board, who will have ultimate oversight authority over Markets+ has the experience and skills to be representative of both the SPP RTO and but also the Markets+ footprint and participants and stakeholders. We also believe it is appropriate for Markets+ members to have a representative on the SPP Corporate Governance Committee that would have voting rights in the board selection process. Given that Markets+ will be under the ultimate authority of the SPP board, Markets+ members should similarly be afforded decision-making authority on board selection as other sectors in the SPP RTO.
Option 2A with 3	CEBA supports option 2A + 3. The independent Markets+ Governing Board should be the last stop before SPP board approval because it is nominated by a sector-based committee as opposed to the Participants Executive Committee. It is important that the Governing Board's decision making be inclusive of all Markets+ stakeholders' perspectives, not any particular membership group. Adding 3 will help integrate Markets+ representation into SPP governing

Why do you support the option you chose?	
	bodies and updating SPP's bylaws regarding board member qualifications is needed to incorporate expertise in the western interconnect.
Option 2A with 3	<p>Markets+ will be a contractual service offered by SPP. Markets+ will have its own, autonomous governance structure. Option 2A includes an independent "Markets+ Board" at the top of the autonomous Markets+ governance structure. Option 2B will have an executive committee at the top. There is a debate over the composition of the executive committee --whether it should be composed of only participants or have more diversity. See response to question #13. The "SPP Board," the current sitting Board of SPP with oversight over the SPP RTO and all of its contractual services, would have some level of oversight over both frameworks (option 2A and 2B). The primary reasons the commenters support option 2A are greater autonomy and trust building. This could, in turn, encourage increased participation and enhance trust in the market offering as a whole and SPP's ability to demonstrate independence of board functioning. Option 2A would require less oversight by the SPP Board than 2B. For example, under option 2A with "deemed" authority, as discussed at the May 29 in-person Markets+ governance workshop in Phoenix, Arizona ("May 29 Markets+ workshop"), proposals approved unanimously by the Markets+ Board would go directly to FERC. Even under "delegated" authority, wherein the SPP Board would have oversight over all Markets+ proposals, the SPP Board's authority would be limited to a consent agenda path. (See responses to question #28 for a discussion of deemed and delegated authority.) Under option 2A with delegated authority, proposals will be reviewed and approved by the Markets+ Board before going to the SPP Board; therefore we presume there will be a very high threshold to take those proposals off of the consent agenda. However, for option 2B, the SPP Board will be the only opportunity for review by an independent board. Independent boards serve an important function, therefore, under 2B the SPP Board should have a substantive role. Under option 2A, having a board nominated by Market+ stakeholders and focused entirely on Markets+ could instill confidence in participants and other stakeholders. This was conveyed by a number of stakeholders, including potential participants, during Markets+ design meetings. There are significant cultural differences between SPP and regional organizations in the Western Interconnection, e.g., the Western Energy Imbalance Market (WEIM), WECC and the Western Resource Adequacy Program (WRAP). For example, in western electricity and market proceedings there is broad stakeholder engagement. By "stakeholder" we mean any entity or party, or representative, affected by the operation of the market, and includes, for example, transmission owners, electric generators, end-use customers, large energy buyers, marketers and brokers, public power entities, consumer advocates, regulators and their staff, and public interest organizations (PIOs). Full participation (which includes voting) is not contingent on membership fees or other financial obligations. PIOs and other nonparticipant entities are actively engaged in stakeholder processes on equal footing with participants and serve on boards and committees with voting privileges. Further, there is a high level of transparency and responsiveness and many of the strategies that allow organizations with limited resources to effectively engage are employed. In June 2021, PIOs provided comments on Integrating Western Parties into SPP's RTO, i.e., SPP's RTO West. Attachment A to that document includes the governance comments ("PIO Comments on SPP's Governance").[1] The PIO Comments on SPP's Governance provides a fairly thorough overview of SPP's governance and stakeholder process. The comments include a number of recommendations for improving transparency and supporting effective stakeholder engagement, especially for organizations with limited resource. One of the key takeaways is SPP's member dominated culture. Under SPP's governance framework, to truly have a "meaningful voice" in its stakeholder process, one must be a member of the organization. Membership offers a number of key opportunities for influence that public stakeholder status alone does not, including: (1) the ability to elect members to the SPP Board of Directors; (2) the potential for appointment to key committees and working groups; (3) the ability to vote on SPP initiatives and appeal decisions of organizational groups to the Board of Directors; (4) the ability to submit Revision Requests and policy proposals</p>

Why do you support the option you chose?	
	<p>necessary for making changes within the SPP member working groups and committees; and (5) the ability to participate in certain executive sessions (only members are eligible to sign the NDAs required to participate in these sessions for RTO West).[2] Membership requires a \$6,000 annual fee, a two-year notice of intent to withdraw and, for non-load serving entities (which includes nonparticipants such as PIOs), a \$50,000 withdrawal deposit at the time that the notice is provided.[3] This has been described as “a remarkably high bar on all those wishing to become members.”[4] In a 2019 policy study he authored, Travis Kavulla, former Commissioner on the Montana Public Service Commission, provides additional insight into SPP’s decision-making process which he characterizes as largely controlled by its members.[5] Given the cultural differences, the 2A option can provide a period in which Markets+ participants and other Western stakeholders can build trust with SPP (and vice versa). This is not only important for the Markets+ day-ahead market option but also for potential evolution of market products that are offered by SPP in the Western Interconnection. Markets+ may be a potential step on the path to a full RTO for some participants. This path would require Western participants to integrate into the existing and larger SPP organized market structure and processes. This integration would also require seamless coordination of business practices, tariff changes and cost-allocation agreements. The commenter support 2A with 3. Currently under option 3, only two changes are being considered to the governance of the existing SPP RTO (“SPP proper”) to accommodate implementation of Markets+: (1) adding one seat for a Markets+ representative on SPP’s 11 member Corporate Governance Committee (the Committee that nominates SPP Board members); and (2) expanding the qualifications for SPP Board members. The commenters support these two changes and the following additional changes:</p> <ul style="list-style-type: none"> <li>• The SPP Board votes by secret ballot.[6] At a minimum, SPP Board votes regarding Market+ matters should be open and on the record.</li> <li>• In addition, the PIO Comments on SPP’s Governance provides a fairly thorough overview of SPP’s governance and suggests improvements to better align SPP’s governance with good governance principles (see response to question #31). Depending on SPP’s role in and level of oversight over Markets+, more substantial changes to SPP proper should be considered.</li> </ul> <p>Q5 [1] Integrating Western Parties into SPP’s RTO: Terms &amp; Conditions, Comments of Public Interest Organizations (June 30, 2021), Attachment A: PIOs’ Principles for Good RTO Governance, at 10, available at: <a href="https://spp.org/Documents/65373/Final PIO Comments - SPP RTO West Terms and Conditions 6-30-21.pdf">https://spp.org/Documents/65373/Final PIO Comments - SPP RTO West Terms and Conditions 6-30-21.pdf</a>, (“PIOs’ Comments on SPP’s Governance”). Q5 [2] Id. at 2-5. Q5 [3] Southwest Power Pool, Inc., Bylaws, §8.2 (First Revised Vol. No. 4) (legitimate public interest groups may seek a waiver of the membership fee annually) (“SPP Bylaws”); SPP Membership Agreement (attached to Bylaws), §4.2. Both are available at: <a href="https://www.spp.org/documents/13272/current bylaws and membership agreement tariff.pdf">https://www.spp.org/documents/13272/current bylaws and membership agreement tariff.pdf</a>. Q5 [4] Kavulla, Travis, Problems in Electricity Market Governance: An Assessment, R Street Policy Study No. 180, 8 (August 2019) available at: <a href="https://www.rstreet.org/2019/08/30/problems-in-electricity-market-governance-an-assessment/">https://www.rstreet.org/2019/08/30/problems-in-electricity-market-governance-an-assessment/</a>). Q5 [5] Id., at 8-9. Q5 [6] SPP Bylaws, §4.6.3.</p>
<p><b>Option 2A with 3</b></p>	<p>This option appears to provide an independent decisionmaking body that allows for full consideration of stakeholder views with focus on Markets+.</p>
<p><b>Option 2A with 3</b></p>	<p>Any successful effort to create an organized market in the West will require confidence from stakeholders that they will be able to effectively inform and influence the design of the market that they are joining. Participating in a day-ahead market will be a significant change to the way that business is done in the West with the potential for substantial impacts for both those who actively decide to participate, and others who will be impacted by market changes whether they affirmatively decide to participate in an organized day-ahead market or not. Potential Markets+ participants must have the confidence that the market will be administrated by an independent decision-making body that will be solely focused on the design and operation of Markets+. Under the paradigm where Markets+ is a contractual service offered by SPP, it is most appropriate to allow participants taking that service and stakeholders impacted by that service to design that product offering. Option 2A allows for the most robust representation of</p>

Why do you support the option you chose?	
	stakeholder interests within the Markets+ footprint through seating independent decision-makers on the final Markets+ decision-making body. Option 2B, which would use a participants committee as the final decision-making body for Markets+, runs the risk of not fully considering the views of those who are not direct participants in the market but who are nonetheless impacted – including state commissioners, environmental and consumer advocates, and potentially consumer-owned utilities served by BPA, among others. Changes to the existing SPP governance structure, as identified by option 3, are likely appropriate. Including Markets+ representation on the Corporate Governance Committee to seat SPP board members in particular would help integrate Markets+ perspectives into the existing SPP governance structure. Depending on the relationship between the independent SPP Board and the Markets+ Governing Body, additional changes may also be appropriate. In the case that the SPP Board is making any “final” decisions with regards to Markets+, potential changes to the SPP bylaws and an additional role for Markets+ participants on existing SPP committees may also be warranted.
Option 2B with 3	Markets+ Market Participant Executive Committee should have ultimate authority over Markets+ and not simply be advisory only. The sub-board that would be created under Option 2A would have the potential to conflict with SPP Board decisions.
Option 2B with 3	Very important, at least at the outset of the new market, to have a separate board with primary authority over the Market + contract service design. Will result in increased focus on Western market issues. The Market + independent board’s actions should be “deemed approved” by the SPP Board for issues related to Markets +.
Option 2B with 3	We are currently a full RTO member in SPP on the eastern interconnection as well as a participant in WEIS. Our experience with SPP Independent Board has been very positive. Additionally, our experience has been that the “real work”, aka, “the stakeholder process” is accomplished within the Work Groups, Task Forces, and Committees; therefore, the extra layer of governance in Option 2A is unnecessary.
Option 2B with 3	Seemingly independent functioning, with the ability to leverage SPP resources and processes. However, at this point it is hard to determine the decision-making authority between either 2A/2B, with regards to use or direction of SPP staff, or of independent staff. There is some concern about the true “Autonomy” of a 2A Board, given its inability to direct the business if it is a sub-group of the SPP BOD
Option 2B with 3	<ul style="list-style-type: none"> <li>• It establishes a fully independent BOD and governing body unbiased towards any one participant type – which we feel is the foundation of a well-designed market.</li> <li>• A Markets+ governing body will make the Markets+ a more compelling offering for many participants and western state regulators. We support option 3 as an add-on. Adding an SPP Board member with experience in the western interconnection would increase the capability of the current SPP BOD and make it more capable of exercising oversight of Markets+. We also support adding a Markets+ representative to the SPP governance committee. These changes would further increase the appeal of Markets+ to western entities and regulators.</li> </ul>
Need more information to determine	I am not necessarily against Option 2A or 2B but feel like SPP already has an independent board and adding yet another Governing board only adds costs to the administration. It feels like you can educate the existing board on the issues and expand existing structures to add seats for those markets+ participants.
Need more information to determine	Based upon the Phoenix meetings, it appears that participants coalesced around Option 2A w/3 to address among other hurdles the need to obtain stakeholder support for Markets+, and concluded that stakeholder support may not be obtained with 2B options. Given that feedback, it is important for staff to analyze that option in more detail and provide any additional information that might impact that recommendation, and specifically identify any constraints or special requirements to implementing Option 2A w/3 to ensure that both the Governing Body and SPP Board of Directors can fully meet their contractual and fiduciary responsibilities, and



Why do you support the option you chose?	
	coordinate on any overlapping issues (such as shared market engine tools, or Markets+ to RTO market optimization, etc.).
<b>Need more information to determine</b>	At this time and given limited information, SRP supports the concept of an independent Markets+ board, option 2A with 3. However, as more information becomes available on the cost, voting structure, and ultimate direction of this governance effort SRP may re-evaluate its position.

Are there other governance options or elements that you would like us to consider?	
	No. The 2A with 3 approach garnered broad stakeholder support in Phoenix.
	I would just consider the added costs and what you are really trying to gain by setting up another board structure. Seems to just add one more layer of "approval" to get anything done given an already independent board. I like the MPEC concept for any option as it gives the executives of the companies a distinct voice. I would also ensure that all the costs of decisions do NOT fall on the participants. There are a lot of "wants" out there from people who would not pay for it. Customers of participants should NOT bear these costs of things that are not necessary.
	In determining the appropriate voting structure(s) for Markets+, WPTF urges the consideration of metrics other than "load" for any House-style voting that will take place. There are likely to be participants that financially participate in Markets+ but do not, themselves, serve load. However, their voice should not be discounted under a House style voting option. The governance design team should consider metrics such as "Load and Generation" for any House style votes that would take place within Markets+. Additionally, WPTF supports a strong role for a committee of states, but understands this is being addressed separately in conjunction with state representatives.
	Powerex's responses to the questions assume this is a preliminary scoping effort and further work will require an iterative process to refine the areas that are interrelated (e.g. voting structure is affected by who should be included on a committee etc.). In addition, the responses that committees should meet publicly assume each will reserve the right to have private meetings with a well-defined process to address certain topics that are sensitive in nature and do not require public input.
	Require an evaluation or commitment to sunset the independent governing board for Markets+ after 2 years or if most of the Markets+ entities join the RTO or another market alternative.
	intentionally left blank
	As noted above, identifying clearly the responsibilities and ultimate decision-making authority of both the Governing Body and the SPP Board of Directors, and the coordination requirements necessary between the two bodies for overlapping issues.
	Bonneville would like to see a market expert assigned to the Markets Plus independent board under option 2A. The market expert would provide analysis and general market knowledge as directed by the board. Bonneville recognizes that the market monitor has been identified as a separate work stream, but the market expert for the independent board would be separate and apart from the market monitor and should be part of the governance design. The market expert would provide the independent board with access to an additional neutral flow of information and research that is not coming from participants and stakeholders.
	No. Although Chelan views Option 2B as workable from the perspective of a potential market participant, it recommends focusing on 2A for the reasons listed above.
	Participation Rules/Requirements: While not strictly a governance element, PGP believes it will be important to clarify participation rules, requirements and definitions for the future Markets+ service offering. Specifically, who is eligible to participate in the market, and who makes the decision to join. For example, in the case of an LSE within a BAA, who would make the decision to join? Further, PGP has questions regarding how participation in WRAP and Markets+ will function if participation in Markets+ is at the BAA level, given that WRAP participation is with the load responsible entity (LRE). Exit Provisions: PGP supports voluntary entry and exit from the program, with appropriate notice. PGP would like to hear from other stakeholders on what might constitute appropriate notice but believes somewhere in the range of 90 days (WEIS market) to 180 days (EIM) would be reasonable. PGP believes it is also appropriate for there to be provisions for earlier exit under certain extenuating circumstances which should be assessed by the Markets+ governing board on a case-by-case basis. Transparency and Data Sharing: PGP supports the principle articulated by several state PUCs which is ensuring that any governance

framework provides transparent sharing of information and data. The states suggest that when direct access to information or data introduces valid commercial interest concerns, an Independent Evaluator function should be introduced to balance commercial sensitivities with the need to provide assurances that the program is able to deliver as expected. PGP supports exploring how transparency and access to data and information can be best achieved for Markets+. Governance Elements for Future Phases: In addition, as discussed above in response to question 5, PGP believes there are additional governance elements that would need to be considered in a future phase when there is optimization between Markets+ and the SPP RTO. In this future phase, it will be important to determine both what market rules are implicated and how authority over these rules will be shared. One option, as SPP has outlined, would be establishing a joint Markets+/SPP RTO task force to address issues of shared authority. PGP would like more detail to understand how this task force would function. Another option could be establishing a joint authority construct between the SPP Board and Markets+ Independent governing board on issues/rules of shared authority. Under any shared authority construct, PGP believes there are key issues that must be addressed which include the following:

- Decisional classification process—process by which a market rule is classified/determined to be under shared authority
- Dispute resolution process—process for resolving deadlocks when the SPP board and Markets+ independent board do not agree on whether to approve a proposal on issues of shared authority
- Durability provisions—once the scope of shared authority over market rules is determined, a framework should be developed that outlines how changes to this shared authority would be handled.

Ultimately, SRP prefers a governance structure similar to WPP's WRAP where SPP is the program operator as that represents a truly independent governance structure developed for a Western market by and reflective of Western participants. SRP suggests Option 4 be considered, shown below. Option 4: Independent Markets+ Board with SPP as the Market Operator \* M+ Board of Directors \* M+ Participant Executive Committee \* M+ Working Group by Sector \* M+ States Committee \* M+ Nominating Committee by Sector Please see attached Option 4 pdf.

Important for NRU and our members, we are interested in structures that align with the Bonneville Power Administration and its legal obligations to its preference customers. Similarly, utility customers of Bonneville may not be direct participants, instead they would be served by Bonneville who would be the participant. Nonetheless, it is important to ensure a voice for such customers.

We would like to offer a few considerations and request a clarification from SPP on the Markets+ structure. First, by way of context for SPP and other stakeholders, PPC must emphasize the importance of developing a governance structure which would facilitate the Bonneville Power Administration's participation in Markets+. As a federal power marketing administration, BPA has specific statutory obligations – particularly to its preference customers. While the work that SPP has done with WAPA provides a helpful starting point for discussions on how to facilitate BPA's participation, there are meaningful differences between the two agencies and facilitating BPA's participation in a market operated by SPP may require additional considerations to those developed with WAPA. We mention this in the context of governance as it will be critical that BPA and its preference customers feel confident that the Markets+ governance structure will provide the agency the flexibility it needs to continue to meet its statutory obligations if it participates in Markets+. Second, PPC would appreciate additional opportunities to work with stakeholders to have a more holistic discussion on the definition of "participants" and the composition of various stakeholder working groups or task forces. The definition of "participant" will best be pursued in coordination with the governance options laid out below to ensure that there is sufficient stakeholder representation in the governance structure across various sectors. Stakeholders began this discussion at SPP's governance workshop in late March, and we look forward to more opportunities to discuss these details as a package. Lastly, PPC seeks clarification from SPP on how the Markets+ operational footprint and governance will interact with the existing SPP footprint. Based on discussions at the SPP workshop in late March, PPC understands that even if Markets+ moves into a later phase where dispatch in the Markets+ footprint and the SPP RTO are co-optimized in a single market run, that would not necessarily require all market rules to be the same in both markets. We understand that Markets+ stakeholders, working through the established Markets+ governance structure, would be able to request deviations from the existing SPP RTO rules in the Markets+ market design. In these instances, to the extent that there are additional systems or operational costs resulting from these differences, Markets+ entities would be responsible for those costs, but the option to deviate and take on those specific costs would be provided to the Markets+ decision-makers. To be clear, PPC is not suggesting that there would necessarily need to be significant differences in the rules governing the Markets+ and RTO footprints (aside

from the clear distinctions in the types of services being offered – day-ahead vs. RTO). This question is posed strictly to understand the options that are available to the extent that SPP RTO members and Markets+ stakeholders do not agree on aspects of market design.




The overall structure of option 2A, which appears to be modeled primarily on the Western Resource Adequacy Program (WRAP) of the Western Power Pool (WPP) (and to a lesser extent the Western Energy Imbalance Market (EIM)), is sound enough for an incremental organized market offering like Markets+. The more fundamental question for the soundness of the proposal is the makeup and voting shares of the proposed participants committee (MPEC). A more detailed reaction on this question is included below. NIPPC also supports the creation of a strong regional states committee, assuming state representatives wish to adopt such a committee in this context. NIPPC does not focus its comments on the role and authority of such a committee, but those details deserve further discussion.

**Under Option 2A, should the Market Participant Executive Committee primarily meet publicly or privately?**

		Response percent	Response total
Publicly		100%	23
Privately		0%	0



Statistics based on 23 respondents;

**Under Option 2A, what should the voting structure be for the Market Participant Executive Committee?**

		Response percent	Response total
Load (House)		0%	0
One vote per entity (Senate)		9.52%	2
Load and one vote per entity (House and Senate)		66.67%	14
Other		23.81%	5

Statistics based on 21 respondents;

**Under Option 2A, who should be included in a Market Participant Executive Committee?**

		Response percent	Response total
Market participants only, including IPPs/non LSEs if participating in market		50%	10
Market participants and other stakeholders		50%	10


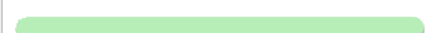

Statistics based on 20 respondents;

**Under Option 2B, should the Market Participant Executive Committee primarily meet publicly or privately?**

		Response percent	Response total
Publicly		100%	23
Privately		0%	0



Statistics based on **23** respondents;

**Under Option 2B, what should the voting structure be for the Market Participant Executive Committee?**

		Response percent	Response total
Load (House)		0%	0
One vote per entity (Senate)		20%	4
Load and one vote per entity (House and Senate)		55%	11
Other		25%	5

Statistics based on **20** respondents;

**Under Option 2B, who should be included in a Market Participant Executive Committee?**

		Response percent	Response total
Market participants only, including IPPs/non LSEs if participating in market		42.86%	9
Market participants and other stakeholders		57.14%	12

Statistics based on **21** respondents;

**Please provide any other comments related to the Market Participant Executive Committee that you would like us to consider.**

Please provide a virtual option for participation in the Market Participant Executive Committee meetings. Voting structure should ensure decisions are not based on a load-only calculation, as small utilities also need a voice. If a load-only calculation is ultimately chosen, need to consider a supermajority requirement for voting.

Any Market Participant Executive Committee should be broad-based and represent different facets of interest in the Market (e.g., IOUs, public power, Federal power marketing administration(s), competitive marketers, IPPs etc.)

Would be willing to consider some process by which an organization could pay a nominal fee to participate. The Committee should serve to give the Independent Governing Board an indication of support for a tariff or BPM change; however, any action or inaction should be appealable to the Board.

By making the meetings public (unless there is a sensitive topic that needs to be private) then you can limit it to the market participants only. That gives a place where executives who have direct hard interests in the market can talk and decide things. The Board can always hear from others also. One vote per entity is important as no one load is more important than another.

While WPTF opposes the use of Option 2B, we strongly encourage the membership of the Market Participant Executive Committee (under Option 2A or 2B) to be diverse and represent the many groups and perspectives that would be implicated by the development of Markets+. A diversity of membership may help assuage concerns with a limited group of market participants directly making policy decisions on market issues.

If the Market Participant Executive Committee is the final decision authority for Markets+ before items go to the SPP Independent Board, the voting structure will need careful review to make sure the outcomes will be fair and equitable for all participants. It may also require more changes to the existing SPP framework (i.e. "with 3") as the SPP Independent Board will likely need to address more Markets+ topics and weigh in on final decisions under an Option 2B framework. Instead, it is preferred to define the role of the Market Participant Executive Committee to guide priorities and recommend design updates to the Markets+ Independent Governing Body.

As mentioned previously, the Market Participant Executive Committee provides an important forum for market participants to both engage in and direct policy discussions. It also provides a "safe space" for market participants to think creatively through challenges and come up with workable solutions. Given these purposes, APS believes that the Committee should meet primarily in a public setting, but we also support an opportunity to meet privately when issues of unique sensitivity are being addresses.

Who is eligible to participate in the Market Participants Executive Committee (MPEC) and what the formal voting structure cannot be addressed without commenting on the overall governance structure of the Markets + offering or that of SPP itself. Options 2A and 2B offer dramatically different governance structures and potential outcomes, therefore who is able to participate and how they are represented through voting will be drastically different. In general the MPEC membership should be defined as anyone who transacts in the market. This should include IPPs, LSEs, transmission owners and providers, others who provide ancillary services. Other regional markets including MISO, NYISO, and PJM all provide one or more of these sectors with voting rights in membership committees. It also may be appropriate for other sectors including PIOs and consumer advocates to be represented on the market participants committee if the relationship between the market participants committee and the working group is such that opportunities for review, input and appeal of proposals to the board are limited to such sector representatives. In particular, end-use consumers, while not necessarily direct participants in the wholesale real-time or day-ahead market, are still impacted by the market and its rules. The voting structure for the Market Participant Executive Committee needs to be workshopped more thoroughly. SPP should be considering a model other than load weighted voting. Sector representation should be fair and evenly weight the importance of generation, load and transmission. Under option 2A, RNW is more comfortable with MPEC membership that is limited to those entities who are financially exposed to the market. Under the 2B option, there is no governing body with authority to represent all stakeholders, therefore the senior most committee, in this case the MPEC, must be representative of all stakeholders and include non-market participants. The voting structure for the Market Participant Executive Committee under option 2B should be one vote per entity.

The Market Participant Executive Committee should include other eligible stakeholder representatives to provide adequate sector representation and input (e.g., potentially one seat for a state representative, one for LSEs that are

**Please provide any other comments related to the Market Participant Executive Committee that you would like us to consider.**

not participants, and one from the public interest sector). Additional staff recommendations needed regarding voting eligibility.

Under Option 2A, the Participants’ Executive Committee should be made up of participants and a limited set of stakeholder representatives (potentially one seat for a state representative, one for LSEs that are not participants, and one from the public interest sector). The definition of “participant” is an issue for continued discussion. Since under 2A the Participants’ Executive Committee is making recommendations to the independent board, stakeholders, including non-participants, would still have the opportunity to comment on proposals, and present counter arguments, before the Markets Plus independent board. However, under Option 2B, the Participants’ Executive Committee should have broad representation from all stakeholders because the Committee would be making final determinations that would then go directly to the SPP Board on the consent agenda. Under Option 2B, stakeholders would not have adequate representation unless they are more broadly represented on the Participants’ Executive Committee. When there are dissenting opinions within the Participants’ Executive Committee a majority and minority opinion should be developed for the independent board to consider.

Chelan is open to exploring representation for "other stakeholders" on the Executive Committee.

For Option 2A, PGP supports the recommendation made by BPA to include market participants and a limited set of stakeholder representatives (potentially one seat for a state representative, one for LSEs that are not participants and one from the public interest sector) on the market participant executive committee. PGP believes it is important to avoid closed committees and any structure that would elevate one stakeholder interest over another. That said, PGP also recognizes there are unique interests and issues that will impact the entities that actually participate in the market, and there may need to be structures and processes (sub-committees, separate meetings, etc) established to reflect this. Under Option 2B, PGP believes it is appropriate for stakeholders to be broadly represented on a participants committee. Because Option 2B would not include the independent perspective provided by a Governing Body as proposed in Option 2A, the Market Participant Executive Committee will need to be more inclusive to ensure that all impacted parties are able to have their perspectives heard as part of the decision-making process. Further, under any governance option, it will be important to ensure that the Market Participant Executive Committee is as transparent as possible. For this reason, PGP supports meetings of this committee to be primarily open to all stakeholders, with limited exceptions that are noticed with a transparent reason for being closed.

We request that any future definition of “stakeholders” in Markets+ governance proposals include end-use customers, both small and large energy buyers, among entities affected by operation of the market and therefore considered stakeholders.

The commenters support the Market Participant Executive Committee’s (MPEC) role as described during the April 13 WIEB sponsored webinar on Market+ governance (“April 13 WIEB meeting”): The MPEC will be a gate keeper for proposals but it will not be a gate that locks. Our interpretation of this analogy is that all Markets+ proposals must ultimately go through the MPEC and if the MPEC rejects a proposal stakeholders can appeal the decision to the Markets+ Board under a 2A framework. Under the 2B framework there would not be a Markets+ Board and appeals of MPEC decisions would be made to the SPP Board. Supplement to Questions #7, 9 and 12 (MPEC meetings and membership). Organized wholesale energy markets operate as quasi-autonomous nongovernmental organizations, thus transparency, accountability and fair representation are paramount.[1] Tensions can arise ensuring that RTOs are responsive to participants and also adequately balance larger public interest considerations.[2] The stakeholder process should afford nonparticipant stakeholders a meaningful voice in all levels of the development and decision-making. We recommend specific considerations for enhancing the stakeholder process: 1. Decision-making at all levels of the stakeholder process should be as transparent as possible. Whenever possible meetings should be open to the public. The response to question #25 (requirements for closing meetings) applies to the MPEC. 2. Minority positions must be recognized and considered throughout the stakeholder process and nonparticipants should have a meaningful voice. Therefore, MPEC membership should have sector diversity and not be limited to participants. This takes on more importance for option 2B, in which the MPEC is the final authority within the Markets+ governance structure. We recognize there should be some flexibility on MPEC membership if the 2A framework is chosen. However, this will depend whether the stakeholder

**Please provide any other comments related to the Market Participant Executive Committee that you would like us to consider.**

process as a whole provides effective engagement for nonparticipants. Supplement to Question #8 (MPEC voting). Before asking stakeholders to recommend a voting methodology or having the Governance Design Team propose one, we suggest developing specific agreed-upon principles with stakeholders. These principles would be used to evaluate options. We also recommend that the Governance Design Team organize an open discussion of the voting methodology options, including options used by other RTOs, before proposing a recommendation on this important aspect of the Markets+ governance design. Some questions to consider in developing principles by which the options would be evaluated include the following: • Will the method instill trust in the process, for example is it understandable and transparent? • Will the method, as it is applied to the voting population, give any sector or organization veto power or undue influence? • Does the method promote consensus and produce outcomes that reflect the diversity of interests among stakeholders? • Can the method be used to serve market participants' interests at the expense of advancing proposals that enhance market efficiency? [3] Q13 [1] Kavulla at 4-5 (full citation at Q5 [4]). Q13 [2] Dworkin et al., Ensuring Consideration of the Public Interest in the Governance and Accountability of Regional Transmission Organizations, 28 Energy Law Journal 543, 578-79. 581-85. 600 (July 1, 2007) available at: [https://www.eba-net.org/assets/1/6/10-Governance\\_of\\_RTOs.pdf](https://www.eba-net.org/assets/1/6/10-Governance_of_RTOs.pdf). Q13 [3] James et al., How the RTO Stakeholder Process Affects Market Efficiency, R Street Policy Study No. 112, 15-16, 4-9 (October 2017), available at: <https://www.rstreet.org/2017/10/05/how-the-rto-stakeholder-process-affects-market-efficiency/> (explains strategic coalition voting, or bloc voting, and how it can be used to obstruct efficient market operations; also provides an overview of voting used in six U.S. RTOs).

Consideration could be given to: • What advisory role should nonmarket participants and other stakeholders have and how their voice may be heard by the Market Participant Executive Committee. • A market expert and market monitor for Markets+ SRP may have other considerations as the governance structure evolves.


Tacoma Power is open to the idea of including a limited number of non-participant stakeholder representatives. For example, one seat for a state regulator representative, one for non-participant LSEs, and one from a public interest organization or from the renewables community. This modification may garner additional support for Markets+ from state regulators and be more acceptable to FERC.

Without the independent perspective provided by a Governing Body as proposed in Option 2A, the Market Participant Executive Committee will need to be more inclusive to ensure that all impacted parties are able to have their perspectives heard as part of the decision-making process. We look forward to additional discussion on the composition of the market participant committee with other Markets+ stakeholders. The appropriate composition of the committee will be further informed by who is making the ultimate decisions in Markets+ (Option 2A vs Option 2B), what working groups are created and who participates on those working groups, and market design factors which could influence how various entities interact with the market. Given the role of an independent Governing Body under option 2A, it is reasonable to have a stricter requirement for qualifying as a "market participant." Based on discussions at SPP's Markets+ workshop in late March, there appeared to be significant support that under option 2A, participants should be those that are financially impacted by market outcomes and bound by the rules of the Markets+ tariff. All PPC members in a Markets+ footprint have the potential to experience direct financial impacts, though the extent of those impacts will become more evident as the market is designed. "Participant" should be defined such that it includes any entity experiencing direct financial impacts (regardless of whether they are a BAA, resource owner, or exposed to market outcomes through load service). Additional consideration may be needed to understand how voting rights may be allocated to those who are BPA full requirements customers, and whether an option should be available to delegate those voting rights to a representative if desired. PPC requests additional discussion on how non-participant perspectives will be accounted for/considered during Market Participant Committee meetings (this could include an opportunity to supply written comments, include limited voting or non-voting non-participants on the board, or other approaches). PPC is supportive of the concept discussed at SPP's Markets+ workshop, in which the Participants Committee would review issues before those issues go before the Markets+ Governing Body as long as any stakeholder has the ability to appeal the Participant Committee's decision to the Markets+ Governing Body (whether that decision be to advance a topic or not).

**Please provide any other comments related to the Market Participant Executive Committee that you would like us to consider.**




The issue of who is eligible to be a formal participant in Markets+, with seats on the MPEC and allocated voting rights on that body (the primary participant decision-making body of Markets+) is the most important open issue in this governance design. At the moment, it overshadows other important topics like the relation of Markets+ governance to SPP’s overall governance. The norm in RTO/ISO governance is for the principal participation/membership committees to be populated by a range of market participants with sector-weighted voting rights. At the simplest end of the spectrum is the Transmission Owner and Transmission User division within SPP itself. The other RTO/ISOs (except for CAISO) rely on more granular and diverse sector representation: five to eleven sectors, with approximately 12-20% of the vote allocated to each major sector. By contrast, the WEIS model represents a departure from this norm, for perhaps understandable reasons given the narrow scope and membership in WEIS to date. The WPP’s WRAP is not a market, and its entirely load-centric participant and voting structure offers no guidance here. The CAISO is unique in its single-state centralized authority and lack of the stakeholder participation model featured in the other RTO/ISOs (including the other two single-state operators in New York and Texas). Neither load service nor transmission ownership is dispositive of a market participant’s significance, and voting rights in general should not rely primarily on those two factors. Neither factor accounts for the role of independent generators, wholesale marketers, merchant transmission developers, nor major end-use consumers directly transacting with marketers or utilities. While vertical integration, to widely varying degrees, remains a fact across the West, these other market participants and business models are an integral and growing part of power markets in the region. NIPPC does not yet recommend a particular way to divide participation and voting rights on the proposed MPEC. Instead, SPP and the Markets+ governance team should, alongside stakeholders, more closely evaluate, disclose, and discuss a range of established ways to establish weighted sector representation.

**Should the Working Group primarily meet publicly or privately?**

		Response percent	Response total
Publicly		100%	23
Privately		0%	0

Statistics based on 23 respondents;

**What should the voting structure be for the Working Group?**

		Response percent	Response total
Load (House)		0%	0
One vote per entity (Senate)		63.16%	12
Load and one vote per entity (House and Senate)		10.53%	2
Other		26.32%	5

Statistics based on 19 respondents;



What, if any, permanent task forces should the Working Group establish?
<p>-Seams/MMO coordination task force            -Resource Adequacy            -Supply Adequacy            -Transmission Regional Planning</p>
<p>The working group should include adequate external representation for public interest organizations, trade groups, ratepayer advocates and state commissions/offices of energy etc.</p>
<p>There should be a working group to coordinate market design issues with the MOPC.</p>
<p>Generally, try to emulate structure as it exists in SPP.</p>
<p>A technical task force with sector-based representation to provide expertise on detailed market topics will serve to develop proposed solutions and document recommendations before they move forward to the Market Participant Executive Committee. A technical working group will be key for incorporating suggestions from the public process and for developing recommendations.</p>
<p>Resource Sufficiency, Transmission, Regulatory/Legal,</p>
<p>West Market Working Group West Resource Adequacy Group Seams Working Group Joint East and West Working Group [to address issues that touch both Interconnections]</p>
<p>This should primarily be determined by the working group once established.</p>
<p>Initially, task forces to address on-going issues with current design team areas of market design/price formation, transmission/seams, GHG, etc.</p>
<p>There should be multiple Working Groups. Topics should include Transmission, GHG, Seams, and Price Formation. During the next stage of market design, it may be useful to form a tariff design and review Working Group.</p>
<p>The commenters have no recommendation at this time. However, we would like to comment upon the "joint work groups." It is anticipated that there will be some market design proposals that will impact both Markets+ and SPP proper. The Governance Design Team has indicated that these proposals will be developed by "joint work groups" populated with stakeholders from Markets+ and SPP proper. There has been minimal discussion about the scope of these proposals, the process for developing these proposals or how they will be approved. These are important issues that should be fully discussed and vetted for inclusion in the service offering. See also response to question #22 (Key aspects of the Markets+ Board's authority need to be addressed in an open process).</p>
<p>Ties Optimization, Supply Adequacy, management of multiple OATT tariffs, Long term TX alignment and funding... I am sure there will be a need for others!</p>
<p>At this time governance working groups that could be established may include:</p> <ul style="list-style-type: none"> <li>• Regional Issues Working Group</li> <li>• Governance Review Committee</li> <li>• Nominating Committee for the Board of Directors</li> </ul> <p>There may be others that SRP suggests as governance evolves.</p>
<p>PPC is interested to learn more about the Joint Issues Task Force concept, which was briefly mentioned during SPP's Markets+ workshop. Additional discussion would be helpful to identify other task forces which may be necessary, including their relationship to other existing SPP Committees.</p>
<p>Permanent taskforces related to seams (between Markets+ and CAISO, other non-participating entities, and the Interconnections) and co-optimization of Markets+ and SPP proper, as a start, would be appropriate.</p>

<b>Please provide any comments on the Working Group you would like us to consider.</b>
<p>-Please provide a virtual option for participation in the Working Group meetings. -Consider experience and diversity of market participants among working group and task force members (TDUs and TOs)</p>
<p>A helpful criteria for selecting representatives for the Working Group would be to strongly encourage direct knowledge or experience in Western regional energy markets. Eastern/Midwest markets are very different from the West.</p>
<p>Need to establish a process for any stakeholder to raise issues for consideration.</p>
<p>A House and Senate style voting in the working group format is likely to be unnecessary and overly complicated and may prevent the working groups from bringing forward proposals for consideration by the Market Participants Executive Committee and the Governing Body. At the working group level, a “one vote per entity” structure is likely to be more appropriate, while maintaining a House &amp; Senate style vote at the Market Participants Executive Committee level.</p>
<p>This group could meet primarily in closed meetings for its working sessions and in public meetings only as needed for the public comment process.</p>
<p>Working groups should likely be smaller in size than the MPEC and have representation/voting based on market participant sectors for diverse input.</p>
<p>Working Groups should be designated as standing for permanent topics. The Participants Executive Committee may designate time limited, ad hoc Working Groups for certain issues that may arise. The Working Groups should be open to participation from any participants or stakeholders that have an interest in topics being covered by the Working Group. There should be an expectation that those that participate will contribute to the development of proposals in the work groups.</p>
<p>PGP believes the purpose of the working group is to serve as a technical committee that develops proposals for Markets+ changes for consideration by the Participants Committee and Markets+ independent governing body. PGP supports the working group being comprised of a broad cross section of stakeholders as well as market participants.</p>
<p>It is our understanding that the Working Group will be composed of sector representatives. The commenters do not object to this. The composition of the Working Group should be diverse and inclusive. This includes, but is not limited to, representation from participant sectors and members who represent the public interest. Please see our response to question #13 (MPEC meetings and membership). In addition, we add the following. For the Working Group, the commenters lean towards a senate style approach to voting: one vote per Working Group member or one vote for each sector represented on the Working Group. Without an understanding the composition of the Working Group we cannot be more specific. The commenters request for the Working Group to first seek consensus, and if consensus cannot be reached, then resort to a vote. The number of votes required for approval will depend on the makeup of the Working Group but should be consistent with the following goals: • minority voices do not get marginalized, • minority opinions cannot be permanently cast aside, and • there is incentive to compromise. The commenters recommend that each Working Group member should be chosen by their sector.</p>
<p>For some working groups, it may be more practicable to set them up by sector representation while others may be Issue based. Additionally, SRP would like consideration to be given to a participating utilities market+ working group solely to discuss sensitive information. SRP may have more considerations as governance evolves.</p>
<p>We support representation by sector on the working group. There are helpful structures in place as a starting point for sector definitions including those used in the WRAP and in the EIM. PPC would appreciate the opportunity to further discuss sector definitions with other stakeholders, particularly in the context of the scope of the working group(s).</p>

<b>What should the qualifications be of members of the Markets+ Governing Board?</b>
<p>-Experience in the Western Interconnection            -Market experience preferred            -Directors shall have recent and relevant senior management expertise and experience in one or more of the following disciplines: finance, accounting, electric transmission or generation planning or operation, law and regulation, commercial markets, and trading and associated risk management.</p>
<p>Financial independence with direct knowledge of, or experience in Western regional energy markets.</p>
<p>Diversity – both individual and geographic, market experience, regulatory experience, western utility experience.</p>
<p>Independence from active market participants Background and knowledge of electricity markets (regulated or deregulated) and/or transmission operations</p>
<p>Independent</p>
<p>Again, not sure you need a separate board for this but if you decide to do that, broad market experience with an appreciation of the west is important. However, business in the west is changing so innovation is important more than just honoring history.</p>
<p>Experience in the Western electricity sector would be helpful and should be included as a necessary criterion for at least a portion of the Markets+ Governing Board members.</p>
<p>The overall composition of the Markets+ Governing Body should have diversity in expertise drawing from the electric industry, regulatory, legal and financial specializations. Geographic diversity should also be considered in the final selection.</p>
<p>Markets+ governing board members should have knowledge of how energy markets operate. Additionally, knowledge of transmission policy, resource adequacy or GHG policy should be considered strong pluses.</p>
<p>Independent from East and West SPP Entities with West experience and organized wholesale market expertise.</p>
<p>Regional Energy Markets Expertise Candidates with this expertise might include retired senior managers or board members of other regional markets operating within the U.S. Policy/Federal or State Regulatory Expertise Candidates with this expertise might include retired public utility commissioners, senior policy professionals, government and regulatory affairs professionals, as well as NGO and consumer advocacy professionals, unaffiliated with any market participants, ideally with emphasis in the Western Interconnect. Commercial Markets and Trading and Associated Risk Management Expertise Candidates with this expertise might include present or former financial exchange professionals, present or former commodity trading company professionals; professionals or attorneys with extensive antitrust backgrounds; or consultants with relevant experience. Market Design/Market Mechanics/Market Monitor Expertise Candidates with this expertise might include senior market/commodity utility professionals, academics or consultants with relevant energy markets experience. General Corporate/Legal/Financial Expertise Candidates with this expertise might include present or former management consultants or service industry professionals; present or former chief executives, chief financial officers; chief legal officers or chief information officers; present or former national law firm partners, present or former senior professionals of financial institutions. Electric Transmission Systems Operations Expertise Candidates with this expertise might include former electric utility senior professionals who are currently unaffiliated with any market participant as described above; present or former senior professionals of electric power reliability councils; present or former senior professionals from power pools, ideally with emphasis in the Western Interconnect. Additional Areas of Expertise Senior executive experience in public interest organizations will be considered under any areas described provided the candidate otherwise has the relevant background. Retired senior executive of an independent power producer with relevant experience.</p>
<p>Diverse qualifications to address critical issues impacting the market and its requirements.</p>
<p>As an independent board, all board members should be financially independent from market participants and free from any conflicts of interest. Further, the composition of the board should be diverse and have the ability and expertise to understand and balance stakeholder perspectives. PGP suggests Markets+ board members be required to have one or more of the following qualifications: o Electric industry — such as former electric utility senior executives currently unaffiliated with any market participant or stakeholder, as described below; present or former executives of electric power reliability councils; present for former executives from power pools; retired military officers with relevant experience; or present or former executives of firms that perform professional services for utilities. o Markets — such as present or former financial exchange executives; present or former</p>

**What should the qualifications be of members of the Markets+ Governing Board?**

executives of commodity trading companies or commodities markets; executives or attorneys with extensive background in anti-trust law; present or former executives in recently deregulated industries; former state or federal regulators with deregulation experience; or academics or consultants with relevant market experience

- o Regulatory — executives or attorneys with extensive background in the regulated utility industry, resource or transmission planning; former state or federal regulators with applicable experience; or academics or consultants with relevant experience; and
- o General corporate/legal/financial — such as present or former management consultants or service industry executives; present or former chief executives; chief financial officers; chief legal officers or chief information officers of profitmaking companies; present or former national law firm partners; present or former senior executives of financial institutions, investment banking or financial accounting/auditing organizations.

In addition, geographic diversity should be considered for the Markets+ governing board composition. No one state or sub-region in the West should have excessive representation — meaning members whose place of residence or work history tends to associate them with a particular Western state. The Nominating Committee should give consideration to diversity with respect to race, gender, and ethnicity.

The members of the Governing Board should have both financial and operational independence from markets but should also be independent from members. The composition of the governing board should represent diversity of backgrounds and perspectives. We request the Governing Board qualifications include representatives with experience representing end-use customers, including small and large energy buyers, among other perspectives.

The Board members should be diverse and independent. FERC has reaffirmed the principle that an RTO must be independent “in both reality and perception;” the board’s decision-making process should be independent of any market participant or class of participants.[1] Board members should not have a financial interest in the market or any market participant. Additionally, Board level diversity brings competing perspectives to the organization’s decision-making, thereby protecting against groupthink and enhancing the board’s independence. First, board members should have financial independence from participants and classes of participants. Direct financial conflicts should be prohibited. In addition, there should be criteria intended to eliminate other types of conflicts-of-interest, as well as situations that tend to lead to an appearance of bias. Second, the overall composition of the Governing Body should reflect a diversity of perspectives that may result from different areas of expertise, geographic background, ethnicity, gender and professional backgrounds, and life experience. The search criteria for Western EIM Governing Body members provides a relevant example. As set forth in the Selection Policy[2], the Governing Body as a whole should have broad expertise in the following areas:

- Electric industry — such as former electric utility senior executives currently unaffiliated with any market participant or stakeholder, as described below; present or former executives of electric power reliability councils; present or former executives from power pools; retired military officers with relevant experience; or present or former executives of firms that perform professional services for utilities.
- Markets — such as present or former financial exchange executives; present or former executives of commodity trading companies or commodities markets; executives or attorneys with extensive background in anti-trust law; present or former executives in recently deregulated industries; former state or federal regulators with deregulation experience; or academics or consultants with relevant market experience.
- General corporate/legal/financial — such as present or former management consultants or service industry executives; present or former chief executives; chief financial officers; chief legal officers or chief information officers of profitmaking companies; present or former national law firm partners; present or former senior executives of financial institutions, investment banking or financial accounting/auditing organizations.
- Candidates with senior executive experience in public interest organizations provided they otherwise have the relevant background described above should also be considered.
- All potential candidates must possess a proven reputation for excellence in their areas of expertise, and optimally should reflect a diverse background (e.g., ethnicity, gender) and viewpoint. Finally, candidates should not be limited to those with Western backgrounds; however, there should be at least one member with expertise in Western electric systems and markets. Further, if a qualified candidate with a Western background who has as strong overall experience and knowledge as the other candidates and all other factors being equal, the candidate with the Western background should be preferred.

Q18 [1] Order No. 2000, Regional Transmission Organizations, F.E.R.C. STATS. & REGS. ¶ 31,089 (1999), 65 Fed. Reg. 810, 850 (1999). Q18 [2] See California ISO Selection Policy for the EIM Governing Body (v. 1.2, July 15, 2021), §§3.4, 3.5, available at: [https://www.westerneim.com/Documents/SelectionPolicy\\_EIMGoverningBody.pdf](https://www.westerneim.com/Documents/SelectionPolicy_EIMGoverningBody.pdf).

### What should the qualifications be of members of the Markets+ Governing Board?

Independent regional subject matter expert with 8+ years of industry experience, not affiliated financially with Markets+ members, free of COI.

The Governing Board qualifications should include knowledge of or experience with:




- Geographic diversity
- Generation mix diversity
- Markets
- Western understanding
- General corporate / legal / financial
- Utility Industry

- Financial independence from any market participant
- Free from other potential conflicts of interest
- Membership should exhibit regional geographic diversity – it is critical that one region does not feel inadequately represented.
- Members should have relevant experience in the electric sector, energy markets, energy risk management, cyber-security, energy regulation, legal, financial planning & analysis, BA and TSP obligations and operations, etc.

Members of the Markets+ Governing Board should meet FERC’s independence requirements and have experience in the electric utility industry. Specific criteria to ensure that there is a diversity in experiences and perspectives on the Markets+ Governing Board should be considered on a case-by-case basis and vacancies are filled.

The qualifications for the EIM Governing Body or the new WPP Board (to be finalized soon) are appropriate models.

### What should be the term for serving on the Markets+ Governing Board?

		Response percent	Response total
Three Years		52.63%	10
Four Years		15.79%	3
Five Years		0%	0
Other		31.58%	6

Statistics based on 19 respondents;

### Should the Markets+ Governing Board primarily meet publicly or privately?

		Response percent	Response total
Publicly		100%	22
Privately		0%	0

Statistics based on 22 respondents;

Do you support the Markets+ Governing Board being transitional (i.e. phase out after an initial period)?
Yes, if a Governing Board is created it should be transitional.
No.
No. Support a reexamination, not a hard termination date.
Not unless the SPP board and bylaws and governance is reformed to comport more with the Markets+ type of governance.
Yes, if implemented
Yes, again, not sure it needs to even exist. Unlike the CAISO, this board is already independent. As long as they can support separate markets from the overall SPP and focus on both, it doesn't need to exist for long.
The Governing Board should not be created with an already established phase out period. Whether a phase out of the Governing Board is appropriate or amenable could be evaluated in a governance review process for Markets+ after there is experience with the governance structure after the market goes live. But such a phase out should not be a pre-determined outcome at the onset of Markets+.
It is preferred that the Markets+ Governing Body be established indefinitely. The Markets+ Governing Board could potentially be dissolved as some point in the future, if the broad western region determines that a modified governance framework without a Markets+ Governing Body is preferred.
This answer depends very much on the evolution of Markets + generally. To the extent that markets+ eventually phases out of existence due to more broad based joinder in the RTO, then APS absolutely supports a re-evaluation of and eventual phasing out of the Markets+ Governing Board. However, as long as there is a robust operational markets+, the markets+ governing board should remain.
Yes
The Markets + Governing Body must stay in place as long as the Markets + offering exists. Prior to dissolving the governing body, a full governance review of the SPP board and committee structure is needed to ensure representation by all impacted stakeholders. In the event SPP expands their existing RTO to the west, the board overseeing this RTO must be elected by a sector based nominating committee and the rest of the working committees within the structure must have representation by non-market participants.
During the Phoenix meetings, the additional complications of a staged approach to the Governing Board (impact to representation and voting in Executive Committee, impact on stakeholder support, etc., were not fully vetted, and therefore additional review is necessary to determine support for the transitional approach.
No. Markets Plus needs to be established as a potential end state and any prescribed transition or sunset on the initial governing structure would undercut the trust that some participants and stakeholders will need to move forward with a new market. If there is a merging of Markets Plus with other SPP markets in the future, the governance structure should be reconsidered at that time.
Chelan does not support building in an automatic phase out of the Markets+ Governing Board but does support reevaluating the need for the Governing Body as part of a future governance review.
PGP does not presume that a Markets+ Governing Board will or will not be still required after an initial period, however, we believe it is reasonable to consider this question in the future (suggest 3 years from Markets+ go live).
No. Markets+ will be a durable market option, therefore, the autonomous governance structure should be durable. As discussed during the May 29 Markets+ workshop and explained by SPP staff during the April 13 WIEB meeting , if some Markets+ participants choose to evolve to a full RTO and integrate into SPP's RTO, the other Market+ participants will not be forced to take that path, i.e., Markets+ will not be sunsetted. As explained by SPP staff, this differs from the evolutionary path for WEIS members. WEIS will be sunsetted at some point if, and after, Markets+ is implemented. Markets+ deserves to stay on as a valid day-ahead market service for utilities, transmission operators and clean energy developers to transact with flexibility.
SRP would need more information to support such an action. A Governance Review Committee could evaluate this question of a transitional board after an initial to be determined period of time and provide a recommendation to the Market Participants Executive Committee. More information is needed to be able to fully answer this question such as term limit, voting methodology, and how a transitional board could get phased out and what would trigger a phase out.

**Do you support the Markets+ Governing Board being transitional (i.e. phase out after an initial period)?**

The Markets+ Governing Board should remain in plus until participants and stakeholders agree there is no longer a need for the Governing Board.

We think this question should be revisited 3-6 years after go-live. This decision should be made in close consultation with state regulators.

No. The Markets+ Governing Board should not be assumed to be transitional. As long as there are Markets+ participants, the Markets+ Governing Board should remain in place unless Markets+ participants and stakeholders agree to revise the Markets+ governing structure so that the Markets+ Governing Board is no longer needed. It may be appropriate to revisit the governance structure if the framework of Markets+ changes (optimized independently vs. co-optimized with SPP RTO vs. expansion of SPP RTO), but that review should be conducted with stakeholder feedback and the outcome of those changes should not be predetermined.

The Governing Board should not be phased out so long as Markets+ remains a viable market offering. Its importance and function do not depend on the longevity of the market offering. The Board’s role may need to be modified if a critical mass of participants move toward full RTO membership in SPP. For example, this could take the form of a transitional means of populating a larger SPP Board that encompasses much of the Western Interconnection.

**Please provide any other comments related to the Markets+ Governing Board that you would like us to consider.**

-Please provide a virtual option for participation in the Markets+ Governing Board meetings. -If a Governing Board is created, then budgeted costs for the Markets+ Governing Board should be reviewed annually by the market participants.

Really not necessary, but if it leads to better acceptance and trust, that would be the reason to exist.

It is recommended that the first Markets+ Independent Governing Body be seated with staggered term lengths.

PGP recommends the Markets+ independent governing board be comprised of 5 members with three-year terms and a maximum of two terms.

Supplement to Question #19 (Board member terms). The commenters support three-year terms for the Governing Board members with the following additional provisions: (1) a limit of three terms for each member (in addition to any partial term served); and (2) the terms for the initial members will be staggered so that no more than two Board members will be at the end of their term at the same time. The terms of Board members should provide stability but also reflect the need for adaptability. Given the consequential shifts in the electricity industry in the last decade, it is likely the future of the electricity industry will continue to be very different. The Board should evolve and change to reflect this. Good governance principles should apply to the Markets+ Board. The open meeting standard set forth in question #25 should apply to the Markets+ Board, including the requirement that Board voting is open and on the record. Open on the record voting is crucial for Board accountability. The Board should actively consider the concerns of stakeholders while not being beholden to market participants interests or economic pressures. In instances where members are not in total agreement, minority positions should be fairly considered and addressed throughout the stakeholder process and most importantly, communicated to the Board at the same time as majority positions. Further, the use of consent agendas should be limited at Board meetings to allow a more robust dialogue between Board members, participants and nonparticipant stakeholders at Board meetings. Key aspects of the Markets+ Board’s authority need to be addressed in an open process. Significant issues that impact the Markets+ Board’s role and authority have not yet been discussed or vetted in an open forum; this includes the type and scope of authority the Markets+ Board would have over different types of market issues. These issues include the following: • “deemed” versus “delegated” authority (see response to question #28 regarding “deemed” and “delegated” authority); • the scope of the Markets+ Board’s deemed or delegated authority, i.e., the market rules and policies to which deemed or delegated authority would apply; • if the Markets+ Board will have advisory authority and the scope of issues that would fall within advisory authority; • the Markets+ Board’s role in market issues that will be addressed jointly by Markets+ and SPP stakeholders (see response to question #16, joint working groups). • the authority or level of oversight the SPP Board will have over

**Please provide any other comments related to the Markets+ Governing Board that you would like us to consider.**

each of these types of market issues and how that authority will be effectuated in SPP proper. The commenters recommend that the Governance Design Team organize an open discussion of the options, including any legal issues that bear on the options, before proposing a recommendation on these important issues.

It would be beneficial to understand the extent to which any structure will interact with SPP staff. What is the role of this proposed BOD – to direct the organization, or provide regulatory support? How is BOD authority determined, or delegated from the SPP BOD?

**What sectors should be represented on the Markets+ Governing Board Nominating Committee?**

Independent Power Producer  State Regulator  Public Interest Organization  Cooperative  Municipal  Federal Agency  Investor Owned Utility  Other – Joint Action Agency consisting of municipal utilities (unless such joint action agency would qualify in the Municipal category above)

A wide variety of sectors should be included such as IOUs, public power, Federal power marketing administrations, competitive marketers, IPPs, public interest organizations, trade groups and state representation.

Similar to WRAP

IPPs Public Interest Groups Trade associations working in electric markets Consumer groups (each of the above distinguished from the other) Market participants, including both LSEs and IPPs

Emulate existing SPP CGC structure.

A wide variety of sectors should be represented. It will be important for generators and marketers to have a seat on the Governing Board Nominating Committee, along with a variety of other groups, including public interest organizations.

The sectors need to be representative of the footprint and be inclusive. The Western Resource Adequacy Program sought to achieve balanced sector representation and the sectors could be proposed similarly.

The nominating committee should be comprised of a broad representation of stakeholders who have a vested interest in the market. This includes (but may not be limited too) IOUs, Publicly owned utilities (including federal PMAs- perhaps as two separate sectors), IPP, public interest organizations (including consumer advocates and environmental non-profits).

The same sectors represented on the EIM governing body nominating committee or the Western Resource Adequacy Program nominating committee

Consideration of an approach consistent with the current Western EIM sector designations due to the general acceptance of that design within the region, with consideration of additional Federal PMA sector representation.

We would support sectors that are consistent with the current Western EIM sector designations due to the general acceptance of that design within the region, with consideration of additional Federal PMA sector representation.

Because the Markets+ Governing Board would be expected to represent the interests of the market footprint as a whole it is reasonable to provide for a diverse set of sectors within the Nominating Committee (for example different categories of market participants and other stakeholders such as public interest groups)

PGP supports a sector-based nominating committee that includes both participants as well as other stakeholders and states representatives. PGP believes it will be important to balance participant and stakeholder representation on the committee and ensure composition is balanced and equitable. With respect to specifics on sectors, PGP will look to the governance design team to develop a straw proposal for stakeholders to react to, based on other nominating committees that exist today (WEIM, WRAP, SPP Corporate Governance Committee).

The commenters agree that there should be a sector-based nominating committee. Sector representation should be diverse with key participant sectors represented, a nonvoting member of the Markets+ Board and members who represent the public interest adequately. In terms of public interest representation, the nominating committee should include representation from state regulators (representation from the state regulator committee, if one is established), public interest groups and consumer advocates. Each nominating committee member should be chosen by their sector. The makeup of the nominating committee should be reviewed periodically to ensure it reflects changes in the electricity industry. The nominating committee should operate by consensus if the



### What sectors should be represented on the Markets+ Governing Board Nominating Committee?

committee is not too large. There are examples of such processes working well in the West through consensus. Under this approach minority voices do not get marginalized, minority opinions cannot be permanently cast aside, and there is more incentive to compromise, which can build trust and lead to better decisions. The commenters support the consensus approach. However, if the nominating committee is large, they should first seek consensus and if consensus cannot be reached then resort to a vote. The number of votes required for approval will depend on the makeup of the committee but should be consistent with the advantages associated with consensus explained earlier in this paragraph. If a candidate is not nominated by consensus, the Markets+ Board should be notified of the vote and details of sector voting. An important issue that should be discussed and vetted is how the initial members of the Markets+ Board will be selected. Thereafter, consistent with Markets+ autonomy, the commenters presume that the Markets+ Board approves (or rejects) nominations made by the nominating committee and that the SPP Board has no role in that process.

Policy, Regulatory, Transmission Owners, Markets, Generator Owners, Commercial Operations

SRP would recommend a structure similar to the WRAP Governing Board Nominating Committee. SRP therefore recommends the following sectors represented on the Nominating Committee: • Participant Public Power Utilities (Consumer, Municipal, or Public owned utilities) • Participant Investor-Owned Utilities • Participant retail competition Load Responsible Entity • Federal Power Marketing Administration • Independent Power Producers / Marketers • Public Interest Organization • Retail Customer Advocacy Group • Industrial Customer Advocacy Group Others may be suggested as the governance conversation evolves.

• Investor-Owned Utilities • Consumer-Owned Utilities • State Regulators • Federal Power Marketing Administrations • Public-Interest Organizations • Retail Customer Advocacy • Industrial Customer Advocacy • Independent Power Producers

There are multiple options for defining sectors which would still include representation from relevant stakeholders. Sector definitions should be such that the following “types” of stakeholders are included in the nominating committee: - Public Power (including those that operate their own BA, those that own generation, and those that are full requirements customers of BPA) - Federal Power Marketing Agencies - State Regulators - Investor-Owned Utilities - Resource owners - Public Interest Groups - Consumer Interest Groups This list is not intended to oppose any groups not listed here to the extent that stakeholders identify other sectors which can demonstrate they are meaningfully impacted by the outcome of the market. We look forward to more conversation with stakeholders on how best to define the sectors given the different stakeholder groups that must be represented.

The sector-based approach used for the nominating committees of the EIM Governing Body and the new WPP Board are good models.

### Should the Markets+ Governing Board Nominating Committee primarily meet publicly or privately?

		Response percent	Response total
Publicly		33.33%	7
Privately		66.67%	14

Statistics based on 21 respondents;

**For all committees and work groups, what should be the requirements to meet privately?**

Potential litigation

Private sessions should be minimized and be exclusively reserved for clearly confidential matters such as personnel matters or governing body voting.

Should be limited to personnel matters and possibly litigation.

Executive session rules based on need to get advice of counsel about specific named items which may lead to litigation. Discussion of specific prices, employee matters or proprietary contracts which are covered by usual limitations on open records act requests.

For all but the nominating committee, the private meetings should be exception based. Not sure the criterial but feels like there can be times when sensitive information would be shared more freely in a private meeting.

Private meetings of committees and work groups should be noticed with transparent meeting purpose stated in the agenda and should be kept to an absolute minimum. Private/closed meetings tend to foster a sense of distrust and should generally be avoided and only used when absolutely necessary to discuss issues that are related to personnel, governing body member selection, or other clearly confidential matters.

The committees and work groups should have the right to meet privately to discuss sensitive matters and non-decisional items when public input is not required. The private meetings would be limited to the group members as defined further within the governance framework. The notification requirements (e.g., written notice of date, time, purpose of the meeting) will be defined in advance and kept at a high level for closed sessions.

Commercially sensitive information and/or initiation of potential new membership/participation discussions, vendor costs, finalizing nominees of potential board candidates, etc.

Matters for consideration in executive session should be limited to personnel, litigation, and proprietary, confidential or security sensitive information. All meetings, even closed meetings, should be noticed. Notices should include a general overview of the topics and all voting should be held publicly.

Executive sessions for private discussions should be allowed to protect confidential/sensitive information, and notice of such required sessions posted.

Private discussions regarding personnel and litigation should be documented with reasons for the exception to the public meeting requirement. Nominating committee discussions should also be private to respect reputations and confidentiality.

All meetings of the Markets+ governing board should be open to the public, except when in executive session. Executive session matters should include personnel, litigation and proprietary, confidential or security sensitive information. Similarly, with respect to a participants committee and working groups, all meetings should be open to all interested parties, except when discussing confidential matters. The meetings and deliberations of the nominating committee should be confidential. However, the Nominating Committee sector representatives should have the ability to confer with their sectors to enable sector alignment and support for candidates.

Open meetings are the cornerstone of accountability and transparency in decision making. Executive sessions (closed meetings) should be used sparingly. We recommend the adoption of a universal standard to guide and limit the use of closed meetings. One standard should apply to all, boards, committees, tasks forces, working groups and the like. See questions #7, 10, 14, 20 and 24. Matters for consideration in executive session should be limited to personnel, litigation, and proprietary, confidential or security sensitive information. Although some use of executive sessions will be necessary, the public should have confidence that closed meetings are being applied for the right reasons and not over used. To provide this accountability and some transparency, the commenters recommend providing the following for all executive session meetings:

- public notice for the meeting, including the time, place and agenda; and
- meeting minutes to the extent that minutes do not violate the reason for closure.

Further, board members, committee members and the like should be accountable for their positions on issues. Therefore, we make the following recommendations:

- all voting should be public and on the record unless an exception applies, and
- exceptions should be explicitly identified in the tariff or bylaws.

**For all committees and work groups, what should be the requirements to meet privately?**

Transparency can also be enhanced in other ways, including but not limited to the following:

- a commitment to provide access to meeting materials and agendas five days in advance of stakeholder meetings,
- providing access to meeting recordings for those that are unable to attend; and
- providing sufficient detail in meeting minutes so that both members and public stakeholders can more effectively track initiatives making their way through the stakeholder process.

These measures should be applied universally with limited adjustments for closed meetings.

Private meetings should be held if proprietary information is being discussed or other company sensitive information, as well as personnel matters. This would hold true for the Board of Directors as well.




- All meetings of the Markets+ Governing Board, Participants Committee, and Working Group should be open to the public. The Governing Board may need to occasionally meet privately for executive session to discuss personnel matters, litigation, etc.
- The Nominating Committee deliberations should be private.

Meetings should be held publicly unless personnel, litigation or security topics are being discussed. Those meetings should still be noticed.

In general, except for matters that necessarily involve personnel decisions, confidential business information, sensitive critical infrastructure information, or other discrete matters, the work of these groups should be accessible to the public. "Accessible" does not mean that each meeting would include a public comment period; committees and work groups must balance the need to be candid and productive with the high value of providing transparency into the process of designing and operating organized markets.



<b>What process would you like to see for modification of Markets+ governance?</b>
Require supermajority of all market participants to review and approve/vote. Also require approval by SPP Board.
Modification of Markets+ governance should require some form of a super-majority of the different committees, and provide opportunity for exit if the change is substantive.
Set review timeline or super majority support of a change by the voting by the MPEC
Any changes to Markets+ governance must go through a publicly held, sector based review process.
Internal review in forum with stakeholder input.
At least a review after five years of initial operation.
Modifying Markets+ governance should require buy-in from the Markets+ footprint. The SPP Board of Directors should not be able to change Markets+ governance unilaterally and any change should require support from the Governing Board (under 2A) and the Executive Committee (under 2B).
Markets+ governance should be durable (not easily changed by SPP's board unilaterally) and should also have a clear process for future changes to governance that may be required. PGP recommends that any changes to Markets+ governance should require a majority support of the Markets+ governing board as well as majority support of the SPP Independent board. If a majority of the Markets+ governing board did not support a governance change, it would not move forward for SPP Board consideration. PGP believes it may be appropriate to establish a standing committee to address future governance changes but is also open to other processes.
Just as governance is one of the most important elements of program design, governance stability is important for the healthy operation of the organization. For this reason, there is typically a higher threshold for amending governance documents than that for amending other areas of the program design. Our comments are limited at this time and based on option 2A. <ul style="list-style-type: none"> <li>• The Markets+ Board must approve any and all Markets+ governance changes and the approval should be by a super majority vote.</li> <li>• If the SPP Board has a role, it should be well defined and minimal to preserve Markets+ autonomy.</li> </ul> The answer to this question ultimately depends on the governance framework and details of the governance structure and processes. We reserve further recommendations until more is known. Supplement to Question #27. We recommend an automatic full review of governance structures and procedures five years after the governance structure is implemented unless there is a substantial change of circumstances which would trigger an earlier review. Markets+ is standing up a new and original governance structure and procedures in the Western Interconnection. Further, the stakeholder-governance process needs to be responsive to changing conditions and to continue to evolve with the marketplace. Therefore, we recommend conducting a review after gaining some experience with the governance structure.[1] The timing for the next governance review should be decided as part of the five-year review (or the earlier review if there is a substantial change in circumstances). Q26 [1] James at 13, 19 (full cite at Q13[3]) (discusses the value of a regular review process and the scope of a stakeholder-governance review).
Issue raised in consent agenda format, plus tariff filing and approval
Transparency. The process should be clearly articulated ahead of time for any modifications to take place, with adequate public noticing and public meetings with adequate time for public comment.
We support a stakeholder process to consider modifications of Markets+ governance.
<ul style="list-style-type: none"> <li>•Changes to Markets+ governance should require majority support of the Markets+ governing body as well as majority support of the SPP Independent board</li> </ul>
Future modifications to the Markets+ governance should be pursued through a stakeholder process. Workgroups and the Market Participant Committee should have the opportunity to provide recommendations for those revisions.
Either a normal vote of the Markets+ Governing Board (with input from the participants committee (MPEC), relevant non-participant stakeholders, and state regulators) or a supermajority should be required for governance modifications. A planned "reopener" review (to the extent some topics may be ripe to revisit, though not by default reopening every topic) should be built in from the beginning.

**How often would you like to see a review of Markets+ governance framework?**

		Response percent	Response total
Every three years		36.36%	8
Every five years		27.27%	6
Other		36.36%	8

Statistics based on 22 respondents;

**Under either Option 2A or 2B, the SPP Board of Directors will provide independent oversight of Markets+. The SPP Board has an existing policy that would allow actions by the ultimate authority for Markets+ governance structure to be placed on the consent agenda unless a Markets+ Participant or Markets+ stakeholder requests that the item be moved to the regular agenda for an individual vote by the SPP Board of Directors. Are you supportive of the “consent agenda” concept?**

		Response percent	Response total
Yes		77.78%	14
No		22.22%	4
If no, why?			5

Statistics based on 19 respondents;

**If no, why?**

Dependent upon need noted above to identify clearly the responsibilities and ultimate decision-making authority of both the Governing Body and the SPP Board of Directors, and the coordination requirements necessary between the two bodies for overlapping issues. Also, the required items that would be included on the SPP Board of Directors’ “consent agenda” need to be more clearly defined.

PGP prefers and would support the “deemed approved” process rather than the consent agenda process. Our understanding is that under the deemed approved process as it works today in the WEIS market, if an item has been approved by a designated SPP stakeholder group and an SPP member (or WEIS Participant) does not appeal to the SPP Board or a SPP Board member does not ask the matter to be voted on by the SPP Board, the matter is “deemed approved” by the SPP Board for SPP to file at FERC for approval. The consent agenda process, as we understand it, is slightly different procedurally. In this process, a list of items appears on the SPP Board’s consent agenda at every meeting. When it comes time for the SPP Board to vote on the consent agenda, the Chair asks if anyone has an item that they would like taken off the consent agenda. If any item is requested to be pulled off the consent agenda, it is pulled for an individual discussion and vote. The procedural difference between these two options is that under the “deemed approved,” the consent agenda process is skipped along with the SPP vote on consent agenda items. PGP prefers the “deemed approved” process especially under the 2A option because we believe it (1) would allow for more decisional deference to the Markets+ independent board which we believe is appropriate; (2) would allow for a more efficient and timely process for changes to Markets+; and (3) is consistent with the “deemed to be approved policies” currently in place for the SPP RTO Markets and Operations Policy Committee (MOPC) and the WEIS’s Western Markets Executive Committee (WMEC). As to this last point, we believe “deemed to be approved” is even more warranted under option 2A because actions would be approved from an independent governing body, and not a non-independent committee like the MOPC or WMEC.

During the May 29 Markets+ workshop the stakeholders seemed to coalesce around option 2A (plus 3). In this discussion the Markets+ Board was described as having “deemed” authority. Under deemed authority if a proposal is unanimously approved by the Markets+ Board (and possibly MPEC), it would go straight to FERC

**If no, why?**

without going to the SPP Board (not even on a consent agenda). This is a procedure permitted in SPP proper if a proposal is supported unanimously by its committees.[1] However, this question (question #27) describes something different, which we will refer to as “delegated” authority in our comments. “Delegated” authority means all proposals approved by the Markets+ Board, even those approved unanimously and not contested by any Market+ stakeholder, must go to the SPP Board, though it would be on a consent agenda path. Under option 2A, we support deemed authority as described at the May 29 Markets+ workshop. If deemed authority is no longer on the table, we would like to understand why. For example, is this the result of a legal barrier or is there a concern by the SPP Board, staff or members? Under option 2B, we support a more substantial role for the SPP Board. See response to question #5. It is not clear that this could be accomplished under a consent agenda concept. However, many of the same issues identified below in “Any other comments” regarding option 2A need to be addressed for option 2B. Q28 [1] SPP Board of Directors Policy Statement, Authorization of Regulatory Filings (December 4, 2018), available at: [https://spp.org/documents/59153/bod\\_policy\\_statement\\_\(authorization\\_of\\_regulatory\\_filings\)\\_20181204.pdf](https://spp.org/documents/59153/bod_policy_statement_(authorization_of_regulatory_filings)_20181204.pdf) (If the Markets and Operations Policy Committee approves an action and such action is not appealed to the SPP Board, the action is deemed to be approved by the SPP Board and SPP staff is authorized to submit the requisite regulatory filing(s))

need more information.

- Tacoma Power prefers the “deemed approved” process because it gives more autonomy to the Markets+ independent governing board. We believe this change will help make the Markets+ concept more appealing for western participants and state regulators.

**Any other comments related to the “consent agenda” concept?**

Under Option 2B with an Independent Markets Plus Governing Board all tariff, business practice manual and other initiatives approved by the Market Plus Governing Board with respect to operation of Markets + should be deemed approved by the SPP Board. In other words, a specific Board, of the west, by the west, and for the west. Only for a very narrow set of issues should there be a need for joint consideration by the Market Plus Board and the SPP Board

Support the consent agenda concept ONLY under an Option 2A governance structure. Under Option 2B, it would be wholly inappropriate to use a consent agenda structure for approval of items which are effectively only overseen/approved by market participants. At a minimum, under option 2B, full consideration of all Markets+ proposals should be undertaken by the independent SPP Board.

If designed properly (and communicated clearly) this consent agenda concept could effectively give the Governing Board delegated authority over issues that uniquely apply to markets+. Given some of the trust issues we have in the West, this may be a very effective way to get parties comfortable with the governance structure of markets+

Particularly if the Option selected is 2B, it should go to the consent agenda. If 2A is selected, then perhaps not having the automatic placement on consent agenda is OK.

RNW acceptance of the “consent agenda” concept needs to be defined: We view consent agenda as “deemed approved” in that proposals that come from the SPP Markets + board go to FERC with a deemed approved stamp by the SPP Board. We do not support a “consent agenda” if it means that proposals go to the SPP board from the Markets + GB with the possibility that they are modified by the board itself or its executive committees without coming back to the Governing Body for approval.

Dependent upon need noted above to identify clearly the responsibilities and ultimate decision-making authority of both the Governing Body and the SPP Board of Directors, and the coordination requirements necessary between the two bodies for overlapping issues. Also, the required items that would be included on the SPP Board of Directors’ “consent agenda” need to be more clearly defined.

There appears to be some misalignment within the Markets Plus governance group as to what is meant by primary authority. Primary Authority should mean that the Markets Plus independent board is responsible for making the final decisions regarding tariff and business practice changes, and cost allocation. If all Market Plus independent board decisions are placed on the consent agenda, it will simply provide a second bite at the apple for participants and stakeholders that do not support the change to challenge the Markets Plus independent board’s decision.

Ultimately, this approach would undercut the authority and the purpose of the Markets Plus independent board as

**Any other comments related to the “consent agenda” concept?**

the final decision makers and it is certainly not consistent with having primary authority. The Markets Plus independent board’s decisions should be deemed approved; the corresponding FERC filings or business practice changes should be made as directed by the Markets Plus independent board. There should only be a limited exception for SPP staff to appeal Market Plus independent board decision to the SPP board if staff believe the decisions are not technically feasible, or that there is significant potential for the decision to harm the market from a technical perspective. In practice this exception should arise very rarely, because SPP staff will be supporting the working groups and the Participants Executive Committee and their concern regarding technical feasibility will need to be addressed in those forums.

Chelan prefers exploring the SPP “deemed approved” governance concept that was mentioned during the Phoenix meeting. In the context of Markets +, Chelan understands this concept as creating standing approval for SPP staff to submit tariff changes to FERC upon approval by either the Governing Board (under 2A) or Executive Committee (under 2B). If the “deemed approved” approach is ultimately not workable, Chelan is open to the “consent agenda” concept or other ideas that maximize the autonomy of whichever decision-making body ultimately sits under the SPP Board of Directors.

During the May 29 Markets+ workshop the stakeholders seemed to coalesce around option 2A (plus 3). In this discussion the Markets+ Board was described as having “deemed” authority. Under deemed authority if a proposal is unanimously approved by the Markets+ Board (and possibly MPEC), it would go straight to FERC without going to the SPP Board (not even on a consent agenda). This is a procedure permitted in SPP proper if a proposal is supported unanimously by its committees.[1] However, this question (question #27) describes something different, which we will refer to as “delegated” authority in our comments. “Delegated” authority means all proposals approved by the Markets+ Board, even those approved unanimously and not contested by any Market+ stakeholder, must go to the SPP Board, though it would be on a consent agenda path. Under option 2A, we support deemed authority as described at the May 29 Markets+ workshop. If deemed authority is no longer on the table, we would like to understand why. For example, is this the result of a legal barrier or is there a concern by the SPP Board, staff or members? Under option 2B, we support a more substantial role for the SPP Board. See response to question #5. It is not clear that this could be accomplished under a consent agenda concept. However, many of the same issues identified below in “Any other comments” regarding option 2A need to be addressed for option 2B. Q28 [1] SPP Board of Directors Policy Statement, Authorization of Regulatory Filings (December 4, 2018), available at: [https://spp.org/documents/59153/bod\\_policy\\_statement\\_\(authorization\\_of\\_regulatory\\_filings\)\\_20181204.pdf](https://spp.org/documents/59153/bod_policy_statement_(authorization_of_regulatory_filings)_20181204.pdf) (If the Markets and Operations Policy Committee approves an action and such action is not appealed to the SPP Board, the action is deemed to be approved by the SPP Board and SPP staff is authorized to submit the requisite regulatory filing(s)) We support maximum autonomy and efficiency for Markets+ and thus are more supportive of option 2A with deemed authority than delegated authority with the consent agenda concept. However, if only delegated authority is available, details of the SPP Board consent agenda process are important to evaluate this option. (The consent agenda policy is not included in the SPP Bylaws.) Some issues to consider include the following: • how the consent agenda is approved, • if the SPP Members Committee votes on the consent agenda as they do on other proposals just before the SPP Board vote, • the process for removing an item from the consent agenda and who can do that, • If a proposal removed from the consent agenda can be tabled or referred to an SPP committee, • the dispute resolution process between the Markets+ Board and the SPP Board. (If a proposal goes before the SPP Board, even under a consent agenda concept, there is the possibility that the proposal could be rejected.) At a minimum, we recommend that the consent agenda policy explicitly provide that the SPP Board shall give maximum deference to Markets+ proposals approved by the Market+ Board. Further, we recommend a very high threshold for taking a proposal approved by the Markets+ Board off of the SPP Board’s consent agenda. See response to question #5.

SRP needs more information on how the Consent Agenda works. SRP requests more discussion on this topic. Perhaps there is a way to clarify who can pull an item on the consent agenda and perhaps delegate that type of action to the Markets+ Board of Directors or participants.


• Tacoma Power prefers the “deemed approved” process because it gives more autonomy to the Markets+ independent governing board. We believe this change will help make the Markets+ concept more appealing for western participants and state regulators.

**Any other comments related to the “consent agenda” concept?**

PPC is potentially supportive of the “consent agenda” concept. More information is needed on what criteria would be used to determine if the SPP Board can remove a Markets+ Governing Board decision from the consent agenda to revisit it. The SPP Board should be limited to reviewing Markets+ Governing Board decisions only in the cases that a decision has demonstrated impacts to those in the SPP RTO footprint. Particularly in the case that the Option 2A approach is adopted for Markets+ governance PPC prefers that SPP use “deemed approval” for decisions made by the Markets+ Governing Body rather than the “consent agenda” concept. This approach is consistent with the policies currently used for the SPP RTO Markets and Operations Policy Committee and the WEIS’s Western Markets Executive Committee. Under Option 2A, independent decision makers will have the ultimate authority in the Markets+ governance structure, which should result in decisions which ensure that all stakeholder perspectives are considered and can be considered final without SPP Board review. This would provide the greatest autonomy for Markets+ participants to design the market and also allow for efficient and timely advancement of market changes.

This idea may have taken on more weight than it deserves. If any stakeholder can object to placing an action on the consent agenda, then those consent agenda actions will necessarily be those that effectively have unanimous support. Those actions are unlikely to be the most substantive ones that are most likely to be disputed among market participants and stakeholders. Therefore, there is very little chance that the SPP Board would be “saved” from considering these matters on its regular agenda. Instead, the consent agenda proposal appears designed to fast-track non-controversial or consensus proposals approved or blessed by the Markets+ Governing Board (under Option 2A). The consent agenda concept therefore should be viewed as a mildly valuable procedural option to move noncontroversial matters more quickly through the SPP Board. It does not represent a significant element of shared governance.

**Which stakeholders should be financially responsible for costs to implement and operate Markets+?**

		Response percent	Response total
Market Participants Only		85.71%	18
All Stakeholders		14.29%	3

Statistics based on 21 respondents;

**Any other comments related to financial responsibility for costs to implement and operate Markets+?**

Answer to Question 29 depends on who has representation on the Markets+ Executive Committee. If only market participants have representation on the committee, costs should be shared among market participants. If all stakeholders have representation on the committee, then costs should be shared among all stakeholders. However, if an entity is a market participant by virtue of BA joining Markets+, the entity should not be financially responsible if BA exits Markets+ resulting in entity’s need to exit.

This is an important issue, although consumer advocates and public interest organizations and trade associations (which are distinguishable from one another) are generally non-profit organizations with important contributions to a market development and operations but little funding to support costs. Ultimately the costs should be socialized as much as possible though.

If all stakeholders want a voice, there should be a cost sharing. Maybe it is a nominal fee but it entities involved should have some “skin in the game” especially if wanting a vote.

It is unclear how Markets+ could broadly recover costs from “stakeholders.” Market Participants, who are financially participating in the market, should be responsible for the costs of implementing and operating Markets+. However, stakeholders should still have opportunities to participate in the governance and oversight process for the market as many stakeholders represent end-use customers and others who are, ultimately, footing the bill for market development or otherwise bring important perspectives that should be considered to the table.



**Any other comments related to financial responsibility for costs to implement and operate Markets+?**

Some modest costs assigned to other stakeholder committees should be considered to ensure that entities that participate have incentives to attend and be productive. In addition, there should be significant cost savings for both the Markets+ footprint and SPP's RTO membership through economies of scale to the extent that software, processes, staffing, etc. can be leveraged for both markets.

We hear the stakeholders (especially non-profit entities) when they express concerns with large bonds or exit fees that must be kept on the books for their organizations. However, we also believe that some nominal fee for all classes of stakeholders may ensure that those who are fully participating in the implementation and ongoing operation of markets+ have a little bit of "skin in the game" and hopefully avoids participation from entities who would only like disrupt the process.

Not sure how all stakeholders could be held financially responsible

There should be no cost to participate for groups who have no financial interest in Markets +. Likewise any exit fee or deposit requirements should extend only to entities who have a financial interest in participation. The fee structure overall should not disproportionately burden smaller public utilities, IPPs and transmission providers.

The need or not for a "membership" fee for eligible non-MP stakeholder entities/sectors included as voting parties needs to be further evaluated, and additional information and recommendations provided by staff to resolve that issue.

It is essential that Market Plus participants bear all of the costs associated with Markets Plus and that other SPP members not be impacted by the new market. This will ensure independence for Market Plus to develop without imposing on other SPP markets, and will build confidence in Markets Plus. Additionally, Bonneville believes that there should be no cost imposed on stakeholders to gain access to the governance structure. The western electric industry has a long history of having an open door for impacted constituencies and has never charged an entrance fee for this access to the decision making processes. As a Federal entity Bonneville has to adhere requirements for open and transparent decision making and Bonneville may find it hard to participate in an organization in which some stakeholders are barred from effectively weighing in on issues by a required cover charge.

There are a host of costs associated with market operations and these should primarily be paid by the market participants. Membership fees or financial liabilities that attach to membership can present barriers to diverse and meaningful stakeholder participation. There should be no membership fee for full participation in the Markets+ stakeholder process. Other regionalization efforts in the Western Interconnection operate without charging membership fees for full participation including voting rights, i.e., the Western EIM, WRAP and WECC. Further there should not be a withdrawal fee, withdrawal deposit or the like for nonparticipants. There is no justification for these financial liabilities in regard to nonparticipants. We make no recommendation at this juncture regarding exit provisions for market participants. Diverse stakeholder participation adds value to market discussions and decisions. For example, PIOs and other entities that represent the public interest play an important role and bring value to the stakeholder process and ultimately to the decisions made. These entities provide diverse perspective; they represent larger public interests such as long-term grid reliability, environmental impacts and the interests of non-participants such as rate payers.[1] In addition, PIOs offer valuable expertise, for example, in new and developing technologies and state clean energy laws, including GHG accounting and offering perspective on regulatory policy impacts to an evolving grid. Ultimately, utilities recover costs through their rate base; rate payers pay for (and also receive the benefits from) market participation. PIOs, CAs and regulators represent the greater public interest. Markets+ is not an RTO based market offering. Though there will be a cost impact to many market design decisions, there will not be infrastructure projects that create multi-million or -billion dollar debt obligations to be shared by participants under consideration. There is not the same "skin in the game" argument that RTO participants sometimes make to rationalize membership fees. Finally, SPP has potential interest and positive benefit realization in the development of Markets+ as a product. With the prospect of Markets+ participants potentially engaging in other SPP product offerings, it only makes sense that SPP would invest resources – financial and otherwise - into the development and support of Markets+. Q29 [1] Dworkin at 600 (full citation at Q13 [2]).

If the structure is open to those other than MPs, those stakeholders could pay to engage at a different cost than a MP.

**Any other comments related to financial responsibility for costs to implement and operate Markets+?**

SRP needs more information on this issue. However consideration for voting should be allowed to those who pay to implement and operate M+.

- The costs for SPP implementation should be borne by the BAs/TSPs that decide to join the market.
- The operating costs for the market should be borne by all market participants.

Additional conversation is likely needed to discuss how costs related to Markets+ are identified and recovered from Markets+ participants.

A nominal fee for non-market participant stakeholders to participate in the stakeholder processes of Markets+ may be appropriate but should not create a barrier to effective participation. Nor is it essential. If a fee is adopted, then the fee should be no higher than to defray some of the administrative costs of running the stakeholder processes and to help foster constructive input.

**What process would you like to see to appeal actions by the ultimate authority of Markets+ to SPP’s Board of Directors under either Option 2A or 2B?**

Under Option 2A: If Market Participant Executive Committee rejected a measure that is later approved by the Markets+ Governing Board, the Market Participant vote should be given weight and considered (not simply advisory only). Under Option 2B: Allow comments by minority at the SPP Board meeting.

Emulate existing SPP processes, to the extent practicable.

Whatever process you create it shouldn't allow someone to appeal out of the blue. If they have NOT brought the issue in the work groups or other forums, it should not just be showing up at the board.

To the extent possible, it will be beneficial for a robust process within the committees and Markets+ Independent Governing Body to minimize the need for, and frequency of, appeals to the SPP Independent Board. Option 2A may have fewer appeals than Option 2B. It will also be beneficial for the SPP Independent Board to have sufficient knowledge of the western grid to address any appeals to achieve fair and equitable outcomes. For this reason, it is anticipated there will be some additional modifications to the SPP By-laws and/or SPP CGC composition under the "with 3" model.

Any stakeholder can make a request to the SPP Board of Directors to remove an item from the consent agenda or submit a formal appeal to the SPP Board

The appeal process needs to include adequate checks and balances to ensure that all impacted stakeholders have an opportunity to review how the market actions potentially impact their interests. Under Option 2A the Governing Body is the final stop before the SPP Board. Issues related to Markets Plus once "deemed approved" by the Governing Body should have no further appeal opportunity without also requiring the proposal to come back to the market participants committee AND the working group to review changes. Under 2A in order to ensure equal consideration of all proposals by all impacted stakeholders, the flow of review and approval between the market participants committee and the working group must be such that both groups have equal opportunity to review and request amendments to proposals prior to governing body approval. Under Option 2B, appeal opportunity by any stakeholder on issues related to Markets+ must extend to the SPP Boards itself. The reason for this is under 2B, there is potentially no decision making body that is fully representative of all impacted stakeholders. The only way to ensure full representation of all impacted stakeholders under 2B is to allow all stakeholders to participate in the market participants committee and establish a voting structure which equally weights votes among all stakeholders.

Dependent upon the issues brought to the SPP Board of Directors for action, which need to be defined as noted above. Appeal could be raised by staff for issues of a technical nature impacting only Markets+ tariff or clearly defined participant cost obligations. Overlapping issues (e.g. shared tools, and potential Markets+ to RTO market optimization) involve a larger scope of potentially impacted parties.

Please see our response to the "consent agenda" concept. These details need to be considered through the governance design.

**What process would you like to see to appeal actions by the ultimate authority of Markets+ to SPP’s Board of Directors under either Option 2A or 2B?**

PGP supports a process where any stakeholder (not limited to market participants) can appeal an action or inaction taken by the Markets+ independent governing body. However, we believe that a stakeholder should demonstrate an interest which may be directly affected by the action or inaction prior to submitting an appeal.
No comment at this time. This depends on the framework selected (2A or 2B) and the Markets+ decision-making process, specifically how well it supports effective and meaningful nonparticipant stakeholder participation.
SRP needs more information on this. However, we do support a process concept in which an appeal triggers the formation of a working group or committee to work through the issues. This appeal triggered working group / committee would be temporary in nature and would be charged to resolve the appeal in a timely manner in order for the appeal resolution to be moved forward to a vote to the board of directors as soon as practicable.
• Tacoma Power supports a process where any stakeholder (not limited to market participants) can appeal an action taken by the Markets+ independent governing body.
Under Option 2A, the ability for entities to appeal a decision made by Markets+ Governing Body to the SPP Board can be more limited. In this scenario, the final decision has been made by an independent body which is not necessarily aligned with any given stakeholder sector. Under Option 2B, it will be critical that any entity with stakeholder standing (meaning they can demonstrate their interest in the outcomes of the Markets+ Governing Body’s action or inaction) can appeal the decision. In the 2B scenario, the ultimate authority of Markets+ would lie with “participants,” meaning that not all stakeholder interests would be represented in that “ultimate” Markets+ decision.
A dispute resolution or appeals mechanism between Markets+ and the SPP Board of Directors deserves further discussion. For example, options for appeal actions could include a NEPOOL-style “jump ball” authority of the Markets+ Governing Board on some matters, or a mutual veto option for the Markets+ Governing Board to reject an alternative action pursued by the SPP Board of Directors (but not authority to compel the SPP Board to adopt the Markets+ Governing Board’s preferred action).

**Please provide any other comments regarding Markets+ governance framework.**

Consider whether state-specific regulatory environments require different representation.
I think this is great work and a lot of thought has gone into it. I would suggest that we continue to look at the costs that a governance structure can create and make sure we do NOT build in oversight inefficiencies.
The appeal process should be widely available to any stakeholder. If an entity wishes to appeal a decision, they should be able to request removal of the item from the SPP board consent agenda (should that process be utilized) for further consideration and discussion. An entity should also be able to bring forward proposals for consideration by the SPP Board, if they are not approved by the Markets+ governance structure.
Governance for Markets+ will benefit from the existing independence of the SPP Independent Board and SPP staff, while also establishing a western-focused framework for committees and processes. We appreciate the work done to date by the Governance Design group and look forward to refining the framework further.
Given the Member’s Committee of the RTO meets with the SPP Board of Directors, the SPP RTO may need to consider excusing the RTO Member’s Committee from Markets + discussions unless the policy/cost areas impacts the RTO itself. Optically, it seems odd to follow the traditional procedure of the Member’s Committee voting ahead of an issue if it is something specific Markets+ and is irrelevant to the Member’s Committee. There may be other situations like this within the SPP RTO governance that needs further consideration as well.
The limitations of using this type of online tool to provide feedback include: limited options to choose and not enough “other ” categories, for example in who should participate in the MPEC there should be an “other” category and a place to explain. SPP should also make everyone’s feedback public. Typically comment letters are posted to the market web page. I am hoping that in this case comments will be made public.
Support for addition of a Market+ representative on the SPP Corporate Governance Committee (as included in sub option 3). The other changes noted in sub option 3 related to a selection of Option 2A should be further evaluated.
CEBA supports well-implemented and designed organized wholesale markets which provide significant customer, societal, and environmental benefits. CEBA is offering input on Markets+ as it is an important development for

**Please provide any other comments regarding Markets+ governance framework.**

Western market expansion. Overall, CEBA supports the movement towards a full RTO model for the West to maximize the benefits that future markets provide. These comments represent our early reactions to the options posed by SPP and may evolve as we learn more. More information is needed on several topics, such as voting structures, "consent agenda," and the relationship between Markets+ and RTOWest. Finally, in question 32 below we provide a link to CEBA's organized wholesale market principles. Markets best deliver durable benefits when rules, operation, and governance are conducted clearly, consistently, and fairly. For this discussion we'd like to call attention to the principles related to market integrity: 1. Independent and responsive grid governance, management, and operation. Governance structures should ensure that grid operators are independent and incentivized to achieve reliable, cost-effective delivery of energy services without favoring or discriminating against particular resources or stakeholders. 2. Transparency. Transparency across pricing, decision-making and governance improves benefits for all. 3. Broad stakeholder engagement and representation. Careful attention should be paid to ensure that governance provides all participants, including customers, with robust pathways to meaningfully participate in decision-making and the stakeholder process.

The following is our understanding of the definitions of key terms: • A "member" refers only to members of SPP proper. • A "participant" is an entity that signs an Markets+ service agreement and participates in the Markets+ market. • A "stakeholder" is any entity or party, or its representative, affected by the operation of the market, and includes, for example, transmission owners, electric generators, end-use customers, large energy buyers, marketers and brokers, public power entities, consumer advocates, regulators and their staff, and public interest organizations (PIOs). We request that SPP include definitions of these key terms in future documents, such as question templates or proposals, to ensure that all commenters have a consistent understanding. PIO Comments on SPP's Governance sets out important governance principles.[1] These principles should apply to Markets+.

Principle #1: Decision-making at all levels of the stakeholder process should be as transparent as possible.

Principle #2: Minority positions must be recognized and considered throughout the stakeholder process

Principle #3: Board of Directors must be diverse and independent and should actively consider the concerns of its membership, while not being beholden to market participants.

Principle #4: State utility commissions and others who represent the public interest should have a major role in RTO formation and once formed, the RTO's ongoing operations.

Under Principle #1 in the PIO Comments on SPP's Governance, a number of recommendations are made for processes that support effective stakeholder participation, especially for stakeholders with limited resources.[2] We incorporate those recommendations herein to be considered for the Market+ governance design. As noted throughout our answers, there are a number of significant issues that need to be workshopped for better informed stakeholder input and before a proposal can be evaluated, for example: • The scope of market issues that fall within deemed or delegated authority and that fall within a joint process; • the consent agenda policy; • the development and approval process for market design proposals that will impact both Markets+ and SPP proper; • voting methodology; and • cost recovery. The Markets+ design process should provide stakeholders the opportunity to more effectively engage. Multiple design efforts are underway in the Western Interconnection and many stakeholders, such as public interest organizations, have limited resources. Further, some sectors strive to develop consensus comments amongst multiple entities or organizations. Therefore, SPP staff and the Governance Design Team should consider the following so that stakeholders can more effectively track the Markets+ development effort and provide thoughtful advice: • Post meeting materials prior to meetings. Thus far materials have not been posted prior to meetings and stakeholders find themselves reacting to new material during the workshops. Ideally materials should be posted at least five days in advance of meetings, but even one business day would be beneficial. • Post more extensive detailed materials, such as straw, draft or final proposals, at least 10 business days in advance of a meeting. • Provide at least 20 business days for comments, 30 business days for more extensive detailed material. • Post meeting recordings rather than requiring stakeholders to request a link to the recording. Finally, we provide a caveat to these comments. Our positions may change as we work through the many issues and details left to work through as many of the design issues are interdependent.

Q31 [1] See Comments of Public Interest Organizations (full cite at Q5 [1]). Q31 [2] Id. at 1-2. .

SRP appreciates SPP's work to date on developing the Markets+ governance framework. SRP is committed to participating in this process, but we do need more information on how this framework will work, especially the consent agenda and independent board. SRP requests that a Markets+ straw proposal be developed so the details of the SPP Markets+ governance proposal laid out so that we may react to them. Having this detailed information

**Please provide any other comments regarding Markets+ governance framework.**

in a governance straw proposal would allow potential participants to evaluate a comprehensive governance proposal together.

We appreciate the opportunity to work with SPP and other stakeholders on the design of Markets+, including the governance design. We look forward to additional discussion on these issues. The opportunity to discuss many of these topics at SPP's last in person meeting was particularly helpful and we look forward to future opportunities to continue to build on that work. Thanks to SPP and the sector leads for their work setting up that helpful discussion.

Of primary importance is pinning down a broadly-supported participation and voting structure; at this stage, other still-open governance considerations, while important, are secondary to this foundational element.

**Please attach any documents you would like us to consider.**

		Response total
		<b>3</b>

Statistics based on **3** respondents;



Proposed M+ Option 4



Markets+ Gov Comm Form - WRA SFERC Apr 20 final



CEBA\_buyers\_organized\_wholesale\_market\_design\_principles

- Proposed M+ Option 4 (Agnes Lut, Salt River Project)
- Markets + Gov Comm Form... (Alaine Ginocchio, WRA and Sustainable FERC)
- CEBA\_buyers... (Heidi Ratz, Clean Energy Buyers Association)

## Governance Design Team Comment Form

1. Name:
2. Please provide the name of your organization:
3. What stakeholder interest(s) do you represent?

- Independent Power Producer
- State Regulator
- Public Interest Organization
- Cooperative
- Municipal
- Federal Agency
- Investor Owned Utility
- Other

4. What governance option do you prefer?
  - Option 2A only
  - Option 2B only
  - Option 2A with 3
  - Option 2B with 3
  - Need more information to determine
  - None of the above

5. Why do you support the option you chose?

Markets+ will be a contractual service offered by SPP. Markets+ will have its own, autonomous governance structure. Option 2A includes an independent “**Markets+ Board**” at the top of the autonomous Markets+ governance structure. Option 2B will have an executive committee at the top. There is a debate over the composition of the executive committee --whether it should be composed of only participants or have more diversity. See response to question #13. The “**SPP Board**,” the current sitting Board of SPP with oversight over the SPP RTO and all of its contractual services, would have some level of oversight over both frameworks (option 2A and 2B).

# MARKETS

The primary reasons the commenters support option 2A are greater autonomy and trust building. This could, in turn, encourage increased participation and enhance trust in the market offering as a whole and SPP's ability to demonstrate independence of board functioning.

Option 2A would require less oversight by the SPP Board than 2B. For example, under option 2A with "deemed" authority, as discussed at the May 29 in-person Markets+ governance workshop in Phoenix, Arizona ("May 29 Markets+ workshop"), proposals approved unanimously by the Markets+ Board would go directly to FERC. Even under "delegated" authority, wherein the SPP Board would have oversight over all Markets+ proposals, the SPP Board's authority would be limited to a consent agenda path. (See responses to question #28 for a discussion of deemed and delegated authority.) Under option 2A with delegated authority, proposals will be reviewed and approved by the Markets+ Board before going to the SPP Board; therefore we presume there will be a very high threshold to take those proposals off of the consent agenda

However, for option 2B, the SPP Board will be the only opportunity for review by an independent board. Independent boards serve an important function, therefore, under 2B the SPP Board should have a substantive role.

Under option 2A, having a board nominated by Market+ stakeholders and focused entirely on Markets+ could instill confidence in participants and other stakeholders. This was conveyed by a number of stakeholders, including potential participants, during Markets+ design meetings. There are significant cultural differences between SPP and regional organizations in the Western Interconnection, e.g., the Western Energy Imbalance Market (WEIM), WECC and the Western Resource Adequacy Program (WRAP). For example, in western electricity and market proceedings there is broad stakeholder engagement. By "**stakeholder**" we mean any entity or party, or representative, affected by the operation of the market, and includes, for example, transmission owners, electric generators, end-use customers, large energy buyers, marketers and brokers, public power entities, consumer advocates, regulators and their staff, and public interest organizations (PIOs). Full participation (which includes voting) is not contingent on membership fees or other financial obligations. PIOs and other nonparticipant entities are actively engaged in stakeholder processes on equal footing with participants and serve on boards and committees with voting privileges. Further, there is a high level of transparency and responsiveness and

many of the strategies that allow organizations with limited resources to effectively engage are employed.

In June 2021, PIOs provided comments on Integrating Western Parties into SPP's RTO, i.e., SPP's RTO West. Attachment A to that document includes the governance comments ("PIO Comments on SPP's Governance").<sup>[1]</sup> The PIO Comments on SPP's Governance provides a fairly thorough overview of SPP's governance and stakeholder process. The comments include a number of recommendations for improving transparency and supporting effective stakeholder engagement, especially for organizations with limited resource.

One of the key takeaways is SPP's member dominated culture. Under SPP's governance framework, to truly have a "meaningful voice" in its stakeholder process, one must be a member of the organization. Membership offers a number of key opportunities for influence that public stakeholder status alone does not, including: (1) the ability to elect members to the SPP Board of Directors; (2) the potential for appointment to key committees and working groups; (3) the ability to vote on SPP initiatives and appeal decisions of organizational groups to the Board of Directors; (4) the ability to submit Revision Requests and policy proposals necessary for making changes within the SPP member working groups and committees; and (5) the ability to participate in certain executive sessions (only members are eligible to sign the NDAs required to participate in these sessions for RTO West).<sup>[2]</sup> Membership requires a \$6,000 annual fee, a two-year notice of intent to withdraw and, for non-load serving entities (which includes nonparticipants such as PIOs), a \$50,000 withdrawal deposit at the time that the notice is provided.<sup>[3]</sup> This has been described as "a remarkably high bar on all those wishing to become members."<sup>[4]</sup>

In a 2019 policy study he authored, Travis Kavulla, former Commissioner on the Montana Public Service Commission, provides additional insight into SPP's decision-making process which he characterizes as largely controlled by its members.<sup>[5]</sup>

Given the cultural differences, the 2A option can provide a period in which Markets+ participants and other Western stakeholders can build trust with SPP (and vice versa). This is not only important for the Markets+ day-ahead market option but also for potential evolution of market products that are offered by SPP in the Western Interconnection. Markets+ may be a potential step on the path to a full RTO for some participants. This path would require Western participants to integrate into the existing and larger SPP organized market structure and processes. This integration



would also require seamless coordination of business practices, tariff changes and cost-allocation agreements.

The commenter support 2A with 3. Currently under option 3, only two changes are being considered to the governance of the existing SPP RTO (“**SPP proper**”) to accommodate implementation of Markets+: (1) adding one seat for a Markets+ representative on SPP’s 11 member Corporate Governance Committee (the Committee that nominates SPP Board members); and (2) expanding the qualifications for SPP Board members. The commenters support these two changes and the following additional changes:

- The SPP Board votes by secret ballot.[6] At a minimum, SPP Board votes regarding Market+ matters should be open and on the record.
- In addition, the PIO Comments on SPP’s Governance provides a fairly thorough overview of SPP’s governance and suggests improvements to better align SPP’s governance with good governance principles (see response to question #31). Depending on SPP’s role in and level of oversight over Markets+, more substantial changes to SPP proper should be considered.

**Q5 [1]** Integrating Western Parties into SPP’s RTO: Terms & Conditions, Comments of Public Interest Organizations (June 30, 2021), Attachment A: PIOs’ Principles for Good RTO Governance, at 10, available at:

<https://spp.org/Documents/65373/Final%20PIO%20Comments%20-%20SPP%20RTO%20West%20Terms%20and%20Conditions%206-30-21.pdf>, (“PIOs’ Comments on SPP’s Governance”).

**Q5 [2]** Id. at 2-5.

**Q5 [3]** Southwest Power Pool, Inc., Bylaws, §8.2 (First Revised Vol. No. 4) (legitimate public interest groups may seek a waiver of the membership fee annually) (“SPP Bylaws”); SPP Membership Agreement (attached to Bylaws), §4.2. Both are available at: <https://www.spp.org/documents/13272/current%20bylaws%20and%20membership%20agreement%20tariff.pdf>.

**Q5 [4]** Kavulla, Travis, Problems in Electricity Market Governance: An Assessment, R Street Policy Study No. 180, 8 (August 2019) available at:

<https://www.rstreet.org/2019/08/30/problems-in-electricity-market-governance-an-assessment/>).

**Q5 [5]** Id., at 8-9.

**Q5 [6]** SPP Bylaws, §4.6.3.

6. Are there other governance options or elements that you would like us to consider?

No comment at this time.

7. Under Option 2A, should the Market Participant Executive Committee primarily meet publicly or privately?

Publicly

Privately

8. Under Option 2A, what should the voting structure be for the Market Participant Executive Committee?

Load (House)

One vote per entity (Senate)

Load and one vote per entity (House and Senate)

Other

9. Under Option 2A, who should be included in a Market Participant Executive Committee?

Market participants only, including IPPs/non LSEs if participating in market

Market participants and other stakeholders

10. Under Option 2B, should the Market Participant Executive Committee primarily meet publicly or privately?

Publicly

Privately

11. Under Option 2B, what should the voting structure be for the Market Participant Executive Committee?

Load (House)

One vote per entity (Senate)

Load and one vote per entity (House and Senate)

Other

12. Under Option 2B, who should be included in a Market Participant Executive Committee?

\_\_\_Market participants only, including IPPs/non LSEs if participating in market  
X Market participants and other stakeholders

13. Please provide any other comments related to the Market Participant Executive Committee that you would like us to consider.

The commenters support the Market Participant Executive Committee's (MPEC) role as described during the April 13 WIEB sponsored webinar on Market+ governance ("April 13 WIEB meeting"): The MPEC will be a gate keeper for proposals but it will not be a gate that locks. Our interpretation of this analogy is that all Markets+ proposals must ultimately go through the MPEC and if the MPEC rejects a proposal stakeholders can appeal the decision to the Markets+ Board under a 2A framework. Under the 2B framework there would not be a Markets+ Board and appeals of MPEC decisions would be made to the SPP Board.

**Supplement to Questions #7, 9 and 12 (MPEC meetings and membership).**

Organized wholesale energy markets operate as quasi-autonomous nongovernmental organizations, thus transparency, accountability and fair representation are paramount.[1] Tensions can arise ensuring that RTOs are responsive to participants and also adequately balance larger public interest considerations.[2] The stakeholder process should afford nonparticipant stakeholders a meaningful voice in all levels of the development and decision-making. We recommend specific considerations for enhancing the stakeholder process:

1. Decision-making at all levels of the stakeholder process should be as transparent as possible. Whenever possible meetings should be open to the public. The response to question #25 (requirements for closing meetings) applies to the MPEC.
2. Minority positions must be recognized and considered throughout the stakeholder process and nonparticipants should have a meaningful voice. Therefore, MPEC membership should have sector diversity and not be limited to participants. This takes on more importance for option 2B, in which the MPEC is the final authority within the Markets+ governance structure. We recognize there should be some flexibility on MPEC membership if the 2A framework is chosen. However, this will depend whether the stakeholder process as a whole provides effective engagement for nonparticipants.

**Supplement to Question #8 (MPEC voting).** Before asking stakeholders to recommend a voting methodology or having the Governance Design Team propose one, we suggest developing specific agreed-upon principles with stakeholders. These principles would be used to evaluate options. We also recommend that the Governance Design Team organize an open discussion of the voting methodology options, including options used by other RTOs, before proposing a recommendation on this important aspect of the Markets+ governance design.

Some questions to consider in developing principles by which the options would be evaluated include the following:

- Will the method instill trust in the process, for example is it understandable and transparent?
- Will the method, as it is applied to the voting population, give any sector or organization veto power or undue influence?
- Does the method promote consensus and produce outcomes that reflect the diversity of interests among stakeholders?
- Can the method be used to serve market participants' interests at the expense of advancing proposals that enhance market efficiency? [3]

**Q13 [1]** Kavulla at 4-5 (full citation at Q5 [4]).

**Q13 [2]** Dworkin et al., Ensuring Consideration of the Public Interest in the Governance and Accountability of Regional Transmission Organizations, 28 Energy Law Journal 543, 578-79. 581-85. 600 (July 1, 2007) available at: [https://www.eba-net.org/assets/1/6/10-Governance\\_of\\_RTOs.pdf](https://www.eba-net.org/assets/1/6/10-Governance_of_RTOs.pdf).

**Q13 [3]** James et al., How the RTO Stakeholder Process Affects Market Efficiency, R Street Policy Study No. 112, 15-16, 4-9 (October 2017), available at: <https://www.rstreet.org/2017/10/05/how-the-rto-stakeholder-process-affects-market-efficiency/> (explains strategic coalition voting, or bloc voting, and how it can be used to obstruct efficient market operations; also provides an overview of voting used in six U.S. RTOs).

14. Should the Working Group primarily meet publicly or privately?

Publicly

Privately

15. What should the voting structure be for the Working Group?

Load (House)

One vote per entity (Senate)

Load and One vote per entity (House and Senate)

Other

We support 1 vote per member *or one vote per sector*.

16. What, if any, permanent task forces should the Working Group establish?

The commenters have no recommendation at this time. However, we would like to comment upon the “joint work groups.”

It is anticipated that there will be some market design proposals that will impact both Markets+ and SPP proper. The Governance Design Team has indicated that these proposals will be developed by “joint work groups” populated with stakeholders from Markets+ and SPP proper. There has been minimal discussion about the scope of these proposals, the process for developing these proposals or how they will be approved. These are important issues that should be fully discussed and vetted for inclusion in the service offering. See also response to question #22 (Key aspects of the Markets+ Board’s authority need to be addressed in an open process).

17. Please provide any other comments on the Working Group that you would like us to consider.

It is our understanding that the Working Group will be composed of sector representatives. The commenters do not object to this. The composition of the Working Group should be diverse and inclusive. This includes, but is not limited to, representation from participant sectors and members who represent the public interest.

Please see our response to question #13 (MPEC meetings and membership). In addition, we add the following. For the Working Group, the commenters lean towards a senate style approach to voting: one vote per Working Group member or one vote for each sector represented on the Working Group. Without an understanding the composition of the Working Group we cannot be more specific. The commenters request for the Working Group to first seek consensus, and if consensus cannot be reached, then resort to a vote. The number of votes required

for approval will depend on the makeup of the Working Group but should be consistent with the following goals:

- minority voices do not get marginalized,
- minority opinions cannot be permanently cast aside, and
- there is incentive to compromise.

The commenters recommend that each Working Group member should be chosen by their sector.

## 18. What should the qualifications be of members of the Markets+ Governing Board?

The Board members should be diverse and independent. FERC has reaffirmed the principle that an RTO must be independent “in both reality and perception;” the board’s decision-making process should be independent of any market participant or class of participants.[1] Board members should not have a financial interest in the market or any market participant. Additionally, Board level diversity brings competing perspectives to the organization’s decision-making, thereby protecting against groupthink and enhancing the board’s independence.

First, board members should have financial independence from participants and classes of participants. Direct financial conflicts should be prohibited. In addition, there should be criteria intended to eliminate other types of conflicts-of-interest, as well as situations that tend to lead to an appearance of bias.

Second, the overall composition of the Governing Body should reflect a diversity of perspectives that may result from different areas of expertise, geographic background, ethnicity, gender and professional backgrounds, and life experience.

The search criteria for Western EIM Governing Body members provides a relevant example. As set forth in the Selection Policy[2], the Governing Body as a whole should have broad expertise in the following areas:

- **Electric industry** — such as former electric utility senior executives currently unaffiliated with any market participant or stakeholder, as described below; present or former executives of electric power reliability councils; present or former executives from power pools; retired military officers with relevant experience; or present or former executives of firms that perform professional services for utilities.

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- **Markets** — such as present or former financial exchange executives; present or former executives of commodity trading companies or commodities markets; executives or attorneys with extensive background in anti-trust law; present or former executives in recently deregulated industries; former state or federal regulators with deregulation experience; or academics or consultants with relevant market experience.
- **General corporate/legal/financial** — such as present or former management consultants or service industry executives; present or former chief executives; chief financial officers; chief legal officers or chief information officers of profitmaking companies; present or former national law firm partners; present or former senior executives of financial institutions, investment banking or financial accounting/auditing organizations.
- Candidates with senior executive experience in public interest organizations provided they otherwise have the relevant background described above should also be considered.
- All potential candidates must possess a proven reputation for excellence in their areas of expertise, and optimally should reflect a diverse background (e.g., ethnicity, gender) and viewpoint.

Finally, candidates should not be limited to those with Western backgrounds; however, there should be at least one member with expertise in Western electric systems and markets. Further, if a qualified candidate with a Western background who has as strong overall experience and knowledge as the other candidates and all other factors being equal, the candidate with the Western background should be preferred.

**Q18 [1]** Order No. 2000, Regional Transmission Organizations, F.E.R.C. STATS. & REGS. ¶ 31,089 (1999), 65 Fed. Reg. 810, 850 (1999).

**Q18 [2]** See California ISO Selection Policy for the EIM Governing Body (v. 1.2, July 15, 2021), §§3.4, 3.5, available at: [https://www.westerneim.com/Documents/SelectionPolicy\\_EIMGoverningBody.pdf](https://www.westerneim.com/Documents/SelectionPolicy_EIMGoverningBody.pdf).

19. What should be the term for serving on the Markets+ Governing Board?

- Three Years**  
 Four Years  
 Five Years  
 Other

20. Should the Markets+ Governing Board primarily meet publicly or privately?

Publicly

Privately

21. Do you support the Markets+ Governing Board being transitional (i.e. phase out after an initial period)?

No. Markets+ will be a durable market option, therefore, the autonomous governance structure should be durable. As discussed during the May 29 Markets+ workshop and explained by SPP staff during the April 13 WIEB meeting, if some Markets+ participants choose to evolve to a full RTO and integrate into SPP's RTO, the other Market+ participants will not be forced to take that path, i.e., Markets+ will not be sunsetted. As explained by SPP staff, this differs from the evolutionary path for WEIS members. WEIS will be sunsetted at some point if, and after, Markets+ is implemented. Markets+ deserves to stay on as a valid day-ahead market service for utilities, transmission operators and clean energy developers to transact with flexibility.

22. Please provide any other comments related to the Markets+ Governing Board that you would like us to consider.

**Supplement to Question #19 (Board member terms).** The commenters support three-year terms for the Governing Board members with the following additional provisions: (1) a limit of three terms for each member (in addition to any partial term served); and (2) the terms for the initial members will be staggered so that no more than two Board members will be at the end of their term at the same time. The terms of Board members should provide stability but also reflect the need for adaptability. Given the consequential shifts in the electricity industry in the last decade, it is likely the future of the electricity industry will continue to be very different. The Board should evolve and change to reflect this.

**Good governance principles should apply to the Markets+ Board.** The open meeting standard set forth in question #25 should apply to the Markets+ Board, including the requirement that Board voting is open and on the record. Open on the record voting is crucial for Board accountability.



The Board should actively consider the concerns of stakeholders while not being beholden to market participants interests or economic pressures. In instances where members are not in total agreement, minority positions should be fairly considered and addressed throughout the stakeholder process and most importantly, communicated to the Board at the same time as majority positions. Further, the use of consent agendas should be limited at Board meetings to allow a more robust dialogue between Board members, participants and nonparticipant stakeholders at Board meetings.

**Key aspects of the Markets+ Board’s authority need to be addressed in an open process.** Significant issues that impact the Markets+ Board’s role and authority have not yet been discussed or vetted in an open forum; this includes the type and scope of authority the Markets+ Board would have over different types of market issues. These issues include the following:

- “deemed” versus “delegated” authority (see response to question #28 regarding “deemed” and “delegated” authority);
- the scope of the Markets+ Board’s deemed or delegated authority, i.e., the market rules and policies to which deemed or delegated authority would apply;
- if the Markets+ Board will have advisory authority and the scope of issues that would fall within advisory authority;
- the Markets+ Board’s role in market issues that will be addressed jointly by Markets+ and SPP stakeholders (see response to question #16, joint working groups).
- the authority or level of oversight the SPP Board will have over each of these types of market issues and how that authority will be effectuated in SPP proper.

The commenters recommend that the Governance Design Team organize an open discussion of the options, including any legal issues that bear on the options, before proposing a recommendation on these important issues.

23. What sectors should be represented on the Markets+ Governing Board Nominating Committee?

The commenters agree that there should be a sector-based nominating committee. Sector representation should be diverse with key participant sectors represented, a

nonvoting member of the Markets+ Board and members who represent the public interest adequately. In terms of public interest representation, the nominating committee should include representation from state regulators (representation from the state regulator committee, if one is established), public interest groups and consumer advocates. Each nominating committee member should be chosen by their sector. The makeup of the nominating committee should be reviewed periodically to ensure it reflects changes in the electricity industry.

The nominating committee should operate by consensus if the committee is not too large. There are examples of such processes working well in the West through consensus. Under this approach minority voices do not get marginalized, minority opinions cannot be permanently cast aside, and there is more incentive to compromise, which can build trust and lead to better decisions. The commenters support the consensus approach. However, if the nominating committee is large, they should first seek consensus and if consensus cannot be reached then resort to a vote. The number of votes required for approval will depend on the makeup of the committee but should be consistent with the advantages associated with consensus explained earlier in this paragraph. If a candidate is not nominated by consensus, the Markets+ Board should be notified of the vote and details of sector voting.

An important issue that should be discussed and vetted is how the initial members of the Markets+ Board will be selected. Thereafter, consistent with Markets+ autonomy, the commenters presume that the Markets+ Board approves (or rejects) nominations made by the nominating committee and that the SPP Board has no role in that process.

24. Should the Markets+ Governing Board Nominating Committee primarily meet publicly or privately?

Publicly  
 Privately

25. For all committees and work groups, what should be the requirements to meet privately?

Open meetings are the cornerstone of accountability and transparency in decision making. Executive sessions (closed meetings) should be used sparingly. We recommend the adoption of a universal standard to guide and limit the use of closed meetings. One standard should apply to all, boards, committees, task forces,

working groups and the like. See questions #7, 10, 14, 20 and 24. **Matters for consideration in executive session should be limited to personnel, litigation, and proprietary, confidential or security sensitive information.**

Although some use of executive sessions will be necessary, the public should have confidence that closed meetings are being applied for the right reasons and not over used. To provide this accountability and some transparency, the commenters recommend providing the following for all executive session meetings:

- public notice for the meeting, including the time, place and agenda; and
- meeting minutes to the extent that minutes do not violate the reason for closure.

Further, board members, committee members and the like should be accountable for their positions on issues. Therefore, we make the following recommendations:

- all voting should be public and on the record unless an exception applies, and
- exceptions should be explicitly identified in the tariff or bylaws.

Transparency can also be enhanced in other ways, including but not limited to the following:

- a commitment to provide access to meeting materials and agendas five days in advance of stakeholder meetings,
- providing access to meeting recordings for those that are unable to attend; and
- providing sufficient detail in meeting minutes so that both members and public stakeholders can more effectively track initiatives making their way through the stakeholder process.

These measures should be applied universally with limited adjustments for closed meetings.

26. What process would you like to see for modification of Markets+ governance?

Just as governance is one of the most important elements of program design, governance stability is important for the healthy operation of the organization. For this reason, there is typically a higher threshold for amending governance documents than that for amending other areas of the program design. Our comments are limited at this time and based on option 2A.

- The Markets+ Board must approve any and all Markets+ governance changes and the approval should be by a super majority vote.
- If the SPP Board has a role, it should be well defined and minimal to preserve Markets+ autonomy.

The answer to this question ultimately depends on the governance framework and details of the governance structure and processes. We reserve further recommendations until more is known.

**Supplement to Question #27.** We recommend an automatic full review of governance structures and procedures five years after the governance structure is implemented unless there is a substantial change of circumstances which would trigger an earlier review. Markets+ is standing up a new and original governance structure and procedures in the Western Interconnection. Further, the stakeholder-governance process needs to be responsive to changing conditions and to continue to evolve with the marketplace. Therefore, we recommend conducting a review after gaining some experience with the governance structure.[1] The timing for the next governance review should be decided as part of the five-year review (or the earlier review if there is a substantial change in circumstances).

**Q26 [1]** James at 13, 19 (full cite at Q13[3]) (discusses the value of a regular review process and the scope of a stakeholder-governance review).

27. How often would you like to see a review of Markets+ governance framework?

- Every Three Years  
 Every Five Years  
 Other

28. Under either Option 2A or 2B, the SPP board of directors will provide independent oversight of Markets+. The SPP Board has an existing policy that would allow actions by the ultimate authority for Markets+ governance structure to be placed on the consent agenda unless a Markets+ Participant or Markets+ stakeholder requests that the item be moved to the regular agenda for an individual vote by the SPP board of directors. Are you supportive of the "consent agenda" concept?

Yes

No

If no, why?

During the May 29 Markets+ workshop the stakeholders seemed to coalesce around option 2A (plus 3). In this discussion the Markets+ Board was described as having “deemed” authority. Under deemed authority if a proposal is unanimously approved by the Markets+ Board (and possibly MPEC), it would go straight to FERC without going to the SPP Board (not even on a consent agenda). This is a procedure permitted in SPP proper if a proposal is supported unanimously by its committees.[1] However, this question (question #27) describes something different, which we will refer to as “delegated” authority in our comments. “Delegated” authority means all proposals approved by the Markets+ Board, even those approved unanimously and not contested by any Market+ stakeholder, must go to the SPP Board, though it would be on a consent agenda path.

**Under option 2A, we support deemed authority as described at the May 29 Markets+ workshop.** If deemed authority is no longer on the table, we would like to understand why. For example, is this the result of a legal barrier or is there a concern by the SPP Board, staff or members?

**Under option 2B, we support a more substantial role for the SPP Board. See response to question #5. It is not clear that this could be accomplished under a consent agenda concept.** However, many of the same issues identified below in “Any other comments” regarding option 2A need to be addressed for option 2B.

**Q28 [1]** SPP Board of Directors Policy Statement, Authorization of Regulatory Filings (December 4, 2018), available at: [https://spp.org/documents/59153/bod%20policy%20statement%20\(authorization%20of%20regulatory%20filings\)%2020181204.pdf](https://spp.org/documents/59153/bod%20policy%20statement%20(authorization%20of%20regulatory%20filings)%2020181204.pdf) (If the Markets and Operations Policy Committee approves an action and such action is not appealed to the SPP Board, the action is deemed to be approved by the SPP Board and SPP staff is authorized to submit the requisite regulatory filing(s))

Any other comments related to the “consent agenda” concept?

We support maximum autonomy and efficiency for Markets+ and thus are more supportive of option 2A with deemed authority than delegated authority with the consent agenda concept. However, if only delegated authority is available, details of the SPP Board consent agenda process are important to evaluate this option. (The

consent agenda policy is not included in the SPP Bylaws.) Some issues to consider include the following:

- how the consent agenda is approved,
- if the SPP Members Committee votes on the consent agenda as they do on other proposals just before the SPP Board vote,
- the process for removing an item from the consent agenda and who can do that,
- If a proposal removed from the consent agenda can be tabled or referred to an SPP committee,
- the dispute resolution process between the Markets+ Board and the SPP Board. (If a proposal goes before the SPP Board, even under a consent agenda concept, there is the possibility that the proposal could be rejected.)

At a minimum, we recommend that the consent agenda policy explicitly provide that the SPP Board shall give maximum deference to Markets+ proposals approved by the Market+ Board. Further, we recommend a very high threshold for taking a proposal approved by the Markets+ Board off of the SPP Board's consent agenda. See response to question #5.

29. Which stakeholders should be financially responsible for costs to implement and operate Markets+?

Market Participants Only

All Stakeholders

Any other comments related to financial responsibility for costs to implement and operate Markets+?

**There are a host of costs associated with market operations and these should primarily be paid by the market participants.** Membership fees or financial liabilities that attach to membership can present barriers to diverse and meaningful stakeholder participation. There should be no membership fee for full participation in the Markets+ stakeholder process. Other regionalization efforts in the Western Interconnection operate without charging membership fees for full participation including voting rights, i.e., the Western EIM, WRAP and WECC. Further there should not be a withdrawal fee, withdrawal deposit or the like for nonparticipants. There is no justification for these financial liabilities in regard to nonparticipants. We make no recommendation at this juncture regarding exit provisions for market participants.

# MARKETS+

Diverse stakeholder participation adds value to market discussions and decisions. For example, PIOs and other entities that represent the public interest play an important role and bring value to the stakeholder process and ultimately to the decisions made. These entities provide diverse perspective; they represent larger public interests such as long-term grid reliability, environmental impacts and the interests of non-participants such as rate payers.[1] In addition, PIOs offer valuable expertise, for example, in new and developing technologies and state clean energy laws, including GHG accounting and offering perspective on regulatory policy impacts to an evolving grid.

Ultimately, utilities recover costs through their rate base; rate payers pay for (and also receive the benefits from) market participation. PIOs, CAs and regulators represent the greater public interest.

Markets+ is not an RTO based market offering. Though there will be a cost impact to many market design decisions, there will not be infrastructure projects that create multi-million or -billion dollar debt obligations to be shared by participants under consideration. There is not the same “skin in the game” argument that RTO participants sometimes make to rationalize membership fees.

Finally, SPP has potential interest and positive benefit realization in the development of Markets+ as a product. With the prospect of Markets+ participants potentially engaging in other SPP product offerings, it only makes sense that SPP would invest resources – financial and otherwise - into the development and support of Markets+.

**Q29 [1]** Dworkin at 600 (full citation at Q13 [2]).

30. What process would you like to see to appeal actions by the ultimate authority of Markets+ to SPP’s board of directors under either Option 2A or 2B?

No comment at this time. This depends on the framework selected (2A or 2B) and the Markets+ decision-making process, specifically how well it supports effective and meaningful nonparticipant stakeholder participation.

31. Please provide any other comments regarding Markets+ governance framework.

The following is our understanding of the definitions of key terms:

- A “member” refers only to members of SPP proper.
- A “participant” is an entity that signs an Markets+ service agreement and participates in the Markets+ market.
- A “stakeholder” is any entity or party, or its representative, affected by the operation of the market, and includes, for example, transmission owners, electric generators, end-use customers, large energy buyers, marketers and brokers, public power entities, consumer advocates, regulators and their staff, and public interest organizations (PIOs).

We request that SPP include definitions of these key terms in future documents, such as question templates or proposals, to ensure that all commenters have a consistent understanding.

PIO Comments on SPP’s Governance sets out important governance principles.[1] These principles should apply to Markets+.

Principle #1: Decision-making at all levels of the stakeholder process should be as transparent as possible.

Principle #2: Minority positions must be recognized and considered throughout the stakeholder process

Principle #3: Board of Directors must be diverse and independent and should actively consider the concerns of its membership, while not being beholden to market participants.

Principle #4: State utility commissions and others who represent the public interest should have a major role in RTO formation and once formed, the RTO’s ongoing operations.

Under Principle #1 in the PIO Comments on SPP’s Governance, a number of recommendations are made for processes that support effective stakeholder participation, especially for stakeholders with limited resources.[2] We incorporate those recommendations herein to be considered for the Market+ governance design.

As noted throughout our answers, there are a number of significant issues that need to be workshopped for better informed stakeholder input and before a proposal can be evaluated, for example:



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- The scope of market issues that fall within deemed or delegated authority and that fall within a joint process;
- the consent agenda policy;
- the development and approval process for market design proposals that will impact both Markets+ and SPP proper;
- voting methodology; and
- cost recovery.

The Markets+ design process should provide stakeholders the opportunity to more effectively engage. Multiple design efforts are underway in the Western Interconnection and many stakeholders, such as public interest organizations, have limited resources. Further, some sectors strive to develop consensus comments amongst multiple entities or organizations. Therefore, SPP staff and the Governance Design Team should consider the following so that stakeholders can more effectively track the Markets+ development effort and provide thoughtful advice:

- Post meeting materials prior to meetings. Thus far materials have not been posted prior to meetings and stakeholders find themselves reacting to new material during the workshops. Ideally materials should be posted at least five days in advance of meetings, but even one business day would be beneficial.
- Post more extensive detailed materials, such as straw, draft or final proposals, at least 10 business days in advance of a meeting.
- Provide at least 20 business days for comments, 30 business days for more extensive detailed material.
- Post meeting recordings rather than requiring stakeholders to request a link to the recording.

Finally, we provide a caveat to these comments. Our positions may change as we work through the many issues and details left to work through as many of the design issues are interdependent.

**Q31 [1]** See Comments of Public Interest Organizations (full cite at Q5 [1]).

**Q31 [2]** Id. at 1-2.

# RENEWABLE ENERGY BUYER ORGANIZED WHOLESALE MARKET DESIGN PRINCIPLES



# Renewable Energy Buyer

## Organized Wholesale Market Design Principles

### BACKGROUND ON THE CLEAN ENERGY BUYERS ASSOCIATION

Commercial and industrial customers collectively use over half of the electricity generated in the U.S. and are driving significant demand for clean energy as more and more large energy customers of all sectors and sizes set ambitious goals to use clean or renewable energy to power their operations and facilities.<sup>i</sup> Roughly half of the Fortune 500 have climate and clean energy goals and over 250 businesses have committed to using 100% renewable energy.<sup>ii</sup> In 2019, corporate buyers announced new renewable energy contracts equal to 80% of all wind and solar installed in the U.S. in 2019 and have collectively deployed over 23 gigawatts (GW) of new renewable energy – equivalent to over 71 million solar photovoltaic panels<sup>iii</sup> – over the last 5 years.<sup>iv</sup> Fortune 1000 companies may represent as much as 85 GW of renewable energy demand through 2030.<sup>v</sup>

**Vision:** The Clean Energy Buyers Association (CEBA) is a membership association for energy customers seeking to procure clean energy across the U.S. Today, our membership of nearly 300 includes stakeholders from across the commercial and industrial sector, non-profit organizations, as well as energy providers and service providers.<sup>vi</sup> Our aspiration is to achieve a 90% carbon-free U.S. electricity system by 2030 and to cultivate a global community of energy customers driving clean energy.<sup>vii</sup> Deep decarbonization can unleash incredible economic growth and opportunity, and well-designed and well-implemented organized wholesale markets are a critical lever in achieving this vision.

**Approach:** Organized wholesale electricity markets are fundamental to advancing CEBA’s vision and goals. By leveraging the power of wholesale competition, organized wholesale markets produce billions in customer savings annually and they are critical to efficient decarbonization and clean energy integration.<sup>viii</sup>

### BENEFITS OF ORGANIZED WHOLESALE MARKETS

**Well-designed and well-implemented organized wholesale markets provide significant customer, societal and environmental benefits:**

1. **Cost.** Wholesale markets unlock significant efficiencies and operational benefits, from improved resource capacity factors,<sup>ix</sup> reduced reserve margins,<sup>x</sup> dispatch across a broader footprint,<sup>xi</sup> regional transmission planning,<sup>xii</sup> and least-cost dispatch.<sup>xiii</sup> These efficiency improvements provide significant savings to all customers, and because clean energy resources are better utilized over broader geographies and are increasingly the most affordable sources of electricity generation, they also result in greenhouse gas reduction.<sup>xiv</sup>
2. **Reliability.** Wholesale markets centralize dispatch over larger regionalized balancing areas, which gives grid operators control over a more diverse resource mix to call upon to manage supply and demand.<sup>xv</sup> Market operators also can use cutting-edge tools to improve grid reliability and operational flexibility.<sup>xvi</sup> Together, these features are particularly valuable to cost-

effectively maintain reliability while optimizing and integrating<sup>xvii</sup> significant amounts of clean, variable resources like wind and solar energy.

3. **Innovation.** Wholesale markets create competitive pressure upon firms to constantly innovate, iterate, and improve offerings. A drive to innovate has the potential to unleash clean energy solutions and accelerate the transformative change occurring in the electricity sector from demand response,<sup>xviii</sup> energy storage,<sup>xix</sup> and distributed energy resources.<sup>xx</sup> Innovation ultimately lowers customer costs while supporting more rapid and cost-effective decarbonization.<sup>xxi</sup>
4. **Customer Options.** Wholesale markets enable generation competition and greater clean energy integration, which translates to more options to meet customers' preference for clean energy. Roughly 80% of bilateral corporate power purchase agreements to date have occurred in organized wholesale markets, because they directly facilitate power purchase agreements to meet their clean energy goals.<sup>xxii</sup> Additionally, by enabling faster integration of clean energy, organized markets can also increase customers' overall consumption of clean energy. A recent Clean Energy Buyers Institute commissioned study conducted by The Brattle Group supports that organized wholesale electricity markets facilitate customer options, reduce costs, and improve renewable energy integration.<sup>xxiii</sup>

Organized wholesale markets can only deliver these benefits and decarbonization progress when they are well-designed and well-implemented.

As discussions continue about expanding the footprint of organized wholesale markets because of their broad benefits, a set of foundational principles should guide the development and improvement of organized wholesale markets.<sup>1</sup>

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**CEBA supports ultimately instituting [organized wholesale markets](#) in all regions of the country, designed and implemented consistent with the principles outlined below, operated by an Independent System Operator/Regional Transmission Organization.**

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<sup>1</sup> These principles have been crafted with respect only to organized wholesale electricity markets. This document should not be read to extend more broadly, or as a general guide to state policymaking or action by federal agencies.

## BUYERS' PRINCIPLES ON WHOLESALE MARKET DESIGN

### I. UNLOCK WHOLESALE MARKET COMPETITION TO CATALYZE CLEAN ENERGY

*Well-designed and well-implemented organized wholesale markets catalyze clean energy resources. And those markets work best when founded on competitive forces, which include ensuring:*

1. **An open and level playing field.** All generation, storage, demand, and other resources should be permitted to provide all services they are technically capable of providing. Decision-makers and market operators should pave the way for innovative resources to participate by removing any artificial or legacy barriers that limit resource participation.

Organized markets should:

- Utilize centralized regional markets with efficient, least-cost dispatch.
- Remove barriers to entry by taking full account of all the capabilities and system benefits that supply and demand resources provide.
- Guard against undue discrimination and preference by procuring on the basis of technology neutral services rather than particular resource attributes.
- Ensure the services the markets procure are defined to be resource inclusive rather than merely designed around operational characteristics of legacy resources.

2. **A role for demand participation.** Customer demand is neither immovable nor inflexible. Meaningful avenues for demand to participate, as well as incentives for responsiveness to the time and geographic-specific costs of electricity use, can reduce system costs for customers and incentivize efficient and emission-reducing investments. This includes ensuring a level playing field for resources such as demand response and allowing behind-the-meter resources to meaningfully engage in wholesale markets, which can provide substantial reliability, environmental, and cost-savings benefits. In addition to the opportunity to engage and receive compensation, cost of entry should be considered and mitigated commensurate with the benefits received from these resources. Large interconnection, transmission, or other costs can limit the ability for resources to engage.

- Efforts, like the Federal Energy Regulatory Commission (FERC) Order 745 that requires grid operators to compensate demand response at prices commensurate to other resources, should be taken to encourage demand participation beyond demand response as currently structured.
- Efforts to support innovative technologies, such as FERC Order 841 and Order 2222, which are designed to provide participation pathways for energy storage and distributed energy resources respectively, should be encouraged.

3. **Services that provide actual value to customers.** Customers should only pay for services that provide value. Organized wholesale market design should be based on market pricing, cost causation, and supply and demand principles, which allow a market price for services needed by demand.

- Market-based mechanisms should be favored over administratively crafted ones.
- Market design should be flexible enough to anticipate future needs, not to encase legacy resources, technologies, and system practices.

## II. SAFEGUARD MARKET INTEGRITY

*Markets best deliver durable benefits when rules, operation, and governance are conducted clearly, consistently, and fairly. This is achieved through:*

4. **Independent and responsive grid governance, management, and operation.** Governance structures should ensure that grid operators are independent and incentivized to achieve reliable, cost-effective delivery of energy services without favoring or discriminating against particular resources or stakeholders.
- The behavior of market participants should be monitored to ensure competitive outcomes. Regional markets should employ professional independent market monitors, providing an extra level of protection to market participants and consumers that is not replicated elsewhere. Monitoring provides all stakeholders and consumers with confidence that market participants are acting in compliance with market rules.
  - An independent system operator should conduct all market operation functions.
  - FERC should conduct regular audit and governance reviews.
  - Market operators should guard against market power, market manipulation, unnecessary over-procurement, and double payment.
5. **Transparency.** Transparency improves decision-making processes for all stakeholders and should thus be prioritized. Market participants, stakeholders, and interested parties should be provided the robust availability and access to data, key personnel, and decision-making processes that Regional Transmission Organizations are capable of providing.
- Transparent, liquid nodal energy prices should be utilized to support price transparency and are critical to enabling large customers to directly contract for the purchase of renewable energy through corporate power purchase agreements. Transparent nodal prices are not a feature in vertically integrated markets and thus comparatively makes it more difficult for customers to contract for clean energy.
6. **Broad stakeholder engagement and representation.** Careful attention should be paid to ensure that governance provides all participants, including customers, with robust pathways to meaningfully participate in decision-making and the stakeholder process.
- No one firm or sector should have the ability to exert outsized votes or roles in the stakeholder process.

- End-use customers should be ensured access, a stake, and a role commensurate to that provided to other stakeholders.

### III. DESIGN TO SCALE TO THE FUTURE

*Markets should be designed with recognition that the grid, resource mix, and suite of technologies available are rapidly evolving. Market design should be constructed in recognition of the increasingly flexible, decentralized, and clean energy generation of the future, built to secure:*

7. **Largest efficient operational scale available.** Because markets function more efficiently on larger scales, single larger geographic market footprints are preferred over multiple smaller ones. An independent operator should provide organized wholesale electricity services through competitive organized markets and oversee transmission operation and planning.
  - Markets should be organized and operated regionally in every section of the country. Because large regional markets leverage larger power pools with multiple and varied generation and demand response, single operator dispatch, and market-based rates, they generally improve cost, reliability, resource variability, and greater renewable energy integration, as well as improved operational outcomes.
  - Markets should leverage large regional scope, fair rules, transparent prices, and non-discriminatory dispatch to attract renewable resources, storage, and other clean energy resources to meet demand efficiently and to unlock a wider set of options for state and federal policymakers to achieve decarbonization goals.
  - A region-wide grid operator should also conduct region-wide transmission planning that incentivizes new and upgraded transmission to allow low-cost renewables access to customers and reduce both congestion and curtailment.
  - The organization should also provide coordinated planning of the bulk power transmission system, to find efficiencies in transmission access across a broader region and avoid unnecessary and duplicate investments that occur when utilities plan and operate independent of one another.
8. **Options for customers.** Markets should have mechanisms that permit customers to meet decarbonization commitments and facilitate efficient bilateral contracting.
  - Market structures should provide efficient products and pricing that support end-users seeking to rapidly decarbonize their energy usage.
  - Market structures should support orderly long-term bilateral contracting.
  - Markets should support a low transaction cost environment.
9. **Respect for federal and state public policy.** Markets should facilitate and harmonize with other federal and state policy choices.
  - How decisions should be evaluated by state and other federal entities is outside the scope of these principles. However, state and federal policies should be respected to the extent that those decisions interact with organized wholesale markets.

**10. Predictable investment decisions.** Market rules should be designed with durability and predictability in mind. Market rules may need updating over time, but changes should be minimized and avoided without a clear showing of need.

- When administrative interventions are necessary, they should be crafted to emulate competitive mechanisms to the extent possible.
- When market interventions are necessary, they should be crafted with a goal of minimizing the potential for future market interventions.
- Market rules should be implementable, clear, consistent, and durable.
- Market rules should be readily available and understandable by all stakeholders and market participants, including customers.
- Market design should not be modified due to price volatility alone.



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## End Notes

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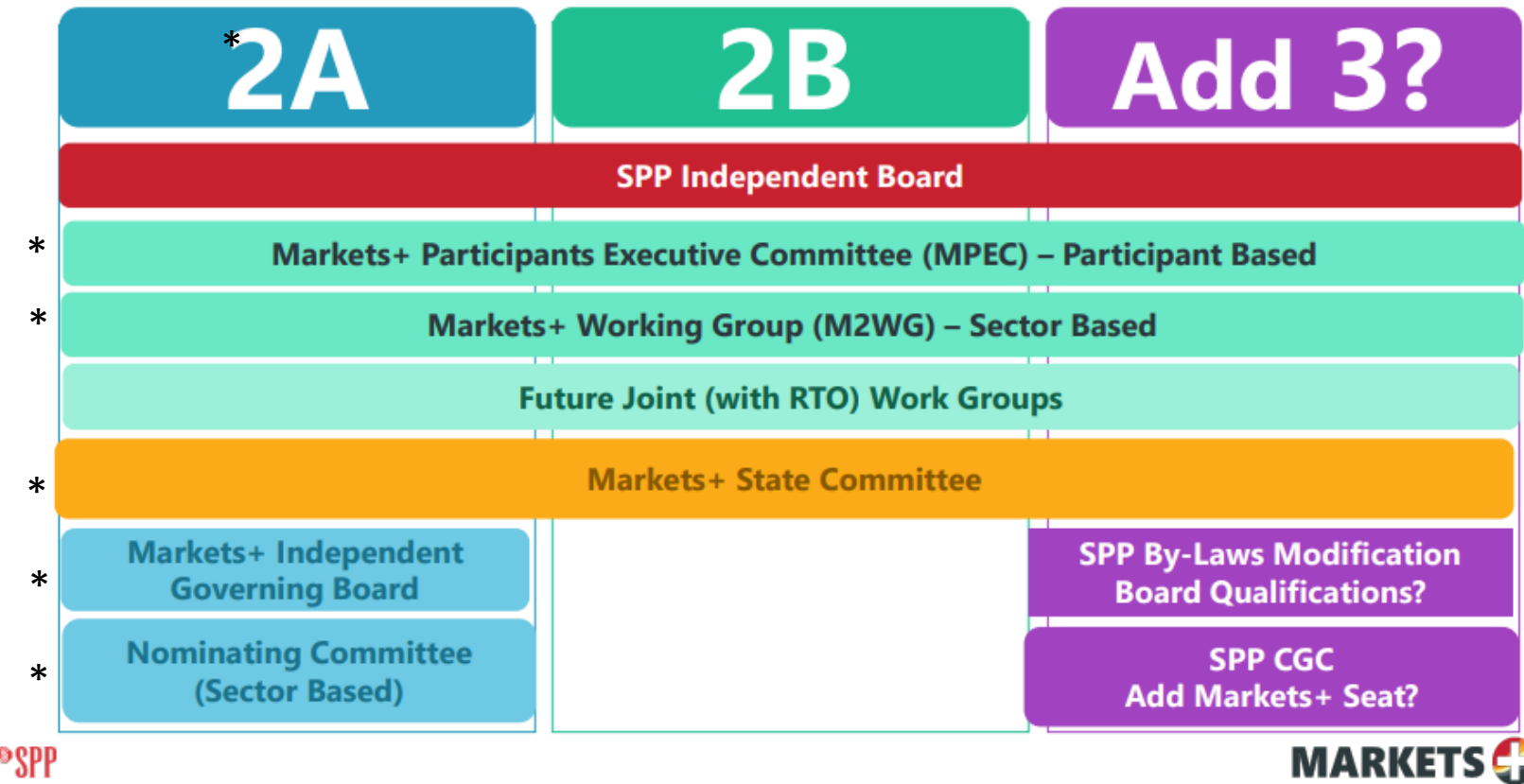
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# MARKETS+ GOVERNANCE OPTIONS



\* SPP Markets+ Governance Option Elements that would be included in Option 4.