

# MARKETS



Governance Design Team Webinar

July 22, 2022



*Working together to responsibly and economically  
keep the lights on today and in the future.*



SouthwestPowerPool



SPPorg



southwest-power-pool



Southwest Power Pool  
**WESTERN  
ENERGY  
SERVICES**

# TODAY'S AGENDA

Welcome and Overview

Summary of Comments Received

Comment Overviews

Discussion and Comments

Portland Meeting Details

Next Steps/Schedule

Draft Service Offering Contents

Questions



# WRITTEN COMMENTS WERE SUBMITTED BY:

Arizona Public Service

Avista

Basin Electric Power Cooperative

Bonneville Power Administration

Chelan County PUD

Clean Energy Buyers Alliance

Idaho Power Company

Municipal Energy Agency of Nebraska

Northwest & Intermountain Power Producers Coalition

NV Energy

Powerex

Public Generating Pool

Public Power Council

Public Service of Colorado

Renewable Northwest

Salt River Ag Improvement & Power District

Shell Energy

State Commissioners (WA, OR, CO, NV)

Western Area Power Admin

Western Power Trading Forum

Western Resource Adequacy/Sustainable FERC

# COMMENT CATEGORIES

Introduction

SPP Board of Directors

Markets+ Independent Panel

MIP Nominating Committee

Markets+ Participants Exec Cmte

Markets+ State Committee

Working Groups/Task Forces

Markets+ Market Participants

Markets+ Market Stakeholders

Appeals

SPP Staff Support

Governance Review

Other Issues

Conclusions

# INTRODUCTION

20 of 21  
Comments  
provided input

Generally  
supportive of  
approach (12)

Appreciate the  
effort/engagement/  
diligent work (5)

“Encouraged by  
revisions made”  
(4)

Commend work of  
the Governance  
Design Team (3)

Need an intentional,  
proactive approach to  
broad stakeholder  
participation (1)

Under current proposal,  
don't envision a way for  
Markets+ in the states  
we work in (1)

# SPP BOARD OF DIRECTORS

7 of 21  
Commenters  
provided input

Very supportive of  
SPP Board having  
ultimate authority

MIP member on  
SPP Board should  
recuse on votes  
related to appeals

Straw proposal strikes  
balance between significant  
deference to the MIP while  
SPP Board maintains  
appropriate oversight

While the SPP Board should  
ultimately approve any  
significant debt or spending,  
the MIP should be allowed to  
approve budgets for Markets+  
consensus programs

Areas of review appear  
appropriate to the SPP  
Board's fiduciary duties  
(2)

Would like more  
information on  
"material" (2)

# MARKETS+ INDEPENDENT PANEL

General

MIP Appeals  
to the SPP  
Board

Qualifications  
and Term



# MIP – GENERAL COMMENTS

18 of 21  
Commenters  
provided input

Pleased to see  
inclusion of  
independent M+  
governance layer (6)

The MIP is  
unnecessary given  
SPP's independent  
Board

Pleased that the  
MIP has Section  
205 rights (4)

Granted  
appropriate level of  
decision-making  
authority

MIP Chair should be  
selected by MIP  
members (not  
automatically be SPP  
Board  
Representative)(11)

Very supportive of  
SPP Director serving  
as MIP Chair

SPP Board  
Representative on  
MIP should not vote  
(5)

SPP Board  
Representative  
should have Western  
experience (5)

MIP may need a  
guiding mission or  
purpose statement

The MIP as  
proposed is not an  
independent board

# MIP – APPEALS TO SPP BOARD

7 of 21  
Commenters  
provided input

First appeal should be  
automatically  
remanded for  
additional  
consideration

Need clarity on  
process when  
consensus is not  
possible

Appeal rights  
shouldn't be limited  
to MIP members (2)

Should be additional  
protections for  
overruling MIP  
decisions

Eliminate appeals of  
MIP "actions or  
inactions"

# MIP – QUALIFICATIONS AND TERM

6 of 21  
Commenters  
provided input

Add more robust  
criteria for  
qualifications

Prioritize diversity  
and experience in  
PIOs or emerging  
technologies

Support proposed  
qualifications for  
the MIP members  
(2)

Aligned with the  
proposed four-year  
terms (2)

Support term limits  
to two or three  
terms (3)

# MIP NOMINATING COMMITTEE

11 of 21  
Commenters  
provided input

Revisit some sector  
classifications (5)

- Add sector for large customers (3)
- Eliminate trade group sector
- Add sector for Residential/small retail customers
- Clarify inclusion of PUDs (2)

Supports the  
sector-based  
committee (6)

Should include  
Markets+ Non-  
voting Stakeholders  
(2)

Allow MIP  
members to be  
elected via a slate

Meetings should  
primarily be  
closed (2)

Eliminate affiliate  
restrictions

# MIP SELECTION FORUM

2 of 21 Commenters  
provided input

Based on other input,  
the final vote on MIP  
nominees may have to  
take a different form  
than proposed

Assign selection to a  
Working Group to make  
recommendation to the  
MPEC for final decision

# MARKETS+ PARTICIPANTS EXECUTIVE COMMITTEE

13 of 21  
Commenters  
provided input

Very supportive of  
MPEC consisting only  
of MMPs (6)

Don't support MPEC Chair  
appointing members of  
Working Groups and Task  
Forces (3)

Support requirement for  
the MPEC to provide the  
MIP with recommendations  
(2) along with reporting  
minority views

Composition should  
be expanded to  
Stakeholders

# MPEC VOTING STRUCTURE

17 of 21 Commenters  
provided input

Prefers the Three Sector  
option (7)

- Not equally weighted
- Include a re-opener provision to reevaluate market participation

Prefers the BA/Non-BA  
sector voting structure (5)

# MARKETS+ STATE COMMITTEE

11 of 21  
Commenters  
provided input

Supportive of MSC  
concept as  
described (6)

Proposal is silent on  
disagreement about  
MSC's proposed  
budget

MSC should be able to  
monitor and provide  
input on any issue over  
which the MIP has  
authority to act

MSC liaisons should  
be able to attend an  
closed meeting

Need to clarify  
that States don't  
pay MMS annual  
fee

Consider granting  
future Section 205  
rights

Current proposal is  
inconsistent with  
regulator principles



# WORKING GROUPS/TASK FORCES

13 of 21 Commenters  
provided input

Establish certain Standing  
Committees (9):

- Operations and Reliability (BA entities) (6)
- Market Design (5)
- Seams (3)
- Environmental/GHG

Very supporting of the  
working group model  
(5)

Remove restriction for  
membership on  
WGs/TFs

# MARKETS+ MARKET PARTICIPANTS

5 of 21 Commenters  
provided input

Clarify that large energy  
customers with load  
greater than 1 MW are  
eligible to be MMPs (2)

Include transmission rights  
holders and competitive  
transmission  
owners/developers

Will only BAs or  
transmission providers be  
signatories?

- Need clarification on who makes the decision – the BAA or LSE

# MARKETS+ MARKET STAKEHOLDERS

9 of 21  
Commenters  
provided input

Eliminate \$5,000  
annual fee (9)  
  
\*See WG  
suggested options

# APPEALS TO THE MIP AND THE MPEC

5 of 21 Commenters provided input

Support language, but the document is silent on what the MPEC or MIP are expected to do with an appeal

Add "within" to the seven day procedural requirement

All stakeholders should be able to appeal

# GOVERNANCE REVIEW

5 of 21 Commenters  
provided input

MIP should appoint a  
sector-based  
committee to conduct  
review

Supports a review after  
three years (4)

Current proposal  
doesn't address the  
required approval of  
future governance  
changes

# OTHER ISSUES

11 of 21  
Commenters  
provided input

Various language  
revisions to  
specific sections

Need to include  
standard executive  
session  
requirements

Supports advance  
notice, agenda  
posting, virtual  
attendance

Exit provisions  
should be  
included

Should address  
SPP RTO  
governance  
structure

Improve  
stakeholder  
webpages and  
Markets+ tools

Clarification about  
governance  
framework during  
Phase I

# CONCLUSIONS

13 of 21  
Commenters  
provided input

The governance  
structure is  
strong

Thank you

Looking forward  
to additional  
discussions

Appreciate the  
opportunity to  
engage

Appreciate the  
efforts SPP has  
taken

Proposal is  
contradictory to  
participant  
preferences

# QUESTIONS



# STAKEHOLDER COMMENT OVERVIEWS

- Public Service of Colorado
- Bonneville Power Administration
- Public Generating Pool
- NV Energy

# DISCUSSION AND COMMENTS

# NEXT STEPS

# PORTLAND MEETING: AUGUST 9-10

- **Schedule (Pacific Time)**
  - August 9: 1:00-5:00 (Reception upon Adjournment)
  - August 10: 8:30-5:00
- **Hotel: Embassy Suites Airport**
- **Registration Open at [spp.org](http://spp.org)**
- **Workshop Format – Six Sessions**
  - Meeting Materials Available
- **In-Person Only**
  - Capacity Limit Increased
  - August 17<sup>th</sup> Webinar – Summary of All Workshops

# PORTLAND TENTATIVE AGENDA TOPICS

<b>General Sessions</b>	
Resource Adequacy	Congestion Rent
Functional Responsibilities	Market Monitor
Settlements	GHG Tracking
<b>Breakout Sessions</b>	
Governance (2 or 3 sessions)	ATRR
Unit Commitment	Imports/Exports/Wheel Through

# 2022 MARKETS+ GOAL AND SCHEDULE

- Draft Service Offering – End of September
  - Written Comment Period
- Final Service Offering – Mid-November
  - Will Not Include: Market Protocols and Tariff Language
- Commitment to Investigate – Q1 2023
  - Financially Binding to Scope Implementation
- Stakeholder Process to Develop Market Protocols and Tariff Language
- Participant Agreement Execution – Fund Implementation

# MARKETS+ DRAFT SERVICE OFFERING

## Governance

- Balanced Approach and Participation
- Organizational Structure: MIP, MPEC, MSC, Working Groups, Task Forces, MIP Nominating Cmte and Forum

## Market Design

- Responsibilities: Participants and Operator
- Key Features: Products; Timeline/Processes; Resource Registration Types; Price Formation; Centralized Unit Commitment; Centralized Unit Dispatch; Robust Physical Sufficiency; Flow-based Market Operations; Virtuals; In-line, Impact-based Mitigation; Marginal Losses; GHG Pricing/Settlement
- Compatability with Existing Constructs: Scheduling Activities; Coordinated Congestion Management; Congestion Hedge; GHG Tracking; Resource Adequacy; RSG; Division of Responsibilities

## Transmission

- ATRR: Eligible for Recovery and Recovery Mechanism
- Transmission Revenue Distribution Methodology
- Base Schedule Methodology
- Flow-Based Operation

# MARKETS+ DRAFT SERVICE OFFERING

## Market Settlements

- Net Settlement
- Uplifts
- Timelines
- Dispute Process

## Market Monitor

- Model
- Market Power Mitigation

## Other Sections

- Resource Adequacy
- Potential Future Market Enhancements
- Stakeholder Relations
- Implementation: Development and Launch Timeline



# QUESTIONS

# MARKETS



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