



July 15, 2022

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PGP Comments on SPP Revised Governance Straw Proposal

The Public Generating Pool (PGP) appreciates the effort of Southwest Power Pool (SPP) staff to develop a revised straw proposal on governance for Markets+ and the opportunity to provide comments on the proposal. PGP is composed of eleven publicly owned electric utilities, ten in Washington and one in Oregon that own almost 8,000 megawatts of generation, approximately 7,000 megawatts of which is hydroelectric. PGP views Markets+ as an opportunity that has the potential to provide substantial benefits to its members, but achieving those benefits is highly dependent on the Markets+ governance structure. Governance is a key element of any market design and is foundational to ensuring all market participants and stakeholders are treated equitably. It is also an area that has been a barrier for market efforts in the past, in part due to the diverse interests of market participants, regulators and stakeholders. PGP is encouraged by the level of consensus among stakeholders on the governance framework for Markets+ and we view this as an important and significant opportunity for SPP to develop a governance framework that establishes a strong foundation for Markets+.

PGP is pleased that the revised straw proposal is responsive to and aligns with stakeholder consensus comments on certain issues; however, there are key areas where the proposal departs from the consensus direction recommended by stakeholders and does not align with the governance objectives developed by the governance design team and stakeholders. The four governance objectives that were established to guide the governance framework include: 1) the development of an independent and autonomous¹ governing body for Markets+; 2) an open transparent stakeholder process; 3) a board nominating process that is geographically representative; and 4) effective forums for stakeholders within the governance framework. The proposal includes a robust, sector-based nominating committee process and includes provisions to ensure stakeholders have transparent access to the Markets+ Independent Panel (MIP) and all committee meetings and meeting materials. However, as more fully described below, the proposal requires further modification to achieve an independent and autonomous

¹ The concept of an “autonomous board” for Markets+ was not included in the original objectives developed by the governance design team, however, it was discussed extensively during stakeholder calls and stakeholders appeared aligned on this concept.



governing body for Markets+ and effective forums for stakeholders within the governance framework.

Markets+ Independent Panel

MIP Composition

While recognizing that SPP's existing board is independent, PGP and other stakeholders expressed a strong interest in establishing a separate body for Markets+ that will have substantial authority over issues specific to Markets+. A separate governing body for Markets+ is aligned with the objective of creating an autonomous governance structure for Markets+, the desire for an independent decision-making body that is focused entirely on Markets+ issues and perhaps most importantly, has been viewed as a necessary feature of the governance structure to instill trust amongst future market participants, stakeholders and regulators. The decision to join a new day-ahead market that will be offered by SPP as a current RTO with existing practices, structures and culture that have evolved to align with its current members, is naturally a choice that comes with perceived risks for future Markets+ participants. A Markets+ independent board would help address those concerns if designed appropriately.

PGP is pleased that SPP's governance proposal includes the MIP, however, we believe SPP's recommendation to include a member of the current SPP board as both a voting member and the Chair of the MIP substantially diminishes the objective of establishing an autonomous governance structure for Markets+ and raises concerns with how MIP and the SPP Board would interact in instances of appeal. PGP is concerned that if the MIP SPP board member has voting rights, they could choose to block MIP decisions by effectively appealing any issue to the SPP board.

The revised proposal includes new language that clarifies that if there is insufficient consensus supporting the MIP's decision, the SPP Board may remand the issue to the MIP and/or appropriate Markets+ working group for further consideration. PGP does not believe this adequately addresses the concern, as the SPP board would have the authority to remand issues to the MIP which maintains the overall SPP Board influence and authority over MIP decision-making which is the issue at hand. More generally, it is not appropriate for the ultimate decision-maker (the SPP Board) to be able to vote on issues at the MIP it will later make final determinations on (in effect this would afford the SPP Board "two bites at the apple."). PGP does recognize there is value in the SPP Board and MIP working in close coordination together and having a member of the SPP board on the MIP could help achieve this. For the reasons stated above, the SPP board member should not hold the Chairperson role and should be non-voting.

In addition, it may be difficult to craft the MIP's mission and responsibilities statement so that a member wearing both the MIP and SPP Board hats can avoid conflicts (or the perception of



conflicts) of their duty and obligations to each. Even if such a task could be accomplished (at least technically), the appearance of a not fully autonomous MIP may trigger participants to seek recusal provisions that would apply to the MIP/SPP Board member. This may be of particular importance, for example, if the MIP were to consider a west/east market co-optimization recommendation. Absent further explanation from SPP, the added time and resources involved in trying to negotiate an acceptable outcome does not outweigh the additional coordination benefits such a construct would yield in comparison to having an SPP Board member with ex officio non-voting status on the MIP.

If SPP does move forward with installing a member of the SPP board as the Chairperson of the MIP, further rationale for this should be provided. PGP's understanding is that other contract services offered by SPP, including the WEIS which has a separate governance structure, does not have a member of the SPP board involved in decision-making. It is not clear from SPP's explanations to date on the rationale for this proposal as to why an ex officio non-voting position for the SPP board member would not be sufficient to achieve the stated goals of ensuring consistency in decision-making (where appropriate) across the board and MIP structures.

MIP Authority/Appeals

PGP supports SPP's proposal for Markets+ issues to be "deemed approved" by the SPP Board and for SPP to file these at FERC for approval. PGP is supportive of the "deemed approved" approach because it provides more decisional deference to the MIP and would allow for a more efficient and timely process for changes to Markets+. However, the proposal is currently not clear on which Markets+ rules are under the authority of the MIP, versus those where MIP shall be afforded the opportunity to provide advisory input to the SPP Board. The proposal states that the MIP will have the authority to "consider, approve or reject market rules if such rules solely apply to the administration of the Markets+ market and have no application to the SPP Integrated Market Place or any other service provided by SPP. To the extent such rules do apply to the SPP Integrated Marketplace or any other service provided by SPP, the MIP shall be afforded the opportunity to provide input to any other applicable SPP organizational group and the SPP Board of Directors." Included in the proposal is a list of issues the SPP Board of Directors will "consider" which include Markets+ budgets, changes to agreements between SPP and Markets+ or Stakeholders, appeals from the MIP and "decisions of the MIP that may have a material impact, including financial ramifications or corporate risk on SPP. Any review shall be in coordination with the MIP."

Further clarification is needed regarding the list of issues the SPP Board will "consider" and how decisions will be made regarding which rules are under the purview of the MIP and which will be considered advisory. The last category of "decisions of the MIP that may have a material impact..." is vague and could therefore likely be applied to many future Markets+ issues. It is



important to clearly define in the governance proposal which rules would solely apply to the administration of Markets+ and those that would also apply to the SPP Integrated Marketplace as this directly defines the authority of the MIP. PGP proposes that SPP define a materiality test or propose a bright line test such as tying issues directly to the application of the Markets+ tariff rather than establishing vague definitions that will be difficult to parse in practice.

PGP also agrees with comments provided by state regulators that MIP decisions should be durable and not decisions easily appealed without good cause. The current proposal only allows members of the MIP to appeal decisions (actions or inactions) of the MIP to SPP board, however, the current proposal also includes an SPP Board member on the MIP. PGP believes the current proposal (which only allows MIP members to appeal MIP decisions) is adequate to ensure the integrity and durability of MIP decisions, but only if the MIP is a truly autonomous board without an SPP Board member participating in a voting capacity.

PGP also encourages SPP to further consider and discuss with stakeholders the recommendations made by state regulators to grant the MIP Section 205 filing rights at FERC over all areas of the Markets+ tariff. PGP understands the intent of this recommendation is to protect the independence of the Markets+ board in the event that a decision is appealed to the SPP Board of directors and the SPP Board substantively alters the original decision. PGP encourages SPP to consider all options, including providing Section 205 filing rights to the MIP and/or other dispute resolution provisions to address the concerns posed by state regulators. Where a solution is not deemed acceptable or appropriate by SPP, PGP encourages SPP to provide a transparent explanation as to why this is.

Stakeholder Participation/Committee Framework

Committee Structure

SPP's proposed stakeholder committee structure includes a number of elements that PGP supports, including the stakeholder sector-based MIP nominating committee, the Markets+ State Committee and the Markets+ Participants Executive Committee. However, PGP continues to be concerned with SPP's seeming insistence on establishing two tiers of non-market participant stakeholders. Markets+ Market Stakeholders would pay a \$5,000 fee which would afford them voting rights on the MIP selection meeting and allow them to be eligible for a voting seat on the MIP nominating committee, working groups and task forces. For those stakeholders that do not pay the fee, they would be able to provide input at all stakeholder meetings but would not be eligible for any of the voting rights noted above.

In discussing the rationale behind the two tiers of stakeholders and requiring a fee for an elevated role, SPP has described its interest in ensuring that stakeholders that are not truly engaged in Markets+ are not eligible for voting rights. Requiring a nominal fee is simply not necessary to achieve this objective. An approach that assigns fees to participate in the



stakeholder process is unnecessary, unlikely to be acceptable to many stakeholders and would ultimately diminish the robustness of stakeholder engagement in Markets+. A better approach would be to allow all stakeholders an equal opportunity (no fees) to participate in stakeholder sector-based working group, task forces and on the MIP nominating committee. Sector representatives would be self-selected by their sectors, which would ensure that the voting representative is an engaged and active participant, as they otherwise would not get selected by their sector.

PGP further recommends that the Markets+ working group should be a permanent standing technical committee that includes sector-based stakeholders as well as Markets+ participants. The purpose of this working group would be to take the first pass at developing Markets+ proposals, tariff modifications, etc., similar to the Program Review Committee established for the western resource adequacy program (WRAP). As a sector-based committee, the Working Group representation should be established by the sectors, rather than the MPEC as proposed by SPP. The standing work group could then establish other working groups or task forces as necessary, that would report up to the MPEC.

PGP understands some stakeholders have recommended a separate “reliability working group” that would address balancing authority area specific reliability issues and would report directly to the MPEC and would be limited to BAAs (not a sector-based committee). PGP recognizes the unique impacts BAAs will have as participants in the market and the need for a forum to discuss these issues. PGP recommends that this committee consider including Transmission Operators that are not BAAs as members given their role in maintaining reliability and, if established, have open meetings with limited exceptions, similar to all of the other proposed committees.

SPP’s proposal also includes the concept of a MIP selection forum, where all Markets+ participants and Markets+ Stakeholders (those that have paid the \$5,000 fee) are eligible to vote on MIP selection. PGP supports the concept of allowing stakeholders an opportunity to vote on/participate in MIP selection, however, given the large number of stakeholders that would be included in this group in a framework that does not exclude stakeholders who don’t pay fees, PGP suggests an alternative approach which could be assigning selection to the Working Group and MPEC (working group would make first recommendation which go to MPEC for final decision).

MIP Nominating Committee

In section 3.2.3.2.1 of the governance straw proposal, SPP sets forth the sectors that will make up the MIP nominating committee. The list includes Cooperatives and Municipal Utilities but does not include Public Utility Districts. SPP should incorporate a category that specifically calls out PUDs or broadens the category of Municipal Utilities or cooperatives to also encompass PUDs.



Market Participant Executive Committee

PGP is generally supportive of the proposed Market Participant Executive Committee (MPEC). In prior comments, PGP supported including non-market participants on this committee, however, PGP does not view this as a required feature of the MPEC, so long as stakeholders have effective forums to participate in Markets+, which is addressed in detail in an earlier section of these comments.

PGP appreciates the clarification SPP has provided in the latest proposal which addresses appeals of MPEC decisions. PGP supports the proposal that would allow any Markets+ Participant, Markets+ stakeholder or the MSC to appeal MPEC's denial of any issue to the MIP and submit an alternative recommendation. PGP seeks a minor clarification on the language "denial of any issue." PGP's understanding is the intent is to allow appeals of any action or inaction of the MPEC and seeks confirmation from SPP on this interpretation. PGP also seeks clarification that any "alternative recommendation" may be a recommendation for inaction as opposed to a comprehensive alternative proposal.

PGP has appreciated the stakeholder dialogue in recent meetings with respect to voting of the MPEC and the ideas that have been developed for consideration by the Northwest & Intermountain Power Producers Coalition (NIPPC) and SPP. PGP would like to have further discussions with stakeholders to vet these options. In general, our interest is to ensure that the voting construct ensures that all participants are fairly represented while recognizing the different impacts/responsibilities of different participants in the market.

Other Areas Where PGP is Seeking Further Clarity

Definition of Market Participant

SPP's current proposal indicates that requirement to participate in Markets+ is to have load or generation to that will participate in the Market. However, it is unclear to PGP who makes the decision to join Markets+ between a BAA and an LSE, in the instance where a third-party LSE is within a BAA. PGP believes this is a key clarification that is still needed.

Process to Change Governance Framework

SPP's proposal recommends that governance be reviewed within 3 years time, which PGP supports, however, the proposal is silent on the requirements for approving governance changes. 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. The current proposal does not address the required approval of future governance



changes. PGP recommends that any changes to Markets+ governance should require a super majority support of the Markets+ Independent Panel.

Exit fees/timeline

The proposal is currently silent on timeline for exiting the market and whether there will be exit fees. PGP supports voluntary entry and exit from Markets+, 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 (WEIM) would be reasonable. 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.

MIP Independent Market Expert

PGP request further discussion regarding the potential for an independent market expert specifically devoted to Markets+ in a position to support the MIP with technical analysis on proposed decisions. PGP would like to understand in greater detail the extent to which the MIP may rely upon SPP staff or other expertise to provide independent assessments of market performance and design proposals.

July 15, 2022

Subject: APS's comments on SPP's revised (06/23/2022) Markets+ Governance Straw Proposal

Arizona Public Service (APS) is encouraged by revisions made to the June 23, 2022 version of the Markets+ Governance Straw Proposal. The version better balances stakeholder entity interests with the interests of load serving entities. Overall, APS is supportive of the straw proposal, and we offer the following comments for emphasis and consideration in a subsequent draft.

Markets+ Independent Panel (MIP). APS is pleased about the inclusion of an independent governing board dedicated to the Markets+ footprint. The additional layer of governance will instill trust amongst Markets+ participants and will ensure the Markets+ footprint is allotted the appropriate amount of influence over market policy.

APS recommends the addition of more robust criteria for qualifications to serve on the MIP. In addition to the qualifications listed under section 3.2.2 Composition and Qualifications, members should have experience operating within an organized wholesale market or specific knowledge of wholesale operations. APS additionally recommends that a member of MIP with western experience serve on the SPP Board of Directors.

Markets+ Participants Executive Committee (MPEC). Regarding the two possible options presented for the MPEC voting structure, APS supports the "Unicameral Option". Such an approach mirrors SPP's existing voting structure, which has functioned satisfactorily for several years.

Working Groups. As we have stated in previous comments, APS recommends the inclusion of a distinct reliability working group for North American Electric Reliability Corporation (NERC) entities. The working group would inform MPEC about how Markets+ may aid or interfere with such entities' ability to ensure reliable service.

The governance structure presented by SPP is strong. APS appreciates the opportunity to continue to refine the structure. Going forward, additional edits and decisions regarding the Markets+ governance structure should be adopted to garner the broadest stakeholder consent possible. Of particular significance, comments APS highlights in this document align with stances presented by our neighboring western utilities including Salt River Project and NV Energy.

Avista Comments on Proposed SPP Markets+ Governance

July 15, 2022

In general, Avista is supportive of the draft governance approach for the proposed SPP Markets+ market. The proposal creates an adequate review and approval process for participants, states and stakeholders. The Markets+ Independent Panel (MIP) is granted an appropriate level of decision making over the market recognizing the overall oversight role of the SPP Board.

Avista does have the following specific comments on the governance proposal.

1. Avista believes the chair of the MIP should be selected by the panelists and not automatically granted to the SPP Board member representative. This will help alleviate concerns and perceptions held by some potential western participants and stakeholders that the SPP Board has additional authority over Markets+ direction and decisions.
2. Avista believes the first chair of the MIP should have significant western utility experience and knowledge to support the initial Markets+ market operations and alleviate concerns of western market stakeholders with regards to ensuring the MIP has a good understanding of historic western issues, needs and priorities.
3. Avista prefers the BA/non-BA participant sector voting structure for the Markets+ Participants Executive Committee. Avista can also support the current SPP MOPC voting structure utilizing Transmission Owning and Transmission Utilizing sectors.

Introduction

Bonneville appreciates the effort to develop the draft Markets+ Governance proposal and is generally supportive of this construct. Bonneville has two primary concerns with the proposal and several other comments and requests for clarification. Bonneville's two primary concerns with the current proposal are the placement of an SPP Board member as the chair of the Markets+ Independent Panel (MIP), and the assignment of individuals to work groups and ad hoc task forces by the chair of the Markets+ Executive Committee (MPEC). In comments below, Bonneville offers solutions for these concerns that would make necessary improvements to the Markets+ Governance proposal and potentially make the governance proposal more acceptable to many other prospective participants and stakeholders.

Chair of MIP

Bonneville recognizes the value of having a SPP Board member on the MIP and agrees that having this connection will enhance the relationship between the MIP and the SPP Board. However, Bonneville is concerned with the SPP Board member being the chair of the MIP. The chair of the MIP will likely set the agenda and call votes. In order to ensure the autonomy of the MIP as its own standing decision making body, Bonneville requests that the chair be one of the four independent MIP members selected by the other MIP members. Having the assigned SPP Board member act as a regular voting member of the MIP will provide the connection between the MIP and the SPP Board, and not making the SPP Board member the chair of the MIP will alleviate concerns that the MIP is just an extension of the SPP Board and not its own independent decision making body. Making this change to section 3.2.2 is a good compromise that clarifies the autonomy of the MIP and retains the connection between the MIP and the SPP Board.

Participation on Work Groups and Ad Hoc Task Forces

Under the proposal, most initiatives and changes will originate from the work groups and ad hoc task forces. As such, Participants and Stakeholders will want to have representation on these work groups and ad hoc task forces. Bonneville believes that giving the chair of the MPEC the authority to make assignments of individuals to the work groups and ad hoc task forces is a significant flaw in the proposal. Under this aspect of the proposal, the MPEC chair will have a significant amount of power to shape the make-up of groups that are responsible for the bulk of the work that will shape the Markets+. The MPEC chair will also have the power to exclude representatives from participants and stakeholders, which will lead to excluded parties feeling underrepresented. This aspect of the proposal does not establish a foundation for collaborative development of market improvements.

Further, the proposal indicates that the MPEC chair will be elected by the MPEC members. If the MPEC chair has the appointment power, the election of the chair could be a very contentious process that would lead to significant divisions between the MPEC members. In addition, the proposal does not speak to how long the MPEC chair will serve or what the process would be to replace the chair. These issues become less important if the MPEC chair does not have the power to appoint individuals to the work groups and ad hoc task forces.



Rather than giving all this power to the MPEC chair and ensuring some level of confrontation, Bonneville believes the membership on work groups and ad hoc committees must be self-selecting, allowing participants and Markets+ Market Stakeholders (MMS) to decide which work groups and ad hoc task forces they want to staff. This will ensure that every participant and MMS that has an interest in the issues being addressed by the work groups or ad hoc task forces can assign staff, and will have a voting right on what is developed and advanced. While there may be some level of concern regarding this approach leading to over-participation, it would establish a better foundation for a collaborative process than the exclusionary process set forth in the proposal.

In addition, voting rights on the work groups and ad hoc task forces needs to be tied to participation, i.e. in order to have a vote on a particular proposal the participants must be in attendance, either in person or on the phone, for at least 75% of the meetings in which the proposal is discussed. This will ensure that participants are there to work towards solutions and did not merely sign up to vote. The proposal should further outline the expectations for work group and ad hoc task force participation, including the principles for a collaborative process, active participation, and bringing expertise to bear on the issues.

Most participants and stakeholders will not have staff available to participate on every work group and ad hoc task force and thus will have to determine which efforts are most important to their particular interests and only volunteer to staff those efforts. Bonneville understands that under the proposal, the work groups and ad hoc task forces are open to attendance by all participants and stakeholders. But as SPP staff has said many times, voting matters in the SPP model. As written, the proposal raises the potential for both participants and MMSs to be excluded from having voting rights based on the discretion of the MPEC chair. Bonneville strongly believes that an open participation model based on the self-selecting process discussed above will enhance confidence in the process and will ensure that participants and stakeholders will have an opportunity to shape the proposals that matter to them.

A strength of the Markets+ governance proposal is the principle of open meetings throughout the participation structure. Bonneville suggests that principles of transparency will be reinforced by assurance of ample public notice of meeting agendas and supporting materials, opportunities for public comment, provisions for in-person and virtual attendance, and timely publication of meeting minutes and meeting recordings.

MPEC Participation and Voting

Section 3.3.1.4 points to two options presented in the slides on June 24th for the MPEC voting structure. Bonneville supports the first option with three sectors, but requests a modification that would recognize that the IOU and the Public Power sectors will be paying the majority of the cost of Markets+ and will have much greater exposure and risk from the market, as compared to the catch all sector for IPPs, marketers, and load representatives. Thus, rather than allocating the weighted voting at 33% for each group, it would be reasonable to weight the voting at 40% for the IOU sector, 40% for the Public Power sector, and 20% for the catch all sector. This would still give all MPEC members a vote and no one sector could move something forward without support from the other sectors, but it would account for the difference in cost and exposure of the various types of participants.

Section 3.3.1.1 states that the MPEC is only made up of senior representatives from market participants. A potential option would be to provide room on the MPEC for MMS senior representatives and include them in the catch all sector. The proposal for the three sector voting mentions end users as part of this sector, but recognizes that they may be reluctant to sign a participation agreement. If MMSs are allowed into the MPEC, end users would be more likely to participate and all stakeholders that pay the \$5000 would have a vote on the MPEC.

Additional Clarifications

Section 3.2.1:

The first paragraph in this section has the following statement: “Actions taken by the MIP under the authorities defined in its charter will be filed with FERC, unless appealed per Section 3.2.1 or reviewed pursuant to its authority.”

The second “its” in this section is confusing. The review of a MIP decision would be by the SPP Board pursuant to the authority reserved by the SPP Board. Bonneville suggests that the second “its” in this sentence be replaced with “the SPP Board’s.”

Appeals: The straw proposal provides for appeals to the SPP Board of Directors, limited to members of the MIP, of any action or inaction of the MIP. The guidance is “Based on historic practice, upon review should the SPP Board determine there is not sufficient consensus supporting the MIP’s decision...” the SPP Board “may” remand the issue to the MIP and/or appropriate Markets+ Working Group for further consideration.

Bonneville suggests the guidance for the SPP Board is vague and overly discretionary. An alternative might be that upon an appeal by a MIP member, the SPP Board will remand the issue to the MIP for additional consideration. The MIP may then produce a reconsidered decision. After that reconsidered decision, a subsequent appeal would place the decision before the SPP Board to accept the second MIP decision or make its own resolution. If the SPP Board makes its own resolution, any filing with FERC shall be accompanied by the MIP decisions.

“The MIP is responsible...” (first full paragraph on p. 6): Bonneville suggests that the responsibility of the MIP is for “developing and deciding or recommending” on “policies, procedures, system enhancements...”, instead of the straw proposal’s description of “developing and recommending.” This change would recognize that the MIP will make final decisions on policies that are not reserved for the SPP Board and will make recommendation on the decisions that are reserved for the SPP Board.

From Page 7 of the proposal: “In carrying out its purpose, the MIP will:

4. Collaborate with SPP on the development of Markets+ Tariff provisions, market protocols, business practices, and interregional agreements to promote transparency and efficiency in the operation of the Markets+ market.”

Bonneville suggests clarifying this purpose: “Collaborate with SPP staff on the development...”. The MIP will not need to collaborate with the SPP Board on all provisions, market protocols, etc, but the MIP will be collaborating with SPP staff on all these things.

Section 3.2.3.4 Vacancies: This section refers to “external directors.” This is the only place in the proposal where this term is used. From the context it appears that external directors are the four independent elected MIP members. In order to remove confusion the term external directors should be replaced with “elected MIP members.”

Section 3.2.4 Meetings of the MIP and Section 3.3.1.3, Meetings of the MPEC: The straw proposal calls for a minimum of meetings of the MIP and the MPEC biannually. Bonneville suggests that biannual meetings are too infrequent given the significant deliberative and decision-making responsibilities of both bodies and that meetings of both should be at least quarterly.

Section 3.2.5 Voting Structure: This section describes the majority vote requirement for decisions of the MIP. Bonneville suggests including the following phrase at the end of the first sentence to provide clarity and avoid confusion. “..., subject to the quorum requirements in Section 3.6.”

Section 3.3.1.2 Authority: For purposes of clarity, the second bullet should read: “Markets+ Market Protocols *and Business Practices* to support the filed tariff.” While “Protocols” could be read to include Business Practices, it would be better to make this authority explicit.

Section 3.3.2.3 Support and Funding for MSC: The straw proposal provides for submission by the Markets+ States Committee of a proposed budget to the MIP for approval. The straw proposal is silent on any disagreement on the proposed budget. Bonneville suggests a provision providing for comment by the MPEC on the MSC proposed budget prior to MIP approval.

Section 3.6 Attendance, Quorum, and Proxy: This section contradicts section 3.2.5, which states “Members of the MIP must be participating at a meeting to vote; no votes by proxy are permitted.” Section 3.6 states that MIP members can designate a proxy. Bonneville does not oppose the use of proxy voting for the MPEC, workgroups, and ad hoc task forces, but in the case of the MIP Bonneville supports the participation requirement in section 3.2.5. MIP votes will be final decisions or final recommendations to the SPP Board and the MIP members should be expected to at least call in to meetings to vote.

Section 3.7 Appeals to the MPEC and the MIP: This section states: “Should any Markets+ Market Participant, Markets+ Market Stakeholder or the MSC disagree on an action or inaction taken or recommended by any Working Group or Task Force, such Markets+ Market Participant, Markets+ Market Stakeholder or MSC member may, upon written request to the MPEC Staff Secretary, appeal and submit an alternate recommendation to the MPEC **seven days** after the meeting following such Working Group or Task Force action or inaction.”

There is similar language for appeals to the MIP. As drafted this could be read to require an appeal exactly seven days after a meeting or any time after seven days. This should either be “within seven days” or “between seven and fifteen days” in order to clarify the timing of appeals. Within seven days

would be reasonable, but it may be better to require a delay of seven days before an appeal is made in order to allow for follow up discussions after a meeting in which there is a disagreement. Some end date is needed on the timing of an appeal in order to make it relevant to the advancement of proposals.

While allowing for appeals is appropriate, the section does not speak to what the MPEC or MIP are expected to do with an appeal. Additional language is needed in the proposal to explain what happens once an appeal is made.

Section 4.1 Governance Review: Bonneville suggests that in order to carry out the required governance review, the MIP should be required to appoint a sector-based committee to conduct the review of Markets+ governance and develop recommendations for any revisions.

July 15, 2022

Comments from the Clean Energy Buyers Alliance on SPP's Second Straw Proposal for Markets+ Governance

Introduction

The Clean Energy Buyers Association (CEBA) is a national association of large-scale energy buyers seeking to procure clean energy across the U.S. With over 300 members from across the commercial and industrial sectors, non-profit organizations, as well as energy providers and service providers, CEBA's members are actively working to create a resilient, zero-carbon energy system. In 2021 alone, our members contracted over 11 GW in renewable energy projects and national CEBA member purchases now total 52 GW.¹ CEBA members have driven over 5 GW of clean energy purchases on the Western grid and are often within the top ten largest customers for their utilities.²

CEBA supports increased regional coordination in the West, specifically market development efforts structured to support a future West-wide organized wholesale market managed by a Regional Transmission Organization (RTO) or Independent System Operator (ISO). Consolidating utility operations under one market operator that manages transmission and coordinates generation planning could save Western electricity customers more than \$2 billion dollar per year while increasing reliability and supporting renewable energy development across the region.³ A west-wide RTO would also provide significant efficiency improvements, generation competition, and robust facilitation of power purchase agreements. While CEBA members utilize a variety of purchasing mechanisms to advance clean energy goals, over 80 percent of new wind and solar contracted by corporate buyers from 2008 to present has occurred in organized wholesale markets.

CEBA and its members are actively working with regulators, grid operators, and other stakeholders in the West on market design and governance issues. Southwest Power Pool (SPP)'s Markets+ offering could be an important step towards the goal of establishing a West-wide Regional RTO/ISO that is both well-designed and well-implemented. However, SPP should align its proposal to align with governance principles outlined here and take an intentional, proactive approach to broad stakeholder participation. In these comments we present our priorities for Markets+ governance and outline our requested changes to the June 23rd Straw Proposal.⁴

¹ *CEBA State of the Market*, Clean Energy Buyers Alliance.

² *Western Market Expansion, Bringing the Full Value of RTOs to the West*, Clean Energy Buyers Alliance, December 2021.

³ *The State-Led Market Study: Exploring Western Organized Market Configurations: A Western States' Study of Coordinated Market Options to Advance State Energy Policies*, Energy Strategies, Project Contractor July 30, 2021.

<https://static1.squarespace.com/static/59b97b188fd4d2645224448b/t/6148a012aa210300cbc4b863/1632149526416/Final+Roadmap+-+Technical+Report+210730.pdf>

⁴ *Markets+ Draft Governance Straw Proposal Version 2.0*, SPP Staff, Published June 23, 2022. (Hereinafter Redline Straw Proposal)

Organized Wholesale Markets Principles and Governance Priorities

CEBA and its members support the development of a well-designed and well-implemented RTO/ISO for the West that aligns with our Organized Wholesale Market Principles.⁵ These principles present a vision for how markets can be organized and governed to provide maximum benefit to customers by unlocking wholesale market competition to catalyze clean energy deployment, safeguard market integrity, and utilize design that can scale to the future.

Organized wholesale markets safeguard market integrity when rules, operation, and governance are conducted clearly, consistently, and fairly. When considering proposed governance models for new wholesale market offerings in the West, CEBA's priorities are:

- 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.

Independent and Responsive Grid Governance, Management, and Operation

In previous comments on Markets+ governance,⁶ CEBA supported the establishment of a Markets+ Independent Panel (MIP) because of the value a committee nominated by sector provides Markets+ in terms of independence. Additionally, CEBA requests that large energy customers be explicitly included in the MIP Nominating Committee sectors so that large energy customers can play a role in shaping this independent panel. CEBA recommends that the nominating committee provide broader representation by including not only representatives of Markets+ Market Participants and Markets+ Market Stakeholders but also Markets+ Non-voting Stakeholders.

This request aligns with recent Governance Principles⁷ developed by AZ, CA, CO, ID, MT, NV, NM, OR, WA, and WY. These principles state that in any future multistate electric organization or regionalization effort, "[t]he independent board should be selected by a nominating committee that includes a robust representation of stakeholders, including stakeholders who are not

<https://spp.org/documents/67355/06242022%20governance%20revised%20straw%20proposal%20redline%20final.pdf>

⁵ Renewable Energy Buyer Organized Wholesale Market Design Principles, Clean Energy Buyers Alliance <https://cebbuyers.org/programs/market-policy-innovations/organized-markets/>.

⁶ <https://www.spp.org/documents/67018/governance%20comments%20by%20respondent.pdf>.

⁷ <https://www.westernenergyboard.org/wp-content/uploads/Multistate-Governance-Principles-4-25-22.pdf> (hereinafter Governance Principles).

represented on member committees, and a formal, meaningful role for the states.”⁸ The relationship between the MIP and SPP’s Independent Board is such that this principle should extend to the MIP.

In the second straw proposal, large energy customers and/or industrial customers do not have explicit sector representation on the MIP Nominating Committee.⁹ The Public Interest Organization (PIO) sector could be a viable category, however, large energy customers represent a distinct interest that is different from PIOs given their investments. For example, large energy customers are uniquely interested in ensuring future markets allow for clean energy purchases and therefore have more detailed positions on market access. Additionally, the Trade Group sector does not provide meaningful representation for energy customers because trade groups represent such diverse policy interests. CEBA requests a standalone sector representing large energy customers and industrial customers. This addition would allow the MIP Nominating Committee sectors to match the sectors on SPP’s Corporate Governance Committee and align with the sector representation offered by the Western Power Pool’s (WPP) Western Resource Adequacy Program (WRAP).¹⁰

Transparency

In previous comments, CEBA requested the Market Participant Executive Committee (MPEC), Markets+ Governing Board, and working groups primarily meet publicly. Additionally, CEBA requests that future stakeholder processes be designed to provide maximum transparency. Large energy customers and other stakeholders should be able to track market issues, raise new concerns, and understand the basis upon which decisions are made. Large energy customers should be afforded this level of transparency whether they are engaged as official voting members or non-voting stakeholders.

The straw proposal indicates that all stakeholders, voting and non-voting, will be given advanced notice of MIP and MPEC meetings (no less than 15 days) and advanced access to meeting agenda (no less than 7 days) unless confidentiality is required through an affirmative vote of the MIP.¹¹ CEBA aligns with PIOs in requesting that the criteria for closing meetings are standardized to provide clarity and limit over-use of closed meetings. CEBA requests the SPP adopt this language consistently across meetings: “*matters for consideration in closed or limited attendance session should be limited to personnel, litigation, and proprietary, confidential or security sensitive information.*” Overall, CEBA supports advanced notice, advanced posting of proposed agendas, options for virtual attendance, and post-meeting notes/recordings for these meetings.

Throughout SPP’s Market+ market design and governance development, virtual participation has been a useful tool to overcome public participation barriers such as travel, scheduling, and

⁸ Governance Principles, Page 4.

⁹ Redline Straw Proposal, Page 7.

¹⁰ Western Power Pool Press Release, April 7, 2022. https://www.westernpowerpool.org/private-media/documents/NC_and_PRC_Press_release.pdf.

¹¹ Redline Straw Proposal, Page 10, 12.

funding. CEBA requests future market development efforts and stakeholder processes remove limits on virtual meeting attendance and provide meeting recordings and/or notes. In most existing RTOs agendas, meeting materials, written comments, and voting records are posted publicly.¹² Future western markets should be leaders in providing stakeholder transparency and access.

Multistate governance principles mentioned earlier support these requests noting that best practices for active stakeholder engagement “include open meetings of the board, committees, and initiative undertakings (with certain exceptions such as legal or personnel issues documented in the meeting record), ample notice of agenda and provision of meeting materials to all participants, virtual and in-person attendance options (when the latter is possible), and timely publication of meeting minutes and meeting recordings.”¹³

Broad stakeholder engagement and representation

Large energy customers need pathways to meaningful participation in market governance and options for engaging as both voting members and non-voting stakeholders. In past comments, CEBA requested that large energy customers be explicitly included in stakeholder definitions. Additionally, CEBA requests that SPP clarify that large energy customers with load greater than 1 MW are eligible to become voting members within Markets+. The current redline straw proposal defines a Markets+ Market Participant (MMP) as “an entity that has executed a Markets+ Market Participant Agreement as part of the Markets+ Tariff and contributes generation and/or load to the Markets+ market”¹⁴ but it is unclear if contributing load is limited to Load Serving Entities (LSEs) or would also include large energy customer load.

Meaningful participation in market governance requires stakeholder decision making that is efficient and balances representation. CEBA supports the simplified voting structure for the MPEC, such as the proposal put forward by the Northwest & Intermountain Power Producers Coalition (NIPPC) which was discussed at the In-Person development session¹⁵ and reflected in the Governance Design Team Webinar on June 24th.¹⁶ CEBA agrees that voting based on load service or transmission ownership is not indicative of a market participant’s significance.¹⁷ The structure proposed by NIPPC would establish an Investor-Owned Utility (IOU), Public Power and Independent sector that are equally weighted. The Independent sector would include power producers, marketers, transmission developers, and end-users. At this stage, inclusion in the Independent sector category is appropriate for large energy customers and supports a streamlined stakeholder process. SPP should anticipate evolution of both its markets and stakeholders participating in these processes and include a re-opener provision for the Independent sector. The sector itself should have the ability to initiate an “end-use” re-opener if it finds participant’s

¹² Stephanie Lenhart, Dalton Fox, *Participatory democracy in dynamic contexts: A review of regional transmission organization governance in the United States*, Energy Research & Social Science, Volume 83, January 2022.

¹³ Governance Principles, Page 4.

¹⁴ Redline Straw Proposal, Page 7.

¹⁵ <https://www.spp.org/documents/67128/in-person%20development%20session%20agenda%2020220601.pdf>.

¹⁶ Governance Design Team Webinar: SPP’s Governance Revised Straw Proposal, June 24, 2022, Slide 21. <https://www.spp.org/documents/67351/06242022%20gdt%20webinar.pdf>.

¹⁷ <https://www.spp.org/documents/67018/governance%20comments%20by%20respondent.pdf>, Page 14.

interests are diverging over time and end-users should be split into a fourth sector. CEBA requests that SPP provide more information on alternative voting methods with serious consideration of the NIPPC, including evaluation of how different methods can balance sector influence and build consensus.

Stakeholder representation covers much more than the ability to engage as a voting market participant. SPP should intentionally strive for robust and balanced stakeholder representation in future Markets+ working groups and within the current teams tasked with design issues such as transmission availability or price formation. For example, design teams comprised of stakeholders solely from the utility sector are unlikely to balance the interests of all stakeholders. CEBA requests membership fees be removed for non-market participants and that working groups, task forces and MIP selection voting be open to all stakeholders, (not limited to representatives of Markets+ Market Participants and Markets+ Market Stakeholders but also include Markets+ Non-voting Stakeholders). This request aligns Markets+ with the Governance Principles mentioned above, which state, “stakeholders ... who are not represented on member committees, are important constituencies for the long-term sustainability of the organization and should not be required to pay fees to participate.”¹⁸ Throughout the design and evolution of Markets+, SPP should proactively monitor which parties are engaging, encourage more diverse stakeholder views, and remove barriers that may limit participation.

Conclusion

CEBA makes several requests that will align SPP’s redline straw proposal with the governance priorities of large energy customers and other stakeholders. To support independence, SPP should expand representation within the MIP nominating committee to include large energy customers and include other non-voting members. To maintain transparency in Markets+ governance, SPP should provide all stakeholders with access to market issues and decision making through open meetings, advanced notice, and meeting recordings or minutes. To establish broad stakeholder engagement and representation in Markets+, SPP should clarify membership requirements to include large energy customers, adopt the streamlined unicameral voting structure put forth by NIPPC, remove membership fees for non-market participant stakeholders, and allow non-market participants to vote in working groups and task forces. Overall, SPP should continue to work closely with stakeholders on governance issues, anticipate evolution of this market offering and its stakeholders, and play a proactive role ensuring governance principles are upheld.

Respectfully Submitted,

/s/ Adrienne Mouton-Henderson

Adrienne Mouton-Henderson

Director, Policy & Market Innovation,

Clean Energy Buyers Association.

¹⁸ Governance Principles, Page 4.

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From: [Kara Fornstrom](#)
To: [Meghan D. Sever](#)
Subject: FW: Comments for governance straw proposal and market monitor due July 15
Date: Friday, July 15, 2022 1:13:18 PM
Attachments: [image001.png](#)
[06242022 Governance Revised Straw Proposal Clean FINAL.pdf](#)
[06242022 Governance Revised Straw Proposal Redline FINAL.pdf](#)

Kara B. Fornstrom | Director, State Regulatory Policy | kfornstrom@spp.org | 307-631-3639
Southwest Power Pool | SPP.org | twitter.com/SPPorg | facebook.com/SouthwestPowerPool

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From: Christensen, Tom <tomc@bepec.com>
Sent: Friday, July 15, 2022 11:57 AM
To: Kara Fornstrom <kfornstrom@spp.org>
Cc: Fischer Pius <piusf@bepec.com>; Kraft, Mike <mkraft@bepec.com>; Maddock JP <JPMaddock@bepec.com>; Weigel, Valerie <vweigel@bepec.com>; Kern, Becky <bkern@bepec.com>; Bruce Rew <BRew@spp.org>; Paul Suskie <psuskie@spp.org>
Subject: **External Email** FW: Comments for governance straw proposal and market monitor due July 15

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Kara,

Here are some “free form” comments on Governance.

- 1) Overall, the Governance Straw Proposal looks good
- 2) Very supportive of SPP Board of Directors having ultimate authority
- 3) Very supportive of a SPP Director serving as MIP Chair
- 4) Very supportive of the MPEC consisting of ONLY Markets+ Market Participants
- 5) Very supportive of Markets+/MPEC fully utilizing Working Groups and Task Forces to assist with Markets+ mission and tasks. Expertise on the multitude of details associated with market issues will be of paramount importance and can only be effectively utilized through the formation of and use of Working Groups and Task Forces. Effective participation by stakeholders will require Working Groups and Task Forces.

Thank you for the opportunity to comment.

Tom

Tom Christensen

Senior VP, Transmission, Engineering, and Construction
Basin Electric Power Cooperative
1717 E Interstate Avenue | Bismarck, ND 58503
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From: bounce-108322-212556@spplist.spp.org [<mailto:bounce-108322-212556@spplist.spp.org>]
On Behalf Of SPP Markets+
Sent: Wednesday, July 13, 2022 10:37 AM
To: Markets+ <sppmarketsplus@spplist.spp.org>
Subject: [EXTERNAL] **External Email** Comments for governance straw proposal and market monitor due July 15

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The Markets+ governance revised straw proposal and the Markets+ market monitor comment periods close this Friday, July 15.

There is no template for the Markets+ governance revised straw proposal. Please return your free form comments to kfornstrom@spp.org.

Attached are the revised straw proposal and a red-lined version of the original so you can see what's been changed from the straw proposal issued May 23, 2022. The revised straw proposal presentation given at the June 24 Governance Design Session is available [here](#).

Please click here to access the Markets+ market monitor comment form:
<https://app.keysurvey.com/f/41626637/167b/>

Be sure to click submit at the bottom of the form to submit your responses. You may attach a pdf of additional comments at the bottom of the form. Please submit one set of comments per entity.

SPP looks forward to your input and feedback on all issues related to Markets+ governance and market monitor.

The deadline to submit comments is July 15, 2022.

A summary of the governance revised straw proposal written comments will be provided at the July 22 Governance Design Team webinar and during the Aug. 17 Markets+ Development Update webinar. A summary of the market monitor written comments will be provided at the Portland meeting and on the Aug. 17 Markets+ Development Update webinar.

Reach out to marketsplus@spp.org if you have questions.

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From: [Kara Fornstrom](#)
To: [Meghan D. Sever](#)
Subject: FW: Comments for governance straw proposal and market monitor due July 15
Date: Saturday, July 16, 2022 9:00:49 AM

Kara B. Fornstrom | Director, State Regulatory Policy | kfornstrom@spp.org | 307-631-3639
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From: Sanders, Steve <sanders@wapa.gov>
Sent: Friday, July 15, 2022 7:27 PM
To: Kara Fornstrom <kfornstrom@spp.org>
Cc: Sanders, Steve <sanders@wapa.gov>
Subject: **External Email** RE: Comments for governance straw proposal and market monitor due July 15

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Kara,

WAPA has reviewed the latest June 24th release of the Straw Proposal for Markets+ Governance design and submits the following comments (where our comments related to the MMU approach also requested by SPP were separately submitted via the online form):

1. The latest Straw Proposal looks very good and has been well developed by SPP in a cooperative approach that incorporates the diverse stakeholder feedback to the extent possible while attempting to balance the requirements and desires of all the participants. WAPA appreciates the efforts of SPP and all involved in bringing the proposal to this stage.
2. WAPA is supportive of the proposal, while still expecting some additional refinements/clarifications to address outstanding questions and concerns by the parties related to voting, Working Group representative appointments, etc. To reach consensus related to the outstanding voting designs will likely require concerted effort during the upcoming Portland meeting to address the desired participation in various committees by interested parties and to strike a reasonable balance between the participating sectors. It will be important to receive summary details on the Straw Proposal feedback related to the various recommended voting approaches, the rationale for such, and the relative support for each approach, ahead of the Portland meeting to allow SPP and all the parties to effectively

engage and reach consensus. While WAPA is not taking a specific position at this time on the various alternative approaches that have been discussed up to an including during the June 24th meeting, WAPA will be prepared to work towards consensus in Portland assisted by the advance information from SPP.

3. WAPA may also have additional questions and/or requested minor changes as the proposal is being finalized, and/or when the proposal is subsequently converted to draft Markets+ tariff language.
4. The proposal appears to provide a high degree of autonomy and independent decision making with the proposed MIP, MPEC, MSC, and other applicable working group design, as requested by the West participants, while also incorporating proper interaction with SPP staff and reasonable independent oversight by the SPP Board of Directors. WAPA is supportive of the proposed SPP Board member participation on the MIP.

WAPA appreciates the opportunity to provide feedback. If you have any questions, please let me know.

Thanks..

Steve..

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Subject: **External Email** Comments for governance straw proposal and market monitor due July 15

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Please click here to access the Markets+ market monitor comment form:
<https://app.keysurvey.com/f/41626637/167b/>

Be sure to click submit at the bottom of the form to submit your responses. You may attach a pdf of additional comments at the bottom of the form. Please submit one set of comments per entity.

SPP looks forward to your input and feedback on all issues related to Markets+ governance and market monitor.

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SPP Markets + Draft Governance Straw Proposal

Chelan County Public Utility District's Comments

July 15, 2022

Chelan County Public Utility District, a consumer-owned utility in Washington, is an active participant in the bilateral, wholesale power markets in the West and a NERC-registered balancing authority. Chelan operates three FERC-licensed hydropower projects generating approximately 10 million megawatt hours of clean, renewable, low-cost electricity annually. Chelan submits these brief comments in response to SPP's June 23, 2022 Markets + Draft Governance Straw Proposal.

Chelan believes the ideal governance structure for any regional market involves broad representation of those impacted by the market coupled with independence and autonomy in decision making. From the perspective of a potential market participant, appropriate governance is critical because the governance model determines who develops the market rules. Those market rules in turn determine the allocation of value among all market participants.

Chelan largely supports the governance framework laid out in SPP staff's proposal. Specifically, Chelan supports establishing a Markets + Independent Panel (MIP) to serve as the primary decision-making body for Markets + rules. Chelan also supports establishing a Markets+ Participants Executive Committee that is composed of only market participants and working groups reporting to the Executive Committee composed more broadly of both market participants and other market stakeholders. However, there are a number of areas where the proposal could be further refined to produce a governance framework that maximizes opportunities for stakeholder representation and independence and autonomy for the Markets + market relative to the SPP RTO. Chelan is a member of the Public Generating Pool and Public Power Council and supports both organizations' comments which detail these refinements. Chelan highlights refinements it considers most critical below.

- Chelan supports having an SPP board member sit on the MIP to ensure Markets + rule adoption is informed by SPP RTO experience. However, Chelan currently does not support that board member having a voting role or serving as the de facto chair. Chelan anticipates an appropriate level of collaboration between the SPP Board and MIP can be achieved simply by having the SPP board member serve in an ex officio capacity on the MIP. If that SPP board member is the chair and is able to vote and appeal MIP matters to the full SPP Board, MIP autonomy is degraded.
- Based on discussions at the Denver Markets + meeting, Chelan is concerned requiring non-market participants to pay a \$5,000 fee to secure a voting role within the Markets + governance structure could negatively impact the robustness of NGO and other non-market participant stakeholder's involvement in Markets + rule development. Chelan recommends SPP consider a fee-free sector-based approach to facilitate non-market participant stakeholder participation or consider non-fee options that allow stakeholders to demonstrate requisite commitment to market development to warrant voting rights.

Chelan appreciates SPP's attention to the development of Markets + and looks forward to additional discussion on governance.

Contact information:

Tuuli Hakala, tuuli.hakala@chelanpud.org, (503) 956-3144

Shawn Smith, shawn.smith@chelanpud.org, (509) 661-4178

PSCo's Comments on SPP Markets+ Revised Straw Proposal – July 15, 2022

Public Service Company of Colorado (PSCo) is appreciative of the extensive work undertaken by the Markets+ Governance Design Team and SPP staff in formulating the revised Governance Straw Proposal and welcomes the opportunity to offer comments on several items. PSCo looks forward to continued engagement with the Markets+ team and stakeholders to develop a strong governance design proposal that can be supported by the variety of stakeholders in the West. Below, we provide recommendations and considerations by Section from the Revised Straw Proposal.

Section 3.2 – Markets+ Independent Panel

PSCo would like to reiterate that because the SPP Board of Directors is independent, an additional independent governing body in the MIP is unnecessary; however, given the broad stakeholder support for the MIP across the West, PSCo can support the proposed structure and recommends a few modifications outlined below.

- **Section 3.2.1**
 - PSCo recommends that any member of the MPEC be able to appeal MIP decisions to the SPP Board. As PSCo understands the existing proposal, there may be numerous policy or design issues from Markets+ that will cause cost and budgetary impacts to the RTO, which will trigger the need for review or approval by the SPP Board. PSCo is concerned that members of Markets+ will have less opportunity to appeal to the SPP Board compared to SPP RTO members, which limits Western members' rights compared to the East membership.
- **Section 3.2.2**
 - While PSCo appreciates the independence and experience of the SPP Board, we recommend that SPP establish in the governance design that the SPP Board member selected to participate on the MIP be required to have western experience.
 - Additionally, we recommend the SPP Board member serving on the MIP be eligible, but not required, to be the MIP Chair. PSCo prefers that the MIP members have the right to choose their Chair.

Section 3.3 and 3.4 – Committees Advising the MIP and MPEC

PSCo generally supports the Committee structures outlined in the Revised Straw Proposal and believes that design provides the structure to enable Committees to support the MIP and MPEC. PSCo provides the following suggestions to further help strengthen and clarify the roles of these Committees.

- **Section 3.3.1.4**

- PSCo supports the two-sector voting structure comprised of Balancing Authority Participants (BAP) and Other Participants with a 50/50 weighted voting structure. Balancing Authorities will continue to provide reliability responsibilities within the Markets+ design and creating a voting structure that provides BAPs an important weighting structure recognizes those differences in obligations within the market structure.

- **Section 3.3.2**

- To support the MSC's role within the governance design, PSCo is open to exploring granting the MSC competing 205 filing rights (similar to the SPP RSC for the RTO) for a specific set of issues. Markets+ is limited in scope compared to the RTO. Therefore, porting over the SPP RSC items is likely too broad; for example, Markets+ does not include transmission planning, transmission cost allocation or transfer of functional control by transmission providers. Below is a list of items that may be appropriate for consideration by the group and PSCo welcomes additional discussion.
 - If Markets+ adopts a resource adequacy structure that implicates state authority
 - Adoption of a congestion rent allocation process that has a significant impact on native load.

- **Section 3.4.1**

- Stakeholders have identified the need for several standing working groups and PSCo supports codifying certain standing working groups in the governance proposal.
 - Operations and Reliability Working Group
 - Market Working Group
 - Seams Working Group
 - Environmental/GHG Working Group

- **Section 3.4.1.1**

- PSCo is concerned the powers of the MPEC Chair, as currently drafted in the proposal, are too broad and need to be softened and refined. Additional language may be helpful to clarify the MPEC Chair's role and how members participate in the process.

Markets+ Revised Governance Straw Proposal
Comments from Municipal Energy Agency of Nebraska
7/15/2022

<u>Section</u>	<u>Comment</u>
3.2.3.2.1	MIP Nominating Committee composition: Need to clarify that Joint Action Agencies will be considered part of the “Municipal Utilities” category.
3.2.3.3	Election process: Subsections a. and b. should be relabeled as #5 and #6 within this section, and should not be indented under #4, as those paragraphs should apply to the entire election process rather than simply the scenario in #4.
3.3.1	MPEC recommendations to MIP: Unclear what “favorable proposals received” means. Is this meant to refer to measures that received the necessary MPEC representative votes for approval at the MPEC level? For clarity, refer to “items approved by the MPEC for recommendation to the MIP” rather than “favorable proposals received”.
3.3.1.1	MPEC composition: What was the basis/reasoning for striking the reference to “Affiliates”? Is this change consistent with how Affiliates are treated in SPP RTO?
3.3.1.4	MPEC voting structure: To assist Market Participants in evaluating each option for voting structure, it would be helpful if SPP could provide estimates of representative voting shares for the various entities likely to participate in Markets+.
3.3.2.1	MSC composition/membership: Clarify that the “utility regulatory commission” for Nebraska will be the Nebraska Power Review Board rather than the Nebraska Public Service Commission.
3.7	Appeals to the MPEC and the MIP: Change “seven days” to “within seven days” in both instances.



July 15, 2022

Comments from the Northwest & Intermountain Power Producers Coalition (NIPPC)¹ on the Draft Governance Straw Proposal for Markets+

NIPPC appreciates the diligent work by the Southwest Power Pool (SPP) Staff to incorporate several months of iterative feedback from stakeholders on how best to design SPP's Markets+ offering, including a governance proposal that will generate broad stakeholder support.

Governance is a principal topic that has bedeviled past efforts to organize regional power markets and related initiatives in the West. SPP's blank slate in this regard should be an advantage in the organization's efforts to launch a day-ahead and real-time market offering in the West. As a truly regional transmission organization (RTO), with an independent board of directors and no enabling statute that ties the board to a single state's chief executive, SPP should be well-positioned to make governance an attractive and broadly supported element of Markets+ for a wide variety of stakeholders, including independent generators, power marketers, utilities, public interest organizations, consumer advocates, state regulators, and large end-users.

NIPPC encourages SPP to continue adjusting its governance proposal, in collaboration with regional stakeholders, until this becomes the case.

Elements Supported, with Clarifications

NIPPC supports key aspects of the Draft Governance Straw Proposal, Version 2.0, dated June 23, 2022 ("the Straw Proposal"). In particular, NIPPC supports creating an independent body, the Markets+ Independent Panel (MIP),² as the highest level of authority for Markets+ except for the limited circumstances of appeals to the SPP Board

¹ NIPPC represents competitive power participants in the Pacific Northwest. NIPPC members include owners, operators, and developers of independent power generation, storage, and transmission; power marketers; and affiliated companies.

² Stakeholders have debated whether "panel" is the appropriate term for a pseudo-board of this kind. Although the etymology and modern usage of the word "panel" connotes a temporary body convened to consider a particular topic (for example, a jury is impaneled) more so than a continuing body overseeing an ongoing program, this is a minor point, and NIPPC does not object to the name of the MIP.

or some other discrete intervening factor that the SPP Board must consider (for example, debt obligations related to Markets+). Outside of those limited circumstances, as the Straw Proposal outlines, the SPP Staff should be authorized to submit regulatory filings at FERC to implement a MIP decision (p. 5). Overall, the MIP proposal has met an important threshold for an appropriate design of Markets+: providing significant decisionmaking authority to an independent body whose members are selected by Western stakeholders and that stands mostly apart from the SPP Board itself.

NIPPC supports the proposed MIP Nominating Committee with broad stakeholder representation and voting open to Market Participants and Market Stakeholders alike (p. 7-8). NIPPC suggests that the “trade groups” sector is too broad and should be eliminated, given broad representation across the sectors. Two other sectors should be added: (1) industrial and large commercial end-users and (2) residential and small commercial retail customers. NIPPC supports holding a vote on the nominees by a similarly broad group of entities but requests more clarity and discussion about how the “Markets+ Market Participants and Markets+ Market Stakeholders Forum” will function in relation to the MPEC. And in light of the additional changes recommended by NIPPC below to the Non-Voting Stakeholder group and the establishment of sector-based voting on the Markets+ Participants Executive Committee (MPEC), the final vote on the nominees to the MIP may have to take a different form than this proposed Forum.

NIPPC supports the requirement for the MPEC to provide the MIP its recommendations along with any minority views on the matter expressed to the MPEC (p. 11).

NIPPC supports the use of working groups and ad hoc task forces (p. 13-15) created by the MPEC to carry out much of the work of reviewing system or process enhancement proposals.

NIPPC also supports the requirement for the MIP to initiate a review of Markets+ governance no later than three years after the market launch (p. 17).

Concerns and Recommendations

NIPPC recommends several changes and additions to the Straw Proposal.

Market Participant definition: SPP should clarify what “contributing” generation or load to the market means (see the definition of “Markets+ Market Participant” on p. 2). In general, a broad number of entities transacting in, or commercially exposed to, day-ahead and real-time markets should be eligible to be Market Participants and MPEC representatives. This should include large end-users (commercial and industrial customers), transmission rights holders (regardless of generation owned or load served), and competitive transmission owners and developers. NIPPC notes that in most states in the West, large end-users have some level of choice of direct access to non-utility power suppliers or special utility tariffs with customized power supplies (e.g., “green tariffs”). Both of those choices will be affected by Markets+.

Appeals to the SPP Board: NIPPC does not support limiting appeals of MIP decisions to the SPP Board to MIP members alone. A universe of five appellants for market rules that may affect an entire interconnection is too limited. Of course, any party retains its rights to challenge a filing at the Federal Energy Regulatory Commission (FERC) under Section 206 of the Federal Power Act, but that burdensome recourse is far too late in the process to represent a meaningful check on internal SPP deliberations. Conversely, NIPPC recognizes that if any single person can appeal a MIP decision to the SPP Board, such diffuse standing for appeals may erode the effectiveness of the MIP as a decisionmaking body. Some alternative that empowers more participants and stakeholders to appeal MIP decisions is needed—after all, the SPP Board would remain in the position to reject an unsupported appeal. While the Straw Proposal suggests that the SPP Board would review the “consensus” supporting a MIP decision under appeal (p. 5), a more formal appeal mechanism open to more parties is needed.

Pre-determination of Chairs: NIPPC strongly discourages SPP from pre-determining who chairs the MIP (p. 6) and the MIP Nominating Committee (p. 7). These bodies should determine their own internal organization, including selection of a Chair. NIPPC does not oppose creating a strong link between the SPP Board and the MIP by reserving one seat on the MIP for an SPP Independent Director, but mandating that this person chair the MIP would undermine the panel’s independence. The Straw Proposal should also be clarified to state that the MIP Nominating Committee is free to nominate any interested current SPP Director to the one reserved seat (the Straw Proposal is not clear about if or how the Nominating Committee would select among the current SPP Directors).

MIP term limits: NIPPC supports establishing limits of two to three terms per MIP member. The Straw Proposal includes no term limits (p. 6). This would require rotating new members onto the MIP after eight or twelve years of service by any given member. Term limits for such regional governing bodies ensure that new and diverse perspectives are brought forward regularly.

Closed Nominating Committee meetings: While NIPPC generally supports open meetings about market design issues, NIPPC recommends making MIP Nominating Committee meetings closed (p. 8). Such meetings are similar to any hiring or personnel discussion, involving sometimes sensitive and confidential information about potential candidates. Facilitating candor in a broad, diverse group selected by each sector requires a closed meeting, at least for initial discussions prior to the Nominating Committee taking formal action to nominate one or more candidates.

Standing stakeholder technical committee: NIPPC strongly recommends establishing a permanent standing technical committee populated by all sectors that would function similar to the Program Review Committee of the Western Power Pool’s Western Resource Adequacy Program. This committee should be the initial locus of review of potential market design changes and related process improvements prior to their consideration by the MPEC or the MIP. Its establishment would significantly improve the expectation of meaningful input by all parties. The sectors represented on the

committee should mirror the MIP Nominating Committee. Establishment of the committee, its makeup, and its function should not be left up to the discretion of the MPEC; it should be spelled out and required in the Straw Proposal itself.

Establishing a strong stakeholder process to vet issues and drive toward consensus prior to consideration and voting by the MPEC is a highly important governance element. The better the stakeholder process leading up to MPEC deliberation, the less pressure will be on the MPEC and attendant vote jockeying.

Working groups and task forces: Similar to NIPPC's recommendation above that the MIP and the MIP Nominating Committee should self-organize, sectors should be free to appoint their own representatives to working groups and taskforces (should they choose to participate at all) rather than the MPEC Chair appointing individuals to each group (p. 13-14).

State Committee authority: NIPPC has advocated in other settings for regional state committees to have filing rights at FERC under Section 205 of the Federal Power Act, akin to the authority of the SPP Regional State Committee. Empowering state regulators, as a group, in the transition away from a system of largely bilateral markets and vertically integration is an important way to avoid self-dealing by market participants and to ensure broad regional political support. NIPPC maintains this position. That said, it is more apparent that such Section 205 rights should apply to matters of resource adequacy, transmission cost allocation, and regional transmission planning, all of which are only tangentially implicated by Markets+. NIPPC looks forward to the views of other stakeholders on this point.

Stakeholder fee: NIPPC recommends removing the nominal financial hurdle (\$5,000 annually) for stakeholders, including PIOs, to become formal "Market Stakeholders" with voting rights to nominate and elect members of the MIP, as well as voting rights on working groups and task forces. This proposed fee has caused significant opposition among stakeholders who are active in virtually all other regional forums in the West. Its apparent objective—ensuring that entities with a vote in some aspect of Markets+ have an appropriate commitment to constructive engagement—can be accomplished through other means. Other stakeholders have suggested, for example, that such non-Market Participants could select representatives amongst themselves to join various working groups and task forces. The Straw Proposal already uses this approach, appropriately so, for the MIP Nominating Committee.

If SPP follows this recommendation, then the remaining voting opportunity in the Straw Proposal would be on nominees for the MIP itself. NIPPC shares the concern expressed by other stakeholders and SPP Staff that such an important decision should not be vulnerable to the sudden appearance of a large number of voters with potentially no commercial commitment or exposure to the markets themselves. Perhaps a version of a sector approach to the vote on MIP nominations would address this issue. NIPPC looks forward to suggestions from other stakeholders on this topic.

Stronger stakeholder input: NIPPC recognizes a distinction between transactors in wholesale markets—those who have made financial or operational commitments tied to physical assets and have agreed to be subject to penalties for failing to perform as promised—and other stakeholders who represent customers or constituencies who do not transact in the markets. The former group, defined as “Market Participants” in the Straw Proposal, will have a commercial stake and set of financial consequences in Markets+ that distinguish them in important respects from other stakeholders. Nevertheless, the latter group’s various views, a reflection of the diverse perspectives in civil society, must be heard and accounted for in any fair and open market design. The Straw Proposal does not yet accomplish this.

Some centralized market operators (Midcontinent ISO and New York ISO) have standalone sectors or subsectors for some PIOs on their principal membership committees. These sectors have allocated voting rights. Consistent with this approach, NIPPC would support creating a sector on the MPEC for these stakeholders, with the allocated voting rights drawn equally in some amount from the other sectors outlined below in these same comments. In Markets+ meetings and discussions to date, this possibility (full MPEC membership, or at least voting rights, for non-Market Participants) has not been discussed at any length.

Alternatively, NIPPC suggests that another way to formalize a voice for non-Market Participants would be to establish a formal advisory body made up of such stakeholders. It could be called, for example, the “Markets+ Stakeholders Advisory Committee.” This body would resemble the Markets+ State Committee as a single sector advisory group whose views on any given issue must be considered by the MIP (although NIPPC does not suggest that SPP should similarly retain independent analytical or legal staffing for the group). Establishing a free-standing body would maintain the distinction, to the extent it matters, between Market Participants and non-Participants (including how the implementation of Markets+ is funded). It would allow PIOs to have their views recorded formally, as a group, for the MIP, but avoid the PIOs being expected (as part of the MPEC) to vote on every market design issue that transactors in the markets delve into.

Proposed MPEC Voting Structure

NIPPC appreciates SPP having considered and circulated several proposals for the voting structure of the MPEC. The following comments elaborate on NIPPC’s support for a unicameral, sector-weighted voting structure. Sector-weighting should be considered the norm across RTOs and independent system operators (ISOs), with ISO-New England, New York ISO, PJM, Midcontinent ISO, and ERCOT all using some version of it that encompasses more than two sectors.

NIPPC reads the Straw Proposal to mean that a vote of the MPEC is a strong advisory indication to the MIP rather than a binding indication required prior to SPP making a relevant filing under Section 205 of the Federal Power Act or modifying market protocols

and business practices.³ NIPPC supports this advisory model in order to ensure that effective decisionmaking authority—in the interest of the markets as a whole—rests with the MIP and the SPP Board. When the MPEC does support proposals by the necessary supermajority threshold, then the MIP should generally give great deference to the MPEC’s recommendation.

NIPPC observes that sectors (and potential criteria for weighting votes) are not static. Over time, asset acquisitions, market evolution, and business model changes will lead to new tensions within and among sectors. Divergence should be expected over time between currently like-minded participants from different sectors and sub-sectors. Markets+ should therefore incorporate from the beginning ways to mitigate future governance tensions of this sort. For example, the Markets+ governance re-examination after three years should include a re-evaluation of sector weighting and voting structure.

NIPPC adheres to the following considerations with respect to sector weighting:

- Sector-weighted voting should lead to a credible indication of the position of similarly commercially situated Market Participants on a given topic. It should not substitute for a thorough stakeholder process to identify market problems and broadly-supported solutions that maintain the integrity of competitive markets.
- MPEC sector definitions should, to a large extent, reflect the major differences between sectors and business models in the Western Interconnection today.
- Fewer numbers of sectors and a simpler weighting methodology will result in a more efficient governance structure. A preference for efficiency of design should be balanced against the need to reflect the major differences between sectors.
- Sector weighting should not allocate materially greater voting weight to a sector than its market significance as a whole. Nor should it ignore the potential for growth over time of a sector.
- Sector definitions should, to the degree practicable, avoid unduly diluting or magnifying Market Participants’ voting power within their sectors. At the same time, sector definitions should not prevent participation, including voting, by new entrants.
- Market Participants should be able to vote in only one sector, should declare which sector they belong to, and should not be able to strategically jump between sectors.

³ This understanding is consistent with transmission providers retaining their own filing authority at FERC with respect to their continuing open access transmission tariffs under the Markets+ framework.

- In general, each Market Participant should get one equally weighted vote within its sector. Individual sectors may consider weighted voting within a sector, but departing from equally weighted voting should require a compelling reason.
- The supermajority threshold should prevent one sector from dominating and one sector from being completely ignored, but the threshold should not be so high as to lead to deadlock.

With these considerations in mind, NIPPC proposes that MPEC votes be divided into three equally weighted sectors:

- Investor-owned utilities
- Public power
- Independents

Investor-owned utilities (IOUs): Market Participants within this sector would all be “public utilities” under the Federal Power Act, regulated by one or more state regulatory commissions, and subject to a fiduciary responsibility to investors to earn a return on ratebased assets.

Public power: Market Participants in this sector would include publicly-owned utilities, electric cooperatives, and power marketing administrations (PMAs).⁴ Given the significance of PMAs as wholesale marketers within the same sector as their retail utility customers, the sector may want to reserve a meaningful portion of its vote to PMAs or, alternatively, weight votes within the sector by load responsibility.

Independents: This sector would include independent power producers, marketers, non-utility transmission owners, and end-users. This sector would purposefully be a “catch-all” for Market Participants who aren’t utilities or publicly-owned marketers. The presence of end-users within the sectors reflects uncertainty about the extent to which those entities will elect to become Participants, while still reserving them a sector for purposes of MPEC voting.

The division into these three sectors reflects a roughly equitable distribution across the sectors of asset ownership (generation in particular) as well as power sales and load. It also directly addresses the key distinctions between the business models of vertically-integrated regulated for-profit utilities, not-for-profit consumer-owned utilities and wholesale marketers, and the competitive non-regulated sector.

A more complex division into more sectors is certainly feasible but may not be worth pursuing at this stage, given the piecemeal nature of Markets+ and uncertainty about what critical mass of Market Participants may join and fund the initiative. The three-part

⁴ The appropriate sector for subsidiaries of publicly owned Canadian utilities deserves further deliberation.

division suggested above would accommodate both deeper and shallower participation in Markets+ across the sectors.

End-user reopener: NIPPC supports a sector reopener, instigated by the “Independents” sector itself, that would lead at some future date to splitting out end-users into a fourth sector, in the event a pre-identified sufficient number of end-users become Market Participants and/or the orientation of IPPs, marketers, and end-users diverge. Unless the MPEC votes down this sector expansion or votes to adopt an alternative weighting, then a fourth sector would be established at that time consisting of end-users. The new sector would be afforded, for example, 10-20% of the vote, depending on the amount of load represented. To accommodate this amount, the votes of the other sectors would be reduced by some necessary degree.

Supermajority: MPEC support for a given proposal should be represented by a supermajority vote (between 60 and 68%) of the combined sector votes. For example, the following table indicates two failed votes of the MPEC:

	<u>Vote 1</u>	<u>Vote 2</u>
○ IOUs:	30% support	80% support
○ Public power:	50% support	20% support
○ Independents:	80% support	70% support
<u>Final tally:</u>	$(0.3 + 0.5 + 0.8)/3 =$ 0.53 (<i>Fails</i>)	$(0.8 + 0.2 + 0.7)/3 =$ 0.57 (<i>Fails</i>)

NIPPC looks forward to feedback from other stakeholders on this MPEC voting structure proposal and potential ways to improve it.

Balancing Authority-based proposal: Finally, NIPPC does not generally support the alternative voting structure referred to in the Straw Proposal (p. 12) that would divide Market Participants into those who are balancing authorities (BAs) and those who are not. Just as selecting load served—an earlier proposal for weighting a “House” vote in a bicameral voting structure—elevates a single market attribute above all others as the determining feature for voting, selecting BAs would bless another single attribute as the most important one. The power sector and its markets are more complex than any one attribute. Sector-weighting implicitly recognizes that complexity. Furthermore, using BAs as the basis for two groups of voters may reinforce an aspect of the status quo (a balkanized grid with dozens of BAs) that is likely to come under pressure as regional market initiatives proceed. Embedding into Markets+ deeper resistance to changing that status quo would be unwise.

NIPPC appreciates SPP’s consideration of these comments and its commitment to work collaboratively with a large, diverse group of stakeholders in designing the Markets+ offering.



**COMMENTS OF NV ENERGY ON THE JUNE 23, 2022
MARKETS+ DRAFT GOVERNANCE STRAW PROPOSAL**

July 14, 2022

NV Energy

NV Energy appreciates the opportunity to comment on the June 23, 2022, Markets+ Draft Governance Straw Proposal. NV Energy commends the thoughtful work of the SPP Design Team in crafting the document. NV Energy also thanks the stakeholders who have participated in the webinars and in-person meetings for their continued input into the process. Critically important to these efforts has been the guidance of the Western regulators through their attendance at conferences, the preparation of the Multi-State Electricity Organization Principles, and the recent letter from the Nevada, Oregon, and Colorado Commissioners.

As FERC noted in Order No. 2000, independent governance is the “bedrock” upon which the organized market must be built.¹ Market participants, their customers, and their regulators must have confidence in the overall fairness of the governance process. No one state and no one sector can have control or undue influence over the market design. SPP’s proposed structure, with the primary oversight of the new Markets+ under the Markets+ Independent Panel (the “MIP”), is a workable foundation for the expansion of organized market activities in the West.

NV Energy understands the proposed phased development of Markets+. There will be a Service Offering late in 2022, leading to a Phase 1 investigation to develop the detailed tariff and governing documents for the filing at FERC. Phase 2 will be the implementation program. Nevertheless, NV Energy encourages the SPP Design Team to place as much detail regarding the governance and market structures into the Service Offering as possible. This will give the NV Energy, other potential market participants, customers, other stakeholders, and regulators the confidence necessary to make a determination regarding participation in subsequent phases.

I. General Observations

With Markets+, the West has an opportunity to participate in an organized energy market under fully independent governance. The issues regarding the California Independent System Operator’s (“CAISO”) governor-appointed Board are well known.² Moreover,

¹ *Regional Transmission Organizations*, Order No. 2000, 65 Fed. Reg. 809 (2000), FERC Stats. & Regs. ¶ 31,089 (1999), *order on reh’g*, Order No. 2000-A, 65 Fed. Reg. 12,088 (2000), FERC Stats. & Regs. ¶ 31,092 (2000), *aff’d sub nom. Public Utility District No. 1 of Snohomish County, Washington v. FERC*, 272 F.3d 607 (D.C. Cir. 2001).

² The California State Legislature passed AB 5x on January 18, 2001, authorizing the replacement

there are the further concerns regarding the CAISO’s role as market operator while also assuming key responsibilities, most notably for resource procurement, in competition with other market participants. These are illustrated in the following table.

	SPP Markets+	CAISO EDAM/EIM
Market Operator is a participating Balancing Authority within the market footprint	No	Yes ³
Market Operator is a transmission provider within the market footprint	No	Yes ⁴
Market Operator competes for resource procurement with other market participants	No	Yes ⁵
Market Operator provides reliability coordinator services for certain participants within the market footprint	Yes	Yes

While certain of the responses in the table may be revised if the Markets+ optimization is expanded to include SPP’s RTO members, there will be a profound change in the overall stakeholder process from the CAISO model where staff plays a dominate role in: (1) choosing the initiatives to be brought before stakeholders, (2) shaping the scope and timing of those initiatives, (3) determining which comments should and should not be accommodated and (4) bringing the proposal to the EIM Governing Body and the CAISO Board for determination, to a model, more consistent with oversight of the Western Energy Imbalance Service Market (“WEIS”) and the Western Resource Adequacy Program (“WRAP”). In the SPP approach, stakeholders have significant input into the design and prioritization of initiatives and have the responsibility to bring recommendations to the fully independent authority for a decision.

Although the establishment of the MIP in combination with a participant-directed stakeholder process for Markets+ is preferable to a model using only the governing board designed for full SPP RTO, it is not a panacea for the concerns with market governance. Any governance design should be tested against the criteria FERC established in Order No. 719 which required RTOs to ensure that their board of directors is responsive to the

of the then-existing stakeholder board with a five-member board to be appointed by the Governor of California and confirmed by the state senate. CAL. PUB. UTIL. CODE § 337(a) (Deering 2005) (“The Independent System Operator governing board shall be composed of a five-member independent governing board of directors appointed by the Governor and subject to confirmation by the Senate.”).

³ For example, on September 5, 2020, the CAISO modified its procedures to render all awards of real-time market exports from unspecified resources essentially non-firm and subject to recall.

⁴ See for example, the CAISO’s filing to limit wheel-through transactions by the Desert Southwest entities in Docket No. ER21-1790.

⁵ For example, on June 29, 2021, the California Public Utility Commission and the California Energy Commission requested CAISO use its tariff-based authority to procure additional resources for the months of July and August 2021 and, if conditions did not improve, for the month of September. NV Energy understands that pursuant to this request CAISO procured 624 MW in July, 650 MW in August, and approximately 400 MW for September 2021.

needs of its customers and other stakeholders⁶ and that the governance meets four criteria: (i) inclusiveness; (ii) fairness in balancing diverse interests; (iii) representation of minority positions; and (iv) ongoing responsiveness.⁷

With Markets+, potential market participants, customers, western regulators, and other stakeholders have the opportunity to develop an independent, responsive, and inclusive governance structure that must not be static but will need to evolve based on experience, changes in participation, technological advancements, and other factors. The development of a consensus government structure for Markets+ will require compromise by parties with diverse interests. NV Energy offers these comments in an effort to facilitate the further discussions regarding the Markets+ governance design.

II. Comments on Specific Provisions

2.2 Markets+ Market Participant Agreement

SPP will administer Markets+ pursuant to a FERC-approved tariff. There will also be a Markets+ participant agreement. SPP should clarify the expectation as to what entities will execute the service agreement. For example,

- Does SPP expect that only the Balancing Authorities or transmission providers will be signatories as well as any suppliers that wish to bid directly into the market? Then transmission providers within the Balancing Authority Area would sub-allocate Markets+ requirements pursuant to an amendment to their OATT(s).
- Alternatively, does SPP expect **all** load serving entities and **all** generators, whether or not they will be bidding directly into the market or whether they serve only their base-scheduled load, to execute the participant agreement.

NV Energy understands that the Market Design Team is considering the issues of self-scheduling versus non-participation. From an implementation perspective, it may be easier to ensure compliance with the Markets+ design requirements if they are implemented as part of the already existing contractual relationship through the

⁶ Order No. 719, FERC Stats. & Regs. ¶ 31,281 at P 477.

⁷ *Id.* P 502. With respect to these criteria, the Commission held that the business practices and procedures of each RTO must ensure that any customer or other stakeholder affected by the operation of the RTO, or its representative, is permitted to communicate its views to the RTO's board of directors. The Commission also held that the interests of customers or other stakeholders must be equitably considered and that deliberation and consideration of RTO issues must not be dominated by any single stakeholder category. The Commission found that, in instances where stakeholders are not in total agreement on a particular issue, minority positions must be communicated to the RTO's board of directors at the same time as majority positions. In addition, the Commission found that stakeholders must have input into the RTO's decisions with mechanisms available to provide RTO feedback to stakeholders to ensure that information exchange and communication continue over time.

transmission providers' OATTs rather than expecting all load serving entities and all generators in the Markets+ footprint to enter into a new contractual relationship.

3.1 SPP Board of Directors

With respect to the division of authority between the SPP independent board of directors and the MIP, SPP proposes that the board would consider: (1) material agreements and material changes to those agreements between SPP and Markets+ Market Participants or SPP and Markets+ Market Stakeholders, (2) Markets+ budgets, any debt obligations related to Markets+, or material changes to SPP's staffing requirements; (3) limited appeals from the MIP; or (4) decisions of the MIP that may have a material impact, including financial ramifications or corporate risk on SPP.

NV Energy appreciates the specification of these areas of review which appear appropriate to the SPP board's fiduciary responsibilities to the corporation. While the provision for an appeal from the MIP may be seen as a lessening of the MIP's direct responsibility for the Markets+ design, the expectation is that this would be an extremely rare occurrence and probably denotes an issue that requires further discussion within the Markets+ community before bringing the issue to FERC in a contested proceeding.

It may be helpful for SPP to give examples of what would constitute decisions that may have a material impact, including financial ramifications, corporate risk on SPP, or even significant impact on SPP market services. SPP should also ensure that the MIP has the resources necessary to fulfill its responsibilities, including access to the Markets+ market monitor.

3.2 Markets + Independent Panel ("MIP")

SPP proposes that the MIP will consist of five individuals who are independent of any Market+ participant or stakeholder. One of the MIP members would be a SPP Independent Director. SPP proposes that the SPP Director would serve as the MIP chair. NV Energy suggests that this individual be SPP's Chief Executive Officer or an SPP Director with Western experience. In addition, NV Energy understands the benefit of having an SPP Director serve on the MIP to facilitate communication between the two governing bodies, but questions why this person *must* be the MIP Chair. As each MIP member is entitled to one vote, it might not be a matter of great significance who serves as chair. All the more reason then, to leave the choice of chair up to the MIP.

3.2.1 Purpose and Scope of MIP Activities

NV Energy supports the concept that only a MIP member may appeal a MIP determination to the SPP Board. To provide other stakeholders that opportunity would diminish the primary oversight role of the MIP.

With respect to the authority and responsibilities of the MIP, NV Energy supports the six elements in the Straw Proposal listed in section 3.2.1. In addition, we propose two additional roles:

- The MIP would resolve any disputes regarding the establishment of a working group or other task force and the staffing of that working group or task force. NV Energy understands that at this time SPP wants to maintain flexibility regarding the need for specific working groups and not identify the specific groups and their composition. Consistent with their “ultimate oversight” responsibility, the MIP should resolve issues associated with committee formation, scope of responsibility, and membership.
- The MIP should be permitted to vote to waive the \$5,000 membership fee for an entity that demonstrates: (1) a contribution to the Markets+ stakeholder process through their actions while participating as a Markets+ Non-Voting Stakeholder and (2) that paying the fee would be a hardship. NV Energy would expect the vast majority of Markets+ Stakeholders that wish to have a voting stake in the governance to be able to afford the \$5,000 fee. In the limited situation where this payment poses a real hardship and that entity has been a consistent contributor in the open stakeholder meetings, that entity should be able to petition the MIP to enable it to vote in working groups and the MPEC.

3.2.2 Composition and Qualifications

NV Energy supports the proposed qualifications for the MIP members.

3.2.3 Term and Election

NV Energy supports the proposed four-year term. These markets are incredibly complicated, and the four-year term should provide the ability of the MIP member to gain expertise and provide continuity. NV Energy also supports the proposed selection process for MIP members with the sector-based MIP Nominating Committee.

While NV Energy strongly supports SPP’s open meeting policy with respect to market design initiatives, we question the approach of having the MIP Nominating Committee discussions taking place in an open session. To ensure full and frank discussion among the Nominating Committee members, these deliberations should be closed to the public.

NV Energy disagrees with one aspect of the MIP election process. In section 3.2.3.3, SPP proposes that for purposes of electing or removing members of the MIP, each group of Markets+ Market Participants with “Affiliate Relationships” shall be considered a single Market Participant. As defined, NV Energy would have an affiliate relationship with PacifiCorp. If both utilities enroll in Markets+ they would have only one vote to determine MIP membership. ***NV Energy believes both companies should have separate votes.***

3.3 Committees

3.3.1 Markets+ Participants Executive Committee (“MPEC”)

SPP proposes that the MPEC consist of one representative for each Markets+ Market Participant. NV Energy strongly agrees that each participant should have a representative in the MPEC forum.

SPP proposes that the MPEC will review system or process enhancement proposals recommended by SPP, the Markets+ State Committee, the Markets+ Market Participants, Market+ Stakeholders, Markets+ Non-Voting Stakeholders or any designated working group, committee, or task force established by the MPEC. SPP specifies that these would include proposals that would require an amendment to the Markets+ tariff, a revision to a protocol, or an administrative rate charged to participants in Markets+. This is an appropriate scope of authority.

The MPEC should be an expression of where the Markets+ Market Participants and Markets+ Market Stakeholders stand on an initiative. An affirmative vote does not guarantee approval by the MIP; a negative vote does not guarantee rejection by the MIP. It is the MIP, not the MPEC, that authorizes SPP staff to make a Section 205 filing.

With respect to the proposed voting structures, NV Energy supports the option based on the structure used in the SPP Market and Operations Policy Committee. Under this approach:

- (1) a participant is assigned to one of two membership sectors: Balancing Authority Participants (“BAP”) or Other Participants.
- (2) Each sector votes separately with the result for that sector being a percent of approving votes to the total number of participants voting. The BAP sector represents 50% of the vote and the Other Participants sector represents 50% of the vote.
- (3) An action is approved if the average of these two percentages is at least 66%.

This approach is simpler to implement and is more consistent with the SPP RTO design (facilitating a potential evolution in RTO membership and governance). It ensures that no one sector can dominate the vote. The alternative approach identified in the Straw Proposal and stakeholder presentations is more complicated with the voting process dispersed among three sectors: IOUs, public power, and all others (IPPs, marketers, end-users and others who have paid the \$5,000) fee. Furthermore, given the prevalence of public power entities in the Northwest, a three-sector approach may not be geographically balanced. NV Energy is also concerned about the suggestion that certain entities would have weighted preferences. The two-sector approach recognizes that the Balancing Authorities, both FERC-jurisdictional and non-FERC jurisdictional, who are contributing their transmission systems to facilitate implementation of the new market.

3.3.2 Markets+ State Committee (“MSC”)

The Markets+ governance structure will include the MSC with one representative from each state in which there is a Markets+ participant. The representative will be appointed by the utility regulatory commission of that state through a process developed by each commission. However, the representative does not need to be a current commissioner.

In the Straw Proposal, SPP provides that the MSC will determine their own voting structure, have access to necessary support from the SPP Staff and have an independent source of funding through the Markets+ tariff. The annual budget prepared by the MSC would be approved by the MIP. The MIP would also have access to performance data related to policy initiatives subject to any necessary confidentiality agreements.

NV Energy supports the proposed formation, funding, and responsibilities of the MSC. In addition to providing advice to the MIP and the MPEC, the MSC should be permitted to provide input to any working group or task force.

One question not addressed in the Straw Proposal is whether the MSC should have Section 205 filing rights. NV Energy understands that in the RTO, SPP’s Regional State Committee has dual Section 205 filing rights related to resource adequacy and transmission cost allocation, including allocation of firm transmission rights as a hedge to congestion costs.⁸ The establishment of a day-ahead market represents a significant change in the regulatory paradigm for Western state regulators. NV Energy would support providing the MSC with Section 205 rights over a limited subset of key issues, if a significant portion (for example two-thirds) of the MSC members vote in favor of a position contrary to that approved by the MIP.⁹ The issues for which the MSC should have dual Section 205 rights could include:

- A proposal to develop a mandatory or voluntary capacity market. Such an action would constitute a fundamental change to the scope of the proposed Markets+ design. If it is undertaken by the MIP, the MSC should have the ability to submit a competing proposal.

⁸ Section 7.2 of the SPP bylaws states: The RSC has primary responsibility for determining regional proposals and the transition process in the following areas: (a) whether and to what extent participant funding will be used for transmission enhancements; (b) whether license plate or postage stamp rates will be used for the regional access charge; (c) FTR allocation, where a locational price methodology is used; and (d) the transition mechanism to be used to assure that existing firm customers receive FTRs equivalent to the customers’ existing firm rights. The RSC will also determine the approach for resource adequacy across the entire region. In addition, with respect to transmission planning, the RSC will determine whether transmission upgrades for remote resources will be included in the regional transmission planning process and the role of transmission owners in proposing transmission upgrades in the regional planning process.

⁹ See the Multi-state Electricity Organizational Principles at note 2 (“In some RTOs, the guarantee of substantive engagement in governance and decision making is accomplished through granting primary or complementary 205 filing rights to the states committee, particularly in governance structures dominated by paying members”).

- Changes in the transmission cost recovery methodology. This could include a change in the “hold harmless” element of the recovery of the Markets+ transmission provider’s annual transmission revenue requirement or the adoption of a congestion rent allocation that has a significant impact on native load.
- Adoption of a joint transmission planning component, as again this would be a significant change in the proposed market construct.

NV Energy understands that the overall governance design, with significant input from the MSC and other stakeholders under the oversight by the MIP is structured so that these Section 205 rights should never be required. Nevertheless, participation in a day-ahead market is a significant enhancement from a real-time imbalance market. Regulatory authorities have their own mandates to ensure utility compliance with state law obligations. Section 205 rights can serve as an insurance policy and added influence upon the stakeholder process, to ensure a broad consensus over critical policy design elements.

3.4 Other Committees and Stakeholder Groups

SPP recognizes there will be the need to form additional working groups but has elected not to specify them at this time, stating they can be developed as part of the preparation of the Bylaws in Phase 1 or subsequent to Markets+ operations by the MPEC. In this latter case working group representation will be appointed by the MPEC chair after the SPP Staff Secretary solicits nominations for working group members. The MPEC chair is to consider the various types and expertise of Markets+ Market Participants and Markets+ Market Stakeholders and their geographic locations, to achieve a widespread and effective representation. NV Energy understands the need for flexibility regarding the formation and structure of working groups; however, NV Energy believes that the Service Offering would benefit by specifying the establishment of certain initial working groups, that will be essential to the implementation of Markets+. These would include the following:

- A **Market Design Working Group** to review any initiative that would modify the Markets+ tariff or rule. This could be a sector-based body similar to the Program Review Committee in WRAP.
- A **Seems Working Group** which would be sector-based and tasked with coordinating with the SPP’s Market and Operations Policy Committee, any RTOs or ISOs adjacent to the Markets+ footprint, and any bordering non-RTO or ISO Balancing Authority Areas and Transmission Providers.
- A **Reliability and Operations Working Group** which would include participating Balancing Authorities and Transmission Providers to provide recommendations to

other working groups and the MPEC on where current or proposed Markets+ designs could have positive or negative effect on these entities ability to ensure reliable operations.

3.7 Appeals to the MPEC and the MIP

NV Energy understands that any action or inaction of a working group or task force can be appealed to the MPEC and subsequently any action or inaction of the MPEC could be appealed to the MIP. These appeals could be brought by: (1) any Markets+ Market Participant, (2) any Markets+ Market Stakeholder, or (3) any member of the MSC. NV Energy supports these aspects of the appeals process as outlined by the Straw Proposal.

As proposed, Markets+ Non-Voting Stakeholder (“MNVS”), stakeholders who provide input at all stakeholder meetings but who do not have voting rights on Working Groups and Task Forces and pay no annual fee, would not have any appeal rights. Consistent with their ability to raise issues in the comment session of meeting of the MPEC and MNVS, NV Energy could support giving MNVS entities a formal appeal right.

4.1 Governance Review

SPP proposes that upon the MPEC’s request, but no later than three years after the Markets+ market launch, the MIP will initiate a review of the Markets+ market governance in light of accumulated experience and changed circumstances. NV Energy supports the proposed re-examination and three years is an appropriate time frame.

III. Other issues

One issue not addressed in the initial governance straw proposal involves the provisions for a Markets+ Market Participant or a Markets + Market Stakeholder to exit Markets+. NV Energy understands that SPP will finance the development of the day-ahead market initiative through debt financing. Given SPP’s status as a nonprofit corporation and a desire to hold the existing SPP RTO participants harmless from the costs of Markets+ development and operation, it will be up to the entities participating in Markets+ and their customers to finance the effort.

To prevent a situation whereby the departure of a large entity could have a cascading effect in which other entities depart to avoid having to pay increased administrative costs associated with a smaller market footprint, it is understandable that a departing entity would be responsible for some measure of the debt retirement of the Markets+ development costs. As part of the Service Offering, however, SPP should attempt to provide an estimate of the magnitude of the potential exit fee on Balancing Authorities and other participants.



On the other hand, NV Energy appreciates the concern raised by certain public interest organizations that imposition of a significant exit fee could be a bar to their participation, despite a willingness to pay the \$5,000 participant fee in order to be able to vote on Markets+ initiatives. A possible compromise may be to charge the exit fee only to entities with load and/or resources in Markets+ and to exempt the public interest organizations.

**Comments of Powerex Corp. on SPP Markets+ Draft Governance Straw Proposal dated June 23, 2022
Submitted July 15, 2022**

Powerex Corp. appreciates the opportunity to comment on SPP's Markets+ Draft Straw Proposal dated June 23, 2022 and looks forward to the development of the Markets+ service offering in the coming months. Powerex believes the successful development of a full day-ahead and real-time organized market in the West is necessary for the region to achieve its grid decarbonization goals, ensure affordable electricity service for consumers and protect reliability. A robust and independent governance structure is critical to achieving this in a durable way to ensure fair and equitable outcomes for all market participants. Powerex appreciates the significant efforts to date in developing the Markets+ governance straw proposal and strongly supports its direction.

Beneficial Attributes to Meet the Needs of the West

The proposed SPP Markets+ governance framework not only consolidates stakeholder input to date, but it also recognizes the importance of independence and neutrality from the very beginning. This is particularly crucial in the context of a day-ahead market, considering the many billions of dollars of trade that occurs each year across the west that is transacted and/or delivered in the day-ahead timeframe. In this regard, Powerex believes the two most critical aspects of the SPP Markets+ governance framework are the same elements that are the foundation of SPP's RTO governance framework – a truly independent board of directors and a team of highly capable staff that are neutral and impartial in everything they do.

Powerex believes the Markets+ governance proposal has several complementary attributes that make the proposal well-suited to meeting the needs and circumstances of the west, including:

- A new five-member Markets+ Independent Panel (MIP) with significant authority to set priorities and with decisional authority to approve Markets+ market design enhancements
- MIP decisions that require a regulatory filing must be filed, as approved, by SPP staff directly at FERC (absent an appeal to the SPP independent Board of Directors)
- The independent SPP Board of Directors affording significant deference to the MIP's decision-making role, while maintaining appropriate oversight over areas that materially impact SPP's own financial and corporate risk
- A sector-based approach for nominating independent members of the MIP to ensure broad representation
- A Markets+ State Committee, with support and funding to provide advice on policy issues
- A Markets+ Participants Executive Committee (MPEC), establishing a robust process to discuss, develop and advance market development
- A defined process to establish standing working groups and ad hoc task forces
- A process for appeals that may be further refined in the coming months
- A defined governance review process to ensure the framework evolves as needed
- SPP staff providing expertise and supporting the framework in a neutral, impartial facilitation and subject-matter expert role.

This proposed governance framework is robust and inclusive to meet the needs of the west. Without detracting from the benefits already inherent in the proposal, Powerex offers several items for further exploration to refine the proposal even further.

For Further Exploration

Committees:

While Powerex appreciates that the full range of working groups will need to be defined in parallel with the market design, there is a clear need for several standing working groups and Powerex supports identifying them now within the Governance framework. These include:

1. **Reliability and Operations Committee**, with representation from Balancing Authority Areas and Transmission Service Providers with NERC/WECC obligations (or their representatives) to review any design aspects which may affect reliability
2. **Market Design Committee**, with sector-based representation to focus on market design decisions and enhancement recommendations
3. **Seams Committee**, with sector-based representation to manage interactions outside the footprint.

Additional standing work groups could also include sector-based committees that could be established at the outset, particularly for Transmission and Environmental Attributes/GHG. Stakeholders should work to identify any additional standing workgroups that may be beneficial to add at the outset.

MIP Composition and Chair:

Powerex appreciates the background information presented by SPP about the independent SPP Board of Directors, and its selection through its sector-based nomination process. The independent SPP Board has representatives with diverse experience from diverse geographic locations, including several members with western experience and/or significant ties to the west. As a result, Powerex does not have any concern about a SPP Board member being on the MIP or serving as the Chair of the MIP, and supports this element as a necessary component to ensure ongoing coordination and communication between the SPP board and the MIP. However, Powerex proposes two amendments to the MIP composition and chair:

- 1) Powerex supports that the SPP Board member be eligible for, *but not automatically assigned to*, the role of Chair of the MIP.
- 2) Powerex supports a new requirement that the SPP Board member on the MIP must either be SPP's CEO (to provide improved connectivity to SPP staff perspectives) or a SPP Board member with western experience. The MIP could remove and/or override this second requirement, if desired.

Stakeholder Voting Members:

Powerex suggests SPP clarify what is anticipated with respect to the financial obligations of withdrawing Markets+ Market Stakeholders. Given SPP's current bylaws and the anticipated structure of Markets+, it appears there would not be any financial obligation or exit fees at all for Markets+ Market Stakeholders, but it would be helpful for this to be further clarified by SPP. To be clear, Powerex supports such a "no exit fee" policy for Markets+ Market Stakeholders.

Sector Definitions:

The sector definitions for the MIP Nominating Committee and for the working groups will need final review once the market design is further along to confirm they provide appropriately balanced representation of the Markets+ footprint.

Further consideration of uniquely situated Markets+ Market Participants may be required in the event they do not fit clearly into one (or only one) sector. Specifically it is not clear which category Powerex would fit into and Powerex notes the Western Resources Adequacy Program (WRAP) includes Powerex in the IOU sector as an international entity.

Voting Structure:

The voting structure should balance input from all stakeholders and participants, while recognizing the importance of reliability, efficiency, and equitable market outcomes for Markets+ Market Participants (MMPs). The voting structure should ultimately strive to achieve the following objectives:

1. Entities with a vested interest in market outcomes have a substantial decision-making role
2. Stakeholders that are not MMPs are also included in decision-making
3. Decisions reflect that a majority based on size (measured by generation and load) support the decision
4. Decisions reflect that a majority based on the number of participants and stakeholders support the decision.

Powerex supports voting structures that adhere to achieving these objectives, including the SPP unicameral proposal and the NIPPC proposal as may be further refined through stakeholder discussion to meet these objectives.

Section 205 Rights:

Powerex supports the proposed governance framework with respect to the broad decisional authority of the MIP, which will be comprised of five members with four of those members selected through a sector based nominating committee. Specifically, Powerex understands that the decisions of the MIP that require a regulatory filing *must be filed by SPP staff directly at FERC*, absent an appeal to the SPP independent Board of Directors. Importantly, such appeals to the SPP Board are limited to certain areas, which has the practical effect of affording the MIP Section 205 filing rights on most Markets+ issues, which Powerex supports.

In the limited circumstances that an appeal to the SPP independent Board of Directors could occur, there may be some residual stakeholder concerns that the SPP Board of Directors could overrule a decision by the MIP, and do so in an area of great importance to Markets+ stakeholders. While Powerex does not share these concerns (as it believes the likelihood of this occurring is very small, considering both the independence of SPP's Board of Directors and its history of rarely overriding the decisions and recommendations that arise from the stakeholder process), it may be beneficial to put in place some additional protections to provide stakeholder comfort. Specifically, to mitigate these residual concerns, Powerex proposes one enhancement to provide additional protection through a new, narrowly defined requirement:

The SPP Board of Directors will be restricted from approving a Section 205 filing that has not been approved by the MIP (i.e., either a proposal of its own, or a modified proposal of a MIP approved proposal), if such proposal would expand the scope of Markets+ in the following areas:

1. Any form of forward capacity market
2. Any joint transmission planning construct
3. Any proposed changes that would significantly affect OATT transmission service and/or rates in the Markets+ footprint.

Powerex believes that with the above proposed governance enhancements, SPP would be offering the west an exceptional governance framework. Powerex looks forward to further stakeholder discussion in the August workshop to refine these details and appreciates how the proposed framework accomplishes a durable governance solution with significant deference to the MIP's decision-making authority, as informed by inclusive stakeholder input, with impartial facilitation and expertise provided by SPP staff.

Submitted to kfornstrom@spp.org on July 15, 2022

PPC Comments on SPP's Markets+ Proposal

The Public Power Council (PPC)¹ thanks SPP for the opportunity to submit comments on SPP's proposal for Markets+ governance. We have found the discussion with stakeholders in previous workshops very helpful and appreciate that SPP has incorporated several recommendations from those discussions into its latest proposal. Specifically, we are grateful that SPP took the time to engage constructively with PPC's member utilities and BPA in an effort to understand the hallmarks of their optimal governance model. These hallmarks include independence, autonomy, transparency, and inclusivity.

The current proposal puts forth a solid governance framework, particularly given the independence of SPP's Board. Additional changes would help strengthen the hallmarks of optimal governance listed above and provide greater confidence to PPC members, BPA, and other stakeholders in Markets+ governance. Additionally, there are aspects of the proposal where PPC is seeking additional detail on implementation to further inform our perspective on the proposed governance structure.

We understand that SPP is balancing the desire for continuity between its existing services and current governance design with meeting the requests raised by stakeholders in the Markets+ process. We also understand that some of the requests made by Markets+ stakeholders may be different than SPP's usual way of doing things, but to the extent those requests don't have material impacts on SPP's business and would promote broad acceptance of the governance framework, we hope that SPP can adopt these recommendations – particularly in areas where Markets+ stakeholders are well aligned.

The potential for a widely adopted organized day-ahead market to form in the West is a big step for a region which has seen several organized market proposals fail over the years. This is one of the reasons entities including PPC are seeking a high level of confidence that the objectives and concerns held by market participants and stakeholders will receive due consideration in the governance of Markets+. To the extent that SPP may be unable or unwilling to adopt some of the governance proposals that are broadly supported by Markets+

¹PPC, established in 1966, is an association that represents the vast majority of consumer-owned electric utilities across five states in the Pacific Northwest. PPC's mission is to preserve and enhance the benefits of the Federal Columbia River Power System operated by BPA for consumer-owned utilities. PPC's members pay roughly 70% of BPA's annual \$3.9M revenue requirement, in addition to owning their own generation and transmission facilities in the Northwest.

stakeholders, SPP should clearly articulate its reasoning and work with stakeholders in future meetings on potential alternatives.

We look forward to the upcoming meetings in Portland and the opportunity to further refine the proposal advanced by SPP.

Markets+ Independent Panel and SPP Board Interaction

PPC appreciates that SPP responded to Markets+ stakeholders' requests to develop an independent decision-making body for Markets+ by proposing the Markets+ Independent Panel (MIP). We support the creation of the MIP or a similar body with as much autonomy as possible over Markets+. There are several aspects of the SPP proposal which PPC supports regarding the MIP, including:

- The size of the MIP.
- Limiting the ability to appeal MIP decisions to the SPP board to only MIP members.
- The proposed purpose and scope of activities of the MIP.
- MIP member qualifications.
- MIP member terms.

However, PPC is concerned that the proposal does not meet stakeholders' expectations regarding the autonomy of the decision-making body over Markets+ that has been discussed at previous stakeholder meetings. The most problematic aspect of the proposal in this regard is the appointment of a current SPP Board member to serve as the MIP chair. While we agree there are potential benefits from creating some level of continuity between decision-making bodies (the MIP and the SPP Board), there are other alternatives which would allow Markets+ to stay more autonomous while still allowing MIP members and SPP Board members to compare perspectives on various issues.

Additionally, we understand that SPP is proposing this approach, at least in part, to be consistent with other committees within the existing SPP market. While that may be the case, Markets+ is a novel market design and a unique contract service that SPP will be offering. As stated above, participation in this market would be a major step for entities in the West which would significantly change Western markets as opposed to the services SPP currently offers in the West (RC services - which are well established, or imbalance energy services - which are much more limited in scope).

Including an SPP board member as the chair of the MIP, and as a voting member of the MIP at all, undermines the autonomy of the MIP. Also, the ability of the SPP Board member serving on the MIP to appeal decisions of the MIP to the SPP Board is inappropriate, given that the board member would also be a decision-maker on appeal. It also opens up the ability for the SPP Board to revisit all decisions made by the MIP, which would undermine stakeholder confidence in the autonomy and decision-making ability of the MIP.

PPC offers several recommendations regarding a SPP Board member's participation in the MIP that would promote continuity between the MIP and the SPP Board while assuring Markets+ stakeholders of the level of autonomy discussed at previous workshops. First, a member of the SPP Board should serve on the MIP in an ex officio capacity only. This would allow the SPP member to provide perspectives to the MIP and to share the MIP's perspectives with the SPP Board, without impacting the autonomy of the MIP. Second, the SPP Board member serving on the MIP should not have the ability to appeal MIP decisions to the SPP Board. As described above, it creates an inappropriate situation where the same board member is both the appellee and an adjudicator of the appeal. Lastly, SPP should consider requiring the SPP Board member serving on the MIP to have some experience with Western energy markets. This would provide that MIP member additional insight on the issues regarding the Markets+ market and help inform the Board's understanding of the MIP's decisions.

To the extent that SPP does not adopt these recommendations and those made by other stakeholders regarding the MIP, it must explain why it sees the current proposal as superior. This explanation will need to go beyond drawing parallels to other services offered by SPP and also explain why SPP opted to diverge from nearly consensus stakeholder recommendations. In stakeholder meetings to date, there have been several aspects where stakeholders have been aligned in the meetings, only to see alternate approaches included in SPP's proposal. It is not expected that there will be complete alignment on all aspects of the proposal or that SPP will acquiesce to all stakeholder requests; however, transparency is important to building a productive partnership and if SPP has concerns or contrary perspectives to those expressed in the stakeholder discussion, it must clearly express and explain them.

Additionally, while PPC supports a sector-based nomination process for MIP members as described in the proposal, adjustments are needed to ensure those sectors are inclusive. For example, sector definitions should be revised to include Public/People's Utility Districts (PUDs). This could be done by adding an additional sector or including PUDs in the Municipals sector.

More Information is Needed on the Authority of the SPP Board to Fully Evaluate MIP Proposal

PPC's comments on the MIP are initial and will be further informed once we have a more thorough understanding of the scope of the Markets+ decisions that will go before the SPP Board. The "authority" of the SPP Board as described in the Markets+ proposal seems reasonable in theory, however there is little information on how this authority would be applied. Our outstanding questions include:

- Who will make the determination on whether impacts or changes are "material?"
- What is the threshold for material impacts – in terms of both dollars and staffing impacts?
- At what point in the stakeholder process will these impacts be determined? When will it be known if a decision is within scope for the MIP?

PPC requests additional discussion of this issue at the August in-person meetings. The value of the MIP would be significantly diminished to the extent that “material” impacts are broadly interpreted and nearly all changes to Markets+ end up falling under the authority of the SPP Board. We caution SPP against that broad of an application and encourage SPP to clearly define the narrow circumstances where Markets+ changes and impacts would be considered “material.” We look forward to gaining a better understanding of SPP’s vision for this scope.

Proposed Committees and Working Groups

PPC supports the development of several committees and working groups to provide input to the MIP as described in the proposal. The proposal identifies the Markets+ Participant Executive Committee (MPEC) and a Markets+ States Committee, with additional working groups and ad hoc task forces to be developed.

We support establishing the MPEC to provide guidance to the MIP on market participant opinions of various proposals. The perspectives provided by the MPEC will provide valuable insights as to the leanings of Markets+ participants, who are most directly impacted by Markets+ rules. However, these perspectives will represent only a subset of the stakeholders affected by Markets+ rules. As such, the recommendations of the MPEC should be advisory only and non-binding. This will further the autonomy of the MIP while still enabling the market participant perspective to have weight and inform the MIP’s decision. PPC also recommends that MPEC meetings be held publicly unless they meet a narrow set of predefined criteria which would require closed meetings.

Regarding voting on the MPEC, NIPPC’s proposed voting structure to create three sectors of market participants is a reasonable starting point and could be refined in future discussions. PPC would appreciate additional discussion on whether entities contributing load, generation and transmission to the market should be given a more significant weighting for their votes than those with only generation.

The SPP proposes to establish a Markets+ States Committee which will include one representative from each state where there is a Markets+ participant. PPC strongly supports this inclusion in the proposal. The States Committee would provide important insight and guidance that should be considered by the MIP in their decisions. We look forward to additional discussions on how state regulators and public power, which prides itself on being self-regulated, can stay coordinated. For instance, the CAISO Board of State Regulators has added public power liaisons for this purpose.

PPC supports the use of working groups composed of stakeholders to develop proposals and evaluate market changes; however, we do not support the current proposal for the appointment and composition of those groups. It is inappropriate for the Chair of the MPEC to appoint representatives to working groups. This creates the potential for abuse, or perceived abuse, of this power to stack working groups with like-minded stakeholders. This could cause

certain stakeholder perspectives to be excluded or be perceived as excluded – both of which would undermine the confidence in Markets+.

PPC is open to multiple approaches to establishing working groups, as long as those approaches would assure that diverse perspectives are included on the teams. For instance, the working groups could either be self-selected (with all interested parties able to participate) or representatives on the working group could be appointed on a sector basis, with each sector selecting their representatives. To the extent that working groups are self-selected, requirements could be put into place to ensure that those voting in the workgroups have been actively participating in discussions (for example attendance requirements). If working groups are sector-based, it may be necessary to include multiple representatives for some sectors to adequately consider the diverse viewpoints within that sector.

All meetings of working groups and task forces should be open to the public and all stakeholders should be eligible to serve on working groups and task forces, regardless of the stakeholder/participant status. Potential concerns with SPP's proposed stakeholder categories are discussed more below.

Stakeholder Participation & Participant Definition

SPP has repeatedly pointed out the inclusive approach it takes to market development. We admire this approach and PPC members have found this to be a very appealing feature in considering a day-ahead market operated by SPP. Several stakeholders have indicated that SPP's proposal to require a \$5,000 fee to become a Market Stakeholder is cost prohibitive for them to participate. For any organized market that takes hold in the West to be successful, it will need to be inclusive of all stakeholder perspectives. With this in mind, PPC would like to better understand the goals SPP is trying to achieve with this proposed payment and whether there are other means to achieve the desired outcome. Our outstanding questions for SPP regarding the proposed cost to become a market stakeholder include:

- How is requiring a fee consistent with SPP's inclusive approach to market design?
- How was the \$5,000 amount chosen?
- Could there be other ways that stakeholders could demonstrate their commitment to the process?
- In practice, how would being a "Market Stakeholder" be different from being a "Non-voting Stakeholder?" If there are not significant differences in practice, what is the reason for the fee?

PPC also has questions regarding who will be deemed a "participant" in Markets+. SPP's proposal defines a market participant as "an entity that has executed a Markets+ Market Participant Agreement as part of the Markets+ Tariff and contributes generation and/or load to the Markets+ market." It is unclear to PPC who will be eligible to sign such an agreement. Our current understanding is that participation will not be made on a BAA-by-BAA basis, but instead

be up to the generation and load within that BAA. If this is correct, we would like to further understand how that logic applies to entities in BPA's BAA that rely on the agency to meet their power supply needs? Is this something that SPP intends to make a determination on, or will such a decision be up to BPA and its customers?

Conclusion

PPC appreciates the opportunity to engage with SPP staff and stakeholders as part of this process. We are very encouraged by the progress made in the proposal to date and look forward to continuing to improve the proposal as we move towards SPP's initial Markets+ service offering. Governance will be a critical component of entities decision on whether to commit to continued development of the service and PPC appreciates the priority that SPP has placed on this issue.



RNW Comments on SPP Markets+ Governance Straw Proposal

RNW is thankful for the opportunity to comment on the SPP Markets+ governance proposal. We appreciate the structure thus far for the stakeholder process and the dedication of the design team leads. We understood the initial goal of Markets+ was to form a governance proposal developed by the “participants.” SPP conducted a survey to identify participant preferences and we understood the final proposal would reflect the survey results. Additionally, it was stated several times that SPP intended to use the proposal developed by the Western Power Pool as a template and build off that based on stakeholder feedback. Unfortunately, from our perspective the current governance proposal draft has strayed quite far from the principles agreed upon in the WPP process as well as the preferences of participants. The proposal is inconsistent with SPP’s own stated goals as well as the results of the participant survey.

RNW provides some specific examples below of the areas where SPP’s proposal is inconsistent with stated goals, inconsistent with the findings of their participant survey and inconsistent with the governance principles of most utility and non-utility stakeholder groups in the Pacific Northwest. Under the current governance proposal, RNW does not envision a way for Markets+ to act as the market operator for a day ahead market or any further market offerings SPP envisions in the states we work in. RNW offers the following suggestions on ways SPP can amend their governance proposal to be more workable for entities in our region.

Interim Nature of Markets+

SPP has made it very clear that they see Markets+ as an interim step in market evolution and intends to roll Markets+ customers into RTO West, which is governed by SPP’s existing RTO bylaws. Results of SPP’s survey of participants indicate that most participants are interested in seeing a set of amendments to SPP’s overall governance structure in addition to development of a specific independent governance structure for Markets+. SPP seems very resistant to admitting that any changes to their existing RTO bylaws will be needed to accommodate Markets+ participants at some point in the future. RNW understands the interest to develop market solutions in an incremental manner, but does not believe it is appropriate to develop a governance structure for one market offering without concurrently addressing the governance structure of the stated end goal market offering.

Stakeholder Engagement

RNW consistently advocates for meaningful participation opportunities in regulatory, policy and market venues by all stakeholders potentially impacted by the decisions and actions taken. The development of a market offering such as Markets+ has obvious ties to issues important to a wide variety of stakeholders. Those issues include but are not limited to economic impacts, the impacts on states’ abilities to meet clean energy standards, transmission planning, the

assignment of capacity contribution metrics, and tracking of greenhouse gasses. Under today's current regulatory and policy structure in the west, stakeholders have adequate access to decision makers and participation in the public planning processes where these issues are addressed. It is our expectation that regional venues taking on some of these important topics will offer equal unimpeded access to ALL stakeholders. Creating barriers to participation deepens the divide between various stakeholder groups, erodes relationships and results in stakeholders finding other, typically more damaging avenues to ensure their voices are heard. RNW is deeply troubled that SPP has chosen to define Markets+ stakeholders with opportunities to participate in meetings and minimal voting rights as those who execute a "Stakeholder Agreement" and who pay a \$5,000 fee annually. The \$5,000 seems arbitrary and intended to only narrow the field of stakeholders who will participate rather than provide equal opportunity for all interested parties.

The straw proposal does not make clear what signing a stakeholder agreement and paying a \$5,000 fee gets you as a stakeholder. It appears that the only committee that paying (non utility or supplier participant) stakeholders have a formal role in is the nominating committee (NC) that selects the Markets+ Independent Panel. Even here, the NC will only be electing the general committee members as the chair of the MIP is appointed by the SPP board, so the influence on the election process will be significantly hampered.

The primary committee that has influence over the Markets+ is the Markets+ Participants Executive Committee (MPEC). This committee has formally assigned representation for every market participant, but no formal role for other paying stakeholders. While we disagree with charging an annual fee for participation, if a financial commitment is the deciding factor on who has voting rights on the MPEC, then ALL stakeholders who pay a fee should have a seat on the MPEC. The proposal states that the MPEC may hold executive sessions with only invited participants, thereby excluding other stakeholders from the conversation. Again, paying members should have equal access to the decision making process of the MPEC. The straw proposal does mention other working groups which can inform Markets+, however, representation on these working groups is appointed by the MPEC chair and again does not mention any specifics about formal representation by other stakeholders. In sum, the ability to inform and influence decision making within Markets+ seems to be very limited even for stakeholders that are signing agreements and paying an annual membership fee.

If SPP is reluctant to allow non-utility or IPP members on the MPEC, RNW suggests forming a committee similar to the WRAP's Program Review Committee (PRC), with participation by all stakeholders through sector representatives. The PRC provides non-participant stakeholders an avenue to meaningfully provide input on market proposals. A committee similar to the PRC could act in an advisory role to the MPEC, and should have the ability to appeal MPEC decisions to the MIP. Giving stakeholders an opportunity for meaningful participation is beneficial to both the market and the participants, as it will bring in a more diverse stakeholder view to the market and will help with stakeholder buy-in for when participants hold their own public processes (in the case of PMAs) or file for regulatory approval.

Markets+ States Committee (MSC)

RNW notes that the current proposal is inconsistent with the principles and recommendations provided by regulators thus far.¹ The regulators have asked for, among other things: 1) An independent board to oversee Markets+; 2) Meaningful participation for stakeholders; and, 3) An unlimited advisory role. In sum they have asked for a way for "[W]estern state representatives need to have full confidence in any multistate electric organization that potentially affects costs incurred by jurisdictional ratepayers and compliance with state laws by utilities."

The current proposal states that MSC members "may provide advice" on matters pertinent to initiative prioritization and policy issues to the MIP. RNW believes in order to maintain consistency in the policy and regulatory matters that state energy officials, including utility commissions, are responsible for, they must have a more formal decision making role over issues pertaining to state law. RNW recommends amending the language to state that "the MSC advises the MIP on any issue with the potential to affect costs incurred by ratepayers or compliance with state laws."

Markets+ Independent Panel (MIP)

The MIP as proposed is in fact, NOT an independent board, but a body of panelists appointed by other market participants that is deferential to the SPP board on many issues and whose scope is limited to "...market rules, if such rules solely apply to the administration of Markets+ market and have no application to the SPP Integrated Marketplace or any other service provided by SPP."

SPP's survey concluded that the majority of participants preferred what was initially referred to as "Option 2A" which consisted of an "Independent" board overseeing Markets+. Unfortunately, SPP has decided to go in a different direction and proposes using a panel (MIP) as the "highest level of authority for decisions related to the Markets+ market." The authority of this panel is limited by a relationship with the SPP board characterized as "significant recognition and deference to MIP." Further, the "independence" of the MIP is limited by the fact that an active SPP board member will be assigned chair of the panel, and the SPP board has the authority to review and make decisions over any issues the MIP takes up that have a "material impact, including financial ramification or corporate risk, on SPP." Appeals to the SPP board on issues related to Markets+ can only be brought by the MIP, which means that stakeholders have no appeal authority.

RNW recommends that the MIP be changed to the Markets+ Independent Board and that the governance documents state this body has final decisional power over all issues related to

¹ State Regulator Comments on SPP Markets+ Governance Design.
<https://www.westernenergyboard.org/category/library/wieb-library/>

Markets+, and that their decisions are binding on the SPP Board, except in the unique instances where the decision will have a material financial impact on the Corporation, and in those cases the SPP Board can only reject or approve the proposal on the basis of financial impact to non-M+ members of SPP. Furthermore, the Markets+ Independent Board should elect its own chair and no members of the SPP Board should be granted voting rights.

In conclusion, the SPP Markets+ governance proposal as currently drafted is contradictory to what the participants have identified as their preferences for an acceptable governance structure while also being in conflict with SPP's own initially stated goals. Since SPP has also stated publicly that Markets+ is a transitional offering, RNW suggests developing a governance structure appropriate for governing the long term market offering SPP intends for. This will require SPP to reconsider the Markets+ governance structure such that committee structure, membership, voting rights, agreements and fees will be temporary until a long term market offering is developed. RNW recommends revisiting the participant survey and reconvening the Governance Design Team to reconsider the original stated goals and prepare a governance structure that more accurately reflects the needs of participants and stakeholders.



Via Email marketsplus@spp.org | 15 July 2022

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Shell Energy North America (US), L.P. (“Shell Energy”) appreciates the opportunity to submit comments regarding the Markets+ Governance revised straw proposal released 24 June 2022. Shell Energy thanks SPP staff and all Markets+ stakeholders for robust engagement thus far.

Markets+ Independent Panel

Given the fraught history regarding governance and market integration in the West, Shell Energy commends SPP, market participants, public interest organizations (“PIOs”) and state representatives/commissioners for a thoughtful solution as presented in the revised straw proposal. The West will require robust, independent, and representative governance to jumpstart elusive integration benefits for the region. Shell Energy generally supports key components of the Markets+ Independent Panel (“MIP”), with caveats outlined following.

The composition of the MIP is essential to maintain independence and to foster trust amongst the SPP Board, market participants, and interested stakeholders more broadly. Including one SPP Board Director to serve on the MIP is a clever approach to promote cohesion between the SPP Board and the MIP. Shell Energy disagrees the de factor MIP Chairperson be reserved for the SPP Board Director serving on MIP. Instead, the MIP Chairperson should be internally selected by consensus or voting amongst the 5 MIP members. The term for the chairperson ought to be 1-2 years.

In the interest of broad representation on the MIP, Shell Energy urges SPP and stakeholders to allow for the consideration of candidates with closely related experience to the qualifications listed in the revised straw proposal. It is preferable for oversight to be conducted by seasoned, highly relevant experience; however, there must be a balance without being overly prescriptive. Two terms should be the limit for members to serve on the MIP; this would promote ventilation of perspectives on the MIP.

In order to preserve the principle of “one person, one vote” on key issues, it may be advisable for the SPP Board Director serving on MIP to recuse themselves from votes taken on referred matters from the MIP to the full SPP Board. If this individual served as both MIP Chairperson and as a SPP Board member, it may be possible for one individual to vote twice on a matter, once at the MIP and again at SPP Board. This may undermine trust and strikes Shell Energy as avoidable tension.

Markets+ Nominating Committee

The sector-based MIP Nominating Committee is a prudent approach to ensure the MIP is broadly representative of all Markets+ stakeholders. The composition of the MIP Nominating Committee is sufficient; however, one additional seat for large industrial loads or load interests in general should be considered.

Markets+ Participants Executive Committee

Shell Energy strongly supports the voting structure presented by the Northwest and Intermountain Power Producers Coalition (“NIPPC”) and opposes both the “house and senate” voting structure as well as the competing equally weighted voting option. The Western Interconnection is unique, with diverse views on public policy preferences and an eclectic makeup of investor-owned utilities (“IOUs”), Public Power, Federal agencies, corporate energy buyers, independent power producers, competitive retail load service providers, and competitive marketers. The “house and senate” voting structure would potentially undermining generators, retail load providers, marketers, competitive transmission, load interests as well as smaller load serving entities in general. The competing equally weighted voting option would also result in concentration of voting power for balancing authority area stakeholders at the expense of smaller, independent market participants.

NIPPC’s voting proposal for the Markets+ Executive Committee (“MPEC”) consists of three equally weighted “sectors”:

- IOUs
- Public power (cooperatives, Federal agencies, municipals, public utility districts etc.)
- Independent (IPPs, competitive retailers, marketers, independent power producers, competitive transmission, and load interests)

The adoption of NIPPC’s proposed equally weighted voting structure for the MPEC is preferrable. It is less complex than the “house and senate” approach and better ensures

independent market perspectives have an adequate voice in market governance issues. Meanwhile, this approach does not disenfranchise any stakeholder sectors; it empowers all.

General Comments on Markets+

Shell Energy is concerned the inclusion of a nominal fee of \$5000 for interested parties, including public interest organizations (“PIOs”) to become “full” market stakeholders is unpopular, especially amongst some constituencies of Markets+. Ostensibly, this fee serves to promote a long-term constructive engagement amongst stakeholders on market issues; however, Shell Energy believes this can be accomplished without an overt financial commitment.

Shell Energy appreciates the balance of perspective required between “market” participants, e.g., those with overt physical or financial exposure to Markets+ and “non-market” participants viewpoints. Non-discriminatory, open market design requires perspectives from market and non-market participants alike. Seeking to promote this balance, Shell Energy suggests removing the market stakeholder fee from the straw proposal and making permanent, a non-market participant committee resembling the Markets+ States Committee. More exploration of this topic is required.

Finally, Shell Energy requests SPP improve the stakeholder webpages and tools for Markets+. The webpage format is difficult to use and find materials. The archives of comments, presentations etc. is inside a labyrinthine filing system. The writer’s experience with the “exploder” system has been less than reliable. The lack of a public calendar showing events with links to meetings, due dates for comments, and planned upcoming calls is a barrier to robust engagement in Markets+ at this most critical juncture.

Respectfully submitted,



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**COMMENTS OF IDAHO POWER COMPANY
ON THE JUNE 23, 2022 SPP MARKET+
DRAFT GOVERNANCE STRAW PROPOSAL**

Submitted By	Company	Date Submitted
Lisa O'Hara lo'hara@idahopower.com	Idaho Power Company	July 15, 2022

Idaho Power Company (“Idaho Power”) appreciates the opportunity to comment on the June 23, 2022 Markets+ Draft Governance Straw Proposal. Idaho Power commends the work of the SPP Design Team in creating the draft proposal as well as the stakeholders who have provided input.

I. Markets+ Independent Panel (“MIP”)

SPP proposes that the MIP will consist of five members, all of which will be independent of any Markets+ participant or stakeholder and that one MIP member would be a SPP Independent Director. While SPP proposes that the SPP Director would serve as chair of the MIP, Idaho Power does not necessarily believe the SPP Director would need to serve as chair and that any member of the MIP could serve in that role. Idaho Power does support the concept that the SPP Director who serves on the MIP be one with Western experience. Idaho Power is aligned with the proposed four-year terms for MIP members and also supports the sector-based MIP Nominating Committee.

II. Markets+ Participants Executive Committee (“MPEC”)

SPP proposes that the MPEC consist of one representative for each Markets+ Market Participant. Idaho Power supports each participant have a representative on the MPEC.

With regard to the proposed voting structure of the MPEC, Idaho Power strongly supports

the weighted option wherein a participant is assigned to one of two sectors: the Balancing Authority Participants (“BAP”) sector or Other Participants sector. Each sector then votes separately with the result for that sector being a percent of approving votes to the total number of Participants voting. The BAP sector represents 50% of the vote and the Other Participants sector represents 50% of the vote.

An action is approved if the average of these two percentages is at least 66%. Idaho Power supports this voting structure because it will be less complicated to implement and is more balanced in ensuring that no one sector controls the vote.

III. Working Groups

Idaho Power supports the formation of working groups as needed, including an Operations and Reliability Working Group.

July 15, 2022

TO: Southwest Power Pool (SPP), Kara Fornstrom, Director, State Regulatory Policy
FROM: Salt River Agricultural Improvement and Power District (SRP), Agnes Lut, Principal Policy Analyst, Regulatory Policy & Strategic Engagement
SUBJECT: SRP comments on SPP's revised [M+ Governance straw proposal](#)

The Salt River Agricultural Improvement and Power District (SRP) appreciates the time and effort that Southwest Power Pool (SPP) has taken to present and explain the June 23, 2022 revised [Markets+ \(M+\) Governance straw proposal](#). SRP is encouraged by the major strides SPP has made with western stakeholders to develop an independent and inclusive western M+ governance structure. Based on the information we have today, SRP is supportive of the M+ governance straw proposal; however, we have several questions and requests for clarification outlined below in our comments. Many of the comments made by SRP in this document align with positions presented by our neighboring western utilities including Arizona Public Service and NV Energy.

SRP is generally supportive of the M+ governance structure outlined on slide 8 of the June 24, 2022, [M+ Governance Design Session](#) and as described in Section 3 of the M+ governance straw proposal. One of SRP's main concerns with this structure is that the M+ Independent Panel (MIP) may not have access to SPP resources to do their job effectively or be a priority for the SPP Board of Directors (BOD). Given the diverse stakeholders and unique issues represented in the west, SRP's concern is that eastern issues could dominate the SPP BOD's time and that the MIP may not get timely feedback from the SPP BOD on M+ issues. SRP requests SPP to detail in the next version of the M+ Governance proposal what resources the MIP will have to effectively do its job, including having access to a market monitor and SPP BOD, and how SPP plans to prioritize M+ with the SPP BOD when there is competition for resources.

In regard to Section 3.3.1.4 MPEC voting structure, there were two options summarized on slide 21 of the June 24, 2022, [M+ Governance Design Session](#). Given the two options on slide 21, at this time SRP strongly supports the current SPP unicameral voting structure described as "Other Weighted Voting Option (Unicameral)" and described as:

- Upon execution of a Participants Agreement, a Participant shall be assigned to one of two Membership sectors for the sole purpose of voting on matters before the Markets+ Participants Executive Committee: Balancing Authority Participants (BAP) or Other Participants.
- Each sector votes separately with the result for that sector being a percent of approving votes to the total number of Participants voting. The BAP sector represents 50% of the vote and the Other Participants sector represents 50% of the vote.
- An action is approved if the average of these two percentages is at least 66%.

At this time, SRP strongly supports the "Other Weighted Voting Option" because it is reflective of the current SPP unicameral voting structure that has been in practice for several years, is well known, and is a process that appears to be working well. In contrast, the NIPPC proposal presented on slide 21 is untested, could be complicated in practice, and could diminish SRP's views and perspective given the three proposed voting

sectors. SRP believes that the MPEC voting structure is an aspect of M+ that will benefit from using a proven approach that is already utilized in the SPP footprint.

In addition, SRP requests SPP to consider the addition of standing up key work groups covered in the M+ Governance Straw Proposal section 3.4 Other Committees and Stakeholder Groups. These would include the following:

- A Markets Working Group to review any initiative that would modify the M+ tariff or rule. This could be a sector-based body similar to the Program Review Committee in the Western Resource Adequacy Program.
- A Seams Working Group which would be tasked with working with the SPP's Market and Operations Policy Committee, any RTOs or ISOs adjacent to the M+ footprint, and any bordering non-RTO or ISO Balancing Authority Areas and Transmission Providers.
- An Operations and Reliability Work Group which would include participating Balancing Authorities and Transmission Providers to provide recommendations to other work groups and the MPEC on where current or proposed M+ designs could have positive or negative effect on these entities ability to ensure reliable operations.

For the next version of the SPP M+ Governance proposal, SRP requests more details on market participant exit provisions, as well as further detail defining the MPEC voting structure and appeals process. Additionally, SRP requests clarification on why in section 3.4.1.1 Composition and Terms it states "...working group representation will be appointed by the MPEC chair..." SRP questions why working group appointment is solely up to the discretion of the MPEC chair and not the entire MPEC, or through some other sector self-selection process.

As SPP continues developing the proposed M+ governance structure, SRP looks forward to more detailed information on the M+ service offering. Specifically, it is important that SPP make greater strides to move forward in detailing, in-writing, the M+ market offering and policies (market products and price formation, transmission availability, and greenhouse gas designs) in a timely manner that allows moving forward on the Phase 1 Funded Investigation in the first quarter of 2023.

SRP appreciates SPP's diligence in developing this M+ governance straw proposal; however, more discussion and detail is warranted as stated above. SRP remains committed to this process and will remain engaged to ensure the M+ governance structure is independent, transparent, allows for public power representation, and includes utility input on grid operations and reliability.

End

Western State Commissioner Comments on

“Markets+ Draft Governance Proposal Version NUMBER 2.0.” *Southwest Power Pool, Inc.*
Published on June 23, 2022

The undersigned commissioners appreciate Southwest Power Pool’s (SPP) engagement with state commissions on governance for Markets+. It is certainly difficult to build a new governance structure from scratch and will require several rounds of feedback, which is why the undersigned commissioners continue to support incorporating successful elements from the Western Resource Adequacy Program (WRAP) that garnered broad consensus, where possible. Version 2.0 of SPP’s governance straw proposal has addressed some of the States’ concerns. The undersigned commissioners continue to have concerns about how the proposed governance structure can best ensure 1) broad stakeholder engagement in Markets+, 2) an independent Markets+ Independent Panel (MIP) empowered to pursue the consensus strategic direction for Markets+ supported by the West and 3) clear, written processes for appeals or disagreements that adequately balance the potential needs of both SPP’s Eastern Interconnection RTO members and prospective Markets+ stakeholders in the Western Interconnection. Specifically, the undersigned commissioners wish to continue to improve and expand upon updates made to sections 1.0, 3.1, 3.2 and 3.3 of the draft straw proposal, as outlined here with specific suggested language changes in **bold**.

1.0 Definitions

The undersigned commissioners suggest including a specific definition of a Public Interest Organization (PIO) that could be eligible to participate in SPP Markets+ for a reduced fee. Moreover, the undersigned commissioners wish to confirm that the definition of Markets+ Market Stakeholder (MMS) includes State agencies, such as PUCs Offices of Energy and state-sanctioned consumer advocates, who as State agencies do not pay the Markets+ annual fee.

The undersigned commissioners propose the following definition for a PIO eligible to participate as a Markets+ Market Stakeholder (MMS) for a fixed, reduced fee. ***Public Interest Organization (PIO): A charitable non-profit organization exempted under IRC Section 501-c3.***

As has been discussed in SPP Markets+ meetings previously, some states will likely engage with Markets+ via the utilities commission while others may engage with the market via other state agencies, such as an office of energy. SPP has previously committed not to charge a participation fee to states who vote in the Markets+ state committee or participate through other working groups. The undersigned commissioners would like to confirm here that the MMS definition includes non-paying State Agencies and thus allows State employees to vote, serve on working groups, etc. Specifically, state commissions as well as energy offices or state sanctioned consumer advocates should be able to designate participants that can monitor or participate in working groups without incurring the \$5,000 MMS fee. It is important to allow states to designate the specific state employees that should participate as needed and, in some cases, the designee may not be a utility commissioner.

Section 2.0 The undersigned commissioners do not have any comments on Section 2, largely because this section of the straw proposal does not contain much detail.

Section 3.0 Organizational Structure

Section 3.1 on Organizational Structure requires extensive revisions to ensure the intent is clear in the written document. The goal of the undersigned commissioners in this section is to ensure transparency of the governance processes and more meaningful independence for Markets+ to address Western issues.

Specifically on 3.1.1, the MIP and, thereby, Markets+ should be able to commit resources to pursue market functionalities or programs that align with the strategic direction supported by Markets+ stakeholders in the West. Markets+ will be, for the foreseeable future, a Western entity. Therefore, Markets+ must be responsive to Western concerns, culture and needs. In practice, the undersigned commissioners believe that this means that the MIP must have as much space as possible to assess and approve Markets+ stakeholder proposals that will benefit those stakeholders. Of course, the undersigned commissioners recognize that SPP's Board is responsible for ensuring that SPP does not take on unreasonable debt or investments. That said, there are a plethora of resource allocation decisions that could benefit Markets+ participants that may not be as attractive an investment for the rest of SPP.

The MIP, on behalf of Markets+, needs the authority and governance structure to implement and pay for the programs that Markets+ participants agree the West needs. If, for example, there is consensus that a more robust GHG tracking system would be beneficial for Markets+ participants in the West, but such a system is more expensive an investment than the SPP Board wishes to approve, the MIP should be allowed to consider how to effectively finance a West-only GHG reporting system and to recover those costs from Markets+. Simply allowing SPP's Board to reject spending could preclude the West from making investments that are net-beneficial for Markets+ participants and that those participants are willing to develop separately. Therefore, while the SPP Board should ultimately approve any significant debt or spending, the MIP should be allowed to approve budgets for consensus programs that Markets+ can fund and agrees to recover separately from SPP RTO members. The undersigned commissioners suggest editing 3.1.1 subsection 4 or adding a 3.1.1 subsection 5 to allow the MIP to fund the strategic direction and resource needs they determine Markets+ requires.

The undersigned commissioners continue to support a governance structure that affords the MIP control over Markets+ operations. This could be memorialized as a new subsection in section 3.1. using language such as: ***"All MIP decisions within the authority delegated to the Panel will be filed with FERC by SPP Staff, unless appealed pursuant to the process outlined here."*** Affording the MIP Section 205 filing rights could achieve sufficient delegation of authority though SPP has previously contended that Section 205 is not available to the MIP. Likewise, the "deemed approved" proposal for the SPP Board to deem all MIP decisions as reasonable unless appealed could achieve the same ends. The specific mechanism to best ensure MIP has influence over Markets+ has yet to be identified. As articulated above, the undersigned commissioners support providing the MIP enough autonomy to achieve consensus

on Markets+ programs that can be filed at FERC. At this point, the draft straw proposal does not appear to provide sufficient leeway to the MIP. The undersigned commissioners look forward to the forthcoming flow charts, which may better illuminate the actual governance processes and how MIP fits in to the development of proposals.

The undersigned commissioners request that SPP address in future drafts and in one of the forthcoming flow charts showing governance processes whether and how the SPP Members Committee would be involved procedurally in Markets+.

In section 3.2, the undersigned commissioners recommend revising the MIP Purpose and Scope of Activities. Specifically, Section 3.2.1 could read:

The MIP is the highest level of authority for decisions related to the Markets+ market, within the scope of authority delegated by the SPP Board of Directors. Actions taken by the MIP under the authorities defined in its charter will be filed with FERC, unless appealed per Section 3.2.1. Absent an appeal, SPP Staff will be authorized to submit requisite regulatory filings to implement the MIP's decision. However, nothing in this section prohibits SPP from filing its own related proposal(s) if an appeal is made to the SPP Board.

Also in Section 3.2, the undersigned commissioners require additional information on how appeals will work with regards to Markets+. Section 3.2.1 contains limited information on the appeals process for MIP decisions. First, the undersigned commissioners look forward to the governance process flow charts, which may provide greater clarity. However, additional detail on the appeals process will ultimately need to be added to the governance straw proposal. The undersigned commissioners understand and appreciate SPP's dedication to a culture of consensus. While we all hope to achieve consensus on all issues, having clarity on what happens when consensus is not possible can prevent conflicts arising at the worst of times. Therefore, the undersigned commissioners request additional details on the appeals process for MIP decisions on Markets+ and clarification on when appeals will be allowed, which should be in limited circumstances, such as the misapplication of the MIP's authority. Similarly, a description of the decision standard the SPP board will utilize is necessary. Moreover, the undersigned commissioners request clarity, preferably in the form of a decision flow chart and additions to the governance straw proposal, surrounding how appeals from members of the Markets+ States Committee (MSC), i.e. states, will be handled.

Finally, in Section 3.2.1 discussing the purpose and scope of the MIP, the undersigned commissioners suggest discussing a guiding mission or purpose statement for inclusion. The draft straw proposal includes what the MIP can and will do as its purpose. However, including a statement on what the MIP should be aiming to achieve may further clarify the MIP's role. Such a mission statement could socialize the shared goals of Markets+ participants for the market and governance of the market. The undersigned commissioners suggest discussing a possible mission statement or purpose at the next in-person meeting in August. However, initially, SPP might consider language that parallels governing statutes for energy regulators in many jurisdictions. For example: ***The MIP shall promote, protect and expand the success of Markets+ for the benefit of participants and customers as a whole by helping to control costs, protecting***

the market, its participants, and consumers against the exercise of market power or manipulation, and promoting just and reasonable rates, terms and conditions.

The undersigned commissioners suggest that Section 3.2.3.3 on the Election process be revised to allow MIP members to be elected via a slate, rather than, as currently drafted, individually. In other words, a vote for all of the nominated slate of prospective members would approve or reject all the candidates. While open to different language to achieve this goal, the undersigned commissioners suggest adding to Section 3.2.3.3 the following.

- a. ***The ballot will consist of a single person for each seat to be filled (“slate”). Each Markets+ Market Participant and Markets+ Market Stakeholder will cast its vote to approve or disapprove the entire slate.***
- b. ***If the slate is disapproved, the Nominating Committee will assemble a second slate of candidates consisting of at least one new candidate, within X days of the initial vote. The second slate of candidates will be submitted to the MIP for approval, except in the case of the election for the inaugural MIP, the second slate of candidates will be submitted to the SPP Board for approval.***

At Section 3.2.5 on MIP Voting Structure, the undersigned commissioners would like to consider a governance provision whereby the SPP Board Member who chairs the MIP serves an ex officio function. SPP has previously emphasized the utility of having a Board member from SPP chair the MIP in order to ensure clear communication and information flow. That is a reasonable end and does not require the SPP Board member to vote on MIP decisions. Therefore, the undersigned commissioners recommend that the following sentence be added to Section 3.2.5.

The MIP Chair and SPP Board Member will serve ex officio and have no voting role.

Referring to both Sections 3.3.2 on the MSC composition and 3.4 on other committees and groups broadly, the undersigned commissioners request clarity in the straw proposal that MSC members may monitor and provide input on initiatives related to MSC interests. The MSC must be able to monitor and provide input on any Markets+ changes or tariff changes that can impact state jurisdictional functions, including resource adequacy and cost allocation. Therefore, the undersigned commissioners suggest revising Section 3.3.2.1 to allow the MSC to **monitor and provide input on any issue over which the MIP has authority** and revising section 3.4 to add the provision that: **MSC liaisons can attend any open or closed working group, task force and MPEC meeting and open sessions of the MIP.**

Miscellaneous questions generally applicable to Section 3

Similar to the concerns that there be a clear appeals process, the undersigned commissioners believe that a clear, written process should establish the SPP Board’s delegation of authority to the MIP. It would be helpful for SPP to outline when and how the SPP Independent Board can alter this delegation of authority, preferably after consultation with the MIP and MPEC and with significant notice. If the SPP Board chooses to materially alter the MIP’s delegated authority, Market Participants should have a process to consider altering participation in or even leaving the market before new market rules come into effect. Moreover, the

undersigned commissioners suggest that SPP open a dialogue on the interaction between changing SPP rules and operations approved by SPP's Board and Markets+ practices that may differ. It is unclear whether market enhancements or changes to SPP's day ahead or real time operations will be applied to Markets+ during Phase 1, prior to co-optimization with the RTO. While the undersigned commissioners have no specific language proposals at this time, clarity surrounding the interactions between the two parallel but, for now, separate markets would be helpful, as it could implicate decision making and representation issues.

Executive session meeting rules for all Markets+ boards and panels should limit confidential or non-public meetings to the same issues that have been designated in WRAP. Reasonable restrictions on executive sessions should be included throughout the governance straw proposal but, certainly in Sections 3.2.2, 3.2.4.1 and 3.3.1.3.1 for the MIP. For reference, undersigned commissioners believe that the following language would accurately outline those matters suitable for an executive session that would exclude other participants from a meeting.

Matters for consideration in executive session include personnel, litigation and proprietary, confidential or security sensitive information.

We look forward to continuing dialogue with stakeholders at the August meeting and ask that SPP publish all comments received on this straw proposal ahead of that meeting in order to enable efficient and effective discussion.

Thank you for your consideration as we continue to work through these complicated matters.

Colorado Public Utilities Commission
Eric Blank, Chair

Public Utilities Commission of Nevada
Hayley Williamson, Chair
Tammy Cordova, Commissioner
C. J. Manthe, Commissioner

Oregon Public Utility Commission
Megan Decker, Chair
Letha Tawney, Commissioner
Mark Thompson, Commissioner

Washington Utilities and Transportation Commission
David W. Danner, Chair
Ann E. Rendahl, Commissioner



WPTF Comments on the SPP Markets+ Revised Straw Proposal on Governance: July 15, 2022

Introduction

The Western Power Trading Forum (WPTF) is a California nonprofit, public benefit corporation. It is a broad-based membership organization dedicated to enhancing competition in Western electric markets while maintaining the current, high level of system reliability. WPTF supports development of competitive markets throughout the West and of uniform rules to facilitate transactions among market participants. The membership of WPTF includes energy service providers, generators, power marketers, scheduling coordinators, financial institutions, energy consultants, and public utilities. WPTF's membership actively participates in electric power markets in the West and across the country. WPTF has actively participated in the stakeholder process that the Southwest Power Pool (SPP) has facilitated to develop the "Markets+" service offering.

WPTF appreciates the opportunity to provide comments on the [Revised Straw Proposal](#) on Markets+ governance that SPP released on June 24th. SPP should be commended for the work it has put in to gather comments, listen to the diverse set of stakeholders, and develop a workable governance solution which seeks to provide as much autonomy and independent oversight as possible to the proposed Markets+ Independent Panel (MIP) and to the Markets+ Participants Executive Committee (MPEC). These efforts have resulted in a governance proposal appears to provide the West with the level of autonomy and independence it desires, while allowing the existing SPP Independent Board to retain its role overseeing the SPP organization as a whole.

In the following comments, WPTF outlines its support for the MPEC voting proposal put forward by NIPPC, supports the modifications to provide the Markets+ States Committee (MSC) additional roles, and asks for additional discussion on who (and if) Market+ Market Stakeholders (MMS) would have a role in governance after initiation of Phase 1 and before the market goes live.

WPTF reiterates its appreciation for SPP's work on governance so far and general support for the direction the proposal has taken, including the inclusion of the MIP. We look forward to further discussions on governance the Markets+ effort moves forward.

Voting Options for the Market Participants Executive Committee (MPEC)

Stakeholders have discussed a number of different voting options, particularly for the MPEC. Previous discussions have focused around a "house-and-senate" styles approach to voting in



the MPEC. But, most recently, two different sector-based, unicameral options have been put forward for consideration. WPTF supports the proposal that NIPPC has put forward.

First, WPTF supports moving away from a “house-and-senate” approach to voting in the MPEC. This approach would likely impede the ability for certain types of market participants to successfully advocate for their preferred outcomes. In particular, entities like generators and marketers end up at a significant disadvantage in a voting structure that is tied to load (even if they are given a vote proportionate to their generation). Furthermore, WPTF is concerned that the “house-and-senate” style voting for Markets+ would disadvantage certain types of market participants in addition to smaller load serving entities.

WPTF believes that a robust, well balanced, and open participation model is essential to the success of Markets+, and thus strongly supports a unicameral sector-based approach to voting. Two options were put forward for consideration during the June 24th discussion:

- Three equally weighted sectors (NIPPC Proposal)
 - Investor-Owned Utilities (IOUs)
 - Public Power
 - Independent (covering IPPs, marketers, transmission developers and end-users)
- Other Weighted Voting Option, where each sector gets 50% of the vote and an action requires 66% or more to be approved:
 - Balancing Authority Participants (BAP)
 - Other Participants

WPTF is concerned about the “Other Weighted Voting Option” and has a strong preference for the NIPPC proposal. The Other Weighted Voting Option provides significant power to BAs and may be problematic as market evolution continues in the West. For instance, the Other Weighted Voting Option may tend to incent entities to retain their BA role and not to consider BA consolidation, due to the loss of a role (and vote) as a BAP. Additionally, this option does not help set the foundation for a voting structure under a more organized market structure, such as an RTO, given that BA roles will be consolidated. Thus, WPTF does not support this sector-based voting option.

On the other hand, the NIPPC proposal appears to strike a reasonable balance and provides the various sectors with a balance of power which is not tied to specific functions but to overall entity type. Thus, WPTF supports the NIPPC approach broadly, although we remain open to refinement of the sector definitions.

Roles of States and the Markets+ States Committee (MSC)

WPTF believes states will play an essential role in the governance of Markets+. WPTF therefore supports a strong role for states and for the Markets+ States Committee (MSC). In particular,



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www.wptf.org

we offer support the changes made in the Revised Straw Proposal to elevate the role of the MSC in the appeals process. We also support the expanded opportunity for state “representatives” to be seated at the MSC, if they are appointed by the state Commission. WPTF supports opportunities for continued involvement by the Markets+ States Committee and welcomes further discussion on how to provide an appropriate oversight role to the states.

Stakeholder Participation and Role up Until Markets+ Goes Live

SPP has proposed to use the general voting structure/governance approach that is ultimately agreed upon to help oversee the development of Markets+ from Phase 1 (Funded Investigation) under Phase 2 (SPP Implementation) and until the market is stood up. While WPTF does not object to this approach, we do ask for further consideration of how stakeholders (especially those that want to be Markets+ Market Stakeholders or “MMS”) can participate in the voting process during the Markets+ development process. It may be helpful for these entities to have some role during this time period to help in developing a construct that has broad based support. Thus, we would welcome additional discussions on how to incorporate stakeholders into the governance/voting structure for Markets+ prior to its official “go-live.”

Conclusion

WPTF appreciates the efforts SPP has undertaken to develop a governance proposal for Markets+. SPP has demonstrated its ability to listen to stakeholder and potential market participant interests and develop a workable solution that provides the West with a fairly autonomous market structure that includes independent oversight of market participant recommendations. WPTF generally supports the Revised Straw Proposal and, as discussed herein, recommends the use of the NIPPC voting option for MPEC, supports a strong role for state through the MSC, and would welcome additional discussion on stakeholder participation and voting options prior to Markets+ becoming operational.

**Joint Comments on
SPP Markets+ Draft Governance Straw Proposal (June 23, 2022)
July 15, 2022**

Submitted via email to KFornstrom@spp.org

Western Resource Advocates (WRA) and Sustainable FERC Project (S-FERC), the “Joint Commenters,” appreciate the opportunity to provide comments to the Southwest Power Pool (SPP) on SPP’s Draft Markets+ Governance Straw Proposal dated June 23, 2022 (“**Straw Proposal**”).

SPP took the feedback from the Markets+ Governance Design Team and other stakeholders (including responses to a detailed 31 question comment form), applied four balancing principles and drafted the Straw Proposal. One of the principles SPP applied was “SPP Best Practices” which has been described as SPP Inc.’s current governance structure and processes. In June 2021, Public Interest Organizations (PIOs) provided comments on SPP, Inc. governance.¹ Because many of the provisions in the Straw Proposal added by SPP come directly from the SPP, Inc. Bylaws, the June 2021 PIO Comments are directly applicable. Therefore, the June 2021 PIO Comments are incorporated herein. The WRA and S-FERC responses to the SPP Markets+ governance design comment form are also incorporated herein.²

The comments that follow include recommendations for improving the governance design represented by the Straw Proposal to align more closely with the good governance principles that should guide this effort:

- Independent Board
- Transparency
- Meaningful, effective and diverse stakeholder engagement
- Significant role for commissioners and others who represent the public interest.

We view these principles as consistent with the Multi-state Electric Organization Principles and FERC’s stakeholder involvement policy which is included in FERC Order 719³ and organize our

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*, available at:

<https://spp.org/Documents/65373/Final%20PIO%20Comments%20-%20SPP%20RTO%20West%20Terms%20and%20Conditions%206-30-21.pdf>, (“June 2021 PIO Comments”).

² WRA and S-FERC Responses to SPP’s Markets+ Governance Design Comment Form (April 20, 2022), at 96, available at: <https://www.spp.org/documents/67018/governance%20comments%20by%20respondent.pdf> (“Responses to Comment Form”).

³ Multi-state Electric Organization Governance Principles (April 14, 2022) (endorsed by the following states: AZ, CA, CO, ID, MT, NV, NM, OR, WA, and WY) available at: <https://www.westernenergyboard.org/wp-content/uploads/Multistate-Governance-Principles-4-25-22.pdf> (“State Endorsed Governance Principles”); Federal Energy Regulatory Commission, Order No. 719: *Wholesale Competition in Regions with Organized Electric Markets*, Docket Nos. RM07-19-000 and AD07-7-000, Oct. 17, 2008, available at: <https://www.ferc.gov/media/order-no-719> (“FERC Order 719”).

comments around them. We also apply the principle of “adaptability”⁴ to guide our comments. Finally, in the last section of these comments, we provide some recommendations for the design process itself.

Vocabulary. During the Governance design process, “stakeholder” was consistently and explicitly defined and used to mean the broadest group of interested parties. “Stakeholder” included any entity or party affected by, or interested in, the operation of the market. However, in the Straw Proposal, “stakeholder” has a more limited definition. In the Straw Proposal when SPP uses the phrase “Market+ Market Participants (MMP) and Markets+ Markets Stakeholders (MMS)” they are referring to participants that contribute load or generation to the market (Participants) and those who pay a \$5,000 annual fee (Stakeholders).⁵ In this document, to avoid any confusion, the terms “Load and Gen Participants” and “Payers” will be used to describe these two subsets of stakeholders, MMP and MMS respectively.⁶ “Stakeholders” will be given its common meaning which is the broadest group of interested parties, i.e., any entity or party affected by, or interested in, the operation of the market. This includes all MMPs, MMSs and Markets+ Non-Voting Stakeholders (MNVS), those that do not pay a \$5,000 annual fee.

Recommendation: “Stakeholders” should continue to be indicative of the broadest group of interested parties, i.e., any entity or party affected by, or interested in, the operation of the market. Any subset of stakeholders, such as those that pay the \$5,000 annual fee, should be given a different name.

A. Markets+ Governance should be independent and autonomous.

An autonomous Markets+ independent board is a priority design goal for Western stakeholders. This encompasses FERC financial independence⁷ as well as autonomy from SPP, Inc. and independence from the (profit driven) Market+ market participants. The Joint Commenters support the Markets+ Independent Panel (MIP) --a five-member board with no financial interest in the market or any market participant, that has the highest level of authority for decisions related to the Markets+ market (with oversight from the SPP, Inc. Board).

However, the Straw Proposal includes a number of provisions that significantly reduce the MIP’s autonomy. These are described below with alternative proposals that have less impact on the MIP’s autonomy.

⁴ See, e.g., Shelley Welton, *Rethinking Grid Governance for the Climate Change Era*, 109 Cal. L. Rev. (February 2021) available at: <https://www.californialawreview.org/print/rethinking-grid-governance/>; Energy Freedom Colorado, Comments on Wholesale Market Options for Colorado Utilities, Colorado PUC Docket no. 161-08-16E (April 2, 2018) §3, available at: <https://energyfreedomco.org/puc-mwtg-efco-comment5.php>.

⁵ MMPs have all rights and privileges including committee membership, voting and appeals. Those that are not MMPs must pay a \$5,000 annual fee to obtain those rights and privileges. If you are not an MMP and do not pay the \$5,000 annual fee you cannot: serve on any committee, vote or appeal decisions of any committee. The Straw Proposal refers to this last group as “Markets+ Non-Voting Stakeholders (MNVS).”

⁶ Ultimately, the Joint Commenters do not support the payer category, but for purposes of discussing the Straw Proposal we use these terms.

⁷ Federal Energy Regulatory Commission, Order No. 2000: *Regional Transmission Organizations*, Docket No. RM99-2-000 (Dec. 20, 1999).

MIP Chair. As proposed, the MIP Chair will be an SPP Board member, selected by the SPP Board, with the right to vote and appeal MIP “actions or inactions” to the SPP, Inc. Board. Straw Proposal §3.2.2. According to SPP, the purpose of this provision is to provide connectivity and increased communication between Markets+ and SPP, Inc. This is a laudable goal and one that the Joint Commenters support. However, it can be achieved with less impact on the MIP’s autonomy.

Recommendation: All five members of the MIP should be nominated by a sector-based committee. An SPP Board member should be added to the MIP as a liaison (ex officio, non-voting member with no appellate rights).

MIP Nomination and Appointment Process. As proposed, four of the five MIP members will be nominated by a sector-based committee. Straw Proposal §§3.2.3.2, 3.2.2. We support this process (though we recommend that all five MIP members be nominated this way). However, we recommend several adjustments to make the process more balanced, diverse and efficient. The Straw Proposal specifies the sectors that should be represented on the Nominating Committee, which we support; however, membership is limited to Load and Gen Participants and Payers. This limitation is unnecessary (see Membership on Markets+ Bodies below) and can lead to some Nominating Committee sector seats remaining vacant. The nominations are approved by the Load and Gen Participants and Payers. Further, the Load and Gen Participants and Payers can add and approve nominees without going back to the Nominating Committee §3.2.3.3(4).

Recommendation: The Nominating Committee members should not be limited to Load and Gen Participants and Payers. Further, Load and Gen Participants and Payers should not have the authority to override and replace the Nominating Committee’s role. If a nomination is rejected, the Nominating Committee should reconvene and submit another nomination. After the first MIP is seated, SPP should consider having nominations approved by the independent MIP.

Removal of MIP Members. Pursuant to §3.2.3.4 Vacancies, Load and Gen Participants and Payers can remove a MIP member for “cause” by vote; no definition of cause is provided. This is initiated by a petition signed by 20% (or more) of the Load and Gen Participants and Payers. Further, this provision is included in the “Vacancies” section. Removing a MIP member is an important provision and should have its own subsection and place in the table of contents.

Recommendation: Eliminate Load and Gen Participants and Payers authority to remove independent MIP members. Give the independent MIP members the authority to remove other MIP members for well-defined reasons. Create a separate section in the proposal for removal of MIP members.

Appeals to the SPP, Inc Board. MIP “actions or inactions” can be appealed to the SPP, Inc. Board by any MIP member. Straw Proposal §3.2.1 The MIP will be an independent body, therefore, the necessity for another appellate opportunity to a second independent body is unclear. This additional appeal adds time and monetary costs to the process.

Recommendation: Eliminate appeals of MIP “actions or inactions” to the SPP, Inc. Board, pursuant to §3.2.1 of the Straw Proposal.

Clarifications. There are a number of outstanding issues that should be discussed and vetted in an open forum. We refer to these as “clarifications,” however because the details of these provisions can have significant implications on governance, these should be addressed as part of the 2022 Service Offering. All section references below refer to the Straw Proposal unless otherwise indicated.

1. According to SPP, the language in §3.2.1 provides the MIP with Federal Power Act (FPA) §205 filing rights under the conditions defined in that section. To be clear, this should be explicitly stated in the next version of the governance proposal.
2. Section 3.2.1 Appeals provides that upon an appeal by a MIP member to the SPP Board of a MIP action or inaction, the SPP Board shall have the right to remand the matter back to the MIP, should the SPP Board determine there is not “sufficient consensus.” “Sufficient consensus” needs clarification. For example, is this standard based on the number of MIP votes in support or against an action or on the opinion of another Markets+ body, such as the MPEC?
3. Further, pursuant to §3.2.1, the SPP Board “may” remand the issue to the MIP. If the issue is not remanded to the MIP what is the process for resolving appeals of MIP decisions? Further, if the SPP Board’s action results in a FERC filing, does the MIP have FPA §205 filing rights as to that filing?
4. Pursuant to §3.2.1(3), for rules that do not solely apply to the administration of the Markets+ market, i.e., do not fall under the authority of the MIP as defined by §3.2.1 (but presumably impact the Markets+ market), “the MIP shall be afforded the opportunity to provide input to any other applicable SPP organizational group and the Board of Directors.” What will this process look like? Will the MIP members be required to pay the annual \$6,000 SPP, Inc., membership fee to fully participate in SPP, Inc. stakeholder processes or will they have only the limited rights of nonpaying participants?⁸ Will changes to the SPP Bylaws be necessary to accommodate this provision?
5. The above provision appears to be the only provision addressing joint issues, i.e., market design proposals that impact both Markets+ and SPP proper. Previously stakeholders discussed “joint work groups” populated with stakeholders from Markets+ and SPP proper. This is not included in the proposal and SPP’s position is unclear. What will be the scope of joint issues? How will joint issues be addressed? What role will the MIP or other Markets+ bodies have?⁹

⁸ Southwest Power Pool, Inc., Bylaws (First Revised Vol. No. 4), §8.2 (“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>. (only paying members can vote, be members of committees, and participate in closed or limited attendance sessions).

⁹ Depending on how Markets+ is implemented, joint issues could be a very large (and significant) category.

Recommendation: The Joint Commenters request that SPP provide their position on joint issues, i.e., market design proposals that impact both Markets+ and SPP proper.

6. SPP represented that one or more Markets+ members will be included on the SPP Corporate Governance Committee. Further, for Markets+ issues that come before the SPP Board, SPP would eliminate the SPP member vote that normally takes place immediately before the SPP Board votes. These provisions should be included in the Markets+ governance proposal.

B. Decision-making at all levels of the stakeholder process should be as transparent as possible.

Transparency is a key feature of good governance design and highly valued by SPP and Western stakeholders. Transparency includes a broad range of provisions such as open meetings and procedures, access to materials, and strategies that allow organizations with limited resources to effectively track initiatives. Amongst its benefits, transparency ensures accountability, improves the intelligence and understanding of stakeholders and fosters trust between the organization and its stakeholders.

Open Meetings. Open meetings are the cornerstone of accountability and transparency in decision making. Executive sessions (closed meetings) should be used sparingly. We support the overarching standard in the Straw Proposal that “all meetings shall be open.” This applies to all Markets+ bodies in the Straw Proposal (the MIP, committees, working groups and task forces), e.g., Straw Proposal §3.2.3.2.2. This is a good starting point; however, exceptions to the standard can significantly limit transparency. Throughout the Straw Proposal there are varying standards for closing meetings and the standards are very broad, subjective and open ended. For the MIP Nominating Committee the standard for closing a meeting (i.e., limiting attendance) is “as necessary to safeguard confidentiality of sensitive information,” Straw Proposal, §3.2.3.2.2; for the MIP and MPEC the standard is “in order to discuss issues that require confidentiality,” Straw Proposal §§3.2.4, 3.3.1.3; for working groups and task forces the standard is “as necessary to safeguard confidentiality of sensitive information, including *but not limited to*, personnel, financial, or legal matters,” Straw Proposal §§3.4.1.2, 3.4.2.2 (*emphasis added*). Further, in all cases Markets+ bodies may close an initially open meeting by “an affirmative vote” of the body, e.g., Straw Proposal § 3.2.3.2.2. PIOs have noted that this provision, also included in the SPP Bylaws, is overused in SPP proper.¹⁰

Recommendation: There should be one standard for limiting attendance at meetings. The standard should be clear, limited and objective, and the standard should be universal (applied to all committees, task forces, work groups and the like). We suggest the following:

¹⁰ June 2021 PIO Comments at 1 (“For example, today’s business practice of frequently closing previously open stakeholder meetings for ‘members-only discussions’ creates a serious lack of transparency in SPP’s stakeholder process.”)

Matters for consideration in closed or limited attendance session should be limited to personnel, litigation, and proprietary, confidential or security sensitive information.

Limiting Membership on Markets+ Bodies. Without transparency at all levels of the stakeholder process, lack of accountability can become a concern. As proposed in the Straw Proposal, only Load and Gen Participants and Payers can be members of any committee, working group or task force. Thus, stakeholders who are not Load and Gen Participants or Payers will be unable to attend closed meetings and portions of open meetings that are closed mid-meeting. Depending upon how the current standards are applied (see Open Meetings section above), this could encompass a significant portion of meeting time and issues of importance to stakeholders.

Recommendation: Remove the condition that restricts membership on committees, working groups and task forces to only Load and Gen Participants and Payers. See also Membership on Markets+ Bodies section below. See also recommendations in Membership on Markets+ Bodies below.

Additional Measures That Support Transparency. Transparency can also be enhanced in other ways, such as measures that enable stakeholders, especially those with limited resources, to more effectively track initiatives making their way through the stakeholder process. As an example, the Straw Proposal includes advance notice for meetings (15 days) and agendas (seven days), e.g., Straw Proposal §3.2.3.2.2. We support these provisions. SPP should also consider additional measures to enhance transparency.

Recommendation: SPP should consider including the following additional measures to enhance transparency: 1) provide access to meeting materials in advance of meetings (along with the agenda); 2) provide a virtual option for all meetings and record all meetings; 3) provide access to meeting recordings for those that are unable to attend (preferably post the recordings on a publicly accessible webpage); and 4) provide sufficient detail in meeting minutes so that both members and public stakeholders can more effectively track initiatives making their way through the stakeholder process.

C. The stakeholder process should provide for meaningful, effective and diverse stakeholder engagement.

FERC's stakeholder involvement policy was designed to improve the responsiveness of RTOs to their customers and other stakeholders and, ultimately, to the customers who benefit from and pay for electricity services. Responsiveness is defined as "an RTO/ISO' board's willingness, as evidenced in its practices and procedures, to directly receive concerns and recommendations from customers and other stakeholders, and to fully consider and take actions in response to the issues that are raised."¹¹ The Commission assesses responsiveness using four criteria; three are

¹¹ FERC Order 719, para. 474.

especially relevant here: 1) inclusiveness; 2) fairness in balancing diverse interests; and 3) representation of minority positions.¹²

Organized wholesale energy markets operate as quasi-autonomous nongovernmental organizations; thus transparency, accountability, and fair representation are paramount.¹³ Tensions can arise ensuring that RTOs are responsive to participants and also adequately balance larger public interest considerations.¹⁴

The public interest is typically represented by nonprofits (e.g., environmental and grid reliability), state consumer advocates, and state regulators and policy makers. PIOs play an important role in the stakeholder process and ultimately add value to the decisions made. PIOs have valuable expertise, for example, in new and developing technologies and state clean energy laws, including greenhouse gas (GHG) accounting.¹⁵ Further, PIOs represent larger public interests such as long-term grid reliability, environmental impacts, and the interests of non-participants such as rate payers. In addition, many PIOs in the West are regional.

The stakeholder process should afford nonparticipant stakeholders a meaningful voice in all levels of the development and decision-making.

Membership on Markets+ Bodies. As proposed, those that are not Load or Gen Participants or Payers cannot: 1) serve on any committee, working group or task force; 2) vote; 3) attend closed meetings or the closed portion of meetings that were initially open to the public; or 4) appeal decisions made by any committee, working group or task force. In order to have a true and meaningful voice in the stakeholder process, and key opportunities for influence, those that are not Load or Gen Participants must pay a \$5,000 annual fee. This will impact some organizations more than others, i.e., serve as a barrier to full, meaningful, and equal participation. This is especially true for small organizations and nonprofits like PIOs.

According to SPP, the membership fee is intended to eliminate the “disingenuous stakeholder”¹⁶ problem. The disingenuous stakeholder problem has been described in a number of ways, for example, ten people who wander into the room when a vote is taking place¹⁷ (without managing who can vote these 10 people would be able to vote); a person who does not take seriously their responsibility to be informed or attend meetings; a person with the intention to be disruptive, etc. However, this problem should not exist because membership on committees and working groups

¹² *Id.* See also, James, Mark et al., *How the RTO Stakeholder Process Affects Market Efficiency*, R Street Policy Study No. 112, (October 2017) at 3, available at: <https://www.rstreet.org/2017/10/05/how-the-rto-stakeholder-process-affects-market-efficiency/> (expands on FERC criteria).

¹³ See Kavulla, Travis, *Problems in Electricity Market Governance: An Assessment*, R Street Policy Study No. 180 (August 2019) at 4-5, available at: <https://www.rstreet.org/2019/08/30/problems-in-electricity-market-governance-an-assessment/>.

¹⁴ 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.

¹⁵ Many PIOs employ technical staff. For example, WRA staff includes economists, attorneys, policy experts and scientists.

¹⁶ This is a term coined by the author.

¹⁷ This is an example repeated numerous times by SPP staff. SPP’s primary concern, as relayed in public meetings, appears to be that disingenuous stakeholders would be able to vote.

would be managed. For example, sectors would nominate members for sector-based committees. While on the other hand, restricting membership limits the pool from which committee or task force members can be chosen. This in turn limits the expertise, perspective, and diversity from which committee work would benefit.

The Joint Commenters do not support an annual fee. It serves as an unnecessary barrier to meaningful, effective and diverse stakeholder engagement. The West has a history of open stakeholder processes. Other regionalization efforts in the West operate successfully without charging membership fees for full participation, including voting rights, i.e., the Western EIM, WRAP and WECC. "... [T]here 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."¹⁸

Finally, to enhance meaningful, effective and diverse stakeholder engagement, a range of options should be fully discussed and vetted in an open stakeholder forum, for example, forming a permanent standing technical committee populated by all sectors (similar to the WRAP Program Review Committee (PRC)) or creating a formal advisory committee made up of nonmarket participants.

Recommendation: Membership on Markets+ bodies, such as committees, working groups and task forces, should not be limited to Load and Gen Participants and Payers. Broad sector representation should be required on committees, working groups and task forces (with specific sector representation explicitly set forth similar to that of the Nominating Committee), and participation on these bodies should and managed through a sector nomination process.

Recommendation: Fully discuss and vet in a public stakeholder forum a range of options to enhance meaningful, effective and diverse stakeholder engagement, such as, establishing a permanent standing committee like the WRAP PRC populated by all sectors or a formal advisory committee made up of nonmarket participants.

Recommendation: Eliminate the annual fee as a condition for membership on Markets+ bodies, voting and the right to appeal decisions made by Markets+ bodies.

Voting. The Joint Commenters support simple majority vote of the representatives participating for the MIP¹⁹, Nominating Committee, working groups and task forces as proposed in the Straw Proposal. They should first seek consensus and if consensus cannot be reached resort to a vote.

In regard to the MPEC, any voting method should be evaluated by the following principles:

- Instill trust in the process, for example, be understandable and transparent;
- Not give any sector or organization veto power or undue influence;

¹⁸ Responses to Comment Form, 78 (Bonneville Power Administration response).

¹⁹ This is limited to MIP votes on market design proposals. We recommend a supermajority or unanimous requirement for some issues, such as, for example, changes to Bylaws or other governance changes.

- Promote consensus and produce outcomes that reflect the diversity of interests among stakeholders; and
- Not be used to serve market participants’ interests at the expense of advancing proposals that enhance market efficiency.²⁰

It is difficult to evaluate if any particular methodology will meet these principles without a sense of the Markets+ participant make-up. SPP should test the different voting options using hypothetical participant pools. The results should be made available to everyone, so all stakeholders can intelligently evaluate the options. Further, the voting methodology should be reviewed periodically to ensure that, as it is applied to the voting population, it continues to meet the principles (especially when there is a substantial change in market participation).

Finally, all voting should be open and on the record; individual votes should be recorded and made public. Panel, committee, task force members and the like should be accountable for their positions on issues. Further, voting provides valuable information to other Markets+ bodies especially the MIP (see Minority Views section below). This requirement should be explicit in the governance proposal. For example, the language in §3.2.5 should be clarified. It currently states: “The SPP staff secretary will collect and tally the ballots, and announce the results of a vote.” It should explicitly state that individual votes will be announced publicly and individual votes will be recorded and made publicly available.

Recommendation: Alternative voting methods should be evaluated against a set of principles such as those provided above. Further, SPP should test different options against a variety of hypothetical participant pools and make the results public. Finally, the methodology should be re-evaluated periodically.

Recommendation: All voting should be open and on the record. This should be explicitly defined to mean that individual votes will be publicly announced and individual votes will be recorded and made publicly available.

Minority Positions. Pursuant to §3.3.1 of the Straw Proposal, “In its presentation to the MIP, the MPEC will report minority views expressed to the MPEC during its consideration.” We appreciate and support this objective, as it supports an important good governance principle²¹ and is a FERC requirement.²² However, the Straw Proposal is silent as to how this objective will be achieved. We also note a companion FERC requirement that should be considered: “any customer or other stakeholder affected by the operation of the RTO or ISO, or its representative, is permitted to communicate its views to the RTO’s or ISO’s board of directors.”²³

²⁰ James et al., 15-16 (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).

²¹ Minority positions must be recognized and considered throughout the stakeholder process. PIO Comments on SPP Governance, 5.

²² FERC Order 719, para. 482 (“in instances where stakeholders are not in total agreement on a particular issue, minority positions are communicated to the RTO’s or ISO’s board of directors at the same time as majority positions.”)

²³ *Id.*

As SPP staff has noted, an important indicator of sector and organizational positions is the voting record. However, given the limitations on committee membership this would provide an incomplete picture. Further, appeals would also provide minority positions. Again, however, given the limitations on those who are not Load and Gen Participants or Payers, i.e., they do not have the right to appeal decisions of any committee, working group or task force, this would again provide an incomplete picture. Recommendations in these comments would address this issue. For example, opening up the committee, working group and task force membership (and requiring broad sector representation on these bodies) would go a long way in achieving this objective because of the record that develops.

In any event, the governance proposal should explicitly set forth a path for stakeholders who hold minority positions, and who are not Load and Gen Participants and Payers, to communicate their positions to the MIP members at the same time as majority positions.

Recommendation: The record developed in the committee process is one avenue to provide the MIP with minority positions. Therefore, membership on Markets+ bodies, such as committees, working groups and task forces, should not be limited to Load and Gen Participants and Payers. Broad sector representation should be required on committees, working groups and task forces (with specific sector representation explicitly set forth).

D. Commissioners and others who represent the public interest should have a significant role.

The Joint Commenters support the provisions in §3.3.2 Markets States Committee (MSC). Those that represent the public interest, such as regulators and policymaker should have an elevated stakeholder position. Further, the MSC should have autonomy over the operation of their committee and the resources to adequately perform their functions. SPP should also consider including the other recommendations made by the States: 1) integrate the MSC into any joint working groups established to co-optimize Markets+ with the SPP RTO footprint; and 2) include an MSC liaison (designated by the MSC) to attend all meetings, open and closed, held by the MPEC.²⁴

The Joint Commenters provide a number of recommendations in these comments to enable PIOs (who represent the public interest) to more fairly and effectively participate in the Markets+ stakeholder and decision-making process.

E. Adaptability

Given the consequential shifts in the electricity industry in the last decade, it is likely that the future of the electricity industry will continue to be very different. Therefore, it is important that Markets+ governance can adapt to rapid change.

²⁴ Recommendations by 15 state signatories, re: Response to governance design elements under discussion in the SPP Markets+ Initiative (May 20, 2022), available at https://www.westernenergyboard.org/wp-content/uploads/SPP-Markets-Written-Comments_Addtl-Signatories_5.20.22_Final.pdf.

Many of the recommendations in these comments will enhance the adaptability of Markets+ governance. For example, the governance represented by the current Straw Proposal can be characterized as participant dominated.²⁵ An imbalance towards incumbents comes at the expense of other voices, such as those that represent new technologies, future market participants and emerging state policies.²⁶ Additional stakeholder groups need more influence, including independent power producers, renewable generators, clean energy buyers, and consumer and environmental advocates. Recommendations that provide more balance between sectors in the stakeholder process will enhance adaptability.

Further, reviews that are triggered by substantial changes enhance adaptability. See, for example, MPEC voting above.

MIP Member Qualifications and Terms. The MIP should evolve and change to reflect a changing electricity environment. The terms of MIP members should provide stability but also reflect the need for adaptability. Term limits will ensure the evolution of the MIP. Further, the overall composition of the MIP should reflect diversity of perspectives that may result from different areas of expertise, geographic background, ethnicity, gender and professional backgrounds and life experience. These criteria should be updated to reflect changes and expected changes in the electricity industry. The search criteria in the Straw Proposal should more explicitly prioritize specific qualifications that reflect the modern electricity sector, including candidates with experience in public interest organizations or emerging technologies.²⁷ See WRA and S-FERC Responses to Comment Form, Question 18.²⁸

Recommendation: MIP members should have limited terms; two four-year terms or three three-year terms. The qualifications for MIP members should prioritize diversity and explicitly prioritize specific qualifications such as experience in public interest organizations or emerging technologies.

F. Design Process

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,

²⁵ SPP governance has been characterized as “dominated by incumbents” (Kavulla at 9) and inherently more suited to maintaining the status quo (Energy Freedom Colorado, §3). The governance represented by SPP’s Straw Proposal is very similar to SPP, Inc. governance. In fact, many of the Straw Proposal provisions are identical to those in the SPP Bylaws. Therefore, analyses of SPP governance are directly relevant. See also, Energy Freedom Colorado, *RTO/ISO Governance: Overview and Recommendations* (compares governance of eight U.S. RTO/ISOs), available at: <https://energyfreedomco.org/docs/EFCO-on-RTO-Governance.pdf>.

²⁶ See e.g., Welton at 214, 241-52, 267-70.

²⁷ “Meaningful participation by public interest representatives on the RTO board is critical. Public interest representatives on the RTO board will at least give a voice to those who are most affected by its actions.” See Dworkin at 546-7, n.17.

²⁸ Responses to Comment Form at 101.

SPP staff 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.
- 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.
- Provide, at a minimum, audio access to all public meetings.
- Record meetings and post meeting recordings rather than requiring stakeholders to request a link to the recording.

The Joint Commenters understand the importance of electricity market coordination efforts and support these efforts. However, care should be taken to develop a durable product. SPP staff has verbally stated that many governance provisions in the Service Offering will be high-level and worked through in the tariff development process. Further, SPP plans on limiting participation in that tariff development process to Load and Gen Participants and Payers. First, the Service Offering should not be too high level; important elements and details of governance should be included. Second, SPP should not require a \$5,000 financial burden for stakeholders to participate in that process, especially if important issues and details remain unresolved.

Recommendation: Implement the measures above that allow stakeholders to effectively track and engage in the development effort. Continue an open stakeholder process through tariff development and FERC approval of the Markets+ market.

We appreciate the opportunity to engage in the development of the Markets+ Governance and provide recommendations to SPP. We look forward to ongoing engagement with SPP and the Western stakeholders.

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