



# MARKETS+

DRAFT

GOVERNANCE STRAW PROPOSAL

By SPP Staff

Published on September 27, 2022

Version NUMBER 3.0

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# 1.0 DEFINITIONS

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**Affiliate:** Affiliate relationships are relationships between Markets+ Market Participants that have one or more of the following attributes in common:

1. Are subsidiaries of the same company;
2. One Markets+ Market Participant is a subsidiary of another Markets+ Market Participant;
3. Have, through an agency agreement, turned over control of a majority of their generation facilities to another Markets+ Participant;
4. Have, through an agency agreement, turned over control of a majority of their transmission system to another Markets+ Participant, except to the extent that the facilities are turned over to an independent transmission company recognized by FERC;
5. Have an exclusive marketing alliance between Markets+ Participants; or
6. Ownership by one Markets+ Participant of ten percent or greater of another Markets+ Participant.

**Federal Energy Regulatory Commission:** The Federal Energy Regulatory Commission, or FERC, is an independent agency that regulates the interstate transmission of natural gas, oil, and electricity. FERC is the regulatory agency that will oversee and approve Markets+.

**Markets+ Independent Panel (MIP):** A five member panel that is independent from Markets+ Participants and Markets+ Stakeholders. The MIP is the highest level of authority for decisions related to the Markets+ market with the SPP Board of Directors providing independent oversight.

**Markets+ Market Participant (MMP):** 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.

**Markets+ Market Stakeholder (MMS):** Category of stakeholders who has executed a Markets+ Stakeholder Agreement, does not contribute generation and/or load to the Markets+ market and pays an annual fee of \$5,000. A MMS has voting rights at the MPEC, the MIP Selection Forum and is eligible for a voting seat, if appointed, on the MIP Nominating Committee, Working Groups and Task Forces. The annual fee may be waived for eligible entities that are non-profit organizations under the Internal Revenue Code.

**Markets+ Non-Voting Stakeholder (MNVS):** General category of stakeholders who provide input at all stakeholder meetings that do not have voting rights on Working Groups and Task Forces and pay no annual fee.

**Meeting of Markets+ Participants and Markets+ Stakeholders:** A meeting of Markets+ Market Participants and Markets+ Market Stakeholders shall be held for the purpose of electing

members of the MIP and conducting other business as necessary. The MPEC Chair shall preside over these meetings.

**SPP:** Southwest Power Pool, Inc. or successor organization. (SPP Bylaws)

**Staff:** The technical and administrative staff of SPP as hired by the Officers to accomplish SPP's mission.

## 2.0 PARTICIPATION IN MARKETS+

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### 2.1 QUALIFICATIONS & PHASES

#### Phase 1: Funded Investigation

Entities that are supportive of SPP's development of a detailed Markets+ design, can commit a non-refundable amount so SPP can commit resources to designing the market functions, draft the governing documents, and submit the proposal to FERC.

#### Phase 2: SPP Implementation

Upon FERC approval of the necessary Markets+ governing documents, SPP will begin acquiring or modifying the necessary software, hardware and related processes if entities commit to fully fund the cost of such efforts. Upon SPP's creation of the Markets+ systems and processes, entities will then be integrated into the system based on participant-specific schedules, including milestones and activation dates.

Participation in each Phase described above is discreet and separate. The incremental approach is taken to confirm an appropriate amount of participant interest and commitment is achieved, while ensuring SPP's costs are recovered for each Phase of the effort. The terms and conditions for each agreement will be limited to the commitments within scope of each Phase.

### 2.2 MARKETS+ MARKET PARTICIPANT AGREEMENT

SPP will administer the Markets+ market pursuant to the Markets+ FERC approved Tariff, including a Markets+ Market Participant Agreement. Such agreement will contain terms and conditions that must be met for an entity to be able to participate in Markets+.

## 3.0 ORGANIZATIONAL STRUCTURE

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### 3.1 SPP BOARD OF DIRECTORS

#### 3.1.1 AUTHORITY

SPP's independent board of directors will provide ultimate oversight of SPP's administration of Markets+ subject to FERC regulatory jurisdiction. The board will give significant recognition and deference to the Markets+ Independent Panel ("MIP") decision-making role.

The SPP Board of Directors shall review and consider:

1. Decisions of the MIP that have a material adverse effect on SPP, including:
  - a. Material agreements and material changes to those agreements between SPP and Markets+ Market Participants or SPP and Markets+ Market Stakeholders;
  - b. Issues or concerns raised by the Market Monitor related to any FERC filing, rule or process within the scope of the Market Monitor's authority as established by FERC that has been previously raised to the MIP;
  - c. Legal and/or litigation disputes or actions involving SPP or the implementation of Markets+; and
  - d. Financial ramifications or corporate risk to SPP.
2. Markets+ budgets, any debt obligations related to Markets+, or material changes to SPP's staffing requirements.
3. Appeals from the MIP made pursuant to Section 3.2.1.

All reviews by the SPP Board of Directors shall be in coordination with the MIP. Any time the SPP Board of Directors takes action to review any issue due to a material adverse effect on SPP, the Board shall publish the basis for the materiality.

### 3.2 MARKETS+ INDEPENDENT PANEL (MIP)

#### 3.2.1 PURPOSE AND SCOPE OF ACTIVITIES

The Markets+ Independent Panel (MIP) is the highest level of authority for decisions related to the Markets+ market with the SPP Board of Directors providing independent oversight.

Actions taken by the MIP under the authorities defined in its charter will be filed with FERC, unless appealed per this Section or reviewed by the SPP Board of Directors pursuant to its authority. Absent an appeal, SPP Staff will be authorized to submit requisite regulatory filings to implement the MIP's decision.

**Appeals:** Any member of the MIP may request that the SPP Board of Directors review any action or inaction of the MIP. Only members of the MIP can appeal to the SPP Board of Directors. Upon such a request by a member of the MIP, the SPP Board of Directors shall review the matter for resolution in consultation with the MIP. Should the SPP Board determine there is not sufficient consensus supporting the MIP's decision, and provided time allows, the SPP Board of Directors may remand the issue to the MIP and/or the appropriate Markets+ Working Group for further consideration. The MIP is responsible, through the Markets+ State Committee (MSC) and the Markets+ Participants Executive Committee (MPEC) and designated working groups, committees and task forces, for developing and deciding or recommending policies, procedures, system enhancements related to the administration of the Markets+ market.

In carrying out its purpose, the MIP will:

1. Provide a forum for entities that have executed a Markets+ Market Participant Agreement, a Markets+ Stakeholder Agreement with SPP or a Markets+ Non-Voting Stakeholders to discuss issues related to the ongoing administration and advancement of Markets+ development in the Western Interconnection. The MIP has the authority to set priorities and direct the Markets+ Participant Executive Committee to investigate potential market design and tariff revisions.
2. Approve or reject proposed amendments to the Markets+ Tariff made by the Markets+ Participants Executive Committee prior to the filing of such amendments at FERC.
3. 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 Marketplace 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.
4. Collaborate with SPP staff 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.
5. Evaluate and provide consultation to SPP on the Markets+ market administration budget to the Markets+ State Committee, Markets+ Market Participants, and Markets+ Stakeholders, including modifications or adjustments of the Markets+ market Administration Rate, in accordance with the Markets+ Tariff.

6. Review, consider and decide whether to approve ~~adopt~~ market design system or process enhancement proposals recommended by SPP, the Markets+ State Committee, the Markets+ Participant Executive Committee, or any designated working group, committee, or task force established by the Markets+ Participation Executive Committee. Recommendations to enhance systems or processes materially impacting SPP's administration of the Markets+ market or the Markets+ market administration budget must be approved by the MIP prior to beginning implementation of the enhancement.
7. Resolve any disputes regarding the establishment of a working group or task force and the staffing of that working group or task force.

## 3.2.2 COMPOSITION AND QUALIFICATIONS

The MIP shall consist of five persons, one of which shall be a SPP Independent Director. The MIP shall select its Chair. The members of the MIP shall be independent of any Markets+ Market Participant, Markets+ Market Stakeholder, or Markets+ Non-Voting Stakeholder and shall not be limited in the number of terms he/she may serve.

Members of the MIP shall have recent and relevant senior management expertise and experience in one or more of the following disciplines: electric industry, including electric transmission and generation planning, markets, or general understanding of electric utility regulation.

Members of the MIP shall comply with SPP's standards of conduct. Under the standards of conduct, members of the MIP shall not be an employee, director, consultant or contractor of, and shall have no interest in any Third Party, or any of its Affiliates as defined in SPP's FERC approved tariff, which shall be deemed to include ownership (outside of a mutual fund, blind trust, or similar arrangement as permitted herein) by a panelists or his/her immediate family members of Prohibited Securities.

## 3.2.3 TERM AND ELECTION

### 3.2.3.1 TERM

Four of the members of the MIP shall be elected at the Markets+ Market Participants and Markets+ Market Stakeholder Forum to a four0year term commencing upon election and continuing until his/her duly elected successor takes office. The initial term for non-SPP Directors will be a one, two, three or four year term to allow staggering. The ballot for the initial elected members of the MIP will consist of a single person for each seat to be filled ("slate") and each MPEC member will cast his/her vote to approve or disapprove the entire slate.



### 3.2.3.2 MIP NOMINATING COMMITTEE

#### 3.2.3.2.1 COMPOSITION

The MIP Nominating Committee will consist of eleven representatives of Markets+ Market Participants and Markets+ Market Stakeholders, including one representative from each of the following sectors or groups:

1. Independent Power Producers
2. Markets+ State Committee Member
3. Public Interest Organizations
4. Cooperatives
5. Municipal Utilities, including Public Utility Districts and Joint Action Agencies
6. Federal Agency
7. Investor Owned Utilities
8. Competitive Marketers
9. Large Energy and Industrial Customers
10. Residential and Small Commercial Retail Customers
11. MIP Representative, not up for re-nomination shall serve as chair. For the initial MIP nominations, the chair shall be the SPP Independent Director designated to serve on the MIP.

Each sector will nominate and vote on its representative to the MIP Nominating Committee.

#### 3.2.3.2.2 MEETINGS

The MIP Nominating Committee shall meet as necessary. Meetings shall be open, however, the MIP Nominating Committee may limit attendance at a meeting by an affirmative vote of MIP Nominating Committee members as necessary to safeguard confidentiality of sensitive information. Unless otherwise agreed to by the MIP Nominating Committee, representatives shall be given at least fifteen (15) business days written notice of the date, time, place and purpose of each regular or special meeting. Telephone or web conference meetings may be called as appropriate by the Chair of the MIP Nominating Committee with at least one business day's prior notice.

#### 3.2.3.2.3 VOTING STRUCTURE

Decisions of the MIP Nominating Committee shall be by simple majority vote of the representatives participating, whether in person or remotely by telephone, web conference, or similar technology, and voting. Representatives must be participating at a meeting to vote; no votes by proxy are permitted. The SPP staff secretary will collect and tally the ballots, and announce the results of a vote.

### 3.2.3.3 ELECTION PROCESS

1. At least ninety calendar days prior to the Markets+ Market Participants and Markets+ Market Stakeholders Forum when election of new members of the MIP is required, the MIP Nominating Committee shall commence the process to nominate persons equal in number to the members of the MIP to be elected;
2. At least forty-five calendar days prior to the Markets+ Market Participants and Markets+ Market Stakeholders Forum, the MIP Nominating Committee shall determine the persons it nominates for election as members of the MIP, specifying the nominee for any vacancy to be filled. The Staff Secretary shall prepare the ballot accordingly and shall deliver same to Markets+ Market Participants and Markets+ Market Stakeholders at least thirty calendar days prior to the Markets+ Market Participants and Markets+ Market Stakeholders Forum;
3. For purposes of electing or removing members of the MIP only, each group of Markets+ Market Participants with Affiliate Relationships shall be considered a single Market Participant;
4. Any additional nominee(s) may be added to the ballot specifying the nominee(s) to a single seat or multiple seats if a petition is received by the Staff Secretary at least fifteen calendar days prior to the Markets+ Market Participants and Markets+ Market Stakeholders Forum and evidencing support of at least 20% of the existing Markets+ Market Participants and Markets+ Market Stakeholders; and
  - a. If only one candidate is nominated for a seat, each Markets+ Market Participants and Markets+ Market Stakeholders representative shall be entitled to cast a vote by written ballot, whether in person or remotely by email or other reliable electronic means, for or against the nominee. The votes will be calculated and will require a simple majority. In the event a member of the MIP position is not filled, the MIP Nominating Committee will determine a new nominee for recommendation for election by Markets+ Market Participants and Markets+ Market Stakeholders at a special meeting of Markets+ Market Participants and Markets+ Market Stakeholders to be held no later than the next regular MPEC meeting;
  - b. If multiple candidates are nominated for a seat, each Markets+ Market Participants and Markets+ Market Stakeholders representative shall be entitled to cast a vote by written ballot, whether in person or remotely by email or other reliable electronic means, for only one nominee, but may vote against each candidate. The votes will be calculated with a simple majority of votes cast determining which nominee is elected. In the event a member of the MIP position is not

filled, the MIP Nominating Committee will determine a new nominee for recommendation for election by Markets+ Market Participants and Markets+ Market Stakeholders at a special meeting of Markets+ Market Participants and Markets+ Market Stakeholders to be held no later than the next regular Markets+ Market Participants and Markets+ Market Stakeholders meeting.

#### 3.2.3.4 VACANCIES

Any member of the MIP may resign by written notice to the MIP and SPP Corporate Secretary noting the effective date of the resignation. The Markets+ Market Participants and Markets+ Market Stakeholders may remove an elected member of the MIP with cause by vote. Removal proceedings may only be initiated by a petition signed by not less than 20% of the Markets+ Market Participants and Markets+ Market Stakeholders. The petition shall state the specific grounds for removal and shall specify whether the removal vote is to be taken at a special meeting of the Markets+ Market Participants and Markets+ Market Stakeholders or at the next regular meeting of the Markets+ Market Participants and Markets+ Market Stakeholders. An external member of the MIP who is the subject of removal proceedings shall be given fifteen (15) calendar days to respond to the petition in writing to the MPEC Chair and SPP Corporate Secretary.

If a vacancy occurs, the MIP Nominating Committee will present a nominee to the Markets+ Market Participants and Markets+ Market Stakeholders for consideration and election to fill the vacancy for the unexpired term at a special meeting of Markets+ Market Participants and Markets+ Market Stakeholders following thirty calendar days' notice from the Staff Secretary. The replacement member of the MIP shall take office immediately upon election.

#### 3.2.4 MEETINGS

Meetings of the MIP are open to all interested parties; and written notice of the date, time, place and purpose of each meeting will be provided as described below. However, the MIP may limit attendance during specific portions of a meeting by an affirmative vote of the MIP. Matters for consideration in closed or limited sessions are limited to personnel, legal and proprietary, confidential or security sensitive information.

At a minimum, meetings will be scheduled such that there will be an official meeting quarterly. Annually, there will be at least one face-to-face meeting.

Written notice and public posting of the date, time, place and purpose of each regular meeting shall be given at least fifteen (15) calendar days in advance of each regular meeting. Agendas for regular meetings will be publicly posted no less than seven days prior to the meeting.

Telephone conference meetings may be called by the MIP chair with prior notice of at least one business day.

## 3.2.5 VOTING STRUCTURE

Decisions of the MIP shall be by simple majority vote of the members participating, whether in person or remotely by telephone, web conference, or similar technology, and voting, subject to the quorum requirements in Section 3.6. Members of the MIP must be participating at a meeting to vote; no votes by proxy are permitted. The SPP staff secretary will collect and tally the ballots, and announce the results of a vote.

## 3.3 COMMITTEES ADVISING THE MARKETS+ INDEPENDENT PANEL

### 3.3.1 MARKETS+ PARTICIPANTS EXECUTIVE COMMITTEE (MPEC)

The Markets+ Participants Executive Committee (MPEC) will provide a forum for Markets+ Market Participants, Markets+ Market Stakeholders and Markets+ Non-Voting Stakeholders to discuss issues related to the ongoing administration and advancement of market development in the Western Interconnection.

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. The MPEC will provide to the MIP its recommendation on proposals received for the MIP's consideration and decision. The MPEC recommendations to the MIP are advisory and non-binding. In its presentation to the MIP, the MPEC will report any minority views expressed to the MPEC during its consideration. Recommendations to enhance systems or processes materially impacting SPP's administration of the Markets+ market or the Markets+ market administration budget must be approved by the MIP prior to beginning implementation of the enhancement.

#### 3.3.1.1 COMPOSITION

Each Markets+ Market Participant and Markets+ Market Stakeholder shall appoint one representative to the MPEC. Each representative designated shall be a senior level management employee with financial decision making authority. The MPEC representatives will appoint the chair and vice chair. Each representative of the MPEC may continue to be a representative thereof until the Markets+ Market Participant appoints a successor representative. A Markets+ Market Participant and Markets+ Market Stakeholder shall be eligible to appoint only one representative for itself.

### 3.3.1.2 AUTHORITY

The MPEC will have authority to make recommendations to the MIP regarding:

- Proposed amendments to the Markets+ Tariff
- Markets+ Market Protocols to support the filed tariff
- The administrative rate charged to participants of the Markets+ market

The MPEC may establish standing working groups and ad hoc task forces as needed to facilitate its authorities as described below.

### 3.3.1.3 MEETINGS

Meetings of the MPEC are open to all interested parties; and written notice of the date, time, place and purpose of each meeting will be provided as described below. However, the MPEC may limit attendance during specific portions of a meeting by an affirmative vote of the MPEC. Matters for consideration in closed or limited session are limited to personnel, legal and proprietary, confidential or security sensitive information.

At a minimum, meetings will be scheduled such that there will be an official meeting quarterly. Annually, there will be at least one face-to-face meeting.

Written notice and public posting of the date, time, place and purpose of each regular meeting shall be given at least fifteen (15) calendar days in advance of each regular meeting. Agendas for regular meetings will be publicly posted no less than seven days prior to the meeting.

Telephone conference meetings may be called by the MPEC chair with prior notice of at least one business day.

### 3.3.1.4 VOTING STRUCTURE

Upon execution of the Markets+ Participant Agreement or execution of the Markets+ Stakeholder Agreement and payment of the annual fee or fee waiver, an entity will be assigned to one of three membership sectors: (1) Investor-owned utilities; (2) Public power; and (3) Independent. The sectors are defined as follows:

Investor-owned utilities (IOUs): This sector includes Markets+ Market Participants that are "public utilities" under the Federal Power Act, regulated by one or more state regulatory commission, and subject to a fiduciary responsibility to investors to earn a return on rate-based assets.

Public power: This sector includes Markets+ Market Participants that are publicly-owned utilities, electric cooperatives, and power marketing administrations (PMAs).

Independents: This sector includes Markets+ Market Participants that are not an IOU or a public power utility and Markets+ Market Stakeholders.

The MPEC will vote with the result for that sector being a percent of approving vote to the total number of participants in the sector participating and voting. Each of the three sectors represents 33 1/3% of the vote. An action is approved by the MPEC if the average of these percentages is at least 67%.

## 3.3.2 MARKETS+ STATE COMMITTEE (MSC)

### 3.3.2.1 COMPOSITION/MEMBERSHIP

One representative from each state in which a Markets+ Market Participant has generation or load participating in the Markets+ market in that state, may participate as a member of the Markets+ State Committee (MSC). Each state representative will be appointed by the utility regulatory commission of that state. The MSC will provide advice to the MIP, the MPEC and any working group or task force on all matters pertinent, including but not limited to, initiative prioritization and policy issues, to the participation in the Markets+ market of the Markets+ Market Participants under the Markets+ Tariff. SPP staff will assist the MSC by providing information and support relevant to the Markets+ market.

### 3.3.2.2 MEETINGS AND VOTING

The MSC will determine its meeting provisions and voting structure.

### 3.3.2.3 SUPPORT AND FUNDING

SPP will facilitate the retention of independent staffing for the MSC sufficient and stable enough to support the MSC's ability to develop analytical and legal analysis in order to present independent positions related to the Markets+ market and before FERC. The MSC shall annually submit a proposed budget to the MIP for approval. Prior to approval, the MIP shall seek comment from the MPEC. The approved MSC budget costs will be allocated to the Markets+ Market Participants.

### 3.3.2.4 DATA ACCESS

The MSC will have access to performance data and data specific to policy initiatives, subject to any confidentiality agreements.

## 3.4 OTHER COMMITTEES AND STAKEHOLDER GROUPS

### 3.4.1 MARKETS+ WORKING GROUPS

Through an affirmative vote in accordance with the Voting Structure set forth in Section 3.3.1.4, the MPEC may establish standing working groups to assist with its mission. Prior to voting on the establishment of a working group, the MPEC should consider potential resource and financial impacts in excess of those contemplated.

#### 3.4.1.1 COMPOSITION AND TERMS

Unless otherwise provided in these Bylaws, each working group shall have a chair to preside over meetings. The Chair of all organizational groups shall be nominated by the MPEC for consideration and appointment by the MIP. The term of the chair of all working groups shall be two years. Working groups have discretion to determine the need for a vice-chair. Should a working group establish a vice-chair position, the vice-chair shall be elected by the working group.

Following a solicitation of nominations, working group representatives shall be recommended by the MPEC Chair to the MPEC for approval. The recommendation and approval of representatives shall consider the various types and expertise of Markets+ Market Participants (MMPs) and Markets+ Market Stakeholders (MMS) and their geographic locations, to achieve a widespread and effective representation of MMPs and MMSs. Criteria and sector representation for serving on a Working Group will be determined in the group's scope and be sector based. An appointment to a Working Group is for an individual, not a corporate entity.

#### 3.4.1.2 MEETINGS

Working Groups shall meet as necessary and the meetings shall be open. However, any Working Group may limit attendance at a meeting by an affirmative vote of the Working Group. Matters for consideration in closed or limited attendance session should be limited to personnel, legal and proprietary, confidential or security sensitive information. Unless otherwise agreed to by the Working Group, representatives shall be given at least fifteen (15) business days written notice of the date, time, place and purpose of each regular or special meeting. Telephone or web conference meetings may be called as appropriate by the Chair of any Working Group with at least one business day's prior notice.

#### 3.4.1.3 VACANCIES

Working Group vacancies will be filled on an interim basis by appointment of the MPEC chair, unless otherwise provided.

### 3.4.1.4 VOTING STRUCTURE

Each representative of a working group shall have one vote. A simple majority of representatives, whether participating in person or remotely by telephone, web conference, or similar technology, or represented by proxy and voting shall be required for approval of an action. Unless otherwise stated, a Working Group may determine to vote on an issue by email. The outcome of any email vote must be recorded in the minutes for the group.

The quorum for any Working Group shall be a majority of the representatives thereof, but not less than three representatives; provided, that a lesser number may adjourn the meeting to a later time. The quorum for a meeting must be established and maintained throughout the meeting in order for the Working Group to take any binding action(s). Notwithstanding the above, any actions taken before a quorum is lost are considered valid and binding.

### 3.4.1.5 STANDING COMMITTEES

3.4.1.5.1 Operations and Reliability Working Group (ORWG): Provides recommendations to other working groups and the MPEC on the effects of current or proposed market designs on these entities ability to ensure reliable operations. The ORWG will be comprised of one representative from each Markets+ Market Participant that is a Balancing Authority or Transmission Provider.

3.4.1.5.2 Market Working Group (MWG): Reviews any initiative that would modify the Markets+ tariff or market protocols.

3.4.1.5.3 Seams Working Group (SWG): Coordinates with the ORWG, any RTO or ISO adjacent to the Markets+ footprint, and any bordering non-RTO or ISO Balancing Authority Areas and Transmission Providers.

## 3.4.2 AD HOC TASK FORCES

A temporary task force may be created by the MPEC Chair. Through an affirmative vote in accordance with the Voting Structure set forth in Section 3.3.1.4, the MPEC Chair may establish ad hoc task forces as necessary to fulfill its mission. Upon establishment of a task force reporting to the MPEC, the MPEC chair shall appoint a chair of the task force to preside over meetings. Any ad hoc task forces established by the MPEC Chair shall be temporary and shall have the scope of its activities limited to a specific purpose. Prior to the establishment of an ad hoc task force, the MPEC Chair should consider any potential resource and financial impacts to SPP.

### 3.4.2.1 COMPOSITION AND TERMS

Unless otherwise provided in these Bylaws, Task Force representation will be appointed by the MPEC chair after the SPP Staff Secretary solicits nominations for task force members. The MPEC chair shall consider the various types and expertise of Markets+ Market Participants (MMPs)



and Markets+ Market Stakeholders (MMS) and their geographic locations, to achieve a widespread and effective representation of the MMPs and MMS. Criteria and sector representation for serving on a Task Force will be determined in the group's scope. Except for any full representation group, an appointment to a Task Force is for an individual, not a corporate entity.

#### 3.4.2.2 MEETINGS

Task Forces shall meet as necessary and the meetings shall be open. However, any Task Force may limit attendance at a meeting by an affirmative vote of the Task Force. Matters for consideration in closed or limited attendance session should be limited to personnel, legal and proprietary, confidential or security sensitive information. Unless otherwise agreed to by the Task Force, representatives shall be given at least fifteen (15) business days written notice of the date, time, place and purpose of each regular or special meeting. Telephone or web conference meetings may be called as appropriate by the Chair of any Task Force with at least one business day's prior notice.

#### 3.4.2.3 VACANCIES

Task Force vacancies will be filled on an interim basis by appointment of the MPEC Chair unless otherwise provided.

#### 3.4.2.4 VOTING STRUCTURE

Each representative of a Task Force shall have one vote. A simple majority of representatives, whether participating in person or remotely by telephone, web conference, or similar technology, or represented by proxy and voting shall be required for approval of an action. Unless otherwise stated, a Task Force may determine to vote on an issue by email. The outcome of any email vote must be recorded in the minutes for the group.

The quorum for any Task Force shall be a majority of the representatives thereof, but not less than three representatives; provided, that a lesser number may adjourn the meeting to a later time. The quorum for a meeting must be established and maintained throughout the meeting in order for the Task Force to take any binding action(s). Notwithstanding the above, any actions taken before a quorum is lost are considered valid and binding.

## 3.5 SPP STAFF INDEPENDENCE & SUPPORT

Each working group, committee, or task force reporting to the MPEC shall be assigned a SPP staff member, who shall attend all meetings and act as secretary to the group. Staff secretaries of all committees, working groups, and task forces shall be non-voting, independent and impartial. The secretary shall keep minutes of pertinent discussions, business transacted, decisions reached, and actions taken at each meeting. Minutes shall be published within seven calendar days following a meeting but in any event in advance of the next meeting, and considered final

documents upon their approval by the working group, committee, or task force.

SPP shall strive to provide support to all working groups, committees, and task forces while taking into account the Markets+ market administration budget and other priorities of the SPP organization. Should it become necessary for SPP to hire additional staff or augment staffing to maintain the expected level of support, SPP will advise the MIP and MPEC of any budgetary impacts.

### **3.6 ATTENDANCE, QUORUM & PROXY**

If a representative is unable to attend a meeting of the MPEC or any committee, working group, or task force, he/she may, in writing to the applicable chair, vice chair, and staff secretary, appoint a proxy representative who shall have such rights to participate and vote as the representative specifies. The proxy representative may be another member of the MIP, MPEC or the committee, working group, or task force, or another person who has the authority to act on behalf of the representative.

The quorum for a meeting of the MIP, the MPEC, the MSC or any working group, committee, or task force shall be a majority of the representatives thereof, provided, that a lesser number may adjourn the meeting to a later time. A representative participating by phone is considered to be in attendance of the meeting for the purpose of quorum. The quorum for a meeting must be established and maintained throughout the meeting in order for the group to take any binding action(s). Notwithstanding the above, any actions taken before a quorum is lost are considered valid and binding. A proxy will serve to meet the quorum requirements as follows:

- A proxy provided to another representative of the MPEC will not be recorded as attendance at the meeting and will not serve to meet or maintain the quorum requirements.
- A proxy provided to another person with the authority to act on behalf of the representative will be recorded as attendance at a meeting for the purpose of meeting or maintaining the quorum requirements.

### **3.7 APPEALS TO THE MPEC AND THE MIP**

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 the MSC may, upon written request to the MPEC Staff Secretary, appeal and submit an alternate recommendation, including a recommendation for inaction to the MPEC within seven (7) days after the meeting following such Working Group or Task Force action or inaction.

Should any Markets+ Market Participant, Markets+ Market Stakeholder or the MSC disagree on the MPEC's denial of any issue, such Markets+ Market Participant, Markets+ Market Stakeholder or MSC member may, upon written request to the MIP Staff Secretary, appeal and submit an alternative recommendation, including a recommendation for inaction to the MIP within seven (7) days after the meeting following the MPEC denial.

The MIP may take any action it deems necessary to address the appeal. This could include affirming the action or inaction appealed, reversing the action or inaction appealed or remanding the matter back to the appropriate group or groups.

## 4.0 GOVERNANCE REVIEW

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### 4.1 GOVERNANCE REVIEW

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. Examples of changed circumstances includes:

- Voting structure changes: Findings and a request by the MPEC that participation and voting experiences suggest that changes in voting structures are needed.
- Markets+ service offering evolution and Markets+ State Committee authority: SPP Bylaws confer on the RSC certain authorities and responsibilities within the governance of SPP. Specifically, Section 7.2 of the SPP Bylaws gives the RSC specific authority (pursuant to Section 205 of the Federal Power Act) over:
  1. Cost allocation;
  2. Financial transmission rights;
  3. Planning for remote resources; and
  4. Regional resource adequacy.

While none of these authorities are part of the Markets+ service offering at this time, if the market design evolves to include these features, the MIP will evaluate whether the MSC should have similar designated authorities.

To accomplish the governance review, after a solicitation of nominations, the MIP shall appoint a sector-based working group to develop recommendations for any governance revisions. Any modification to Markets+ governance requires a super majority (4/5<sup>ths</sup> Vote) of the MIP.

