

**SOUTHWEST POWER POOL**  
Markets+ Congestion Rent Task Force MEETING

May 18, 2023  
Virtual – Webex

## SUMMARY OF MOTIONS AND ACTION ITEMS

May 18 MOTIONS:

### AGENDA ITEM 2G – ADMINISTRATIVE ITEM VICE CHAIR – DISCUSSION/NOMINATION

**Motion:** Sara Easton (BPA) motioned to support nominating a Markets+ Congestion Rent Task Force Vice-Chair. Adam Cornelius (Snohomish) provided the second. The motion carried unanimously.

### ACTION ITEMS

Send nominations for Vice-Chair of MCRTF via email to Micha Bailey [mcbailey@spp.org](mailto:mcbailey@spp.org), Nikki Roberts [nroberts@spp.org](mailto:nroberts@spp.org), Lorie Bailey [lbailey@spp.org](mailto:lbailey@spp.org), Jeff Spires [Jeff.Spires@powerex.com](mailto:Jeff.Spires@powerex.com), and Gentry Crowson [gtcrowson@spp.org](mailto:gtcrowson@spp.org) by 05/31/2023. (MCRTF)

Take the discussion of Real-Time congestion rents to Markets+ Design Working Group. (Jeff Spires)

Members of MCRTF to review topics of Markets+ Congestion Rent Allocation, provide feedback, and ensure we are capturing the right topics by 5/26/2023 for prioritization. (MCRTF)

## MINUTES

### AGENDA ITEM 1 – CALL TO ORDER

MCRTF Chair Jeff Spires (Powerex) called the meeting to order at 13:04 Central Time.

### AGENDA ITEMS 2A, 2B, 2C, 2D, 2E, 2F, 2G, 2H, 2I – ADMINISTRATIVE ITEMS

#### *Welcome*

MCRTF Chair Jeff Spires (Powerex) welcomed the group, explained that the effort would be accelerated, and expressed the importance of an organized meeting to try and make good at a solution.

#### *Introductions*

Micha Bailey (SPP) quickly led the group through introductions and ensured the meeting met the quorum.

#### *Proxies*

Micha Bailey (SPP) explained the proxy process stating that if a member has a proxy representation, the member(s) that allocated the proxy must send an email to the MCRTF Staff Secretary Gentry Crowson ([gtcrowson@spp.org](mailto:gtcrowson@spp.org)), MCRTF Chair Jeff Spires ([Jeff.Spires@powerex.com](mailto:Jeff.Spires@powerex.com)), MCRTF Technical Expert Micha Bailey ([mcbailey@spp.org](mailto:mcbailey@spp.org)), and MCRTF Staff Secretary Assistant Lorie Bailey ([lbailey@spp.org](mailto:lbailey@spp.org)) noting the name of the proxy. Micha stated the email proxy representation should be sent the day before the scheduled MCRTF meeting.

The following attendees had designated proxies for this meeting:

JP Maddock (Basin) proxy for Alycia Kramer (Basin)

Lisa Hickey (Interwest Energy Alliance) proxy for Henry Tilghman (Tilghman Associates)

The following members were in attendance:

- Adam Cornelius Snohomish PUD
- Ann Rendahl (WUTC)
- Chris Green CalPeco
- Dan Williams The Energy Authority
- Darrin Robertson Salt River Project
- Dave Zvareck ACES on behalf of AEPCO

- Eric Scherr Black Hills Energy
- Greg MacDonald Puget Sound Energy
- Jeff Spires Powerex Corp
- Kiley Moore NV Energy
- Lisa Hickey Interwest Energy Alliance
- Mike Linn PPC
- Caitlin Liotiris Western Power Trading Forum
- Rick Applegate Tacoma Power
- Sara Eaton Bonneville Power Administration
- Sibyl Geiselman Public Generating Pool
- Steve Szabyla PSCo
- Tyler Moore APS

### *Anti-Trust Statement*

Micha Bailey (SPP) read the statement of recording and SPP's Anti-Trust statement aloud to members.

### *Markets+ Congestion Rent Task Force Scope Overview*

Jeff Spires (Powerex) outlined the MCRTF scope and described it as somewhat narrower than other task forces. He explained that at some point, the group would have to be prepared to assess how the congestion rent allocations is functioning and modify it or evaluate it over time with real information and real data. Micha Bailey (SPP) stated that the deliverable is tariff language for the Markets+ Design Working Group to review and approve.

### *Vice Chair – discussion/nomination*

Jeff Spires (Powerex) talked about putting forward a motion to have a co-chair. Micha Bailey (SPP) spoke about getting solicited nominations via email by the next meeting with the intent to vote on those nominations at the June 8, 2023, MCRTF meeting.

**Motion:** Sara Easton (BPA) motioned to support nominating a Markets+ Congestion Rent Task Force Vice-Chair. Adam Cornelius (Snohomish) provided the second. Motion carried unanimously.

### *Minutes posting*

Micha Bailey (SPP) noted that minutes for this meeting would be posted on [www.spp.org](http://www.spp.org) by 05/25/2023 under the Markets+ Congestion Rent Task Force page. No email will be sent giving notice of the posting of the minutes.

### *Exploder Email List*

Micha Bailey (SPP) provided a presentation on how to subscribe to the MCRTF exploder and explained that the exploder will be used to notify members of the posting of materials and meeting dates.

## AGENDA ITEM 3 – REVIEW OF CONGESTION RENT ALLOCATION

### *Overview of Congestion*

Micha Bailey (SPP) – covered what is currently included in the Markets+ Service Offering. Markets+ will have Energy and Reserve Markets, a price-based Day-Ahead Market with congestion rent allocation, a price-based real-time balancing market, and all reliability unit commitment processes. He asked the question of why we have congestion rents and explained that there is a bucket of dollars to allocate back out. Micha also provided an example of how the "bucket of dollars" for congestion rent is collected. He drove home the point of the MCRTF's charge in that the group needs to decide the rules on how to allocate the money back out after collection. One benefit of congestion rent allocation was stated to put a value on firm Transmission Service Reservations. Another approach leverages the existing open access transmission tariff (OATT) framework to ensure entities who secure OATT rights to physically deliver power across constrained paths, can receive the maximum economic value. Also, the benefit of the economic value of long-term OATT rights continues to be recovered by the transmission customers who invest in those rights.

### *Markets+ Service Offering – Where we left off*

Micha Bailey (SPP) – discussed the allocation cap of 103% for network service as stated in the service offering. In addition, he discussed how the congestion rent approach would allocate congestion rents to long-term firm network and point-to-point (PTP) service rights. Micha stated that to ensure the market operator is revenue neutral, the total congestion rent allocated to transmission customers will equal the total congestion rent collected.

### *Other Considerations for Congestion Rent Allocation*

Micha Bailey (SPP) – touched on other topics to consider in the MCRTF. The topics included potential dilution of allocations, TSR Eligibility, Allocation caps for network customers, tiered allocation approach, and others. Several members brought topics to the table for consideration in the list of items to address in the task force. Jeff Spires (Powerex) collected those items to be distributed to the MCRTF exploder.

**Action Item:** Members of MCRTF are to review topics of Markets+ Congestion Rent Allocation, provide feedback, and ensure we are capturing the suitable subjects by 5/26/2023 for prioritization.

### *Congestion Rent Road Map*

Micha Bailey (SPP) – stated the group's goal is to get a draft tariff language by September 2023 to pass along to the Markets+ Design Working Group by October so that tariff language can be approved by Markets+ Participant Executive Committee in December 2023.

Future MCRTF Meetings are slated for:

June 8<sup>th</sup>, 2023

June 29<sup>th</sup>, 2023

July 20<sup>th</sup>, 2023

August 10<sup>th</sup>, 2023

August 31<sup>st</sup>, 2023

September 21<sup>st</sup>, 2023

October 12<sup>th</sup>, 2023

### **AGENDA ITEM 4 – SUMMARY OF ACTION ITEMS**

Gentry Crowson (SPP) - covered the following action items:

Send nominations for Vice-Chair of MCRTF via email to Micha Bailey [mcbailey@spp.org](mailto:mcbailey@spp.org), Nikki Roberts [nroberts@spp.org](mailto:nroberts@spp.org), Lorie Bailey [lbailey@spp.org](mailto:lbailey@spp.org), Jeff Spires [Jeff.Spires@powerex.com](mailto:Jeff.Spires@powerex.com), and Gentry Crowson [gtcrowson@spp.org](mailto:gtcrowson@spp.org) by 05/31/2023. (MCRTF)

Take the discussion of Real-Time congestion rents to Markets+ Design Working Group. (Jeff Spires)

Members of MCRTF to review topics of Markets+ Congestion Rent Allocation, provide feedback, and ensure we are capturing the suitable topics by 5/26/2023 for prioritization. (MCRTF)

Jeff Spires (Powerex) moved to adjourn the meeting at 15:00 Central Time.

Meeting Recording link:

<https://mysppmeeting.webex.com/mysppmeeting/ldr.php?RCID=5b07452bc7286d62c8ea38f019d10d4e>

Password: PiQZ3s3M

Respectfully Submitted by Gentry Crowson, MCRTF Staff Secretary