

SOUTHWEST POWER POOL
Markets+ Congestion Rent Task Force MEETING

June 8, 2023
Virtual – Webex

SUMMARY OF MOTIONS AND ACTION ITEMS

June 8 MOTIONS:

AGENDA ITEM 2C – ADMINISTRATIVE ITEM VICE CHAIR – DISCUSSION/NOMINATION

Motion: Tyler Moore (APS) motioned to elect Mike Linn (PPC) as Vice Chair of the Markets+ Congestion Rent Task Force. Adam Cornelius (Snohomish PUD) provided the second. The motion carried unanimously.

AGENDA ITEM 2D – ADMINISTRATIVE ITEM VICE CHAIR – MINUTES APPROVAL

Motion: Steve Szablya (PSCo) motioned to approve the meeting minutes. Sara Eaton (BPA) provided the second. The motion carried unanimously.

Motion: Kiley Moore (NV Energy) made the motion to adjourn the meeting. Henry Tilghman (NIPPC) provided the second. The motion carried unanimously.

ACTION ITEMS

Update the guiding principle and objective slides and send them to the MCRTF exploder so the task force can review and provide additional thoughts at the next meeting (06/29/2023). (SPP Staff)

Present the calculation behind the MCC (marginal congestion component) and price formation at the next MCRTF meeting (06/29/2023). (SPP Staff)

MINUTES

AGENDA ITEM 1 – CALL TO ORDER

MCRTF Chair Jeff Spires (Powerex) called the meeting to order at 13:07 Central Time.

AGENDA ITEMS 2A, 2B, 2C, 2D – ADMINISTRATIVE ITEMS

Anti-Trust Statement

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

Proxies

The following attendees had designated proxies for this meeting:

- Amber Parker (AZGT) proxy for Dave Zvareck (ACES)
- Catherine Whitten is the proxy for Greg MacDonald (PSE)

The following members were in attendance:

- Adam Cornelius Snohomish PUD
- Alycia Kramer Basin Electric
- Dan Williams The Energy Authority
- Darrin Robertson Salt River Project
- Amber Parker Proxy for Dave Zvareck ACES
- Eric Scherr Black Hills Energy
- Catherine Whitten Proxy for Greg MacDonald Puget Sound Energy
- Henry Tilghman NIPPC
- Jeff Spires Powerex Corp (Chair)
- Kiley Moore NV Energy
- Mike Linn PPC (Vice Chair)

- Rick Applegate Tacoma Power
- Sara Eaton Bonneville Power Administration
- Sibyl Geiselman Public Generating Pool
- Steve Szabyla PSCo
- Tyler Moore APS

Vice Chair – discussion/nomination

Micha Bailey (SPP) noted that the MCRTF received two nominations for Mike Linn (PPC) to represent the MCRTF as Vice-Chair.

Motion: Tyler Moore (APS) motioned to elect Mike Linn (PPC) as Vice Chair of the Markets+ Congestion Rent Task Force. Adam Cornelius (Snohomish PUD) provided the second. The motion carried unanimously.

Minutes Approval

Motion: Steve Szablya (PSCo) motioned to approve the meeting minutes. Sara Eaton (BPA) provided the second. The motion carried unanimously.

Micha Bailey (SPP) mentioned that SPP wanted to ensure no overlapping meetings between Markets+ Working Groups. MCRTF agreed to extend the meeting window from two to four hours as appropriate. It was agreed that the new meeting time for MCRTF meetings moving forward would be 10:30 am to 2:30 pm central time.

AGENDA ITEM 3 – CONGESTION RENT PROPOSED ROAD MAP

Jeff Spires (Powerex) led the discussion on the proposed congestion rent road map. He suggested that members look at the proposed topics and dates for the MCRTF. Jeff Spires (Powerex) touched on the benefits of bringing numerical examples. The advantage of the examples would help the task force address questions or at least know possible solutions.

Jeff Spires (Powerex) continued mentioning attending MPEC meetings with a working concept in August 2023. Then MCRTF on August 10 would get into other issues to be sorted through.

The discussion continued with Jeff Spires (Powerex), noting the design and some assumptions will need ongoing review. Task force members agree that the list has valuable information, and SPP staff supports the how roadmap as laid out.

AGENDA ITEM 4 – MCRTF HIGH-LEVEL SCOPE AND OBJECTIVES

Micha Bailey (SPP) started this agenda item by defining congestion rent objectives through guiding principles with some ideas for group discussion. The first topic was allowing OATT customers that currently use network and point-to-point rights to physically deliver power across constrained paths to receive the economic value of their rights used by Markets+. Further, the group discussed preserving incentives for continued investment in long-term OATT service by ensuring that the economic value of long-term OATT rights continues to be recovered by the transmission customers that invest in those rights/fund the underlying facilities.

The following guiding principle discussed was supporting the continued cost recovery for the TSP through sales of long-term OATT to reduce the risk of cost shifts onto the native load customers of TSPs that join Markets+. Jeff Spires (Powerex) pointed out that leveraging the OATT framework would be an excellent place to start.

Sibyl Geiselman (PGP) noted the transmission requirement is a critical assumption in terms of interrelation to working groups. She continued her statement in saying it would be beneficial to nail down the transmission requirements early as it raises questions about the objective of supporting the cost recovery through sales of OATT service.

SPP staff supports laying out the objectives early so it's clear what the group is working towards.

Dan Williams (TEA) mentioned that it's good to think about OATT framework shortcomings.

The meeting shifted to high-level questions. Micha Bailey (SPP) started with flow-based congestion versus interchange (scheduling) congestion between BAAs. Thoughts on if both will be considered in the congestion rent allocation approach continued after that.

Micha Bailey (SPP) noted that the DA congestion rent allocation will include: Internal (flow-based) constraints within the Markets+ footprint, interchange limits between BAAs within the Markets+ footprint, and congestion at import/export locations at Markets+ Boundary.

Action item: Update the guiding principle and objective slides and send them out to the MCRTF exploder so the task force can review and provide additional thoughts at the next meeting (06/29/2023). (SPP Staff)

Tom Davis (BPA) sighted concerns with customers in other markets. He questioned if those customers would be eligible for congestion rents in Markets+. Furthermore, Tom wanted to know where the dollars will coming from

Micha Bailey (SPP) sighted that in a future MCRTF meeting, price formulation and specifically the calculation behind the marginal congestion component will be covered.

***Action item:** Present the calculation behind the MCC (marginal congestion component) and price formation at the next MCRTF meeting (06/29/2023). (SPP Staff)

Jeff Spires (Powerex) discussed whether real-time congestion is "out of scope" for the Markets+ Congestion Rent Task Force. Jeff Spires (Powerex) will discuss this topic with the Markets+ Design Working group on June 13, 2023.

The next topic of discussion was the congestion rent settlements. Micha Bailey (SPP) mentioned that in the current service offering that the congestion rents will be settled with the transmission customer as a Market Participant on an hourly basis summed up to the operating day.

Tom Davis (BPA) questioned the design that all transmission customers are a part of Southwest Power Pool as the marketing agent. Micha Bailey spoke about how Market Participants and Asset Owners are registered currently in the East and said that once the design is in place for Market+, he will bring that back to the MCRTF.

AGENDA ITEM 5 – SUMMARY OF ACTION ITEMS

Gentry Crowson (SPP) covered the summary of formal action items.

Sara Eaton (BPA) requested examples from MCRTF members on how their systems are mapped.

AGENDA ITEM 6 – DISCUSSION OF FUTURE MEETINGS

All meetings are 10:30 Central Time – 2:30 Central Time

June 29th, 2023

July 20th, 2023

August 10th, 2023

August 31st, 2023

September 21st, 2023

October 12th, 2023

Motion: Kiley Moore (NV Energy) made the motion to adjourn the meeting. Henry Tilghman (NIPPC) provided the second. The motion carried unanimously.

Meeting Recording link:

<https://mysppmeeting.webex.com/recordingservice/sites/mysppmeeting/recording/80449941e851103baffd00505681cc94/playback>



Meeting No. 2

Password:

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Respectfully Submitted by Gentry Crowson, MCRTF Staff Secretary