



EIS Market

The SPP Energy Imbalance Service market successfully launched in February 2007. The SPP EIS market is a wholesale market which operates under a tariff approved by the Federal Energy Regulatory Commission (FERC). The SPP tariff is consistent with the mandate of FERC Order No. 2000, which requires Regional Transmission Organizations to provide real-time energy imbalance service and market monitoring functions.

SPP also operates a transmission market. The Market Working Group is reviewing a comprehensive design for other market services and additional market functionality.

Q & A's

What is a wholesale energy market?

An energy market exists when competing generators and suppliers offer electricity output to customers. SPP facilitates the marketplace, oversees market activities, ensures reliability, forecasts supply requirements, and provides market monitoring oversight.

What is Energy Imbalance Service (EIS)?

EIS is provided when a difference occurs between the scheduled and the actual delivery of energy to/from the transmission system over a single hour. The market participant must purchase this service from the transmission provider or make comparable alternate arrangements with another market participant who will purchase this service from the transmission provider.

How are Locational Imbalance Prices (LIP) calculated?

Prices are calculated every five minutes and averaged to hourly settlement prices. Prices reflect the incremental cost of delivering energy to specific locations on the grid.

What is a market participant?

A Market Participant, or MP, is the entity that has a legal and financial obligation to SPP in the market. MPs must have assets to participate in the EIS Market, or must directly represent an asset owner.

Our Mission:

Helping our members work together to keep the lights on – today and in the future

LIP Example:

Generator A offers 10 MWh at \$15/MWh
Generator B offers 10 MWh at \$30/MWh
Generator C offers 10 MWh at \$20/MWh

To supply 15 MWh of energy in an hour to a load in an unconstrained system, the market selects the most economical generation within current reliability standards.

In this case, Generator A would supply 10 MW at \$15/MWh and Generator C would supply 5 MW at \$20/MWh, which sets the price as providing the "next" increment of energy. Generators A and C would get paid \$20/MWh to serve 15 MWh of load.



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What is an asset owner?

Asset owners include generation companies and load serving entities. Asset owners benefit from pooling resources and gaining access to lower, more transparent pricing.

What are settlements?

The settlement process calculates the quantity of energy imbalance for each asset, calculates invoice dollars for energy imbalances, and allocates over- and under-collection of revenues to asset owners. Settlement statements are produced and published for each operating day. The market is facilitated so that SPP remains revenue neutral.

What is market monitoring?

Market monitors examine and mitigate the potential exercise of horizontal and vertical market power by MPs. Market monitors design and implement market mitigation measures for the EIS and transmission markets. They also conduct inquiries requested by MPs, assess market design for weaknesses or failures, and recommend market design changes.

What is a PRR?

A Protocol Revision Request states a rule for market operations or market participants. Once approved, PRRs are entered into the market protocols document.

How are SPP markets developed?

The Market Working Group (MWG) has primary responsibility for proposing PRRs. PRRs that have tariff implications are sent to the Regional Tariff Working Group (RTWG) for review. The Operating Reliability Working Group (ORWG) reviews PRRs that have reliability implications. MWG, RTWG, and ORWG recommendations are forwarded to the Markets and Operations Policy Committee (MOPC) for approval.

Visit the [Org Groups](#) page of SPP.org to learn more about these groups.

EIS Market Highlights

- Spot balancing energy market
- Locational imbalance pricing (nodal)
- Voluntary offers on resources
- Charges on imbalance energy
- Uninstructed deviation charge
- Hourly settlement
- Weekly invoicing
- Physical transmission rights
- Self-commitment of resources by owners

Market Protocols Define:

- EIS market terms
- EIS market procedures
- Market participants' responsibilities
- SPP's responsibilities
- Energy obligations of MPs and SPP

**For current market information,
visit the [Market Info](#) section of SPP.org.**