

In the October 18 Order, the Commission conditionally accepted SPP's proposed treatment of GFAs. However, the Commission directed SPP "to address all GFAs within the Integrated Marketplace construct" before market launch.⁴ The Commission accordingly instructed SPP to negotiate with the protesting GFA parties to attempt to resolve issues concerning integration of their GFAs into the new market. It further ordered SPP "to file an informational report due 90 days after the issuance of this order explaining the status of the negotiations and identifying the remaining GFAs that are not integrated into the market."⁵

On January 16, 2013, SPP submitted its First Status Report concerning discussions held between SPP and the protesting GFA parties. In that report, SPP requested additional time to allow for the continuation of negotiations and committed to provide a second report on or before March 15, 2013.⁶ This report satisfies that commitment and provides an update on negotiations held since January 16, 2013.

II. STATUS REPORT

The following GFA parties filed protests concerning the integration of GFAs within the Integrated Marketplace: Omaha Public Power District ("OPPD"), Nebraska Public Power District ("NPPD"), and Basin Electric Power Cooperative ("Basin"). Missouri River Energy Services & Heartland Consumers Power District ("MRES/Heartland") also filed a protest but are not parties to any NPPD GFA. Lincoln

⁴ October 18 Order at P 309.

⁵ *Id.* at P 317.

⁶ First Status Report at 3, 6.

Electric System (“LES”) did not protest SPP’s Integrated Marketplace filing, but subsequently contacted SPP regarding the treatment of certain GFAs to which it is a party.

In January of this year, SPP initiated discussions with the protesting GFA parties. Since that time, SPP believes that all issues raised by MRES/Heartland have been resolved.⁷ Additionally, in the case of the OPPD GFAs, SPP has determined, and so informed OPPD, that SPP is unable to provide the GFA treatment sought by OPPD – i.e., involving the award of TCRs and ARRs for OPPD’s partial path reservations that do not sink to a valid SPP Settlement Location. SPP explained that because the OPPD partial paths are not associated with a valid sink point under controlling North American Energy Standards Board (“NAESB”) definitions, they could not serve as the basis for receiving TCRs or ARRs.⁸ SPP further explained that awarding TCRs and ARRs for these partial paths was contrary to SPP’s proposed market design.

More specifically, Attachment AE of SPP’s proposed Integrated Marketplace Tariff, defines “Settlement Location” to include a Resource, a Load, a Market Hub, or an

⁷ See Supplemental Representation in Compliance with Commission Order Concerning SPP Integrated Marketplace, Docket No. ER12-1179-003 (Mar. 1, 2013).

⁸ NAESB’s WEQ Coordinate Interchange Standards (WEQ-004) require that all e-tag interchange transactions satisfy specific physical information criteria, including “Load” (defined as a “set of data describing the physical and contractual characteristics of the energy sink”) and “Sink” (defined as “the physical point at which the energy is being consumed. This may vary in granularity, dependent on local business practices.”) A former border point at which no energy sinks or is consumed, and to which no reservations may be scheduled, does not satisfy NAESB’s standards.

External Interface.⁹ Section 7.2.1 of Attachment AE provides that Market Participants may nominate candidate ARRs for specific source to sink pairs. The terms “source” and “sink” are, in turn, tied to valid candidate “Settlement Location[s].” Consequently, granting TCRs/ARRs to partial paths is inconsistent with SPP’s market design, as reflected in SPP’s proposed Integrated Marketplace Tariff.¹⁰ Because the parties appear to be at an impasse on the treatment of these partial path GFAs, no further negotiations are scheduled between SPP and OPPD.

In the case of the NPPD GFAs, SPP met face-to-face with representatives of NPPD on February 27, 2013. As a result of that meeting and subsequent communications, SPP and NPPD have made sufficient progress to continue discussions. SPP and NPPD are planning further negotiations to determine the next steps in resolving the ultimate treatment of the NPPD GFAs.

Finally, with respect to LES – a non-protesting GFA party – SPP notes that LES is a counterparty to certain of the NPPD GFAs described above. Based on information previously provided to SPP by LES, it appears that certain of the GFA transactions with

⁹ Submission of Tariff Revisions to Implement SPP Integrated Marketplace, Docket No. ER12-1179-003, Revised Tariff at Attachment AE § 1.1 (Definition S) (Feb. 15, 2013).

¹⁰ The partial paths in question represent paths from resources within OPPD to the border of OPPD and SPP that existed before OPPD joined SPP. OPPD made sales to SPP members over these paths before OPPD joined SPP. Following OPPD’s membership in SPP, customers may purchase power from OPPD simply using their network service, which provides for secondary transmission service from sources within SPP (including OPPD) to network loads. No service is scheduled any longer on the OPPD partial paths.

NPPD have been rolled over to network service on SPP. Additionally, SPP has queried LES concerning how LES expects these GFAs (and other GFAs to which LES is a party) to be treated in the Integrated Marketplace. Any additional information resulting from these discussions and queries will be provided in a subsequent status report.

CONCLUSION

SPP requests that the Commission accept this status report and allow SPP to continue negotiations with the GFA parties (except OPPD) on possible resolution of the issues arising under these agreements. SPP commits to provide the Commission a further update on or before May 15, 2013.

Respectfully submitted,

/s/ Barry S. Spector

Barry S. Spector
Jeffrey G. DiSciullo
WRIGHT & TALISMAN, P.C.
1200 G Street, N.W., Suite 600
Washington, D.C. 20005-3802
Telephone: (202) 393-1200
Fax: (202) 393-1240
spector@wrightlaw.com
disciullo@wrightlaw.com

**Attorneys for
Southwest Power Pool, Inc.**

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 15th day of March, 2013.

/s/ Jeffrey G. DiSciullo
Jeffrey G. DiSciullo

**Attorney for
Southwest Power Pool, Inc.**