LONG-TERM CONGESTION RIGHTS (LTCR)
LTCR Design

Qualification
- Confirmed transmission service request for entire TCR year
- Has roll-over rights

Duration
- For current TCR year
- Annual product
- Rolls over until service ends or LTCR opt-out

Allocation
- Priority treatment for LSEs
- Awarded TCRs are “fixed flows”
- Allocation cap is 100%
- Allocated on 50% system capacity
- Capacity held for all candidate LTCRs
- Solve Option-style (i.e. no counter flow)

Process Timing
- LTCR process occurs before annual Allocation
- Has two components – Surrender/Keep round and Incremental Selection round

Optional Instrument
- Can be cancelled every year at beginning of LTCR process
- Not held after opt-out (“surrender”)

Direct conversion
- LTCR directly converted to TCRs
SPP Congestion Hedging Process Rights

• Action Revenue Right (ARR):
  – is allocated to market participants that have firm entitlements to SPP transmission service (including GFAs)
  – annually and monthly process
  – can be self converted into a Transmission Congestion Right

• Transmission Congestion Right (TCR):
  – is a right to hedge congestion from the day-ahead market
  – acquired in an annual or monthly auction

• Long-Term Congestion Right (LTCR):
  – is the right intended to comply with Order 681 by providing a full year TCR into perpetuity with continuous qualification
Existing Processes with LTCR

**Annual and Long-Term Verification**
- Validation and verification of transmission service entitlements
- Includes those eligible for LTCR

**LTCR Allocation**
- LTCR Allocation determines LTCRs
- After completion, LTCR converts to 14 TCR products

**Annual Allocation**
- LTCRs are fixed TCRs in Allocations
- Remaining cARRs available for annual process

**Annual Auction**
- LTCR TCRs can be sold/purchased in auction
- All ARRts follow annual auction process

**Monthly ARR and TCR processes**
- No change to monthly processes
LTCR PROJECT OVERVIEW
## LTGCR Project MP Impacts

<table>
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<tr>
<th>Phase II Marketplace Projects</th>
<th>MP Type</th>
<th>MP Facing Systems</th>
<th>Business Process</th>
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<td>Long-Term Congestion Rights</td>
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LTSCR Project Status

✓ Requirements Complete: 4/30
✓ Vendor Design(s) Complete: 4/17 – 6/26
• Vendor Development: 6/1-8/22
• SPP Publish API Specs: 7/28 and 10/13
• MP Training: 10/16 – 11/06
• MP Testing: 11/10/14 – 1/16/15
High Level Risk

• Project Risks
  – Testing Schedule timeline
  – Overlap of SPP and MP testing
  – FERC Ruling necessitating software changes
  – Schedule impacts with other Projects
Long-Term Congestion Rights (LTCR) Training

**Audience:** MPs currently engaged in the TCR Market

**Content:**
- Components of the LTCRs and the process for granting them
- Updates to the TCR User Interface

**Register:** SPP Learning Center

**Schedule:**

<table>
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<tr>
<th>Date</th>
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<tr>
<td>Thursday, October 16</td>
<td>2:00 p.m. — 4:00 p.m. CST</td>
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<tr>
<td>Wednesday, October 29</td>
<td>9:00 a.m. — 11:00 a.m. CST</td>
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<tr>
<td>Thursday, November 6</td>
<td>2:00 p.m. — 4:00 p.m. CST</td>
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FAQs

• What are the supported web browsers for LTCR?
  – IE10, Chrome 25, Firefox 20

• Are there Settlements system changes?
  – No
API SPECIFICATIONS
Downloads

• Modified Reports
  – Transmission Service Entitlements
  – Existing TCRs
  – Binding Constraints

• New Reports
  – LTCR Allocation Results
  – Aggregated LTCR
  – TCRs Converted from LTCR
Modified Reports - TSRs

• Adding LTCR candidates to Annual Allocation Market report
  – Includes additional information
    ▪ LTCR Identifier
    ▪ LSE/Non-LSE status
    ▪ Previous year LTCR awards and MW amounts

• LTCR Allocation Market will also have TSR report
  – Contains only LTCR candidate TSRs
  – Same format as Annual Allocation TSR report
Modified Reports Continued

• Private Existing TCRs
  – New Market Type
    ▪ LTCR

• Binding Constraints
  – Information notating if constraint bound in LSE or Non-LSE iteration
New Reports

- LTCR Allocation Results
- Aggregated LTCR
- TCRs Converted from LTCR
Next Steps

• Request Feedback on LTCR
  – Sample Download reports
  – APIs
Questions

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• 501 688-8265

Submit questions through RMS
Quick pick- Project Pinnacle: Long-Term Congestion Rights