



# **MARKET PARTICIPANT GUIDE: SPP 2016 CONGESTION HEDGING**

Published: December 16, 2015  
By: Congestion Hedging Team; TCR Markets

## REVISION HISTORY

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VERSION NUMBER	AUTHOR	CHANGE DESCRIPTION	COMMENTS
1.0	Congestion Hedging Team	New Procedure Document for 2016 TCR Process; Team reviewed; Manager review by Charles Cates	12/16/2015
1.1	Congestion Hedging Team	Used 75th Anniversary template; reverted Annual ARR Allocation amounts to SPP OATT accepted language; made minor word changes for clarity	2/1/2016
1.2	Congestion Hedging Team	Update Annual ARR Allocation amounts to reflect the percentages as directed by FERC in ER16-13 (Revision Request 91 (RR91))	2/19/2016

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## OVERVIEW

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### *OBJECTIVES*

This document is intended for Southwest Power Pool (SPP) Market Participants (MPs) and provides information for participation in the Integrated Marketplace's 2016 Congestion Hedging (also known as "TCR") activities.

## 2016 SCHEDULE

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### *REMAINING 2015 ANNUAL PROCESS SCHEDULE*

The Monthly ARR Allocation and Monthly TCR Auction processes for the remainder of the 2015 Annual Process shall include:

- (1) January, February, March, April, and May periods
- (2) On-Peak and Off-Peak products
- (3) January, February, March, April, and May one-round ARR Allocation: 100% system capacity
- (4) January, February, March, April, and May two-round TCR Auction:
  - a. Round 1: 50% system capacity
  - b. Round 2: 100% system capacity

The remaining 2015 production schedule through May 31, 2016 shall be as follows:

- (1) January 2016 Monthly Process
  - (a) ARR Allocation: 12.2.2015 – 12.8.2015
  - (b) TCR Auction: 12.9.2015 – 12.22.2015
- (2) February 2016 Monthly Process
  - (a) ARR Allocation: 1.7.2016 – 1.13.2016
  - (b) TCR Auction: 1.14.2016 – 1.27.2016
- (3) March 2016 Monthly Process
  - (a) ARR Allocation: 2.4.2016 – 2.10.2016
  - (b) TCR Auction: 2.11.2016 – 2.25.2016
- (4) April 2016 Monthly Process
  - (a) ARR Allocation: 3.7.2016 – 3.11.2016
  - (b) TCR Auction: 3.14.2016 – 3.25.2016
- (5) May 2016 Monthly Process
  - (a) ARR Allocation: 4.7.2016 – 4.13.2016
  - (b) TCR Auction: 4.14.2016 – 4.27.2016

**REMAINING 2015 PROCESS DETAIL CALENDAR**

December 2015						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

January 2016						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February 2016						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29					

March 2016						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

April 2016						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Legend	
	cARR Verification
	Nomination Window
	Post ARR
	Bid Window
	Post TCR
	Post model
	TCR Run / cARR Verification
	Holiday & Weekend
	Deadline for outage submittal
	Bank Holiday (Non-SPP)

## ***2016 ANNUAL PROCESS SCHEDULE***

The 2016 Annual LTCR Allocation process shall include:

- (1) One 24-hour annual product representing June 1, 2016 - May 31, 2017
- (2) Two-round LTCR Allocation: 50% system capacity
  - a. Round 1: Keep/Decline existing LTCRs
  - b. Round 2: Nominate candidate LTCRs

The 2016 Annual ARR Allocation and TCR Auction processes shall include:

- (1) June, July, August, September, Fall, Winter, and Spring periods
- (2) On-Peak and Off-Peak products
- (3) Three-round ARR allocation:
  - a. June: 100% system capacity
  - b. July, August, and September: 90% system capacity
  - c. Fall, Winter, and Spring: 60% system capacity
- (4) Nomination cap and paths available in each round of the annual ARR allocation
  - a. Round 1: 50% nomination cap (candidate ARR paths)
  - b. Round 2: 100% nomination cap (candidate ARR paths)
  - c. Round 3: 100% nomination cap (any path)
- (5) One-round TCR auction:
  - a. June: 100% system capacity
  - b. July, August, and September: 90% system capacity
  - c. Fall, Winter, and Spring: 60% system capacity

The 2016 Monthly ARR Allocation and Monthly TCR Auction processes shall include:


- (1) On-Peak and Off-Peak products
- (2) One-round ARR Allocation: 100% system capacity
- (3) July, August, and September one-round TCR Auction: 100% system capacity
- (4) Fall, Winter, and Spring months Two-round TCR Auction:
  - a. Round 1: 50% of residual system capacity
  - b. Round 2: 100% of residual system capacity

Note there is no June monthly process as it occurs solely in the annual process

The production schedule for June 1, 2016 through May 31, 2017 shall be as follows:

- (1) Annual Candidate ARR/LTCR Verification: 2.1.2016 – 2.12.2016
- (2) Annual LTCR Allocation Round 1: 3.2.2016 – 3.7.2016
- (3) Annual LTCR Allocation Round 2: 3.8.2016 – 3.18.2016
- (4) Annual 3-round ARR Allocation: 4.4.2016 – 4.27.2016
- (5) Annual 1-round TCR Auction: 5.5.2016 – 5.19.2016
- (6) Monthly ARR Allocation and Monthly TCR Auction
  - (a) July: 6.9.2016 – 6.22.2016
  - (b) August: 7.11.2016 – 7.22.2016
  - (c) September: 8.10.2016 – 8.23.2016
  - (d) October: 9.7.2016 – 9.27.2016
  - (e) November: 10.6.2016 – 10.26.2016
  - (f) December: 11.2.2016 – 11.22.2016
  - (g) January (2017): 12.5.2017 – 12.27.2017
  - (h) February (2017): 1.6.2017 – 1.27.2017
  - (i) March (2017): 2.2.2017 – 2.23.2017
  - (j) April (2017): 3.8.2017 – 3.28.2017
  - (k) May (2017): 4.6.2017 – 4.26.2017

2016 PROCESS DETAIL CALENDAR

February 2016							March 2016							April 2016							May 2016						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6	6	7	8	9	10	11	12	3	4	5	6	7	8	9	1	2	3	4	5	6	7
7	8	9	10	11	12	13	13	14	15	16	17	18	19	10	11	12	13	14	15	16	8	9	10	11	12	13	14
14	15	16	17	18	19	20	20	21	22	23	24	25	26	17	18	19	20	21	22	23	15	16	17	18	19	20	21
21	22	23	24	25	26	27	27	28	29	30	31			24	25	26	27	28	29	30	22	23	24	25	26	27	28
28	29																			29	30	31					
June 2016							July 2016							August 2016							September 2016						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4	3	4	5	6	7	8	9	7	8	9	10	11	12	13					1	2	3
5	6	7	8	9	10	11	10	11	12	13	14	15	16	14	15	16	17	18	19	20	4	5	6	7	8	9	10
12	13	14	15	16	17	18	17	18	19	20	21	22	23	21	22	23	24	25	26	27	11	12	13	14	15	16	17
19	20	21	22	23	24	25	24	25	26	27	28	29	30	28	29	30	31				18	19	20	21	22	23	24
26	27	28	29	30			31														25	26	27	28	29	30	
October 2016							November 2016							December 2016							January 2017						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
						1	6	7	8	9	10	11	12	4	5	6	7	8	9	10	1	2	3	4	5	6	7
2	3	4	5	6	7	8	13	14	15	16	17	18	19	11	12	13	14	15	16	17	8	9	10	11	12	13	14
9	10	11	12	13	14	15	20	21	22	23	24	25	26	18	19	20	21	22	23	24	15	16	17	18	19	20	21
16	17	18	19	20	21	22	27	28	29	30				25	26	27	28	29	30	31	22	23	24	25	26	27	28
23	24	25	26	27	28	29								29	30	31					29	30	31				
30	31																										
February 2017							March 2017							April 2017													
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa							
			1	2	3	4	5	6	7	8	9	10	11	2	3	4	5	6	7	8							
5	6	7	8	9	10	11	12	13	14	15	16	17	18	9	10	11	12	13	14	15							
12	13	14	15	16	17	18	19	20	21	22	23	24	25	16	17	18	19	20	21	22							
19	20	21	22	23	24	25	26	27	28	29	30	31		23	24	25	26	27	28	29							
26	27	28												30													

Legend		Holidays	
	cARR Verification	Jan. 01	New Years Day
	Nomination Window	Jan. 18	MLK Day
	Post ARR	Feb. 15	Presidents Day
	Bid Window	May. 30	Memorial Day
	Post TCR	July. 04	Independence Day
	Post model	Sep. 05	Labor Day
	TCR Run / cARR Verification	Oct. 10	Columbus Day
	Holiday & Weekend	Nov. 11	Veterans Day
	Annual Verification (LTCR & ARR)	Nov. 24	Thanksgiving Day
	LTCR Allocation	Nov. 25	Day After Thanksgiving
	Post LTCR	Dec. 23	Christmas Eve Observed
	Deadline for outage submittal	Dec. 24	Christmas Eve
	Bank Holiday (Non-SPP)	Dec. 25	Christmas Day
		Dec. 26	Christmas Day Observed
		Jan. 01	New Year's Day
		Jan. 02	New Year's Day Observed
		Jan. 16	MLK Day
		Feb. 20	Presidents Day

## DEADLINES

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### *CREDIT POSTING*

Financial Security must be received by the SPP Credit Department 5 business days before the start of the corresponding TCR Auction Bid Window to allow time for processing and to apply funds to Market Participants respective accounts.

### *OASIS DATA*

Any transmission service that a Market Participant would like to be included as a candidate ARR/LTCR for the appropriate ARR/LTCR allocation must be in OASIS by the day prior to start of the corresponding verification period.

### *GFA DATA*

Any GFAs that have already been submitted will be maintained. Any additional Grandfathered Agreements a Market Participant would like to have included in an ARR/LTCR Allocation must be submitted at least two months before the start of the corresponding verification window so as to be approved when the verification window starts, as outlined in the Communications section of this document. Commercial model changes to accommodate the GFA must be implemented prior to the verification period. Please reference Appendix E of the SPP Integrated Marketplace Protocols for commercial model registration deadlines.

### *HISTORIC PEAK LOAD*

Market Participants with Network Integrated Transmission Service (NITS) should validate their historic peak load for the year 2015. This should be reported to SPP, as outlined in the Communications section of this document, by January 28, 2016. SPP will use this information to verify network nomination caps and overall nomination caps.

Any new Asset Owner (AO) with NITS must provide their past three years historic peak load values prior to becoming an effective AO. This information should be reported to SPP, as outlined in the Communications section of this document.

### *OUTAGES*

Transmission Owners that wish to have their outages included in a respective TCR market will need to have submitted or proposed the outage in CROW at least 10 business days before the corresponding model posting date. Proposed outages will only be used in the TCR models.

Any outages submitted less than 10 business days before the model posting date may not be included in the appropriate TCR market(s). For any additional details on outages taken in the SPP congestion hedging process, see the [TCR Market Modeling Processes document](#)<sup>1</sup> posted on spp.org.

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<sup>1</sup> [SPP.org > Markets & Operations > TCR Markets > TCR Reference Documents](#)



## PROCESS TIMING

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*The times listed below are intended targets*

**Market Model Posting:** 4:00pm CPT (Central Prevailing Time) on designated model posting date

**Monthly candidate ARR Posting:** 9:00am CPT on business day preceding the first day of market window

**Annual candidate ARR/LTCR Posting:** Before 9:00am CPT on the first day of market window

**Market Window Open:** 9:00am CPT; first day of market window

**Market Window Close:** 4:00pm CPT; last day of market window

**Market Results Posting:** 4:00pm CPT; day of market posting

## COMMUNICATIONS

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### *GENERAL INFORMATION AND INQUIRIES*

SPP will distribute information and general announcements related to the TCR Market to Market Participants through an optional notification service called “Message 911”. Those who opt-in to the Message 911 service can receive notices and announcements about the opening, closing and posting of data surrounding TCR Markets. To participate in the Message 911 service, please use the [SPP Request Management System](#) and submit a request to be added. The Request Management System is also the quickest way for inquiries and concerns to be addressed by the Congestion Hedging group.

### *ISSUE REPORTING*

Any immediate issues that are discovered should be reported to your Customer Relations Representative, via phone, email, or the [SPP Request Management System](#). SPP staff will investigate the reported issue and respond with a resolution.

### *PUBLIC POSTING*

SPP will post historical TCR market allocation and auction results on its [Marketplace Portal](#)<sup>2</sup>. SPP will post the following information for:

- Allocations - MW award with Source to Sink path and Time of Use; binding constraints
- Auctions - MW award with Market Participant name, Source to Sink path, Time of Use and nodal price; binding constraints
- TCR and ARR settlement - Daily TCR and ARR macro settlement for previous 36 months updated on a weekly basis, under > Settlements
- TCR settlement by Day-Ahead binding constraint - monthly TCR funding by Day-Ahead binding constraint updated monthly on a two month delay

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<sup>2</sup> [SPP.org > Markets & Operations > Marketplace Portal > Public > TCR Market](#)

## OTHER CONGESTION HEDGING DOCUMENTS

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There are other important documents that provide detailed information on key Congestion Hedging topics. Below are the links to these documents<sup>3</sup>:

### **Congestion Hedging Modeling Practices**

For more details on SPP's Congestion Hedging modeling practices, see the [TCR Market Modeling Processes](#) document.

### **Congestion Hedging User Guides**

For help in using the TCR portion of the Marketplace Portal, look into the [Market User Interface \(MUI\) User Guide](#).

For help with the TCR MUI's API, see the [TCR API Specifications](#) files for guidance.

### **FAQ**

To see the TCR-related frequently asked questions, use the [Congestion Hedging FAQs](#).

### **Related SPP Tariff**

For the Congestion Hedging portion of the [SPP Tariff](#), see Attachment AE Section 7.

### **Related Market Protocols**

For the Congestion Hedging portion of the [SPP Integrated Marketplace Protocols](#), see Section 5.

### **Integrated Marketplace Reference for MPs**

Go to the [LMS](#) for additional training on ARRs, LTCRs, and TCRs.

### **Electrically Equivalent Settlement Locations (EESL)**

A list of EESL pairs is posted for each market and available on the TCR portal: SPP Marketplace Portal > TCR Market > TCR Reports. Your Local Security Administrator can provide access to this folder. No bids are allowed on these Settlement Location pairs. Any bids on these pairs will be removed from the applicable allocation or auction market.

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<sup>3</sup>Several of these are found by navigating to [SPP.org > Markets & Operations > TCR Markets](#).