

Market Participant Guide: SPP 2017 Congestion Hedging

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Revision History Chart

Version	Revised By	Description of Modifications	Revision Date
1.0	Congestion Hedging Team	New Procedure Document for 2017 TCR Process; Team reviewed; Manager review by Ty Mitchell	12/15/2016

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Overview

Objectives

This document is intended for Southwest Power Pool (SPP) Market Participants (MPs) and provides information for preparation of the Integrated Marketplace's 2017 Congestion Hedging (also known as "TCR") activities.

2017 Schedule

Remaining 2016 Annual Process Schedule

The Monthly ARR Allocation and Monthly TCR Auction processes for the remainder of the 2016 Annual Process shall include:










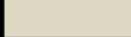
- (1) January, February, March, April, and May periods
- (2) On-Peak and Off-Peak products
- (3) January, February, March, April, and May 1-round ARR Allocation: 100% system capacity
- (4) January, February, March, April, and May 2-round TCR Auction:
 - a. Round 1: 50% system capacity
 - b. Round 2: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

The remaining 2016 production schedule through May 31, 2017 shall be as follows:

- (1) January 2017 Monthly Process
 - (a) ARR Allocation: 11/23/2016 – 12/9/2016
 - (b) TCR Auction: 12/12/2016 – 12/27/2016
- (2) February 2017 Monthly Process
 - (a) ARR Allocation: 12/29/2016 – 1/12/2017
 - (b) TCR Auction: 1/13/2017 – 1/27/2017
- (3) March 2017 Monthly Process
 - (a) ARR Allocation: 1/25/2017 – 2/8/2017
 - (b) TCR Auction: 2/9/2017 – 2/23/2017
- (4) April 2017 Monthly Process
 - (a) ARR Allocation: 2/24/2017 – 3/14/2017
 - (b) TCR Auction: 3/15/2017 – 3/28/2017
- (5) May 2017 Monthly Process
 - (a) ARR Allocation: 3/29/2017 – 4/12/2017
 - (b) TCR Auction: 4/13/2017 – 4/26/2017

Remaining 2016 Process Detail Calendar

2016 Monthly Processes						
December 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
January 2017						
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 2017						
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				
March 2017						
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 2017						
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 Post / cARR Verification
	Holiday & Weekend
	Deadline for outage submittal
	Bank Holiday (Non-SPP)

2017 Annual Process Schedule

The **Annual LTCR Allocation** process shall include:

- (1) One 24-hour annual product representing June 1, 2017 - May 31, 2018
- (2) Two rounds:
 - a. Round 1: Renew/release previous LTCR/ILTCR awards
 - b. Round 2: Nomination of candidate LTCR/ILTCR paths
 - i. Awards of Round 2 based on 50% system capacity

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

- (1) June, July, August, September, Fall, Winter, and Spring periods
 - a. June: Awards given at 100% system capacity
 - b. July, August, and September: Awards given at 90% system capacity
 - c. Fall, Winter, and Spring: Awards given at 60% system capacity
- (2) On-Peak and Off-Peak products for each period
- (3) Three-round ARR Allocation:
 - a. Round 1: 50% of nomination cap available on candidate ARR paths
 - b. Round 2: 100% of nomination cap available on candidate ARR paths
 - c. Round 3: 100% of nomination cap available on any path
- (4) One-round TCR Auction

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


- (1) Products for the period of the following month
 - e.g. Process executed in March, offers April ARRs and TCRs
- (2) On-Peak and Off-Peak products
- (3) One-round ARR Allocation at 100% system capacity
- (4) For the products of July, August, and September, a one-round TCR Auction at 100% system capacity
- (5) For the products of October through May, a two-round TCR Auction:
 - a. Round 1: 50% system capacity
 - b. Round 2: 100% system capacity


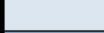





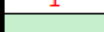







The production schedule for the 2017 Congestion Hedging markets shall be as follows:

- (1) Annual Candidate ARR/LTCR Verification: 2/1/2017 – 2/14/2017
- (2) Annual LTCR Allocation Round 1: 3/3/2017 – 3/8/2017
- (3) Annual LTCR Allocation Round 2: 3/9/2017 – 3/21/2017
- (4) Annual ARR Allocation Round 1: 4/5/2017 – 4/12/2017
- (5) Annual ARR Allocation Round 2: 4/13/2017 – 4/20/2017
- (6) Annual ARR Allocation Round 3: 4/21/2017 – 4/28/2017
- (7) Annual 1-round TCR Auction: 5/8/2017 – 5/22/2017
- (8) Monthly ARR Allocations and TCR Auctions
 - (a) July Monthly Process
 - a. ARR Allocation: 6/1/2017 – 6/15/2017
 - b. TCR Auction: 6/16/2017 – 6/22/2017
 - (b) August Monthly Process
 - a. ARR Allocation: 6/30/2017 – 7/14/2017
 - b. TCR Auction: 7/17/2017 – 7/21/2017
 - (c) September Monthly Process
 - a. ARR Allocation: 7/28/2017 – 8/11/2017
 - b. TCR Auction: 8/14/2017 – 8/18/2017

- (d) October Monthly Process
 - a. ARR Allocation: 8/25/2017 – 9/13/2017
 - b. TCR Auction Round 1: 9/14/2017 – 9/20/2017
 - c. TCR Auction Round 2: 9/21/2017 – 9/27/2017
- (e) November Monthly Process
 - a. ARR Allocation: 9/28/2017 – 10/12/2017
 - b. TCR Auction Round 1: 10/13/2017 – 10/19/2017
 - c. TCR Auction Round 2: 10/20/2017 – 10/26/2017
- (f) December Monthly Process
 - a. ARR Allocation: 10/27/2017 – 11/10/2017
 - b. TCR Auction Round 1: 11/13/2017 – 11/17/2017
 - c. TCR Auction Round 2: 11/20/2017 – 11/28/2017
- (g) January (2018) Monthly Process
 - a. ARR Allocation: 11/22/2017 – 12/12/2017
 - b. TCR Auction Round 1: 12/13/2017 – 12/19/2017
 - c. TCR Auction Round 2: 12/20/2017 – 12/28/2017
- (h) February (2018) Monthly Process
 - a. ARR Allocation: 12/29/2017 – 1/12/2018
 - b. TCR Auction Round 1: 1/16/2018 – 1/22/2018
 - c. TCR Auction Round 2: 1/23/2018 – 1/29/2018
- (i) March (2018) Monthly Process
 - a. ARR Allocation: 1/26/2018 – 2/9/2018
 - b. TCR Auction Round 1: 2/12/2018 – 2/16/2018
 - c. TCR Auction Round 2: 2/20/2018 – 2/26/2018
- (j) April (2018) Monthly Process
 - a. ARR Allocation: 2/23/2018 – 3/13/2018
 - b. TCR Auction Round 1: 3/14/2018 – 3/20/2018
 - c. TCR Auction Round 2: 3/21/2018 – 3/27/2018
- (k) May (2018) Monthly Process
 - a. ARR Allocation: 3/28/2018 – 4/12/2018
 - b. TCR Auction Round 1: 4/13/2018 – 4/19/2018
 - c. TCR Auction Round 1: 4/20/2018 – 4/26/2018

2017 Process Detail Calendar

February 2017							March 2017							April 2017							May 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	2	3	4				1	2	3	4							1		1	2	3	4	5	6
5	6	7	8	9	10	11	5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13
12	13	14	15	16	17	18	12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20
19	20	21	22	23	24	25	19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27
26	27	28					26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31			
														30													
June 2017							July 2017							August 2017							September 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	2	3						1		1	2	3	4	5							1	2	
4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12	3	4	5	6	7	8	9
11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19	10	11	12	13	14	15	16
18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26	17	18	19	20	21	22	23
25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30	31			24	25	26	27	28	29	30
							30	31																			
October 2017							November 2017							December 2017							January 2018						
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	7				1	2	3	4						1	2		1	2	3	4	5	6
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27
29	30	31					26	27	28	29	30			24	25	26	27	28	29	30	28	29	30	31			
														31													
February 2018							March 2018							April 2018													
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa							
				1	2	3					1	2	3	1	2	3	4	5	6	7							
4	5	6	7	8	9	10	4	5	6	7	8	9	10	8	9	10	11	12	13	14							
11	12	13	14	15	16	17	11	12	13	14	15	16	17	15	16	17	18	19	20	21							
18	19	20	21	22	23	24	18	19	20	21	22	23	24	22	23	24	25	26	27	28							
25	26	27	28				25	26	27	28	29	30	31	29	30												

Legend		Holidays	
	cARR Verification	Jan. 01	New Years Day
	Nomination Window	Jan. 16	MLK Day
	Post ARR	Feb. 20	Presidents Day
	Bid Window	May. 29	Memorial Day
	Post TCR	July. 04	Independence Day
	Post model	Sep. 04	Labor Day
	TCR Post / cARR Verification	Oct.09	Columbus Day
	Holiday & Weekend	Nov. 11	Veterans Day
	Annual Verification (LTCR & ARR)	Nov. 23	Thanksgiving Day
	LTCR Allocation Round 1	Nov. 24	Day After Thanksgiving
	LTCR Allocation Round 2	Dec. 25	Christmas Eve Observed
	Post LTCR	Dec. 26	Christmas Day Observed
	Deadline for outage submittal	Jan. 01	New Year's Day
	Bank Holiday (Non-SPP)	Jan. 15	MLK Day
		Feb. 19	Presidents Day

Incremental Long-Term Congestion Rights (ILTCR)

Candidates for ILTCRs must be requested during the study process for Sponsored Upgrades. Upon receiving candidates, ad-hoc **Initial ILTCR Allocations** will be conducted (for only the involved parties) to award ILTCRs for the remainder of the TCR year. ILTCRs awarded in an Initial ILTCR Allocation must be nominated again in Round 2 of the following Annual LTCR Allocation. More information on ILTCRs and Initial ILTCR Allocations is available upon request.

Deadlines

Credit Posting

Financial Security needs to be received by the SPP Credit Department five (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 Grandfathered Agreements (GFAs) that have already been submitted will be maintained. Any additional GFAs 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. Commercial model changes to accommodate the GFA must be implemented prior to the verification period. 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 2016. This should be reported to SPP, as outlined in the Communications section of this document, by January 30, 2017. 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 Congestion Hedging Market 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](#) document¹ posted on spp.org.

Market Timing

Market Model Posting: 4:00pm (Central Prevailing Time) CPT 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

General Information and Inquiries

SPP will distribute information and general announcements related to the TCR Market to MPs 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](#)². SPP will post the following information for allocations: MW award with Source to Sink path and Time of Use; Binding Constraints. SPP will post the following information for auctions: MW award with Market Participant name, Source to Sink path, Time of Use and nodal price; Binding Constraints.

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

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

Other Congestion Hedging Documents

There are other important documents that provide detailed information on key Congestion Hedging topics. Below are the links to these documents³:

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 [TCR MUI Job Aid and SPP TCR MUI User Manual](#).

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 [SPP Learning Center \(LMS\)](#) for additional training on ARR, LTR, and TCR.

Electrically Equivalent Settlement Locations (EESL)

A list of EESL pairs is posted for each market and available on the TCR MUI: SPP Marketplace Portal > TCR Market > TCR MUI > Downloads > Public > Market. No bids are allowed on these Settlement Location pairs. Any bids on these pairs will be restricted from the applicable allocation or auction market.

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