

# Market Participant Guide: SPP 2021 Congestion Hedging

Published: December 11, 2020

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## Revision History Chart

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Version	Revised By	Description of Modifications	Revision Date
1.0	Congestion Hedging Team	New Procedure Document for 2018 TCR Process; Team reviewed; Manager review by Ty Mitchell	12/15/2017
1.1	Congestion Hedging Team	Updated Procedure Document for 2019 TCR Process; Team reviewed; Manager review by Ty Mitchell	12/14/2018
1.2	Congestion Hedging Team	Updated Procedure Document for 2020 TCR Process; Team reviewed; Manager review by Micha Bailey	12/13/2019
1.3	Congestion Hedging Team	Updated Procedure Document for 2020 TCR process to reflect 2-day Monthly Allocation Window.	2/19/2020
1.4	Congestion Hedging Team	Updated Procedure Document for 2021 TCR Process; Team reviewed; Manager review by Micha Bailey	12/11/2020

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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 preparation of the Integrated Marketplace's 2021 Congestion Hedging (also known as "TCR") activities.

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## 2021 Schedule

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### **Remaining 2020 Annual Process Schedule**

The Monthly ARR Allocation and Monthly TCR Auction processes for the remainder of the 2020 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 2020 production schedule through May 31, 2021 shall be as follows:

- (1) January 2021 Monthly Process
  - (a) ARR Allocation: 11/24/2020 – 12/10/2020
  - (b) TCR Auction Round 1: 12/11/2020 – 12/17/2020
  - (c) TCR Auction Round 2: 12/18/2020 – 12/28/2020
- (2) February 2021 Monthly Process
  - (a) ARR Allocation: 12/29/2020 – 1/13/2021
  - (b) TCR Auction Round 1: 1/14/2021 – 1/21/2021
  - (c) TCR Auction Round 2: 1/22/2021 – 1/28/2021
- (3) March 2021 Monthly Process
  - (a) ARR Allocation: 1/28/2021 – 2/11/2021
  - (b) TCR Auction Round 1: 2/12/2021 – 2/19/2021
  - (c) TCR Auction Round 2: 2/22/2021 – 2/26/2021
- (4) April 2021 Monthly Process
  - (a) ARR Allocation: 2/25/2021 – 3/11/2021
  - (b) TCR Auction Round 1: 3/12/2021 – 3/18/2021
  - (c) TCR Auction Round 2: 3/19/2021 – 3/25/2021
- (5) May 2021 Monthly Process
  - (a) ARR Allocation: 3/26/2021 – 4/9/2021
  - (b) TCR Auction Round 1: 4/12/2021 – 4/16/2021
  - (c) TCR Auction Round 1: 4/19/2021 – 4/23/2021

## Remaining 2020 Process Detail Calendar

2020 Monthly Processes						
December 2020						
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 2021						
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 2021						
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 2021						
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 2021						
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
	Bid Window / cARR Verification
	Post TCR
	Post model
	TCR Post / cARR Verification
	Holiday & Weekend
	Annual Verification (LTCR & ARR)
	LTCR Allocation Round 1
	LTCR Allocation Round 2
	Post LTCR
	Deadline for outage submittal
	Bank Holiday (Non-SPP)

## **2021 Annual Process Schedule**

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

- (1) One 24-hour annual product representing June 1, 2021 - May 31, 2022
- (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:

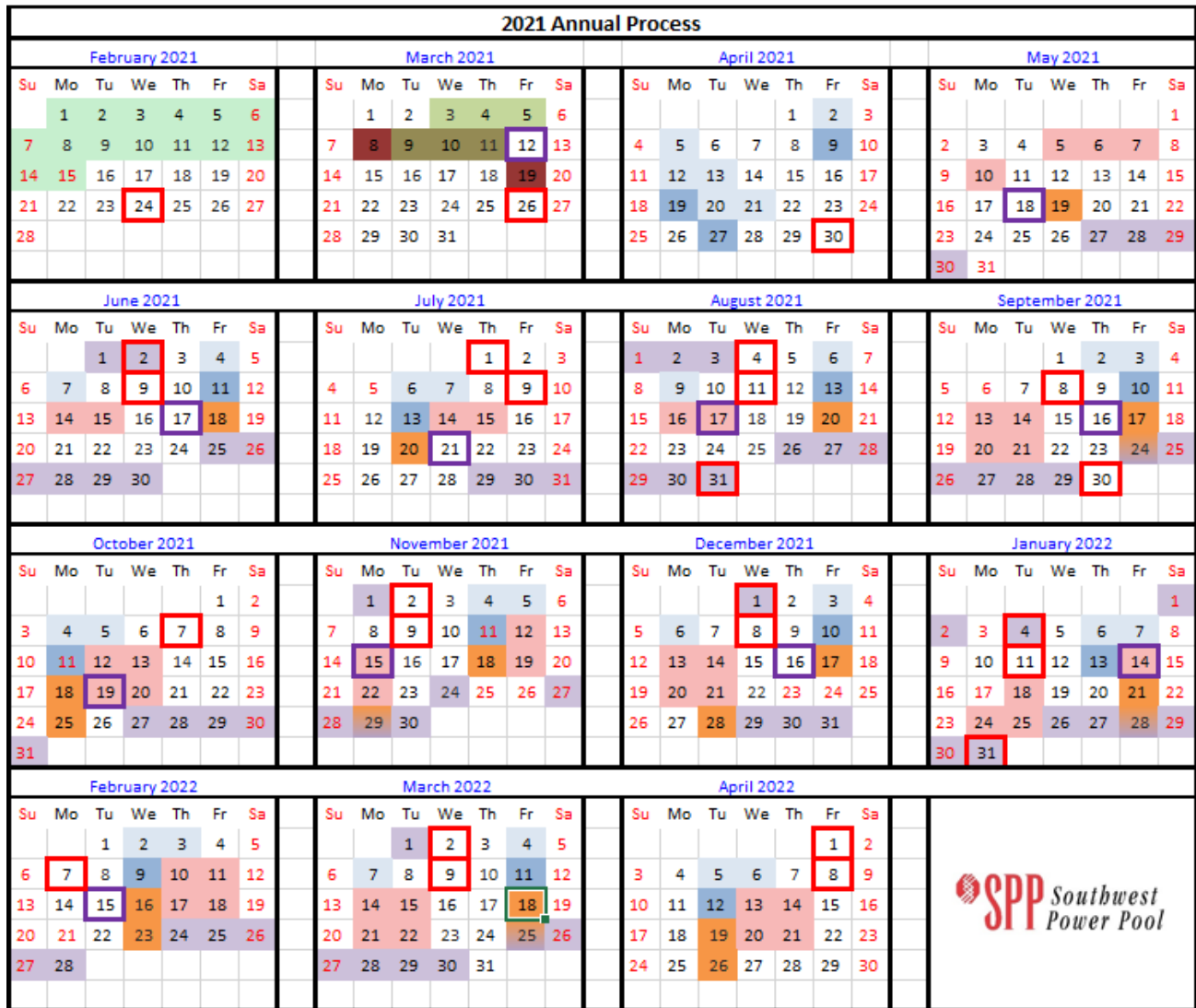
- (1) Products for the period of the following month
  - e.g. Process executed in March, offers April ARRs and TCRs
- (2) On-Peak and Off-Peak products
- (3) One-round ARR Allocation at 100% system capacity
- (4) For the products of July, August, and September, a one-round TCR Auction at 100% system 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 2020 Congestion Hedging markets shall be as follows:

- (1) Annual Candidate ARR/LTCR Verification: 2/1/2021 – 2/15/2021
- (2) Annual LTCR Allocation Round 1: 3/3/2021 – 3/8/2021
- (3) Annual LTCR Allocation Round 2: 3/9/2021 – 3/19/2021
- (4) Annual ARR Allocation Round 1: 4/2/2021 – 4/9/2021
- (5) Annual ARR Allocation Round 2: 4/12/2021 – 4/19/2021
- (6) Annual ARR Allocation Round 3: 4/20/2021 – 4/27/2021
- (7) Annual 1-round TCR Auction: 5/5/2021 – 5/19/2021
- (8) Monthly ARR Allocations and TCR Auctions
  - (a) July 2021 Monthly Process
    - a. ARR Allocation: 5/27/2021 – 6/11/2021
    - b. TCR Auction: 6/14/2021 – 6/18/2021
  - (b) August 2021 Monthly Process
    - a. ARR Allocation: 6/25/2021 – 7/13/2021
    - b. TCR Auction: 7/14/2021 – 7/20/2021
  - (c) September 2021 Monthly Process
    - a. ARR Allocation: 7/29/2021 – 8/13/2021
    - b. TCR Auction: 8/16/2021 – 8/20/2021
  - (d) October 2021 Monthly Process

- a. ARR Allocation: 8/26/2021 – 9/10/2021
- b. TCR Auction Round 1: 9/13/2021 – 9/17/2021
- c. TCR Auction Round 2: 9/20/2021 – 9/24/2021
- (e) November 2021 Monthly Process
  - a. ARR Allocation: 9/24/2021 – 10/11/2021
  - b. TCR Auction Round 1: 10/12/2021 – 10/18/2021
  - c. TCR Auction Round 2: 10/19/2021 – 10/25/2021
- (f) December 2021 Monthly Process
  - a. ARR Allocation: 10/27/2021 – 11/11/2021
  - b. TCR Auction Round 1: 11/12/2021 – 11/18/2021
  - c. TCR Auction Round 2: 11/19/2021 – 11/29/2021
- (g) January 2022 Monthly Process
  - a. ARR Allocation: 11/24/2021 – 12/10/2021
  - b. TCR Auction Round 1: 12/13/2021 – 12/17/2021
  - c. TCR Auction Round 2: 12/20/2021 – 12/28/2021
- (h) February 2022 Monthly Process
  - a. ARR Allocation: 12/29/2021 – 1/13/2022
  - b. TCR Auction Round 1: 1/14/2022 – 1/21/2022
  - c. TCR Auction Round 2: 1/24/2022 – 1/28/2022
- (i) March 2022 Monthly Process
  - a. ARR Allocation: 1/26/2022 – 2/9/2022
  - b. TCR Auction Round 1: 2/10/2022 – 2/16/2022
  - c. TCR Auction Round 2: 2/17/2022 – 2/23/2022
- (j) April 2022 Monthly Process
  - a. ARR Allocation: 2/24/2022 – 3/11/2022
  - b. TCR Auction Round 1: 3/14/2022 – 3/18/2022
  - c. TCR Auction Round 2: 3/21/2022 – 3/25/2022
- (k) May 2022 Monthly Process
  - a. ARR Allocation: 3/25/2022 – 4/12/2022
  - b. TCR Auction Round 1: 4/13/2022 – 4/19/2022
  - c. TCR Auction Round 1: 4/20/2022 – 4/26/2022

## 2021 Process Detail Calendar



Legend	
<span style="background-color: #d9ead3; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	cARR Verification
<span style="background-color: #d9ead3; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	Nomination Window
<span style="background-color: #d9ead3; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	Post ARR
<span style="background-color: #d9ead3; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	Bid Window
<span style="background-color: #d9ead3; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	Bid Window / cARR Verification
<span style="background-color: #d9ead3; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	Post TCR
<span style="background-color: #d9ead3; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	Post model
<span style="background-color: #d9ead3; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	TCR Post / cARR Verification
<span style="background-color: #d9ead3; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	1 Holiday & Weekend
<span style="background-color: #d9ead3; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	Annual Verification (LTCR & ARR)
<span style="background-color: #d9ead3; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	LTCCR Allocation Round 1
<span style="background-color: #d9ead3; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	LTCCR Allocation Round 2
<span style="background-color: #d9ead3; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	Post LTCCR
<span style="background-color: #d9ead3; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	Deadline for outage submittal
<span style="background-color: #d9ead3; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	Bank Holiday (Non-SPP)

Holidays	
Jan. 01	New Year's Day
Jan. 18	Martin Luther King Day
Feb. 15	Presidents Day
May 31	Memorial Day
Jul. 05	Independence Day Observed
Sep. 06	Labor Day
Oct. 11	Columbus Day
Nov. 11	Veterans Day
Nov. 25	Thanksgiving Day
Nov. 26	Day After Thanksgiving
Dec. 23	Christmas Eve Observed
Dec. 24	Christmas Day Observed
Jan. 03	New Year's Day Observed
Jan. 17	Martin Luther King Day
Feb. 21	Presidents Day



## **Incremental Long-Term Congestion Rights (ILTCR)**

Candidates for ILTCRs must be requested during the study process for those entities that received Directly Assigned Upgrade Costs as described in Attachment Z1 and Attachment Z2 of the Tariff. 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 should 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 2020. This must be reported to SPP by January 15, 2021. SPP will use this information to verify network nomination caps and overall nomination caps.

Any new Asset Owner (AO) with NITS must provide the 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 **Allocation** 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](#) document<sup>1</sup> posted on spp.org.

## **Market Timing Guidelines**

**Market Model Posting:** By end of day on designated model posting date

**Monthly Candidate ARR Posting:** Before 9:00am (Central Prevailing Time) CPT on the day of market window

**Annual Candidate ARR/LTCR Posting:** Before 9:00am (Central Prevailing Time) 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:** By end of day of market posting

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# Communications

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## **General Information and Inquiries**

SPP will distribute information and general announcements related to the TCR Market to MPs through an optional notification service called “SPP Auction Revenue Right / Transmission Congestion Right”. Those who opt-in to the “SPP Auction Revenue Right / Transmission Congestion Right” distribution list service can receive notices and announcements about the opening, closing and posting of data surrounding TCR Markets. To participate in the “SPP Auction Revenue Right / Transmission Congestion Right” distribution list service, please navigate to [SPP.ORG](#) and create an account. When you create an account, you will have the option to request to be added to the “SPP Auction Revenue Right / Transmission Congestion Right” distribution list.

When submitting an inquiry, the Request Management System (RMS) is the quickest way for inquiries and concerns to be addressed by the Congestion Hedging group. Use the Quick Pick *Transmission Congestion Rights (TCR) Inquiry*.

## **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. Use the Quick Pick *Transmission Congestion Rights (TCR) Inquiry*.

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

## **Public Posting to the Marketplace Portal**

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. 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.

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## **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 [TCR MUI Job Aid](#) and the [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 TCRs.

### **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 between these Settlement Location pairs. Any bids on these pairs will be restricted from the applicable allocation or auction market.

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

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