



SOUTHWEST POWER POOL, INC.

MEMBERS FORUM

September 7, 2021

Web Conference

10:00 a.m. – Noon (Central)

AGENDA

1. Review of AgendaBruce Rew
2. DC Tie Task Force ProgressSteve Johnson
3. Draft Implementation Timelines
 - a. Operations Philip Bruich
 - b. Planning Jason Davis
4. Adjourn.....Bruce Rew

Antitrust: SPP strictly prohibits use of participation in SPP activities as a forum for engaging in practices or communications that violate the antitrust laws. Please avoid discussion of topics or behavior that would result in anti-competitive behavior, including but not limited to, agreements between or among competitors regarding prices, bid and offer practices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that might unreasonably restrain competition.



DC TIE TASK FORCE UPDATE

STEVE JOHNSON

DC TIE TASK FORCE

- Areas currently under discussion:
 - Cost allocation concepts of DC tie assets
 - Current
 - Future
 - Market utilization of DC ties
 - No Hurdle Rate
 - ARR/TCR management across DC ties

PRINCIPLES AND CONCEPTS

- A single market solution allowing operation of the Integrated Marketplace in the Eastern and Western Interconnections
- The mechanism for recovering costs associated with the DC Ties from the market is to be roughly commensurate with the benefits.
- Congestion between East and West zones will be handled in a similar fashion to today's Integrated Marketplace to the extent possible.
- The market will utilize DC ties for maximum overall market benefit and dispatch them on a five-minute basis.
- The market design will not include a DC tie hurdle rate between interconnections for entities that utilize DC ties for transmission service.

TRANSMISSION COST RECOVERY CONCEPT BEING CONSIDERED

Transmission

ATRR stays in local zone. No regional cost allocation.

- Market Efficiency Use
 - Market compensates for transmission use over and above network and point to point use.
 - Rate to capture DC tie costs embedded in zonal rate, not full zonal rate
 - Could be applied in conjunction with all three congestion concepts being considered

CONGESTION CONCEPT - GEN/LOAD PAIRING

- Treats DC tie as simultaneous load and generator
- Actual DC tie flow based on market dispatch, not transmission rights or schedules
- Transmission rights holders would receive LMP difference across DC ties based on real-time performance against day-ahead DC tie market dispatch
- Would be treated exactly as load and generation in the market today
- AC systems would be subject to normal ARR/TCR market split east and west

CONGESTION CONCEPT – ARR/TCR OPTIONS

- ARR/TCR Allocation across DC Ties
- Option 1
 - Use LMP instead of MEC for true source/sink congestion value calculation.
 - Rights holders receive value in same manner as AC TCRs, not contingent on rights being used to flow rights holder energy.
- Option 2
 - Use MEC like current ARR/TCR model and split congestion into three segments – West, DC tie, and East
 - Only allow DC tie segment value to be paid if actual rights holder energy is flowing



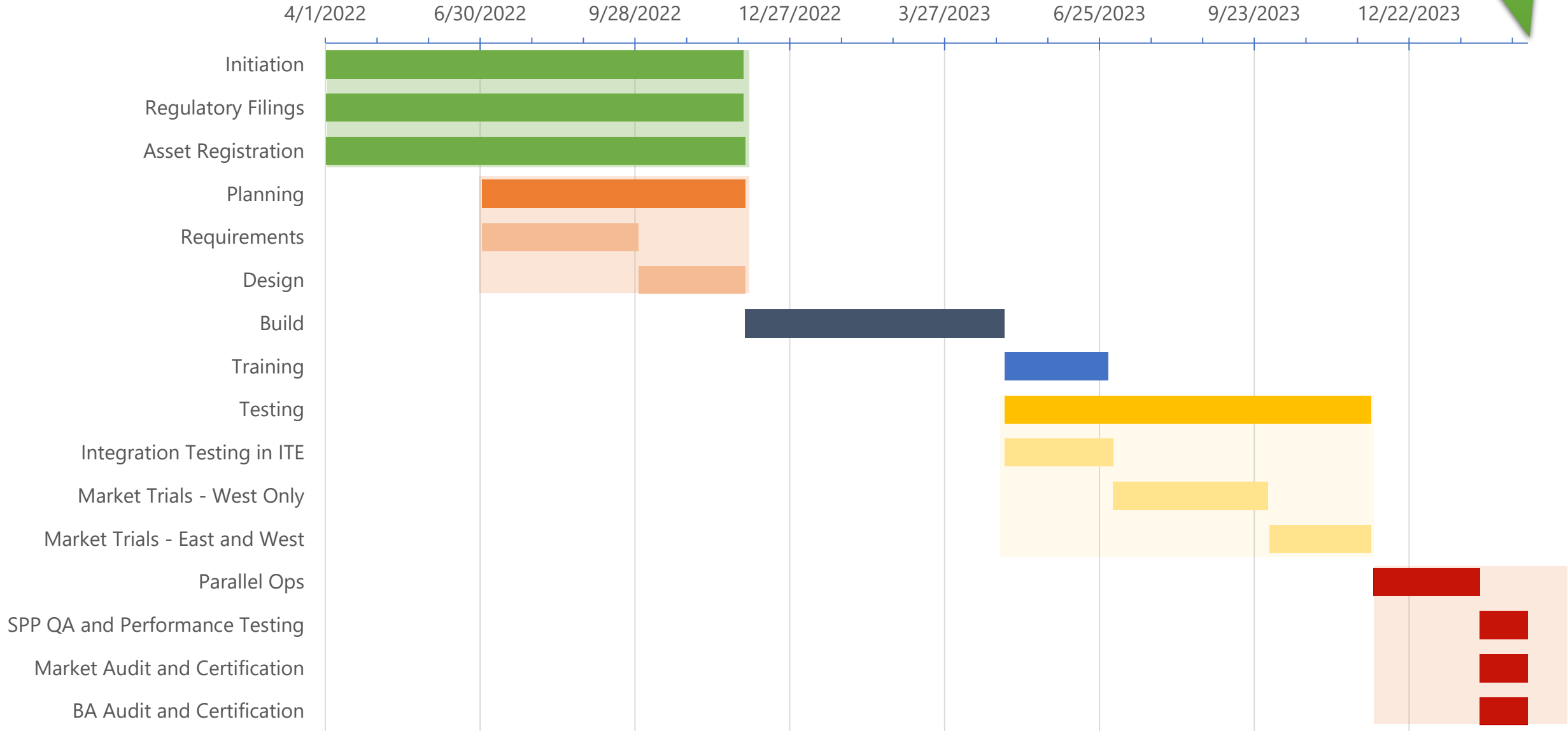
DRAFT TIMELINE

Helping our members work together to keep the lights on... today and in the future.



Draft - RTO West Project Timeline

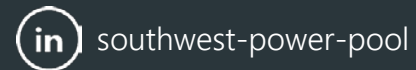
Go Live
3/1/2024





DRAFT TIMELINE - PLANNING

*Helping our members work together to keep
the lights on... today and in the future.*



Draft - RTO West Project Timeline

Go Live
3/1/2024

4/1/2022 6/30/2022 9/28/2022 12/27/2022 3/27/2023 6/25/2023 9/23/2023 12/22/2023

