



SIR36 REG-UP FOR VERS

MARKET DESIGN

MARCH 18, 2020

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the lights on... today and in the future.*



SouthwestPowerPool



SPPorg



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SIR36 REG-UP FOR VERS (SPP)

- **Issue Description: Purpose – What will your initiative do for SPP’s Market**

- This initiative will modify the DVER (Dispatchable Variable Energy Resource) design to allow DVERs to clear and be deployed for Regulation-Up, Spinning, and Supplemental Reserve.

- **Potential Benefit: How is SPP’s market improved by implementing your initiative**

- Generation from VERs (mostly wind) has grown to be a very large part of energy production in the Integrated Market and is expected to continue to grow in the future. These resources are currently not allowed to clear Regulation-Up, Spinning, and Supplemental Reserves. Allowing for this significant portion of the SPP fleet will increase the efficiency of the Day-Ahead and Real-Time Markets by allowing a wider range of Resources to participate in the upward Operating Reserve Market.

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- **Potential System Impacts**

- System impacts should be small, primarily just in market data submissions, qualification, and likely more usage of Real Time Capability values.

- **Potential MCE Performance Impact**

- Low

- **Potential Complexity**

- Design: Medium (primary complexity is making sure design mitigates known risks and reliability impacts appropriately)
- Implementation: Low/Medium
 - **RR253 design and implementation was set up so that it could be leveraged to support upward reserve products in the future with the requirement and use of the Real Time Capability value. This should limit some of the implementation hurdles and allow for better analysis of potential performance and reliability impacts.*

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- **Potential Risk**

- Primary risk is in the reliability and efficiency impacts. VER energy is generally less dependable than other more conventional resources. This has been the general basis for limiting DVER participation from these products in the past, with concerns on relying more heavily on these resources of Operating Reserve needs. Conventional thermal generation also has dependability risks, but these events are generally less frequent (but at times more severe individually) than VER risks. This initiative will require analysis to make sure the design can accommodate variable energy resources in an efficient and reliable manner.

- **Market Philosophy Impacts: Price Formation, Price Convergence, Market Efficiency, Market Transparency, Market Reliability**

- Market Efficiency, Market Reliability

- **Example/Research/Analysis Information**

- No readily available analysis from SPP at this time.