



SIR26 RESPONSIBLE PARTY TERMINOLOGY

MARKET DESIGN

MARCH 18, 2020

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



SouthwestPowerPool



SPPorg



southwest-power-pool

SIR26 RESPONSIBLE PARTY TERMINOLOGY REVIEW (SPP)

- **Issue Description:**

- In an effort to ensure appropriate and correct use throughout the Marketplace Protocols and SPP Tariff, the Market Working Group requested SPP staff review the definitions and relevant Tariff agreements for multiple terms including Asset Owner, Transmission Customer, Transmission Owner, Generation Interconnection Customer, Meter Agent, Asset Owner, and Market Participant.

- **Potential Benefit:**

- Clarification/correction in terminology definitions and use through SPP governing documents

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- **Potential System Impacts**
 - None
- **Potential MCE Performance Impact**
 - None
- **Potential Complexity**
 - Design: Medium
 - Implementation: Low

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- **Potential Risk**

- Lack of agreement between MPs and working groups

- **Market Philosophy Impacts:**

- None

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ASSET OWNER IN ATTACHMENT AE

- Defined in Attachment AE as:

An owner of any combination of: (1) registered physical assets (Resource, load, Import Interchange Transaction, Export Interchange Transaction, Through Interchange Transaction), (2) Transmission Congestion Rights, (3) Virtual Energy Offers, (4) Virtual Energy Bids, or (5) Bilateral Settlement Schedules.

MARKET PARTICIPANT AND ASSET OWNER IN MARKET REGISTRATION

- Asset Owner is not used in the Tariff in discussion of registration requirements, but in the Protocols, it is more specific in Section 6-
 - Registration identifies each load and/or Resource to Asset Owners, associated Market Participants and Settlement Locations, Meter Agents, and settlement responsibilities.
 - A Market Participant may represent one or more Asset Owners and may appoint a Designated Agent to perform its functions under these protocols.
 - Assets are the registered loads and Resources to an Asset Owner at specific Settlement Locations and have a designated Meter Agent. Market Participants have the legal relationship with SPP.

PROPOSED REVISION TO ASSET OWNER DEFINITION

- **Asset Owner** – ~~An owner of~~ An aggregation of assets defined by a Market Participant through the Transmission Provider registration process that is eligible to be represented by the Market Participant through any combination of: (1) registered physical assets (Resource, load, Import Interchange Transaction, Export Interchange Transaction, Through Interchange Transaction), (2) Transmission Congestion Rights, (3) Virtual Energy Offers, (4) Virtual Energy Bids, or (5) Bilateral Settlement Schedules.

OTHER PROPOSED CHANGES IN AE

- There are over 360 instances of Asset Owner in Attachment AE alone.
- Some uses are consistent with the way Asset Owner is used in the Integrated Marketplace.
- Many are in need of rewording or changing to other terms such as Market Participant, entity, or simply changing the way that Asset Owner is referred to or used.
- Many uses of the term, particularly in the Settlements sections, the term is used redundantly and it is suggested those be removed for efficiency.

EXAMPLES

- **Commercial Model:** A representation of the attributes of and the relationships between Market Participants, and their Asset Owners, Resources, ~~and~~ load assets and Price Nodes for use in the Integrated Marketplace.
- **Jointly Owned Unit**
- A Resource that is owned by more than one ~~Asset Owner~~ entity or a Resource for which multiple ~~Asset Owners~~ entities have contractual rights that allow the submittal of a Resource Offer into the Integrated Marketplace.

MORE EXAMPLES

- Each Market Participant must satisfy the must offer obligation ~~for an~~by Asset Owner as set forth in Section 2.11.1(B) of this Attachment AE based on the following criteria:
- A Market Participant's load ~~for~~at an Asset Owner granularity for purposes of this section shall be equal to that Market Participant's maximum hourly Reported Load ~~for an~~by Asset Owner for the Operating Day.

SETTLEMENT LANGUAGE EXAMPLES

- In many settlement sections in AE, the lead in sentence states that a particular charge type will be calculated “for each Asset Owner” but alternative language could be “by Asset Owner”.
- In these sections with this lead in, it establishes that the charge type will be calculated “by Asset Owner” but goes on to repeat “An Asset Owner’s...” when listing the variable names. This is redundant language and proposed to be removed.

OTHER TARIFF LANGUAGE TO CONSIDER

- Attachment AA – Resource Adequacy includes the term “Asset Owner” as defined in Attachment AE.
- If the definition is modified in AE, the language in AA will likely need to be modified. “Asset Owner” is used in the term “Generator Owner – the Asset Owner of a Resource”.
- Also, Load Responsible Entity is defined as “An Asset Owner with registered load in the Integrated Marketplace”.
- These terms will have to be reviewed and modified through the SAWG with assistance of Legal and Regulatory.

SUMMARY OF PROPOSAL

- In Attachment AE, modify the defined term “Asset Owner” and revise use of term in many instances in AE.
- Once MWG has determined what their proposal for the term Asset Owner will be, the SAWG will have to consider what changes, if any, will need to be made to Attachment AA.