WHAT WILL YOUR INITIATIVE DO FOR SPP’S MARKET?

• Allow SPP to manage uncertainty impacts to both capacity and ramp in an economic and transparent manner

• Potentially decrease make whole payments stemming from out-of-market commitments
HOW IS SPP’S MARKET IMPROVED BY IMPLEMENTING YOUR INITIATIVE?

• Volatility is increasing each year and supply flexibility is decreasing, which can lead to increased risk in Operations

• The Uncertainty Product will allow SPP to manage reliability impacts caused by uncertainties in forecast via the market
POTENTIAL SYSTEM IMPACTS

• Market Clearing Engine (MCE)
• Markets User Interface (MUI)
• Market Database (MDB)
• Market Protocols and Tariff
• MP Bidding
• Settlements
POTENTIAL MCE PERFORMANCE IMPACT

- Analysis on historical cases with the added Uncertainty Product logic shows only a relatively minor performance impact
POTENTIAL COMPLEXITY

• MCE changes have already been delivered to SPP in the form of a prototype that has been used for analysis

• MDB, MUI, Settlements, and Protocol/Tariff changes have not yet occurred, but are not expected to be overly complex
POTENTIAL (NON-SYSTEM) IMPACTS

• Increased settlements costs
• Potentially reduced out-of-market actions
MARKET PHILOSOPHY IMPACTS

- Market logic is added to lessen or eliminate the uncertainty impacts of future intervals and add prices to transparently reflect the need.

- Reduce out of market actions by incorporating the uncertainty that operators have to manage into the market commitment and dispatch.
EXAMPLE/RESEARCH/ANALYSIS INFORMATION

- MWG HITTR4 Presentations
  - January, February, March 2020
- Uncertainty Product Draft Whitepaper
  - March 2020 MWG
The MMU recommends the development of an uncertainty product to address the commitment of capacity beyond the anticipated intra-hour variations (Instantaneous Load Capacity). A properly designed uncertainty product would reduce over-commitment for capacity and increase market efficiency and transparency.