



SIR21 INTERFACE PRICING (SPP)

MARKET DESIGN

MARCH 18, 2020

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



SouthwestPowerPool



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- **Purpose:**

- Split the current Interface price nodes into smaller, more regionally similar price nodes in order to increase pricing transparency at the interfaces.

- **Potential Benefit:**

- The more granular interface price nodes will better reflect localized congress cost at the interface and improve interchange transaction pricing

- **Known Risks:**

- The current interface source/sinks used for interchange transaction will go away and be replaced with more granular options. Market Participants will have to change tagging procedures to adjust to the new source/sink definitions.

- **Known Impacts:**

- This will increase the number of valid source/sinks available to Market Participants

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- **Potential System / Process Impacts**
 - MCE, MDB
- **Potential MCE Performance Impact**
 - Low
- **Potential Complexity**
 - Design: Medium
 - Implementation: Low
- **Market Philosophy Impacts:**
 - Price Formation

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- **SPP MMU Comments**

- Interface pricing is of interest to the joint liaison committee made up of members of the Organization of MISO States and the SPP Regional State Committee (OMS/RSC). This topic has the attention of committee members and state commissioners in the SPP and MISO regions. It is on a list of seams issues to be evaluated through a joint effort with the SPP Independent Market Monitor, and Potomac Economics. The MMU supports a study of interface pricing, and would like to be included in the RTO's assumption and evaluation efforts, as well as any subsequent requirements and design efforts that stem from the study results.