



SIR76 MITIGATION OF UNDULY LOW OFFERS

OCTOBER 28-29, 2021

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



SouthwestPowerPool



SPPorg



southwest-power-pool

SIR076 MITIGATION OF UNDULY LOW OFFERS, MMU

- **Purpose – what will the initiative do for SPP**
 - Improve price signal for energy by limiting the ability for a resource to engage in uneconomic production through unduly low offers.
 - Limit market impacts from external influences such as Power Purchase Agreements (PPA).
- **Potential Benefit – How is SPP improved by implementing this initiative**
 - Protect resources from the impact of marginal prices for energy set by uneconomic production.
 - Potential reduction of uplift due to market committed resources subjected to prices set by uneconomic production.
- **Alignment with existing SIR**

SIR076 MITIGATION OF UNDULY LOW OFFERS, MMU

- **Potential Impact**
 - **Potential System / Process Impacts**
 - Market User Interface: **Low**
 - Modify minimum limit for energy offers.
 - **Potential Complexity: High, Medium, Low**
 - Design: **Low**
 - Implementation: **Low**
 - **Potential Compliance Impacts**
 - Limit ability for resource to engage in uneconomic production

SIR076 MITIGATION OF UNDULY LOW OFFERS, MMU

- **Potential Value Add**

- SPP MMU ASOM Recommendation Alignment
 - Aligns with MMU 2020 Annual State of the Market Report recommendation.
- Compliance value add

SIR076 MITIGATION OF UNDULY LOW OFFERS, MMU

- **SPP Comments**

- SPP is open to discussions around the proposed -\$100/MWh energy offer floor. SPP has no concerns for implementing this change.