



STUDY VIRTUAL EFFECTIVENESS DURING WINTER EVENT

OCTOBER 2021

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



SouthwestPowerPool



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- **Purpose – what will the initiative do for SPP**
 - Given virtuals netted just under \$400 million in profit during the winter weather event, this SIR proposed to determine if and how virtual transactions provided any benefits to price convergence, liquidity, etc... during the winter weather event and assess what harms or undue costs, if any, they may have caused
- **Potential Benefit – How is SPP improved by implementing this initiative**
 - Provide insights into the extent which virtuals helped or harmed the market overall under conditions of physical scarcity and price caps
 - Inform future policies related to virtual transactions during exceptional events to maximize their effectiveness and limit any potential harms

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- **Potential Impact**

- Potential System / Process Impacts
 - None
- Potential Complexity: High, Medium, Low
 - Design: Low
 - Implementation: Low
- Potential Compliance Impacts
 - None

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- **Potential Value Add**

- SPP Strategic Plan Alignment
- SPP MMU ASOM Recommendation Alignment
 - Aligns with MMU Winter Weather Report recommendation
- Compliance value add