

**SOUTHWEST POWER POOL**  
**Markets + Development Update**  
**March 29-30, 2022**  
**In Person and Web Conference**

**MARCH 29 GENERAL SESSION MEETING NOTES**

Bruce Rew (SPP) welcomed the in-person and virtual attendees and reviewed the agenda for the March 29 Markets+ Development Update. Barbara Sugg (SPP) virtually provided opening remarks to the group. In-person participants introduced themselves, including organization and title.

Bruce Rew reviewed SPP's vision for western markets by outlining the services SPP currently offers. He summarized SPP's RTO western expansion effort and the Markets+ initiative and their role in reaching the goals of clean energy, resource adequacy, system reliability, new opportunities for low cost power and other economic benefits. Bruce said that SPP is developing RTO West and Markets+ as long-term solutions. Bruce then reviewed SPP's proposed schedule to produce a draft service offering for Markets+ by the end of September 2022 with the final service offering expected to be completed by mid-November 2022.

Lea Fisher (PGP) provided an overview of the Governance Design Team ("GDT") introducing the stakeholder leads as well as the SPP support team. Lea reviewed the public team webinars that the GDT has had to date and its objectives. Lea then began a high level discussion of the schematics developed by the GDT outlining the governance framework options that had been introduced during previous meetings. She concluded by describing the agenda for the breakout sessions and announcing the schedule for written comments to be submitted and the upcoming GDT meetings. She took questions from the group.

Steve Johnson (SPP) provided the overview of the Transmission Availability Design Team ("TADT") and said the last meeting the TADT had was a joint meeting with the Market Products/Price Formation Design Team because there are a number of cross over topics to be discussed in joint meetings. Steve introduced the stakeholder leads of the TADT along with the SPP support staff. Jim Gonzalez (SPP), the SPP lead for the Market Products and Price Formation Design Team, introduced the stakeholder and SPP support leads for his group. Jim and Steve then discussed the topics and goals that the joint group meeting undertook on March 16 and that the groups' goal to develop a whitepaper to address the proposed design.

Bruce reviewed the goals, expectations and schedule for the remainder of the meeting. Bruce dismissed the groups to meet separately for breakout sessions for the remainder of the day.

**GDT Breakout Session #1**

(This is the only GDT breakout session that was recorded and for which meeting notes will be provided. A summary of the Tuesday's afternoon GDT breakout sessions will be included in the March 30 meeting notes of the GDT readout.)

Kara Fornstrom (SPP) welcomed everyone and reviewed the agenda for the Governance Design Team breakout sessions. The first breakout session began with Lea Fisher (PCP) reviewed the GDT webinars that have been held his year, including scope and the team's objectives. She went over materials previously presented regarding the duties and composition of the SPP Board of Directors and the SPP Corporate Governance Committee. She also reviewed other Western governance frameworks used by other SPP contract services for reliability coordination and the Western Energy Imbalance Service. Lea discussed the governance options currently being considered by the team. She described the individual features of each option and the considerations for each option including, but not limited to, coordination with WRAP Governance and the role of state commissions.

The GDT then hosted a panel discussion on Governance Perspectives . The moderator was Sarah Edmonds, Portland General, and the panelists were: Aly Koslow, APS, Commissioner Tammy Cordova, NV, Nicole Hughes, RNW, Carrie Simpson, Xcel Energy, and Spencer Gray, NIPPC. Each panelist expressed their preference regarding the potential options, but indicated they remained flexible if consensus appeared to be developing around a specific option.

### **MARCH 30 GENERAL SESSION MEETING NOTES**

The attendees gathered for a final general session. The session started with hearing general reactions from attendees and then each design team provided a readout to update the larger group on the progress they made during the breakout sessions.

The Governance Design Team readout was provided by Aly Koslow (APS). Aly reviewed the governance options that were described the day before during the general session and explained the differences. She then discussed the need to find common definitions of certain terms (i.e., market participants, stakeholders, members, etc.) before introducing the matrices, which summarized the team's afternoon breakout session conversations. She started by reviewing the pros and cons of the different governing bodies, Options 2A vs. 2B. Aly told the group that the 2A Option, which includes a Governing Board with an associated sector-based Nominating Committee, is the option the group formed consensus around during discussions on Tuesday afternoon. The GDT also came to preliminary consensus on the Governing Board authority, composition, and qualifications. The GDT also found preliminary consensus on the authority, purpose, composition, and qualifications for a Market Participants Executive Committee (MPEC) and discussed the composition of any standing working groups under the MPEC. The GDT thought it was best that the leadership, frequency of meetings and voting structure be left to each

committee to decide. Some potential changes to SPP RTO Governance documents (Bylaws and CGC composition) were also discussed by the group. The GDT also discussed the governance modification process, a timeframe for governance review and the appeal process. Because there was no state commission representation at the meeting, the matrices for the state committee were not completed. The GDT stakeholder leads will work with the Western Interstate Energy Board (WIEB) to facilitate discussions with state commissions. Aly informed the group that a request for written comments on the proposed governance design will be sent out in a survey format on April 1, with comments being due on April 20. She requested any feedback from interested parties through the survey regardless of whether the respondent could or wanted to answer all questions. The responses will be compiled by SPP and summarized during the April 25 regularly scheduled GDT meeting. A draft proposed governance concept paper will be issued prior to the June 1-2 in person meeting in Denver.

Jim Gonzalez (SPP) and Steve Johnson (SPP) provided a readout of the Joint Transmission Availability and Market Products/Price Formation Design Teams. Steve began with the readout of the single session of the TADT where the group reached consensus that market operations would be flow-based for the day-ahead and real-time windows. The team also discussed not requiring TSP conversion from MOD-29 to MOD-30 and to make the design flexible enough to accommodate conversion to MOD-30 for individual entities. As part of the joint discussion with the Market Products team, base schedules were explained in the realm of Markets+ and that the meaning here was not meant to be self-scheduling. Micha Bailey (SPP) provided an explanation of congestion rents and the limitations of SPP not serving as the transmission provider and that there will be separate OATTs in Markets+. Jim then reviewed the Market Products Team discussion topics and showed a slide of the key decision topics, including such items as market timelines, day-ahead market features, physical deliverability, and other items and how the group will approach breaking these topics down and combining them to logically discuss in upcoming meetings. Jim talked about the market products to be included in Markets+ and the overall market design consensus points. Next step for the Market Products team is to work on mitigation design. Some items for later discussion are virtuals and losses and how those will look in Markets+. Future meetings for the two groups will include separate and joint meetings to cover the topics that came out of the discussions.

Kara Fornstrom (SPP) introduced the guiding principles for the greenhouse gas ("GHG") design component for Markets+. She announced that the path will include leveraging the extensive work and discussions that have already been done and taken place in the west. Therefore, the GHG market design component will not follow the same "design team" concept formed for other Markets+ issues. Instead, she announced to webinars on April 20 and May 17 and invited interested parties to provide presentations on GHG concepts.

She said there will be a written comment opportunity following further discussion of this issue at the June 1-2 meeting. Subsequent to receiving written comments, SPP will produce a written concept paper for consideration.

Bruce Rew (SPP) reviewed and summarized the goals and upcoming schedule for development of the final service offering for Markets+. A draft service offering will be issued at the end of September for interested parties to provide comments on with a final service offering being released in mid-November. The target for a commitment by interested parties to investigate the development of Markets+ is Q1 2023. At that point, market protocols and tariff language will be developed. Bruce reviewed the milestones for each design team for the June meeting, which will also include further discussion of seams issues and the market monitor. A webinar on the market monitoring options (internal, external, or a hybrid model) will be discussed during the April 27 Development Update webinar.

Bruce thanked everyone for their attendance and engagement, which resulted in a very productive meeting.

#### **\*FUTURE MEETINGS:**

April 13, 2022 – Transmission Availability Design Team

- 11:00 AM – 1:00 PM

April 25, 2022 – Governance Design Team

- 12:00 PM – 1:30 PM

April 26, 2022 – Market Products and Price Formation Design Team

- 10:00 AM – 12:00 PM

April 27, 2022 – Markets+ Development Update

- 11:00 AM – 1:00 PM

May 11, 2022 – Transmission Availability Design Team

- 11:00 AM – 1:00 PM

May 17, 2022 – Market Products and Price Formation Design Team

- 10:00 AM – 12:00 PM

May 23, 2022 – Governance Design Team

- 12:00 PM – 1:30 PM

June 1-2, 2022 – Markets+ Development Update

- Denver, CO – Times TBD

\*Additional Joint Meetings for the Transmission Availability and Market Products/Price Formation Design Teams may be scheduled, as needed.