

MARKETS



*Working together to responsibly and economically
keep the lights on today and in the future.*



SouthwestPowerPool



SPPorg



southwest-power-pool



Southwest Power Pool
**WESTERN
ENERGY
SERVICES**

TODAY'S TOPICS

- Markets+ Phase 1 Funding
- November 15-16 Denver Meeting



MARKETS+ PHASE 1 FUNDING

NOVEMBER 1ST, 2022

MARKETS+ WEBINAR

MARKETS+ PHASE 1

Deliverables

Draft tariff,
protocols and filing
letter

Establish business
practices and
operational criteria

Cost

\$9.7M, 21 months

Additional run
beyond 21 months
billed at \$500k
monthly

Other Considerations

Free ridership

PIO desired
participation &
states advisory role

FUNDING METHODOLOGY

- Incentive to fund
 - Eligible to vote on design decisions
 - Ensure Markets+ moves forward
- Free ridership mitigation
 - Include phase 1 costs in phase 2 funding
 - Credit entities that funded phase 1 down to their proportionate costs based on phase 2 participation

PROPOSAL

METHODOLOGY OBJECTIVES

- Consistency with SPP's governance proposal
- Partial deployment of the Markets+ governance
 - establish the Markets+ Participants Executive Committee (MPEC) offered by SPP in the service offering
- Ensure funding is reflective of the size of committing entities
- Address free-ridership concerns



MPEC VOTING STRUCTURE

3 sectors each represent 33 1/3% of the vote:

- Investor-owned Utilities
- Public Power
- Independents

Markets+ Participants Executive Committee (MPEC)

Advisory Role

Markets+ State Committee

Working Groups:

- Operations Reliability
- Seams
- Market Design

Ad hoc Task Forces

Simple Majority

PHASE 1 FUNDING METHODOLOGY

Funding entities

- **Ratio share allocation on NEL + total participating gen**

PIOs

Considered in the independent sector

- **\$5000 fee**
 - **Maybe waved for eligible entities that are nonprofit organizations under the Internal Revenue Code.**

States involvement

Advisory role

- **Advisory role on design elements at the MPEC**

ADDRESSING FREE-RIDERSHIP



- Ensuring the total implementation cost is allocated to all participating parties, including those who will join during or later in the process.
- The cost of phase 1 will be added to phase 2 project cost, facilitating phase 1 cost allocation to all participating entities.
 - Entities that funded phase 1 will be credited back any difference due to the reallocation of costs to all phase 2 participants.

NEXT STEPS

- Please provide feedback on funding proposal
 - marketsplus@spp.org
- Be ready to discuss at November 15-16 meeting during funding session
- Phase 2 estimate will also be discussed at the Denver meeting

NOVEMBER 15-16 MEETING

NOVEMBER 15-16 AGENDA OVERVIEW

- Posted on meeting webpage on spp.org
- Review comments received and adjustments to service offering
- Dialogue to ensure understanding
- Markets+ Phase 1 funding
- Broken out by major design topic:
 - Governance
 - Market Design
 - Greenhouse Gas Design
 - Transmission
 - Market Monitoring
 - RA and WRAP Interoperability

QUESTIONS?

