

## Substantive *Changes* from Draft to Final Service Offering

### 1. Governance

- a. Updates include details for how elements of the governance structure will be used during phase one, including a proposal to use a three-person subcommittee of the SPP Board of Directors to perform functions of the MIP until the MIP is established. (2.2.1)
- b. Explanations of the funding and participation agreements for phase one. (2.2.1)
- c. Updates to the MPEC voting structure to include load weighting for the IOU and public power sectors as well as the option for a regional vote that requires a greater than 50% approval. In addition, the MPEC voting structure was updated to clarify that entities contributing generation to Markets+ in the independent sector will make up 2/3 of the sector vote for the independent sector. Entities without generation in will make up 1/3 of the independent sector vote. (2.3.3.1.4)
- d. Inclusion of a phase one governance review process as well as a clarification about a super majority vote required of the MIP to change governance. (2.4)

### 2. Market Design

- a. Real-Time Markets+
  - i. Clarification that the final service offering address the day-ahead proposal and any details for a real-time Markets+ development will be explored in the coming months. (3.0)
- b. Flexibility Reserve Zones design idea and explanation added (3.4.1.4)
- c. Several additions and clarifications to resource participation models (3.4.3)
- d. Resource Adequacy standard
  - i. Proposes to use the WRAP has the common, FERC approved resource adequacy program for Markets+ (3.4.7.1)
  - ii. Clarification that Markets+ will support WRAP obligations in other areas of the West that are not participating in Markets+ (3.4.7.2)
- e. Congestion Rent Allocation
  - i. Clarifies that the proposal is intended to support investment in long-term firm transmission service. (3.4.8)
  - ii. Proposes to explore a zonal approach for mitigating potential dilution of congestion rent allocations to transmission service rights holders. (3.4.8)
- f. Convergence Bidding
  - i. SPP will perform studies and analysis during phase one to identify potential unintended consequences for delaying convergence bidding and how it may impact Markets+ price formation and unit commitment. (3.4.10)
- g. Greenhouse Gas Zones and Reporting
  - i. Clarifies commitment to work with stakeholders to develop tracking and reporting methodology to support state reporting mandates (3.5)

- ii. Clarifies design for GHG pricing zones and GHG non-pricing zones (3.5.1 and 3.5.2)
- h. Transmission
  - i. Clarifies the Markets Transmission Use and how Markets+ will optimize transmission service capability of participating transmission service providers in Markets+. (5.1)
  - ii. Corrects formula issue identified in the calculation of MTU and the timing for calculating the revenue recovery. (5.2 and 5.3)
  - iii. Proposes that during phase one, stakeholders develop the timing requirements and policy for identifying and supporting the “carved out” transmission service rights in the Markets+ footprint (5.4)
- i. Settlements
  - i. Includes detail about the direct financial relationship between SPP as the Markets+ operator and entities who elect to participate in the market as well as key settlement definitions used by SPP to support different commercial relationships that may exist with participating entities. (6.2)
- j. Market Monitoring Unit
  - i. Proposes that the MMU use an external consultant or advisor in the early stages of market implementation given the new design approach of Markets+ (7.0)

### **Updates to Final Service Offering Since Publication on 11/30**

- 1) Correction of GHG heading paragraph order (Section 3.5)
- 2) Addition of clarifying sentence on MMU advisor (Section 7.0)