

MARKETS



March 23, 2023 – WIEB Webinar



*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 AGENDA

Welcome
Markets+ Governance Evolution & Phase One Structure
Markets+ Independent Panel
Markets+ Participant Executive Committee
Markets+ State Committee
Working Group Charters
Western Website Walkthrough
Questions

WELCOME

PAUL SUSKIE, SPP



ANTOINE LUCAS

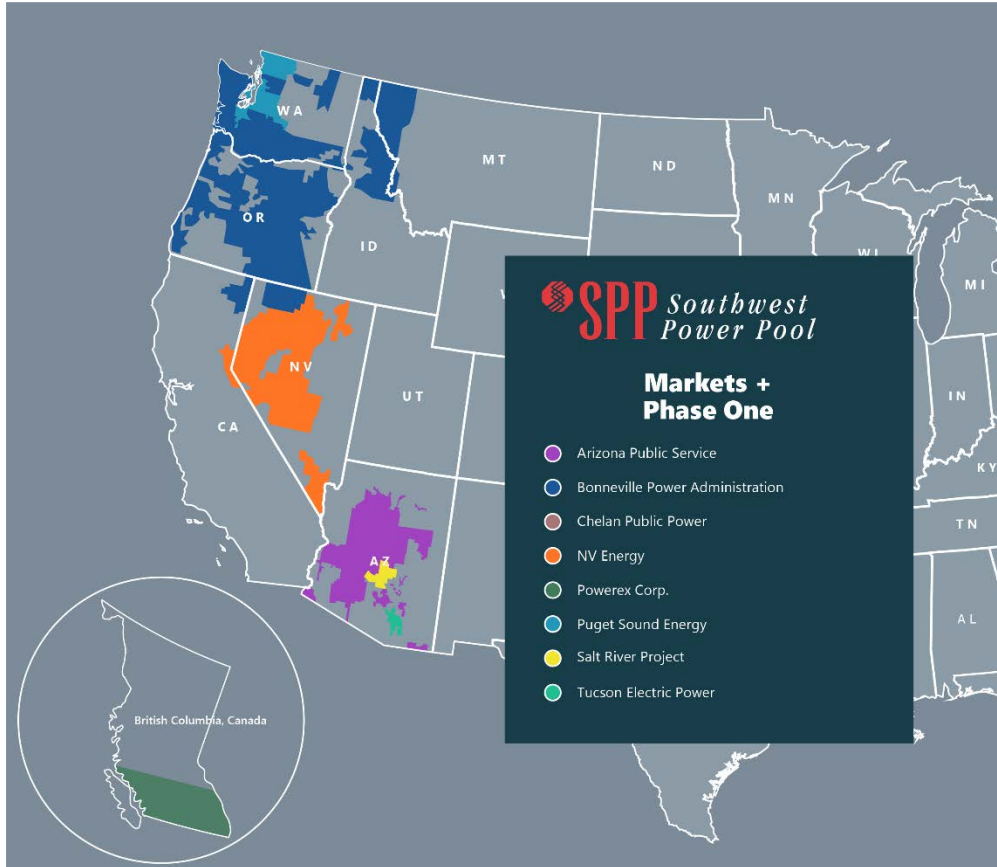
SPP Vice President of Markets

alucas@spp.org



Southwest Power Pool
**WESTERN
ENERGY
SERVICES**

PHASE ONE PARTICIPANTS AS OF MARCH 16



- American Clean Power Association
- Arizona Public Service
- Bonneville Power Administration
- Chelan County Public Utility District
- City of Tacoma
- The Energy Authority
- NIPPC
- Arizona Electric Power Cooperative
- Interwest Energy Alliance
- NV Energy
- Powerex
- Public Power Council
- Puget Sound Energy
- Renewable NW
- Salt River Project
- Tucson Electric Power
- Western Resource Advocates
- Clean Energy Buyers Association

Entities have until April 1 to execute an agreement

MARKETS+ GOVERNANCE

EVOLUTION AND PHASE ONE

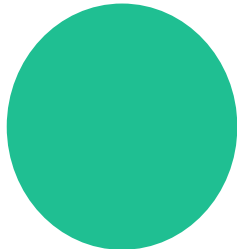
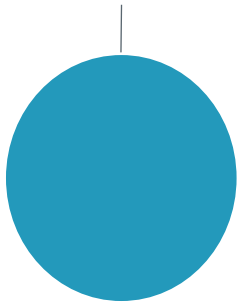
PAUL SUSKIE, SPP

MARKETS+ DESIGN TEAM LEADS

- Aly Koslow, Director - Federal Regulatory Affairs and Compliance, Arizona Public Service
- David Rubin, Federal Energy Policy Director, NV Energy
- Joe Fina, Assistant General Counsel, Snohomish County Public Utility District No. 1
- *Two Governance Design Team members transitioned to new roles:*
 - *Sarah Edmonds, formerly with Portland General*
 - *Lea Fisher, formerly with Public Generating Pool*

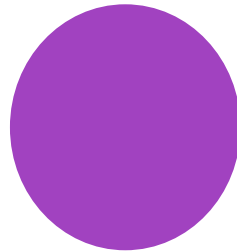
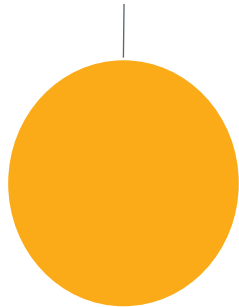
MARKETS+ GOVERNANCE EVOLUTION

Jan. 2022:
First
Governance
Design Team
meeting



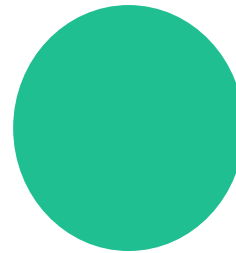
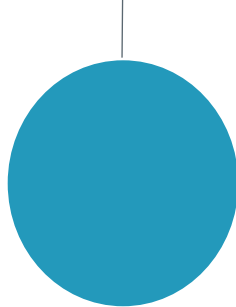
Feb. 2022:
Began
exploring
governance
design
options

March 2022:
Conducted
governance
schematics
survey



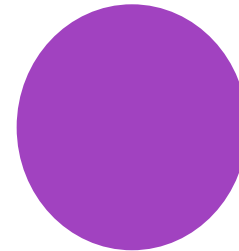
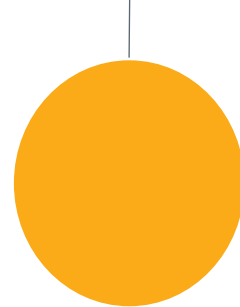
April 2022:
Stakeholder
review of
survey
results

May 2022: First
governance
straw proposal
and comment
period



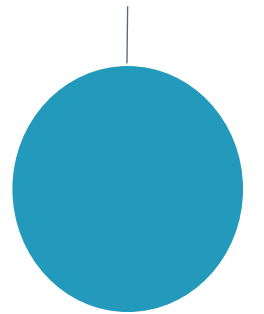
June 2022:
Revised
straw
proposal

July 2022:
Second
comment
period



Sept. 2022:
Third straw
proposal
issued

Nov. 2022:
Governance
detailed in
service
offering



ENTITIES COMMENTING

- APS
- Black Hills
- Bonneville Power Administration
- Clean Energy Buyers Alliance
- Colorado Energy Office
- Idaho Power
- Interwest Energy Alliance
- NIPPC
- NV Energy
- Powerex
- PSCo
- Public Generating Pool
- Public Power Council
- Puget Sound Energy
- Renewable NW
- Seattle City Light
- SRP
- State PUC MOU Group
- Transalta Energy Marketing
- Tucson Electric Power
- WAPA
- Western Freedom
- Western Interstate Energy Board
- Western Power Pool
- Western Power Trading Forum
- Western Resource Advocates

MARKETS+ PHASE ONE FRAMEWORK

- The Markets+ service offering is the framework for Markets+ governance and market structure.
- During phase one, to the extent practical, the governance structure described in the Markets+ service offering will be used to vote on the Markets+ tariff and protocols.
- Upon approval of the tariff language, protocols and governing documents by the Markets+ Participants Executive Committee (MPEC) and phase one Markets+ Independent Panel (MIP), the package will be submitted to the SPP board for approval to file at FERC.

GOVERNANCE STRUCTURE IMPLEMENTATION

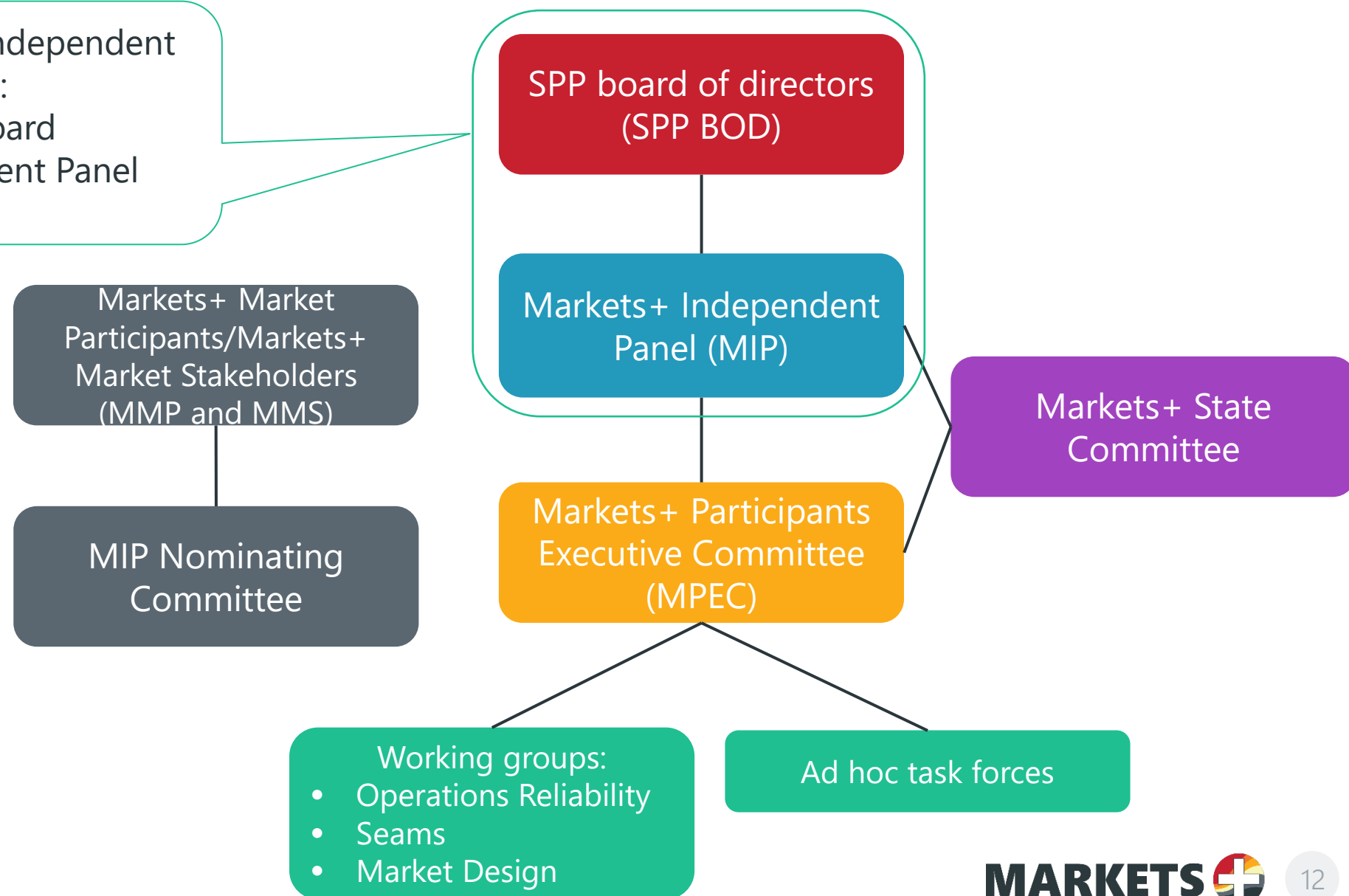
MARKETS+ GOVERNANCE: CURRENT PROPOSAL

Markets+ will have fully independent governance from day one:

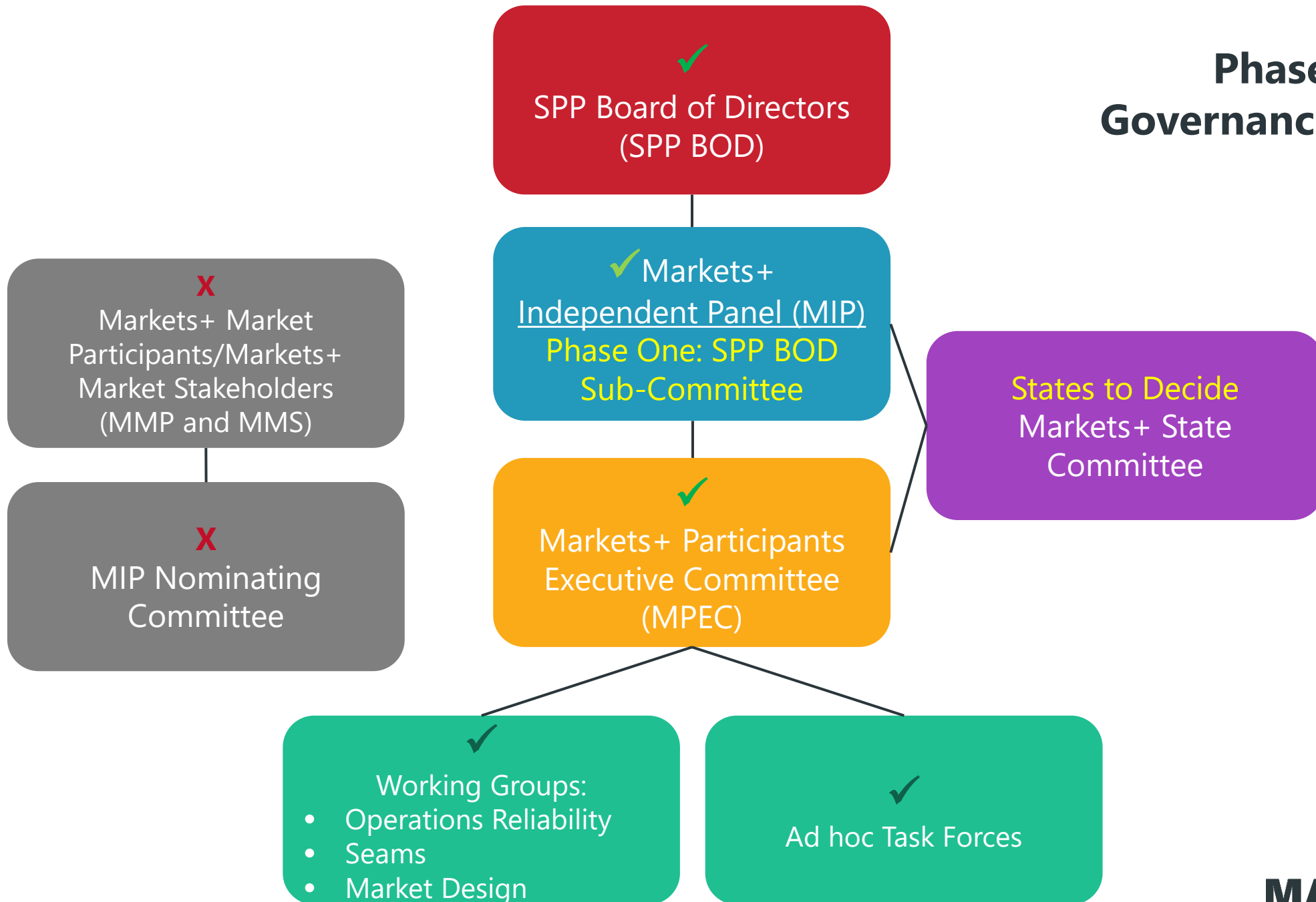
- SPP independent board
- Markets+ Independent Panel (MIP)

Markets+ stakeholders will have a meaningful role in decision making:

1. Participants – utilities, IPPs, marketers, direct access customers, etc.
2. Non-participants – NGOs, PIOs, co-ops, etc.
3. State Committee members

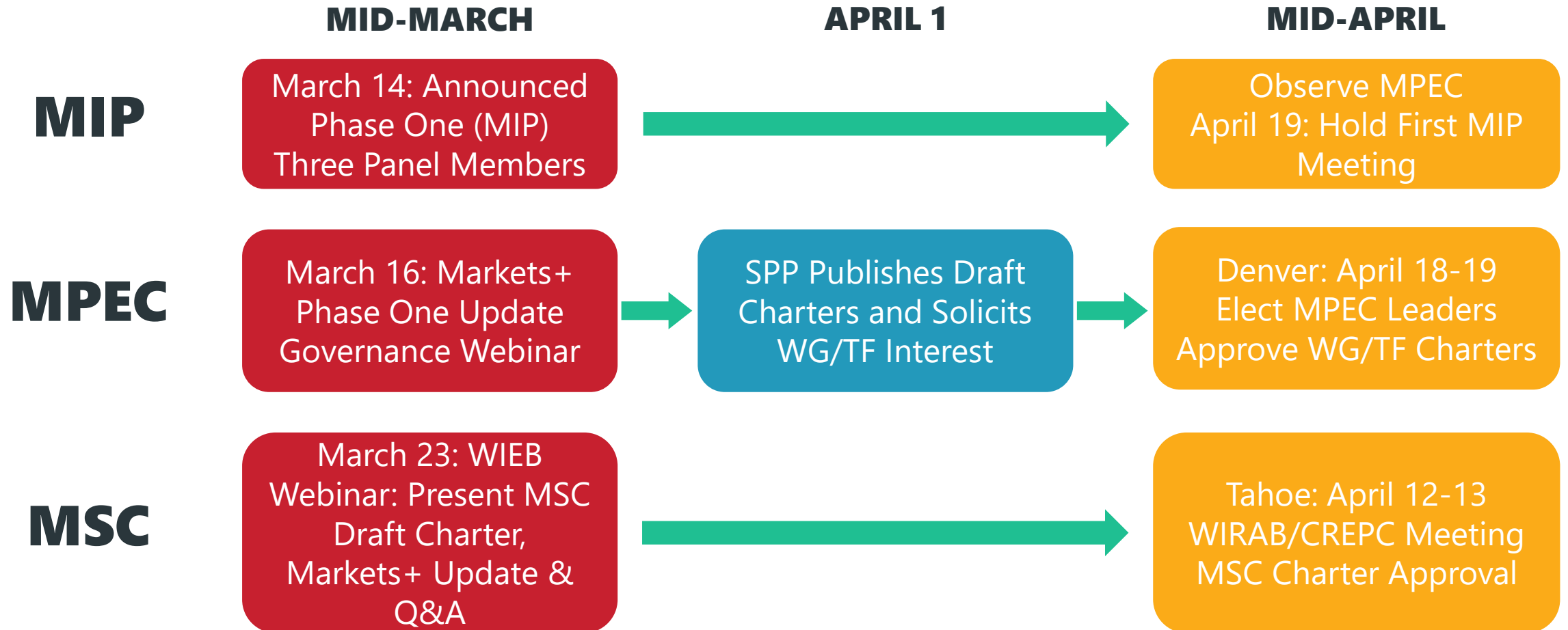


Phase One Governance Structure



MARKETS+ GOVERNANCE: PHASE ONE IMPLEMENTATION

TIMELINE



MARKETS+ INDEPENDENT PANEL

PHASE ONE

MARKETS+ MIP – PHASE ONE

- Because the Markets+ Independent Panel (MIP) will not be established during phase one, a **three-person subcommittee of the SPP board of directors** will perform the functions of the MIP. For phase one, we are referring to this as the interim Markets+ Independent Panel (IMIP).
- Highest level of Markets+
- Simple majority voting (no secret ballot)
- Actions taken on Markets+ tariff language will be presented to the full SPP board and filed with FERC

MARKETS+ IMIP PHASE ONE



Elizabeth Moore
IMIP Member



John Cupparo
IMIP Member



Steve Wright
IMIP Chair

SPP DIRECTOR – STEVE WRIGHT



- Location: Washington
- Elected January 2023
- Years of industry experience in the Western Interconnection
- Served as General Manager at Chelan Public Utility
- Former Administrator and CEO of Bonneville Power Administration

SPP DIRECTOR – ELIZABETH MOORE



- Location: New York
- Elected October 2020
- Current vice chair of SPP board
- 30+ years of experience in the regulatory and energy industry
- Former senior vice president and general counsel for Consolidated Edison, Inc., one of the largest investor-owned utilities in the nation

SPP DIRECTOR – JOHN CUPPARO



- Location: Oregon
- Elected January 2022
- Former senior executive at Berkshire Hathaway Energy
- Former President & CEO of BHE U.S. Transmission
- Former board member of the Western Electricity Coordinating Council

MARKETS+ PARTICIPANT EXECUTIVE COMMITTEE

PHASE ONE

MARKETS+ PARTICIPANTS EXECUTIVE COMMITTEE (MPEC)

- All entities that execute the Markets+ Market Participant Phase One Funding Agreement OR Markets+ Market Stakeholder Phase One Participation Agreement are eligible to appoint a representative to the MPEC.
 - Senior level management employee
 - Financial decision making authority
- MPEC authority:
 - Make recommendations to MIP
 - Proposes amendments to the Markets+ tariff
 - Markets+ market protocols to support filed tariff
 - Administrative rate charged to market participants
 - Propose amendments to Markets+ participant agreement and stakeholder agreement
 - Establish working groups and task forces

KEY MPEC VOTING ITEMS FOR APRIL 18-19 MEETING

- Voting Structure:
 - 1/3 investor-owned utilities
 - 1/3 public power
 - 1/3 other (divided)
 - 2/3 entities contributing generation to the Markets+ market
 - 1/3 entities that do not contribute generation to the Markets + market
- 67% approval threshold
- Depending on the entities that join Markets+, participants in the investor-owned utilities and public power sectors may be assigned to a geographic region for the purposes of voting.
- **First meeting is April 18-19, 2023**
- **Key Voting Items**
 - Election of MPEC Chair
 - Election of MPEC Vice-Chair
 - Approval of Committee, Working Group and Task Force Charters

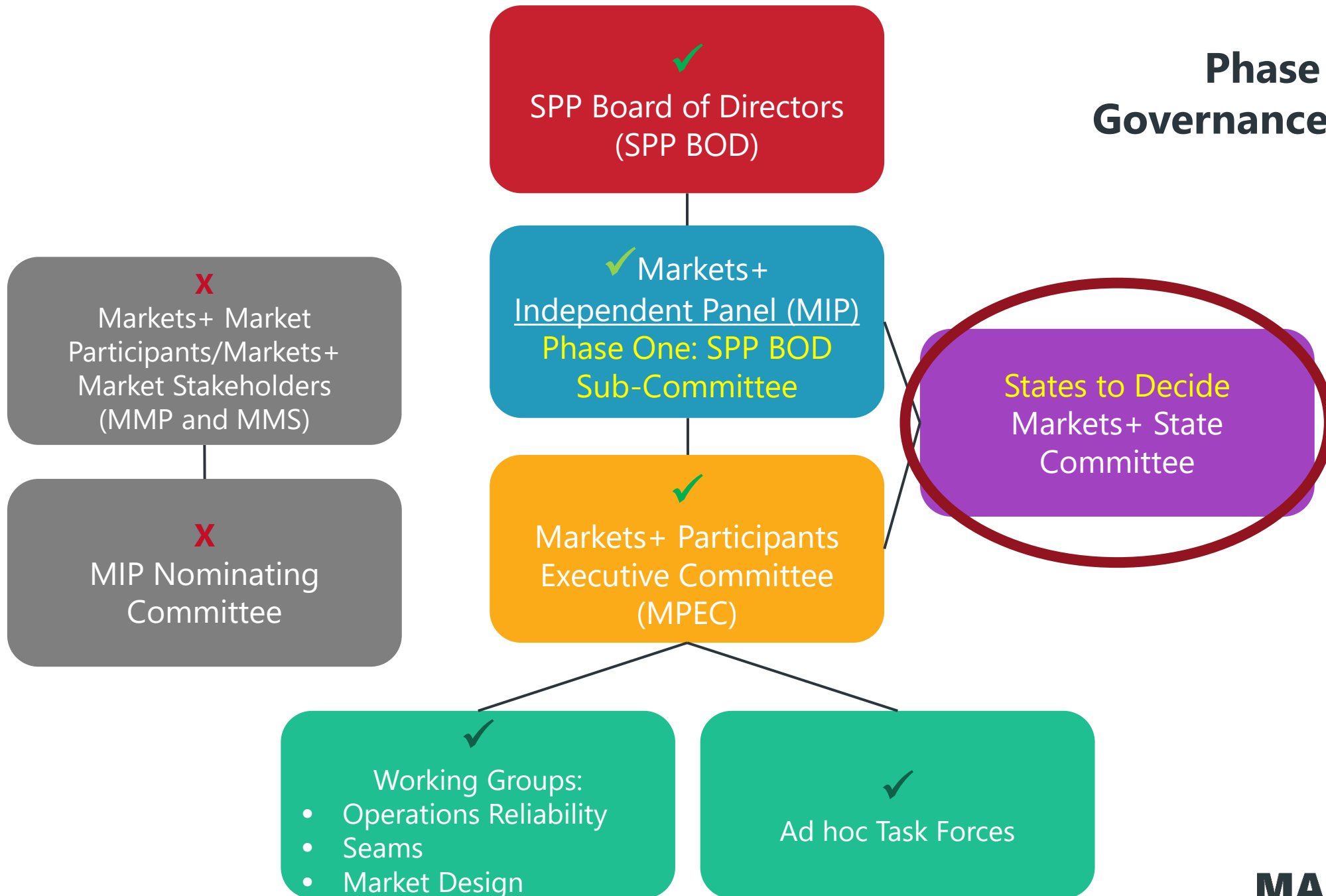
MARKETS+ STATE COMMITTEE

PHASE ONE

CHAIRMAN ERIC BLANK, COLORADO PUC

PAUL SUSKIE, SPP

Phase One Governance Structure



COLORADO PUC CHAIR – ERIC BLANK



- Chairman of the Colorado Public Utilities
- Worked on electric utility and clean energy issues for more than 35 years in entrepreneurial, business and non-profit settings
- Developed 2,000 MW of operating wind and solar projects, representing \$4 billion in invested capital

MARKETS+ STATE COMMITTEE (MSC)

- Engages state members in the development and operation of Markets+
- Advisory role for Markets+ Independent Panel (MIP) & Markets+ Participant Executive Committee (MPEC)
- May serve on task forces
 - With voting rights as appointed by the MSC
- **Membership: State public utility commission**
 - Other state agency, as determined by the state's chair/president
- **Leadership: Chair and vice chair**
 - Voting member of the MIP Nominating Committee
- Decision making: One vote per state
- SPP-hosted website

MARKETS+ STATE COMMITTEE (MSC) PHASE ONE

- Membership: Initial membership may include one member from each state utility regulatory agency from Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming.
- MSC to determine participation of representatives from other state agencies (state energy offices, state environmental offices, consumer advocates, etc) within the MSC governing structure.
- Colorado PUC Chair Eric Blank is leading the effort in drafting the MSC charter and formation efforts with WIEB.

MARKETS+ STATE COMMITTEE (MSC) PHASE ONE

- WIEB webinar will be hosted on March 23, 2023, to discuss MSC formation, draft MSC charter and next steps.
- Draft MSC charter – potential vote on the charter during the April CREPC/WIRAB meeting – April 12-14.

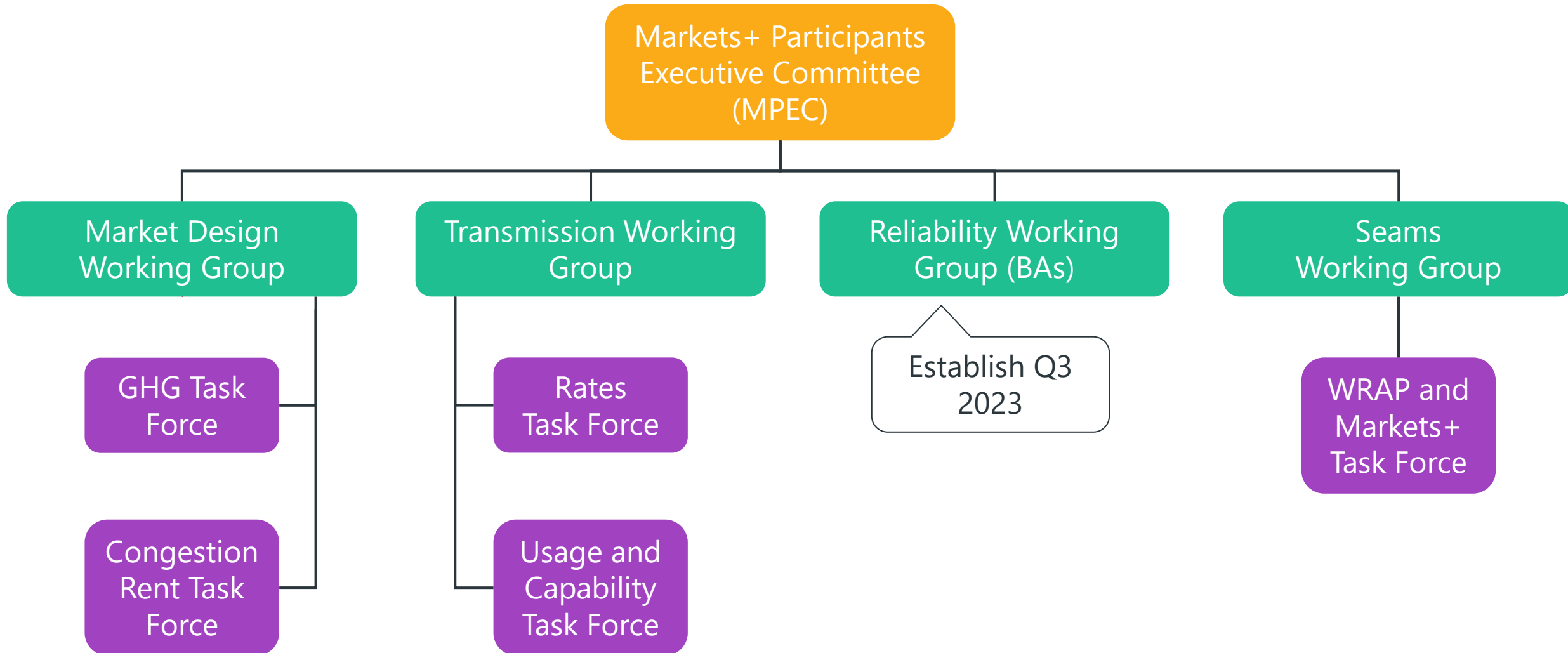
MARKETS+ STATE COMMITTEE (MSC) PHASE TWO

- One commissioner from the utility regulatory commission of each state where a Markets+ market participant has load/gen
- Funding – SPP facilitates retention of independent staffing
 - MIP annually approves MSC's budget
 - MSC budget costs allocated to MMPs

MARKETS+ WORKING GROUPS AND TASK FORCES

PHASE ONE

WORKING GROUPS: PHASE ONE



PHASE ONE: WORKING GROUP AND TASK FORCE CREATION AND COMPOSITION

Working Groups



Task Forces



MARKETS+ WORKING GROUPS & TASK FORCES

- SPP staff is drafting working group and task force charters.
 - Charters include a purpose statement, scope of activities and specify group representation.
- Charters and proposed seat categories will be posted for review by April 4, for review by stakeholders.
 - Solicitation efforts for seating working groups and task forces is underway.
 - Reach out to SPP staff if you are eligible and interested in filling a seat on one of the groups.
- MPEC will review and vote on charters and rosters during the April 18-19 meeting.

WESTERN WEBSITE WALKTHROUGH

DEREK WINGFIELD, MANAGER OF COMMUNICATIONS
AND STAKEHOLDER AFFAIRS

QUESTIONS?