



# PRESIDENT’S PREROGATIVE

**TO:** IEDA Board  
**FROM:** Glen Vortherms  
**RE:** CRSP/SPP Market Issue  
**DATE:** April 12<sup>th</sup>, 2024

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*The President’s Prerogative is an initiative to attempt to educate members and increase engagement. We will take time to discuss this issue as a way to enhance participation in the future.*

## Issue

Multiple states have directed their public utility commissions to enter markets (CO & NV by 2030). Multiple entities in Colorado (and surrounding) have been working on this issue for about a decade. Mountain West started in 2017 and pursued joining SPP membership. There was a non-disclosure agreement that prevented IEDA access to information. The group dissolved with the departure of a few large entities.

This issue has gained steam in recent years, especially with the CAISO tariff that allowed them to abscond energy traversing their state (except for certain condition). Western Markets Exploratory Group is an example of a current initiative.

Most utilities in Arizona are grappling with the CAISO governance versus transmission path. The scale of transmission to/from California dwarfs that to the north or east. Some have speculated that the SPP pursuit to leverage California to expand their governance to something beyond just a statewide issue.

In 2015, WAPA entered SPP in the Upper Great Plains region. They have seemed to have had a positive experience so far and were able to negotiate a Federal Service Exemption for their entry into SPP which provided benefits for WAPA customers.

Due to reduction in bilateral trading partners and Colorado's insistence on coal plant closures, WAPA saw a need to take action to improve their WACM BA, even though the benefits were de minimis. WAPA leadership also expressed a desire to pursue entering a market.

### **IEDA Actions**

WAPA decided to pursue entry into SPP. Despite multiple requests, the analysis of Lower Division customers' impacts if WAPA-CRSP were to join SPP was somewhere between underwhelming and non-existent. We sent multiple letters to WAPA to express Lower Basin concerns, especially since we have multiple customers involved in the CAISO WEIM. Our biggest concern was how the capacity from CRSP would be recognized in CAISO. Another issue would be the transmission charges being pulled into SPP, reservations up to CROD and overall contractual rights for customers.

This issue was raised multiple times in board meetings in a way to engage members and their awareness of the issue.

A concerted effort from IEDA, AMPUA and Co-Ops submitted letters to WAPA during the Federal Register Notice (April 28, 2023) and was able to secure WAPA's commitment to a pseudo-tie option for Lower Division customers.

A recent revelation is that the pseudo-tie option would not put Lower Division customers into the SPP Market, as it isn't real-time. This would preclude Lower Division customers from the Federal Service Exemption, and subject them to system losses.

WAPA has offered up an option called a "Constrained Flow Path" which would reserve select customers transmission from market participation. This would keep these customers from transmission system upgrades and the transmission charge in the CRSP-SPP zone.

Different IEDA members have different positions regarding SPP moving forward.

## **Options**

1. Bang the gong louder regarding the importance of this issue. Despite the coverage at IEDA meetings, member engagement seemed less than the impacts warranted.
2. IEDA create a working committee regarding this issue.
3. Other thoughts?