

152 FERC ¶ 61,225
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Philip D. Moeller, Cheryl A. LaFleur,
Tony Clark, and Colette D. Honorable.

Southwest Power Pool, Inc.

Docket No. ER15-2265-000

ORDER CONDITIONALLY ACCEPTING TARIFF REVISIONS

(Issued September 22, 2015)

1. On July 24, 2015, pursuant to section 205 of the Federal Power Act¹ and Part 35 of the Commission's regulations,² Southwest Power Pool, Inc. (SPP) submitted revisions to its Open Access Transmission Tariff (Tariff) to establish separate procedures for the establishment, modification, and termination of trading hubs and resource hubs in its Integrated Marketplace.³ In this order, we conditionally accept SPP's proposal, to be effective September 23, 2015, subject to a compliance filing.

I. Background

2. As part of its initial Integrated Marketplace filing,⁴ SPP proposed Tariff provisions, contained in section 3.1.1 of Attachment AE, providing for the establishment and modification of market hubs.⁵ In addition to outlining criteria for the establishment

¹ 16 U.S.C. § 824d (2012).

² 18 C.F.R. § 35.13 (2015).

³ As part of its Integrated Marketplace reforms, SPP implemented day-ahead and real-time energy markets, an operating reserve market, and a Transmission Congestion Rights (TCR) auction. The Integrated Marketplace commenced on March 1, 2014.

⁴ SPP submitted its initial Integrated Marketplace filing on February 29, 2012 in Docket No. ER12-1179-000.

⁵ As proposed in the Integrated Marketplace filing, SPP defined Market Hub as “[a] Settlement Location consisting of an aggregation of Price Nodes.” SPP Tariff, Attachment AE, section 1.1 – Definitions M.

of a market hub, proposed section 3.1.1 provided that the SPP Board of Directors (Board) must approve the creation, modification, or deletion of a market hub and that SPP must post this approval at least six months prior to the market hub's effective date. In an October 18, 2012 order, the Commission conditionally accepted proposed section 3.1.1 of Attachment AE, subject to SPP making a minor modification.⁶

3. On March 28, 2013, in Docket No. ER13-1173-000, SPP submitted an additional Integrated Marketplace filing (March 2013 Filing). As part of this filing, SPP proposed revisions to section 3.1.1 of Attachment AE in its Tariff permitting the creation, without Board approval, of a settlement location composed of an aggregation of price nodes associated with multiple resources, termed a resource hub, subject to a 45-day advance posting requirement. The Commission rejected the proposed changes to section 3.1.1 of Attachment AE, finding that they lacked support and noting that the rejection was without prejudice to SPP re-submitting Tariff language with adequate support.⁷

4. On February 4, 2015, in Docket No. ER15-990-000, SPP submitted a request for limited waiver of certain provisions in its Tariff to recognize the establishment of certain resource hubs in the Integrated Marketplace (Waiver Petition).⁸ In the Waiver Petition, SPP stated that it intended the Tariff revisions proposed in the March 2013 Filing to conform to provisions it had developed in its Market Protocols, which included detailed procedures for the establishment of market hubs.⁹ SPP explained that these detailed procedures described two subclasses of market hubs, resource hubs and trading hubs, and that each subclass had different implementation procedures. SPP also explained that resource hubs serve as an administrative convenience for market participants by allowing commonly-owned or controlled assets to be aggregated for purposes of facilitating sales and purchases and are typically backed by transmission service. SPP stated that, in

⁶ *Southwest Power Pool, Inc.*, 141 FERC ¶ 61,048, at P 197 (2012) (Integrated Marketplace Order), *order on reh'g*, 142 FERC ¶ 61,205, *order on compliance and tariff revisions*, 144 FERC ¶ 61,224 (2013) (September 2013 Order), *order on compliance*, 146 FERC ¶ 61,050 (2014).

⁷ September 2013 Order, 144 FERC ¶ 61,224 at P 406.

⁸ The Commission granted this request for limited waiver in a May 14, 2015 order. *Southwest Power Pool, Inc.*, 151 FERC ¶ 61,122 (2015).

⁹ Waiver Petition at 4 (citing March 2013 Filing at 10). The Waiver Petition was necessary because SPP had created resource hubs in the commercial model for the Integrated Marketplace based on the Market Protocol provisions, despite the rejection of the proposed Tariff language in the September 2013 Order.

contrast, a trading hub is an aggregation of points used to facilitate liquidity in the market and thus requires more scrutiny.¹⁰

II. Filing

5. SPP proposes modifications to section 13.7 and Attachment AE in its Tariff to distinguish separate procedures for establishing, modifying, and terminating trading hubs and resource hubs in the Integrated Marketplace.¹¹ First, SPP proposes revisions to section 1.1 to remove the definition of “Market Hub” and to define the terms “Trading Hub” and “Resource Hub” in the Tariff. It also proposes modifications to other definitions to delete and replace the term “Market Hub.” SPP explains that because it is proposing two classes of hubs, it also proposes increasing the number of types of settlement locations from four to five in the definition of “Settlement Location.”¹² SPP proposes modifying section 8.3(2)(d) of Attachment AE, which governs the calculation of pricing hub settlement locations, to make it applicable to trading hub settlement locations. SPP also proposes a new section 8.3(2)(e) in Attachment AE to address price calculations for resource hub settlement locations.¹³ SPP proposes moving language from section 8.3(2)(d), which sets forth how Locational Marginal Prices (LMP), Marginal Congestion Components, and Marginal Loss Components will be weighted for resource hubs, to a new section 8.3(2)(e). Additionally, SPP proposes minor modifications to section 13.7 and throughout Attachment AE to update hub terminology in the Tariff, consistent with its proposed revisions.

6. SPP also proposes revisions to section 3.1.1 to clarify that the existing procedures in that section for the establishment, modification, and termination of market hubs apply to trading hubs. SPP proposes language in section 3.1.1 to specify that an existing trading hub may only be modified or terminated in the event that SPP can no longer calculate the LMP at the hub. Further, SPP proposes language to require notice of a new trading hub 45 days before its effective date. SPP also proposes revisions to section 3.1.1 to require notice of a modification or termination of a trading hub within 30 days of a

¹⁰ *Id.* at 3-5, 8.

¹¹ SPP proposes defining a trading hub as “[a] Settlement Location consisting of an aggregation of Price Nodes developed for financial and trading purposes.” SPP proposes defining a resource hub as “[a] Settlement Location consisting of an aggregation of Resource Price Nodes developed for financial and trading purposes.” SPP proposed Tariff, Attachment AE, section 1.1—Definitions T and R, respectively.

¹² Transmittal at 6.

¹³ SPP proposes renumbering current section 8.3(2)(e) as 8.3(2)(f) in Attachment AE.

determination to modify or remove the hub. SPP also proposes removal of language in section 3.1.1 referring to market start-up, as well as removal of language referring to the day-ahead and real-time markets because trading hubs apply to more than these two markets (e.g., SPP's TCR auction).¹⁴

7. In addition, SPP proposes a new section 3.1.6 to provide for the establishment and termination of resource hubs. SPP proposes language providing that a resource hub proposal may be composed of any combination of resources with which a requesting market participant has affiliation, further specifying that SPP will not limit the number of resource hubs established at any one time. SPP also proposes language specifying that market participants must submit proposals for resource hub creation and termination within the settlement location update duration set forth in the SPP Market Protocols. SPP proposes language providing that it will provide notice of an approved resource hub at least 45 days prior to its requested effective date. SPP also proposes language specifying that it will provide notice of an approved termination of a resource hub at least six months prior to the proposed termination effective date and that this date will coincide with the annual TCR auction period end.¹⁵

8. SPP asserts that, as explained in the Waiver Petition, its intention when developing the Integrated Marketplace was to adopt different procedures for hubs, depending on the nature and purpose of the hub being created. SPP explains that a trading hub is an aggregation of points used to facilitate trading and liquidity in the market, thus requiring a rigorous level of scrutiny. SPP states that the Tariff provisions applicable to trading hubs retain numerous Commission-approved requirements, such as consideration of any proposed trading hub establishment, modification, or termination by the SPP Markets and Operations Policy Committee, which provides a recommendation regarding such action to the SPP Board. SPP explains that proposed modifications to section 3.1.1 revise the timeframes related to the posting of trading hub creation, modification, and termination to, among other things, better coordinate the timing required to create new settlement locations and to update the SPP commercial and TCR models.¹⁶ SPP states that resource hubs serve as an administrative convenience for market participants and simply allow commonly owned or controlled assets to be aggregated for purposes of facilitating sales and purchases. As such, SPP claims that resource hubs do not require the same type of scrutiny as trading hubs. According to SPP, in other organized markets, settlement locations comparable to resource hubs (i.e., involving aggregation of resource pricing

¹⁴ Transmittal at 5.

¹⁵ *Id.* at 5-6.

¹⁶ *Id.* at 4.

nodes) are established without regulatory or Tariff prerequisites.¹⁷ SPP requests an effective date of September 23, 2015 for the proposed Tariff revisions.

III. Notice of Filing and Responsive Pleadings

9. Notice of SPP's filing was published in the *Federal Register*, 80 Fed. Reg. 45,651 (2015), with interventions and protests due on or before August 14, 2015. Timely motions to intervene were filed by: Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company and Western Area Power Administration. The SPP Market Monitoring Unit (Market Monitor) and Xcel Energy Services, Inc. each filed timely motions to intervene and comments. TDU Intervenors¹⁸ filed a timely motion to intervene and limited protest. On August 31, 2015, SPP filed an answer. On September 4, 2015, TDU Intervenors filed a reply.

10. Xcel and the Market Monitor support the proposed Tariff revisions. Xcel states that it has a Replacement Power Sales Agreement that pre-dates the Integrated Marketplace. Xcel explains that when SPP implemented its new marketplace, the parties to the Replacement Power Sales Agreement were required to change contract administration, and the parties used a resource hub to accurately define pricing. Xcel asserts that the ability to create resource hubs with less stringent protocols and on a shorter time frame has the potential to promote bilateral transactions, thereby adding to greater liquidity and market options.¹⁹

11. The Market Monitor states that, as is the case in other geographic commodity markets, the Integrated Marketplace makes use of hubs to facilitate market activities. The Market Monitor indicates that, currently, there are two trading hubs and six resource hubs in the Integrated Marketplace. The Market Monitor explains that the primary trading hub, the SPP South Hub, consists of a set of pricing nodes in central Oklahoma, and its price varies consistently with the cost of serving the majority of SPP's load. The other trading hub, the SPP North Hub, consists of nodes in Nebraska and tracks prices in the northern and western part of the footprint, which trades at a lower volume. In contrast, the six resource hubs each represent all or a subset of the capacity controlled by an individual market participant. The Market Monitor states that market participants use resource hubs to facilitate bilateral transactions, generally supported by firm power transactions, either between market participants or among operating companies of a single participant. The Market Monitor further explains that it provided analytical

¹⁷ *Id.* at 5.

¹⁸ TDU Intervenors include the City of Independence, Missouri, the Kansas Power Pool, and Missouri Joint Municipal Electric Utility Commission.

¹⁹ Xcel Comments at 4.

support and review of these trading and resource hubs prior to launch of the Integrated Marketplace. According to the Market Monitor, since launch of the market, it monitors trading patterns and the appropriate use of transactions at hubs, and it has an interest in the role of hubs in supporting market efficiency.²⁰

12. The Market Monitor asserts that the importance of SPP's proposal lies in its facilitation of the creation of resource hubs and the prohibition of modification of those hubs. The Market Monitor states that resource hubs fulfill an Integrated Marketplace business need by supporting the many bilateral transactions that have historically helped, and continue to help, SPP load-serving entities meet their capacity and energy requirements at low cost. Given the distinct business use of resource hubs, the Market Monitor agrees with SPP that a different process and set of criteria is appropriate for these hubs. The Market Monitor agrees with SPP's proposal to reduce the rigor around the process for establishing resource hubs, which would allow market participants to represent the resources included in the hub to define the weighting of each resource in the hub pricing calculation. The Market Monitor also believes that SPP has provided adequate safeguards in its Tariff.²¹

13. Further, the Market Monitor asserts that the robust use of SPP's hubs by all market participants provides market liquidity, which furthers competition and efficiency. In this regard, the Market Monitor emphasizes the importance of SPP's proposed Tariff language ensuring that hubs are not modified or terminated during the term of any TCR, and that the calculation of prices at all hubs follows a transparent process prescribed in the Tariff. Additionally, the Market Monitor states that, because market participants drive the resource hub process, a prohibition of hub modification is required, especially during the course of a TCR term, to prevent a market participant from modifying the hub to benefit the value of a TCR. The Market Monitor notes that, when SPP considered whether this prohibition would be overly burdensome to market participants, it concluded that any legitimate business need requiring a new hub definition could be served by the establishment of a new resource hub.²²

14. The Market Monitor notes one concern that the use of bilateral settlement schedules at resource hubs creates payments to the seller in the distribution of marginal loss revenues (i.e., over-collected losses) that the seller would not receive in an identical

²⁰ Market Monitor Comments at 2.

²¹ *Id.* at 3.

²² *Id.* at 4.

transaction at the resource settlement locations themselves.²³ The Market Monitor asserts that this distortion of the over-collected losses payment structure could incentivize a market participant to transact a bilateral settlement schedule at a resource hub when it would not otherwise choose to do so, in order to collect additional revenues. The Market Monitor is concerned that this could create a potential for market manipulation and notes that SPP stakeholders continue to discuss the issue. However, the Market Monitor does not seek to address this concern in this proceeding, and it is not aware of other market inefficiencies or manipulation opportunities arising out of SPP's proposal.²⁴

15. In their limited protest, TDU Intervenors state that they generally agree with SPP's proposal to differentiate between the two types of hubs and the methods by which they may be created. TDU Intervenors do not object to SPP's proposed trading hub provisions. However, they have concerns regarding the proposed resource hub provisions, which they state the Commission can alleviate by requiring certain clarifications and modifications to these provisions as a condition of acceptance of SPP's proposal.²⁵

16. TDU Intervenors assert that resource hubs should not be subject to termination without the consent of affected parties and argue that the proposed Tariff provisions leave market participants at risk of having their market and/or transmission transactions disrupted by unilateral termination of a resource hub. Specifically, TDU Intervenors point to revisions in section 3.1.6 of Attachment AE that allow a market participant that created a resource hub upon which a long-term TCR or an incremental long-term TCR is based to terminate that resource hub long before the end of the term of those TCRs, so long as the termination coincides with "the annual TCR auction period end." Based on discussions with SPP, TDU Intervenors state that SPP intends to honor any long-term or incremental long-term TCRs based on resource hubs for the full term of those TCRs. TDU Intervenors request that the Commission require that the preservation of long-term and incremental long-term TCRs be reflected in the Tariff language.²⁶

²³ The Market Monitor notes that it raised these concerns in Docket No. ER15-763-000, further stating that the Tariff revisions implemented in that proceeding reduced the magnitude of the over-collected losses payments to bilateral settlement schedule sellers at resource hubs on a per MWh basis. *Id.* at 5, nn.12 & 13 (citing Market Monitor Comments in Docket No. ER15-763-000 at 5; *Southwest Power Pool, Inc.*, 150 FERC ¶ 61,242 (2015)).

²⁴ *Id.* at 5.

²⁵ TDU Intervenors Limited Protest at 3.

²⁶ *Id.* at 5-6.

17. TDU Intervenors state that, presumably because TCRs can be based on a resource hub source, transmission reservations may identify a resource hub as a point of receipt. TDU Intervenors assert that unilateral termination of a resource hub, during the term of a point-to-point transmission service reservation or network resource designation that relies on that hub, should be prohibited. TDU Intervenors request revisions to the Tariff to clarify that no outstanding transmission service arrangements can be undermined by unilateral termination of a resource hub.²⁷

18. Additionally, TDU Intervenors assert that proposed section 3.1.6 in Attachment AE would improperly permit the seller in a bilateral transaction to unilaterally terminate a resource hub used in the parties' bilateral settlement schedules. TDU Intervenors contend that termination of a resource hub tied to a bilateral contract, and related bilateral settlement schedule, should be prohibited unless agreed upon by both parties to the transaction. TDU Intervenors note that the Commission has recognized the key role of bilateral settlement schedules in preserving market participants' rights under bilateral transactions, as well as the need to ensure that buyers in such transactions would not have to risk sellers' refusals to agree upon the terms of the related bilateral settlement schedules or termination of such schedules.²⁸ According to TDU Intervenors, by giving exclusive power to the seller to terminate a resource hub, SPP unnecessarily upsets the balance struck in the parties' agreement and exposes the buyer to risk. TDU Intervenors state that while section 3.1.6 requires SPP to post an approved resource hub termination at least six months prior to the termination date, this provision does not afford affected market participants the opportunity to oppose such termination.²⁹

19. TDU Intervenors request clarifications to certain aspects of SPP's resource hub proposal. Specifically, TDU Intervenors point to the fifth sentence in section 3.1.6 of Attachment AE, which states that SPP's review and approval of resource hubs will be "based on the criteria defined in this Resource Hubs process." TDU Intervenors state that they understand from SPP that the "criteria" referenced in this sentence are meant to refer to the first three sentences in that section. TDU Intervenors request that the Commission require SPP to revise the fifth sentence in section 3.1.6 to clarify this point. Additionally,

²⁷ *Id.* at 6.

²⁸ *Id.* at 7 (citing Integrated Marketplace Order, 141 FERC ¶ 61,048 at PP 326-327).

²⁹ *Id.* at 7-8. TDU Intervenors also believe that any market participant using a bilateral settlement schedule tied to a resource hub should be notified directly of the proposed termination. TDU Intervenors state that small market participants who rely on bilateral agreements may not actively monitor SPP postings. *Id.* n.7.

TDU Intervenors request that the Commission require SPP to clarify and, if necessary, harmonize the relationship between the proposed resource hub provisions and section 2.2(3) of Attachment AE. TDU Intervenors note that, as a compliance requirement in the Integrated Marketplace proceeding, SPP added the following language to section 2.2(3):³⁰ “Market Participants may not aggregate multiple Resource Meter Data Submittal Locations into a single Resource Settlement Location unless the Resources are at the same physical and electrically equivalent injection point to the Transmission System.” TDU Intervenors argue that it is unclear whether SPP’s proposed resource hub provisions are consistent with this restriction. TDU Intervenors request that the Commission require SPP to explain how these two Tariff provisions can be reconciled, or require SPP to propose revisions to eliminate any potential conflict.³¹

20. In its answer, SPP provides clarifications and responses to the concerns raised by TDU Intervenors. SPP explains that because section 3.1.6 of Attachment AE requires the termination of a resource hub to coincide with the annual TCR auction period end, the notice period for a termination could in fact be greater than six months. In addition, SPP states that it will honor any long-term TCR and incremental long-term TCR that is based on the resource hub for the full term of the long-term TCR or incremental long-term TCR, further stating that it will provide such language in a future compliance filing.³²

21. In response to TDU Intervenors’ request that the Tariff be modified to clarify that no outstanding transmission service arrangements can be undermined by unilateral termination of a resource hub, SPP argues that no such Tariff modifications are required because the transmission reservation is unaffected by the termination of a resource hub.³³ With regard to TDU Intervenors’ assertion that the fifth sentence of section 3.1.6 requires clarification as to the “criteria defined in this Resource Hubs process,” SPP asserts that no further clarification is necessary because the “Resource Hubs process” identified by TDU Intervenors refers to the processes in section 3.1.6 itself, and the “criteria” referenced in the fifth sentence of section 3.1.6 are identified in the first three sentences of section 3.1.6.³⁴

³⁰ *Id.* at 9 (citing Integrated Marketplace Order, 141 FERC ¶ 61,048 at P 196).

³¹ *Id.*

³² SPP Answer at 4-5.

³³ *Id.* at 5.

³⁴ *Id.* at 6.

22. SPP also asserts that clarification with respect to the relationship between the proposed resource hub provisions in section 3.1.6 of Attachment AE and section 2.2(3) of Attachment AE is unnecessary because there is no conflict between these two sections. In this regard, SPP explains that these sections address different location types within the Integrated Marketplace, each with its own set of rules and operational considerations.³⁵

23. In their reply, TDU Intervenors point out that SPP did not respond to all of the issues raised in their limited protest, specifically the issue of proposed section 3.1.6 of Attachment AE improperly permitting the seller under a bilateral transaction to unilaterally terminate a resource hub used in parties' bilateral settlement schedules. TDU Intervenors request that the Commission require SPP to modify section 3.1.6 to ensure the protection of buyers' rights under bilateral settlement schedules.³⁶

IV. Commission Determination

A. Procedural Matters

24. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2015), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

25. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2015), prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We will accept SPP's and TDU Intervenors' answers because they have provided information that assisted us in our decision-making process.

B. Substantive Matters

26. We conditionally accept SPP's proposed Tariff revisions, subject to a compliance filing due within 30 days of the date of this order, as discussed below. We find SPP's proposal to describe two types of market hubs—trading hubs and resource hubs—in its Tariff, and to distinguish separate establishment, modification, and termination procedures for each type of hub, to be just and reasonable. We also accept SPP's proposal to remove the term "Market Hub" from the Tariff because this term has become obsolete with the addition of new terminology. We recognize that SPP's proposal represents a culmination of efforts to clarify the resource and trading hub distinction within its Tariff and that SPP stakeholders generally support the proposal.

³⁵ *Id.* at 8.

³⁶ TDU Intervenors Reply at 2-3.

27. With regard to proposed language in section 3.1.1 of Attachment AE relating to trading hubs, we require additional clarification from SPP. SPP proposes the following language in this Tariff section: “An existing Trading Hub may be modified or terminated only in the event that the LMP at the Hub can no longer be calculated.” Because any proposed modification or termination of a trading hub is already subject to review by the Markets and Operations Policy Committee and SPP Board, we believe that it may be overly restrictive to allow the modification or termination of a trading hub only when the LMP cannot be calculated at the trading hub. We are concerned that this precondition will render trading hubs inflexible. Therefore, we will require SPP to clarify, in a compliance filing due within 30 days of the date of this order, why it is necessary to restrict modification or termination of a trading hub to situations when SPP can no longer calculate the LMP, as well as what conditions SPP anticipates would lead to an inability to calculate an LMP at a trading hub.

28. With regard to TDU Intervenors’ concerns that resource hubs should not be terminated without the consent of affected parties, particularly in situations involving long-term and incremental long-term TCRs, we note that SPP confirms in its answer that it will honor any long-term or incremental long-term TCR that is based on a resource hub for the full term of those TCRs. SPP states that it will retain the settlement location for long-term and incremental long-term TCRs in its commercial and network models for the duration of those TCRs, even after termination of the resource hub.³⁷ We accept this clarification, and we will require SPP in a compliance filing due within 30 days of the date of this order to make explicit in the Tariff that any long-term or incremental long-term TCR based on a settlement location associated with a resource hub will be honored by SPP for the full term of those TCRs.

29. With regard to TDU Intervenors’ request that the Commission require SPP to clarify in the Tariff that no outstanding transmission service arrangements shall be undermined by unilateral termination of a resource hub, we agree with SPP that no Tariff modifications are required in this instance. SPP clarifies that transmission reservations are unaffected by the termination of a resource hub, noting that resource hub termination occurs in the Integrated Marketplace rather than on SPP’s Open Access Same-Time Information System.³⁸

30. However, we agree with TDU Intervenors that proposed section 3.1.6 of Attachment AE should provide a safeguard to preserve market participants’ rights under bilateral contracts. Therefore, we will require SPP to revise section 3.1.6 to specify that termination of a resource hub tied to a bilateral contract, and related bilateral settlement schedule, is prohibited unless agreed upon by both parties to the transaction.

³⁷ SPP Answer at 4-5.

³⁸ *Id.* at 5.

31. With regard to TDU Intervenors' request that SPP clarify the fifth sentence in section 3.1.6 of Attachment AE with respect to "criteria defined in this Resource Hubs process," we agree with SPP that no further clarification is necessary. We find that the Tariff is sufficiently clear that section 3.1.6 contains the criteria and resource hub process described in this phrase. In addition, with respect to TDU Intervenors' request that the Commission require SPP to reconcile sections 3.1.6 and 2.2(3) of Attachment AE in the Tariff, we agree with SPP that there is no conflict between these sections because they address different location types within the Integrated Marketplace, each with its own set of rules and operational considerations. Therefore, we agree with SPP that it is unnecessary to amend the Tariff to reconcile sections 3.1.6 and 2.2(3) of Attachment AE.

32. Finally, with regard to the issue of distribution of marginal loss revenues to sellers using bilateral settlement schedules at resource hubs, we note that, as indicated by the Market Monitor, SPP stakeholders continue to discuss this issue. We encourage SPP to file Tariff revisions if appropriate.

The Commission orders:

(A) SPP's proposed Tariff revisions are hereby conditionally accepted to become effective September 23, 2015, as discussed in the body of this order.

(B) SPP is hereby directed to submit a compliance filing within 30 days of the date of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.