



## AGENDA FOR TECHNICAL CONFERENCE

Docket No. ER10-2881-014, *et al.*

May 23, 2016

Commission Meeting Room

**9:00am**      **Opening Remarks**

**9:15am**      **Organizational Structure and Interrelationships of the Southern Companies<sup>1</sup>**

- Do the retail regulators require that the revenues from off-system wholesale sales be credited to retail customers? If so, identify all of the Southern Companies to which this requirement applies.
- Explain briefly how the \$21.43/MWh demand charge in Southern Companies' cost-based rate tariff was calculated, including identifying the units used in that calculation. What percentage of Southern Companies' short-term (less than one year) market-based rate sales were made by those units in 2012, 2013, 2014, and 2015? What other units were used to make short-term market-based rates sales during those same time periods? How do the incremental costs of the units used in the calculation of the \$21.43/MWh demand charge compare to the incremental costs of the other units making short-term market-based rate sales during those time periods?
- Do all four operating companies<sup>2</sup> and Southern Power Company make market-based rate sales under their market-based rate tariffs? If so, which one makes the most, and what is Southern Power Company's percentage share of that total?
- Of Southern Companies' overall wholesale sales, what percentage were cost-based rate sales and what percentage were market-based rate sales for each year: 2013, 2014, and 2015?

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<sup>1</sup> "Southern Companies" include Alabama Power Company, Southern Power Company, Mississippi Power Company, Georgia Power Company, Gulf Power Company, Oleander Power Project, LP, Southern Company – Florida LLC, Southern Turner Cimarron I, LLC, Spectrum Nevada Solar, LLC, Campo Verde Solar, LLC, and Macho Springs Solar, LLC.

<sup>2</sup> The four operating companies include Alabama Power Company, Mississippi Power Company, Georgia Power Company and Gulf Power Company. The discussion may include, but will not be limited to, the following questions and topics.

**10:30am      Potential Improvements to Southern Companies’ Tailored Mitigation and Other Forms of Mitigation**

The discussion may include, but will not be limited to, the following questions and topics.

- Explain whether and to what extent the incremental cost data for the capacity offered into the energy auction differs from the Southern Companies’ system lambda data.
- What percentage of day-ahead and hour-ahead bilateral sales are priced below comparable auction offers?
- How many cleared day-ahead and hour-ahead energy auctions (where Southern Companies was the offeror) did not result in a consummated trade for energy? What were the reasons why those transactions did not occur?
- Why is it necessary to include up to 110 percent of commitment costs for uncommitted units into the seller price, as opposed to 100 percent?
  - a. Why is it appropriate to include an adder associated with maintenance costs associated with incurred start-ups for a combustion turbine or combined-cycle unit?
  - b. How are commitment costs spread across energy “blocks?”
- The discussion will include an opportunity for non-Southern Companies conference attendees to explain their experiences with the auction, including reasons for participating or not participating.
  - a. What specific modifications to the auction would increase participation and yield a greater amount of cleared transactions?
  - b. Would coupling transmission with the energy product and addressing “Seller’s Choice” issues attract greater participation or reduce any barriers to participation that may exist?
  - c. Are there substantial financial or operational risks that make the auction less favorable than bilateral transactions? If so, are they exacerbated by any aspect of the auction?
  - d. Do the participant registration, credit, or transaction scheduling protocols inhibit auction participation? If so, how?
- Alternative Forms of Mitigation – What additional types of mitigation could be used to address any market power Southern Companies may have?

**12:00pm      Lunch Break**

**1:00pm      Continued Discussion of Potential Improvements to Southern Companies’ Tailored Mitigation and Other Forms of Mitigation, if necessary**