



City of Grand Island

Tuesday, November 26, 2013

Council Session

Item G-13

#2013-387 - Approving Southwest Power Pool Market Participation Agreement

Staff Contact: Tim Luchsinger

Council Agenda Memo

From: Timothy Luchsinger, Utilities Director
Stacy Nonhof, Asst. City Attorney/Purchasing

Meeting: November 26, 2013

Subject: Southwest Power Pool Market Participant Agreement

Item #'s: G-13

Presenter(s): Timothy Luchsinger, Utilities Director

Background

The Grand Island Electric Department recently began participation in the Southwest Power Pool (SPP) Energy Imbalance Service (EIS) market. This regional market is the current method that Nebraska utilities use to buy and sell power, and allows Grand Island to sell excess generation and purchase lower cost power when available. This market will be changing to the Integrated Market (IM) starting March 1, 2014.

Discussion

The City of Grand Island has completed several forms and the necessary credit information in order to become a Market Participant in the SPP IM. The attached agreement is needed to establish correct contact information and terms and conditions.

Alternatives

It appears that the Council that the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to a future date
4. Take no action on the issue

Recommendation

City Administration recommends the SPP Market Participant Agreement be approved and signed to allow participation in the upcoming Integrated Market.

Sample Motion

Move to approve the SPP Market Participant Agreement to allow participation in the upcoming Integrated Market.

ATTACHMENT AH

MARKET PARTICIPANT SERVICE AGREEMENT BETWEEN SOUTHWEST POWER POOL, INC. AND CITY OF GRAND ISLAND

FORM OF SERVICE AGREEMENT FOR MARKET PARTICIPANTS IN THE INTEGRATED MARKETPLACE

1. This Service Agreement dated as of March 1, 2014 is entered into by and between Southwest Power Pool, Inc. (Transmission Provider) and City of Grand Island (Customer).
2. The Customer has submitted an application for participation in the Integrated Marketplace and desires to register as a Market Participant in accordance with the market application and asset registration procedures specified in the Market Protocols and has provided the information specified in Appendix 1 to this Service Agreement.
3. The Customer represents and warrants that it has met all applicable requirements set forth in the Transmission Provider's Tariff and has complied with all applicable procedures under the Tariff.
4. The Transmission Provider agrees to provide and the Customer agrees to take and pay for, or to supply to the Transmission Provider, any or all of the products defined in the Integrated Marketplace in accordance with the provisions of the Transmission Provider's Tariff and to satisfy all obligations under the terms and conditions of the Transmission Provider's Tariff, as may be amended from time-to-time, filed with the Commission.
5. The Transmission Provider and the Customer agree that this Service Agreement shall be subject to, and shall incorporate by reference, all of the terms and conditions of the Transmission Provider's Tariff.
6. It is understood that, in accordance with the Transmission Provider's Tariff, the Transmission Provider may amend the terms and conditions of this Service Agreement by notifying the Customer in writing and making the appropriate filing with the Commission.
7. The Customer represents and warrants that:

- (a) At any time it has registered one or more Resources that the Customer intends to offer for sale into the Energy and Operating Reserve Markets in accordance with procedures specified in the Market Protocols, the participation of its Resource(s) in the Energy and Operating Reserve Markets is not precluded under the laws or regulations of the relevant electric retail regulatory authority, including state-approved retail tariff(s), and it either (a) has on file with the Commission for each of such Resources market-based rate authority and/or other Commission-approved basis for setting prices in the Energy and Operating Reserve Markets, or (b) is exempt from the requirement to have rates for services on file with the Commission;
 - (b) This Service Agreement, or any Transaction entered into pursuant to the Service Agreement, as applicable, has been duly authorized;
 - (c) This Service Agreement is the legal, valid, and binding obligation of the Customer enforceable in accordance with its terms, except as it may be rendered unenforceable by reason of bankruptcy or other similar laws affecting creditors' rights, or general principles of equity.
8. The Customer warrants and covenants that, during the term of the Service Agreement, the Customer shall be in compliance with all federal, state, and local laws, rules, and regulations related to the Customer's performance under the agreement.
9. Service under this Service Agreement shall commence on the later of the date of execution of the Service Agreement, or such other date as it is permitted to become effective by the Commission. Service under this Service Agreement shall terminate in accordance with Section 12 below.
10. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below:

Transmission Provider: Southwest Power Pool, Inc.
Tessie Kentner
201 Worthen Drive
Little Rock, AR 72223-4936
501-688-1782 Phone

tkentner@spp.org

Customer: **City of Grand Island**
Contact Name: **Travis Burdett**
Address: **700 E. Bischeld St.**
City, State Zip: **Grand Island, NE 68801**
Phone Number: **(308) 385-5466**
Email: **tburdett@grand-island.com**

11. Cancellation Rights:

If the Commission or any regulatory agency having authority over this Service Agreement determines that any part of this Service Agreement must be changed, the Transmission Provider shall offer to the Customer within fifteen (15) days of such determination an amended Service Agreement reflecting such changes. In the event that the Customer does not execute such an amendment within thirty (30) days, or longer if the Parties mutually agree to an extension, after the Commission's action, this Service Agreement and the amended Service Agreement shall be void.

12. Termination:

- (a) The Customer may terminate service under this Service Agreement no earlier than ninety (90) days after providing the Transmission Provider with written notice of the Customer's intention to terminate. The Customer's provision of notice to terminate service under this Service Agreement shall not relieve the Customer of its obligation to pay any rates, charges, or fees due under this Service Agreement, and which are owed as of the date of termination.
- (b) The Transmission Provider may terminate service under this Service Agreement if the Customer is in default, such default condition as defined under Section 8.1 of the SPP Credit Policy, in accordance with the procedures specified under Section 7.4 of the Transmission Provider's Tariff or Section 10.5 of Attachment AE to the Transmission Provider's Tariff, as applicable.

13. The Customer hereby appoints the Transmission Provider as its agent for the limited purpose of effectively transacting on the Customer's behalf in accordance with the terms and conditions of the Transmission Provider's Tariff. The Customer agrees to pay all amounts due and chargeable to the Customer and the Transmission Provider agrees to pay all amounts creditable to the Customer in accordance with the terms of the Transmission Provider's Tariff.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____

Printed Name: _____

Title: _____

Dated: _____

Customer:

By: _____

Printed Name: _____

Title: _____

Dated: _____

Appendix 1 to Attachment AH

MARKET PARTICIPANT INFORMATION:

Requested Change Type ¹ (Add, Modify, Terminate)	Market Participant Name ²	Market Participant Acronym ³ (4 characters)	Registered in EIR? ⁴ (yes/no)	Credit Customer Name ⁵
ADD	City of Grand Island	GRIS	Yes	City of Grand Island

ASSET OWNER AND TC INFORMATION:

Requested Change Type ¹ (Add, Modify, Terminate)	Asset Owner Name ⁶	Asset Owner Acronym ⁷ (4 characters)	Registered in EIR? ⁸ (yes/no)	Resource Owner ⁹ (yes/no)	Load Serving Entity ¹⁰ (yes/no)
ADD	City of Grand Island	GRIS	Yes	Yes	Yes

TRANSMISSION CUSTOMER TO ASSET OWNER RELATIONSHIPS:

Requested Change Type ¹ (Add, Modify, Terminate)	Transmission Customer (TC) Acronym ¹¹ (4 characters)	Asset Owner Acronym ⁷ (4 characters)
ADD	GRIS	GRIS

METER AGENT INFORMATION:

Requested Change Type ¹ (Add, Modify, Terminate)	Meter Agent Name ¹²	Meter Agent Acronym ¹³ (4 characters)	Registered in EIR? ¹⁴ (yes/no)

CONTACT INFORMATION:

Contact Last Name	Contact First Name	Contact Type ¹⁵ (A,B,C)	Phone Number (nnn) nnn- nnnn	Email Address

PROPOSED EFFECTIVE DATE¹⁶: March 1, 2014

- 1 **Requested Change Type** – Indication of the type of change for each record. For adding an entity or relationship this will be Add. To terminate an entity or relationship from the Integrated Marketplace, enter Terminate. For requesting a modification or name change of an entity, enter Modify. When requesting a name change to an entity, enter the existing name followed by a forward slash “/” and then the new name.
- 2 **Market Participant Name** - Full name of the Market Participant.
- 3 **Market Participant Acronym** - The NAESB Electric Industry Registry (“EIR”) acronym that will be used for the Market Participant. If the entity is not registered in the EIR, the acronym should conform to the EIR format of no more than four (4) alpha numeric characters. Any acronym for an entity that is not registered in EIR must also be unique from any abbreviation that is registered in EIR by another party.
- 4 **Registered in EIR** – Enter “yes” if the entity is registered at EIR.
- 5 **Credit Customer Name** - The name of the entity that will be providing secured and unsecured credit for the Market Participant's activities in the Integrated Marketplace in accordance with Attachment X of this Tariff.
- 6 **Asset Owner Name** - The name of the Asset Owner that is represented by the Market Participant. 7 **Asset Owner Acronym** - The Asset Owner acronym abbreviation that will be used for this Asset Owner will be the same as the acronym in the EIR if the entity is registered in the EIR. If the entity is not registered in the EIR, the abbreviated name should conform to the EIR format of no more than four (4) alpha numeric characters. Any abbreviation for an entity not registered in the EIR must also be unique from any abbreviation that is registered in the EIR by another party.
- 8 **Registered in EIR?** - This field is used to identify if the entity is registered at EIR. For Asset Owners not registered at EIR, the Transmission Provider will validate the acronym used is not registered at EIR by another party currently. To ensure uniqueness against EIR

in the future, the Transmission Provider will also append “_X” to the Asset Owner Acronym supplied for those that are not registered.

- 9 **Resource Owner** - This is a Yes or No answer indicating whether or not the Asset Owner is a Resource owner and will be registering Resources to participate in the Energy and Operating Reserves Market.
- 10 **Load Serving Entity** - This is a Yes or No answer indicating whether or not the Asset Owner is a Load Serving Entity and will be registering Load Assets to be supplied in the Energy and Operating Reserves Market.
- 11 **Transmission Customer (TC) Acronym** – The acronym of the Transmission Customer that is associated with the given Asset Owner, if applicable. This includes Transmission Customers that may have the same Registered Acronym as the Asset Owner.
- 12 **Meter Agent Name** - Any Market Participant with load and/or Resources will either be a Meter Agent or have a relationship with at least one Meter Agent (MA). Identify the Meter Agent(s) registered with the Transmission Provider that will be responsible for the acquisition of end-use meter data, aggregation of meter data, application of data to Settlement Intervals, and transfer of meter data to the Transmission Provider on behalf of this Market Participant. This entity can be a traditional utility entity or other competitive entity. Show the Meter Agent as the Entity’s name as it is registered on the Meter Agent Agreement form in Attachment AM of the SPP Tariff.
- 13 **Meter Agent Acronym** - The applicable abbreviation that will be used for this Meter Agent which agrees with EIR if the Entity is registered in the EIR. If the entity is not registered in the EIR, the abbreviated name should conform to the EIR format of no more than four (4) alpha numeric characters. Any abbreviation for an entity not registered in EIR must be unique from any abbreviation that is registered in TSIN by another party.

- 14 **Registered in EIR** - This field is used to identify if the entity is registered at EIR. For Meter Agents not registered at EIR, the Transmission Provider will validate the acronym used is not registered at EIR by another party currently. To ensure uniqueness against EIR in the future, the Transmission Provider will also append “_X” to the MA Acronym supplied for those that are not registered.
- 15 **Contact Type** - Specific points of contact for each Market Participant for questions regarding the Network and Commercial Models as well as a Primary Market Operations contact for the Market Participant.
- Type A** - Primary Market Operations and Commercial Model Point of Contact - required
- Type B** - EMS and ICCP contacts - required for MPs with physical assets.
- Type C** - Secondary Market Operations Contacts - optional.
- 16 **Proposed Effective Date:** The date on which the Market Participant would like these changes to be effective in the Transmission Provider’s models and systems.

RESOLUTION 2013-387

WHEREAS, in 2009, all large Nebraska utilities including Nebraska Public Power District, Omaha Public Power District and Lincoln Electric Systems officially joined Southwest Power Pool (SPP); and

WHEREAS, SPP is a regional transmission operator that allows participants to buy and sell power directly into the market; and

WHEREAS, SPP plans to deploy a new Integrated Market starting March 1, 2014 that will require utilities to provide next day forecasting and pricing information in an effort to utilize the lowest cost energy for load; and

WHEREAS, with the onset of the integrated market, SPP will serve Grand Island's load requirements and dispatch its generating units as required to provide for the system's demand; and

WHEREAS, the City of Grand Island has completed several forms and necessary credit information in order to become a Market Participant in the SPP IM; and

WHEREAS, an agreement is needed to establish correct contact information and terms and conditions.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the SPP Market Participant Agreement be approved and signed to allow participation in the upcoming Integrated Market.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, November 26, 2013.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
November 22, 2013	☐ City Attorney