

WAPA and MARKETS

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Welcome to the February issue of WAPA and markets. The big news this month includes the Feb. 1 successful launch of the Southwest Power Pool Western Energy Imbalance Service market and Sierra Nevada's Jan. 26 implementation of parallel operations with the California Independent System Operator's Western Energy Imbalance Market.

Thanks to the incredible success of the WEIS and EIM initiatives, and the fact that WAPA's Desert Southwest region and its market study partners do not expect to have new study updates in the near future, we will transition this newsletter from monthly to bi-monthly until further notice. Be sure to look for the next issue of this newsletter in April.



Thank you for your continued support. If you have any questions on these or other WAPA initiatives, please reach out to your respective regional representative.

SN SUCCESSFULLY IMPLEMENTS PARALLEL TESTING

SN began parallel operations with CAISO's Western EIM starting at midnight Jan. 26, completing the last major milestone before cutover March 25. The SN team is continuing to work on refining its settlements software and implementing charge code allocations.

The region is working through CAISO's readiness criteria, which are a series of tests to demonstrate the sub-balancing authority is capable of fully participating in the market. So far, SN has accomplished three of the criteria: balancing, flex ramp and capacity.

SN merchant and operations staff continue to become familiar with



operating in the market, and the team continues to work with the software vendors on outstanding issues.

On Feb. 10, WAPA's Administrator confirmed, approved and placed into effect on an interim basis Rate Order No. WAPA-194. The Rate Order, effective March 25, includes the necessary changes for WAPA's EIM rates. On Feb. 15, WAPA submitted the rates to the Federal Energy Regulatory Commission for confirmation and approval on a final basis.

FERC also approved WAPA's Open Access Transmission Tariff Revision 20-01 Feb. 18. This set of revisions covers SN's participation in the EIM. Attachment S of the posted WAPA OATT will apply when SN's participation in the EIM begins upon cutover, as outlined in Section 2 of Attachment S. For more information, visit WAPA's Open Access Same-Time Information System website.

The region is in the homestretch of the project and anticipates a fully successful cutover March 25.

More information on SN's transition is available at the [SN energy imbalance market activities webpage](#).



DSW, STUDY PARTNERS REVIEWING UPDATED, MODIFIED BASE-CONDITION ANALYSIS

On Oct. 28, DSW, Arizona Electric Power Cooperative, Central Arizona Water Conservation District and Southwest Public Power Agency released their second study update. The E3 benefits study completed a second base-condition analysis after the initial results revealed a need to update certain variables in the study.

After reviewing the second base-condition study results, DSW and the study participants decided to run a third base-condition analysis with some new changes to the modeling assumptions. The results are now being reviewed.

Once the base condition analysis has been finalized, sensitivity analyses will be run and reviewed. The study participants expect to share study results in April.

The cost analysis, run by Utilicast for DSW and AEPCO, is essentially complete. This study identified the initial upfront costs associated with joining either the CAISO Western EIM or SPP WEIS market and the annual ongoing costs of each option.

As the BA and sub-BA operators, DSW and AEPCO would incur these costs initially and then pass them on through their respective rates. The cost estimates will be shared with the benefits study results, once ready, to provide customers and stakeholders a complete picture of potential market participation.



More information on DSW's effort is available on the [DSW energy imbalance market activities webpage](#). You can also read the first update on these studies published May 26 by DSW and neighboring study participants.



WEIS SUCCESSFULLY IMPLEMENTED FOR CRSP, RM & UGP

At midnight Feb. 1, SPP successfully launched WEIS, completing a 15-month initiative to bring the new energy imbalance service to the West. WAPA distributed a customer letter that morning detailing the customer's success.

Concurrent with market launch, the revised WAPA OATT was posted on WAPA's OASIS websites. OATT Revision 20-02, which covers the Colorado River Storage Project's and Rocky Mountain's participation in the WEIS market, was approved by FERC Jan. 29. Advance notice of CRSP's and RM's participation in the WEIS market was also posted on OASIS.

RM continues to collect signed Western Area Colorado Missouri Busi-



ness Agreements and expects to iron out company-specific issues for the last few entities in the next couple of weeks. UGP staff had few operational adjustments to make after market launch, and they continue to analyze the market result data provided by SPP. UGP received its first invoice, which showed favorable results, and are working closely with cus-

tomers to answer their questions.

As this project is now considered complete, this will be the last WEIS update in the WAPA and markets newsletter. For more information on the WEIS transition, visit the WEIS activities webpage.

WAPA REGIONS, NEIGHBORING UTILITIES CONTINUE TO EXPLORE SPP RTO WEST

UGP and Loveland Area Projects continue to work with SPP and neighboring utilities including Tri-State, Basin Electric, Municipal Energy Agency of Nebraska and Desert Generation and Transmission on the potential expansion of the SPP RTO into the Western Interconnection. A study performed by the Brattle Group for

SPP showed annual savings of approximately \$49 million for SPP's current and new members. WAPA's Colorado River Storage Project is considering participation and is performing additional analyses before making a commitment.



Thank you for reading the *WAPA and Markets* newsletter. For more information, call your regional representative or visit the WAPA-wide [energy imbalance activities webpage](#) on The Source.

