

February 7, 2023

Energy Department
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

RE: New Southwest Power Pool Charge Type Notification Monthly FAC Reports –
Supplement – BRMR-2023-0492

On behalf of The Empire District Electric Company, I am providing to the Missouri Public Service Commission Staff for filing in electronic form certain information pursuant to the Commission approved Stipulation and Agreement reached by the parties in Docket ER-2021-0097 and ER-2021-0098.

SPP RR449

- “Uncertainty Product”
- Live 5/1/2023
- Past events of low flexibility leading to higher-than-necessary risk to reliability has driven SPP to enable a market-based approach for managing uncertainty. This approach will:
 - Increase reliability by factoring statistical uncertainty impacts into both commitment and dispatch
 - Reduce make-whole-payments and the impacts of price suppression resulting from out-of-market actions taken to maintain the reliability of the BES
 - Provide transparent prices and a new revenue stream for online and offline resources that can participate.
- 1 new Market Clearing Price (MCP)
 - Uncertainty Reserve MCP
- 6 new Charge Types
 - Day-Ahead Uncertainty Reserve Amount
 - Day-Ahead Uncertainty Reserve Distribution Amount
 - Real-Time Uncertainty Reserve Amount
 - Real-Time Uncertainty Reserve Distribution Amount
 - Real-Time Uncertainty Non-Performance Amount
 - Real-Time Uncertainty Non-Performance Distribution Amount
- FAC Accounting Changes
 - DA will settle at either 555880 or 447850 depending on whether the settlement location is load or a generator, respectively.
 - RT will settle at either 555980 or 447850 depending on whether the settlement location is load or a generator, respectively.
- Inclusion
 - In Revision Request 449 SPP has added the 6 new Uncertainty products to the Market Protocols in the sections covering regulation and ancillary services. The intent of the new Uncertainty products to is to supplement the existing Regulation and Ancillary Services products and is described in 4.1.3.4 of the Market

Protocols thus: "The Uncertainty Reserve requirement represents the need for Resources with the ability to adjust their power outputs consistent with the Resource limit and ramping constraints to respond to planned and/or unplanned obligation changes."

- Given their characteristics are similar and their inclusion in the Regulation and Ancillary Services sections of the Market Protocols Liberty/Empire believes it is appropriate for the new Uncertainty products to be included in the Fuel Adjustment Clause.
- Regulation and Ancillary Services are currently captured in accounts 555800-555880 for DA, 555900-555980 for RT, and included in the FAC.
- The impact to rate payers will be similar to the current Regulation and Ancillary Services products in that Liberty/Empire owned/contracted plants will receive revenue from these services if qualified and cleared by the market. Conversely, as with the current Regulation and Ancillary Services products, costs may be incurred for uplift purposes.

Sincerely,

Charlotte T. Emery

cc: Office of Public Counsel