



KENTUCKY MUNICIPAL ENERGY AGENCY

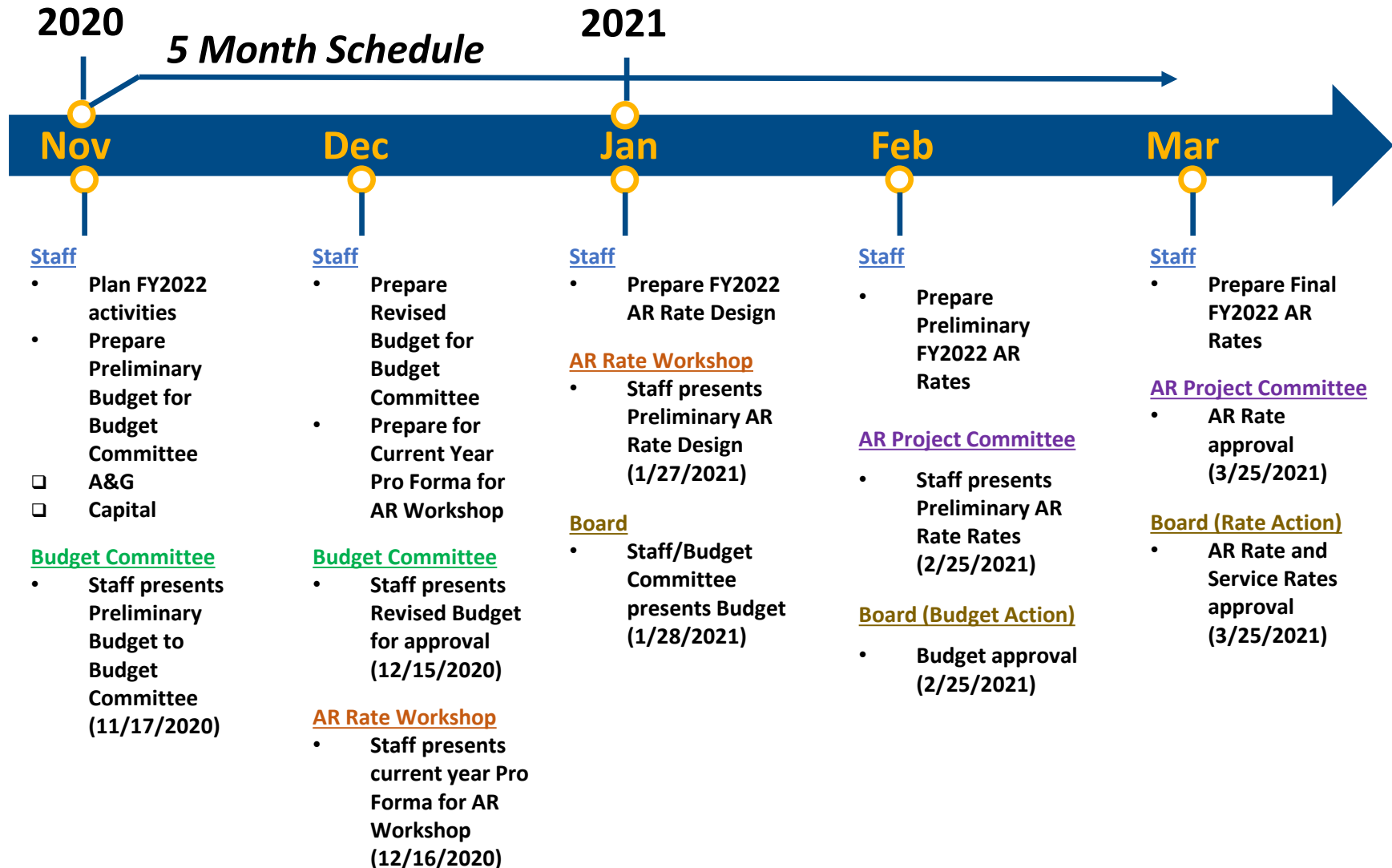


# KYMEA President & CEO Report

Doug Buresh

December 16, 2020

# FY2022 Budget and Rates Schedule



# Southeast Energy Exchange Market (SEEM)



ITO Stakeholder Meeting  
November 19, 2020

Presenter: Ashley Vinson



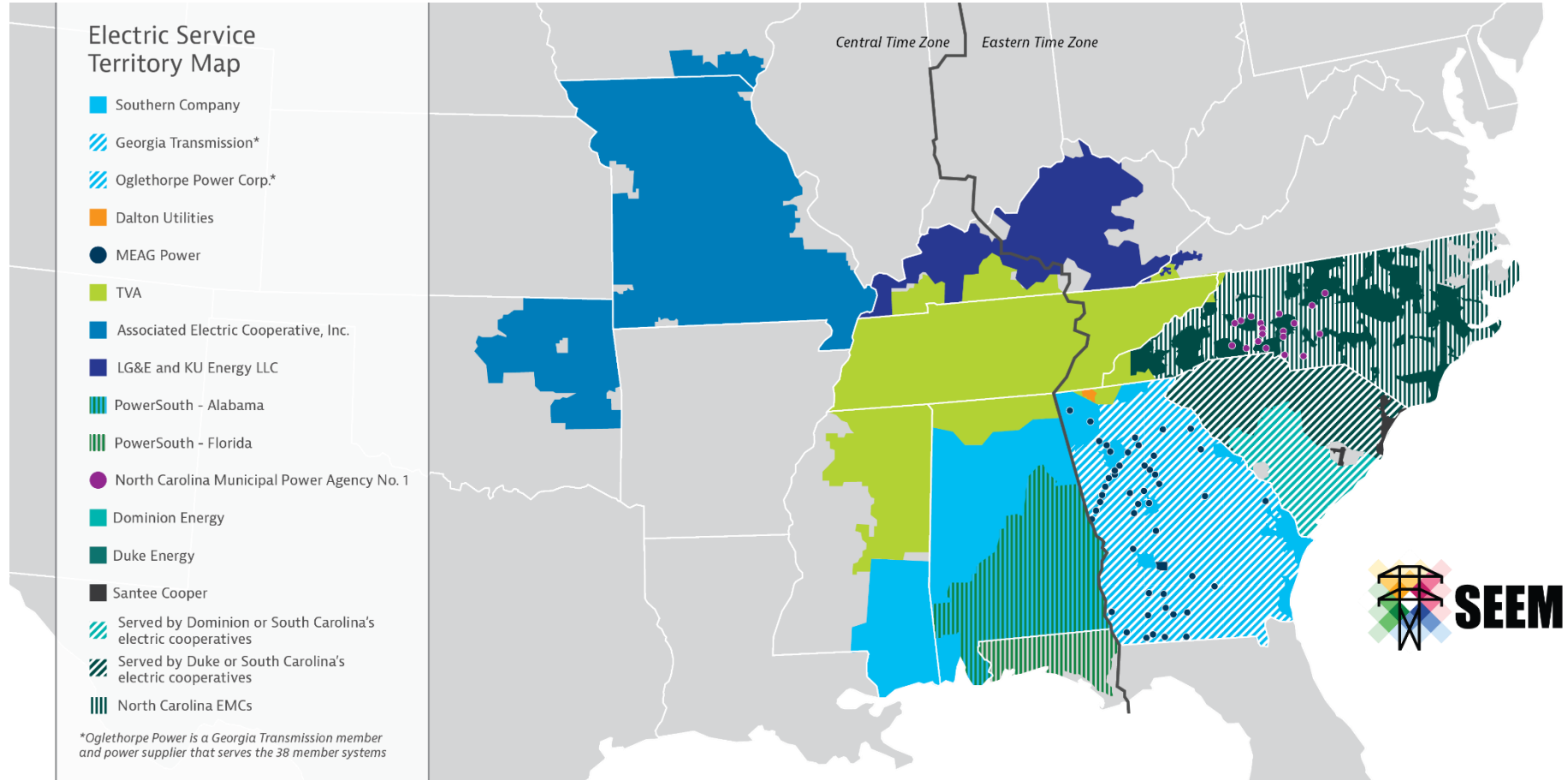
# What is SEEM

- A region-wide, automated intra-hour Platform to match buyers and sellers with the goal of more efficient bilateral trading utilizing unused transmission capacity to achieve cost savings for customers
- Acts as an enhancement to the existing bilateral market

# What SEEM is Not

- Does not replace bilateral market or existing agreements
  - Power sales will take place in accordance with bilateral contracts between participants under market-based rate authority, where applicable
  - No centralized dispatch
  - Participation is voluntary (no must-offer, no use of non-participating transmission)
- Does not replace or change existing Balancing Authority or Transmission Service Provider requirements

# SEEM Footprint > 160,000 MW Generating Capacity





# Benefits

- Produces positive and proactive market enhancements quickly
- Creates new opportunities without disrupting regulatory framework
- Enables further optimization of existing generation and transmission assets
- Supports the integration of existing and future renewable and variable resources
- Leverages geographical diversity of the Southeast
  - Two time zones
  - Over 1000 miles wide
  - Connects wind and solar regions with large metropolitan “sinks”
- Designed to respect Southeast jurisdictional diversity
  - Most SEEM members are not FERC-jurisdictional

# SEEM Roles

<b>Members</b>	Will fund initial development of Platform and costs; will have voting rights
<b>Non-Member Participants</b>	Will be able to participate in the market, but do not have initial funding obligations or voting rights
<b>SEEM Agent</b>	Will act as single point of contact for the Platform Administrator and signatory to agreement with Platform Administrator; will be one of the SEEM Members
<b>SEEM Auditor</b>	Will report to SEEM Membership Board; tasked with ensuring proper functioning and accuracy of Platform and adherence of the market to the Platform Rules; will not be a SEEM Member, Non-Member Participant, or SEEM Agent
<b>Platform Administrator</b>	Will be contracted to build and run the Platform; will not be a SEEM Member, Non-Member Participant, or SEEM Agent



# Participation Criteria

- Members

- Must be either 1) a retail LSE; 2) an association, cooperative or governmental entity created for the purpose of providing electric energy to cooperative or governmental retail LSEs; or 3) a designated representative of one or more entities that are eligible to be a Member
  - Transmission service-providing Members (“TSPs”) must provide “Non-firm Energy Exchange Transmission Service” - zero cost transmission service for Platform transactions
- Will pay upfront costs of developing Platform and ongoing costs

- Participants

- Can be any entity with valid source(s) and/or sink(s) in a participating Transmission Service Provider (TSP) / Balancing Authority (BA) footprint

# Non-Firm Energy Exchange Transmission Service

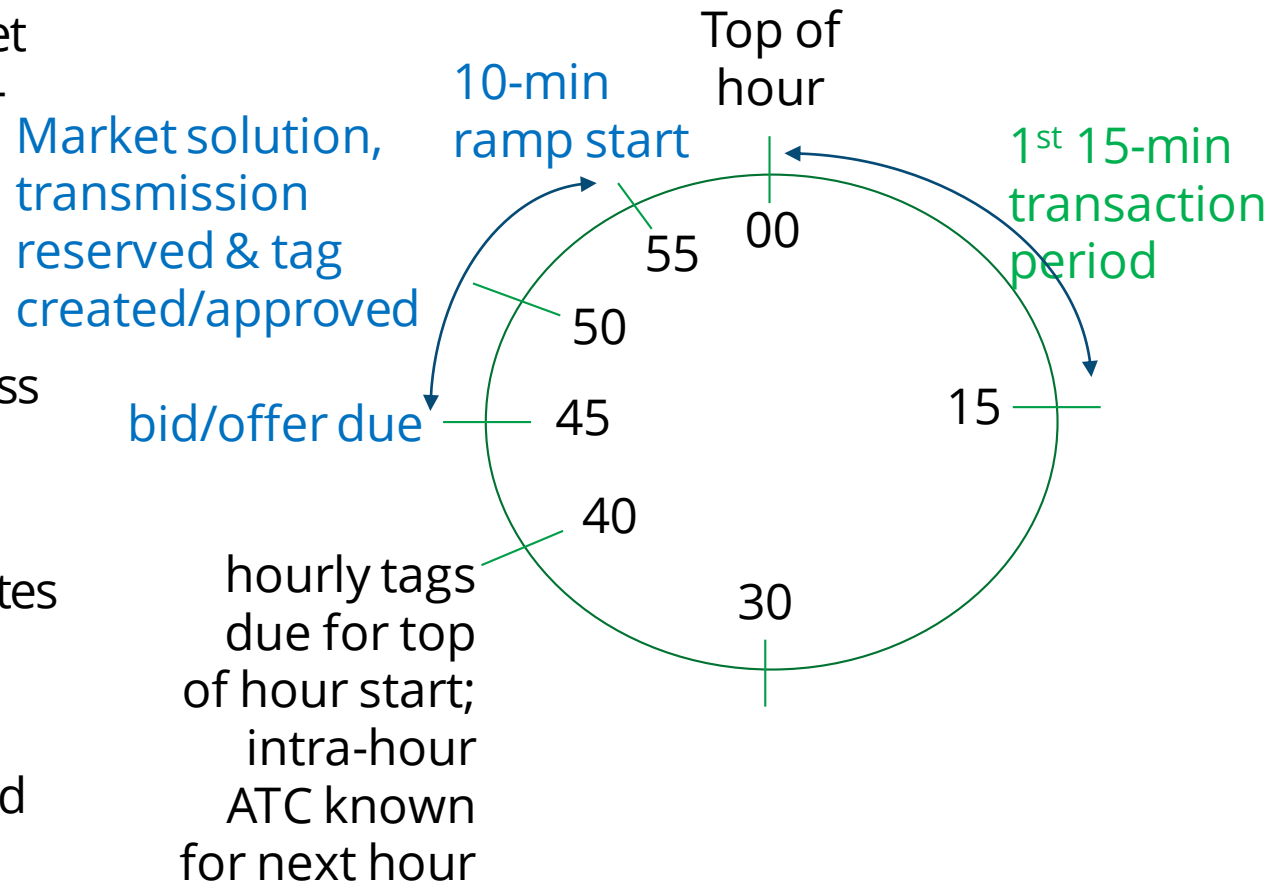
- Provided under individual Member TSP's open access transmission tariff ("OATT")
- Lowest priority, non-firm service
- \$0/MWh rate
- Intra-hour 15-minute term
- Scheduling/tagging performed by Platform
- No Schedule 1 or Schedule 2 charges
- TSPs will be made whole re: energy losses

# Market Requirements

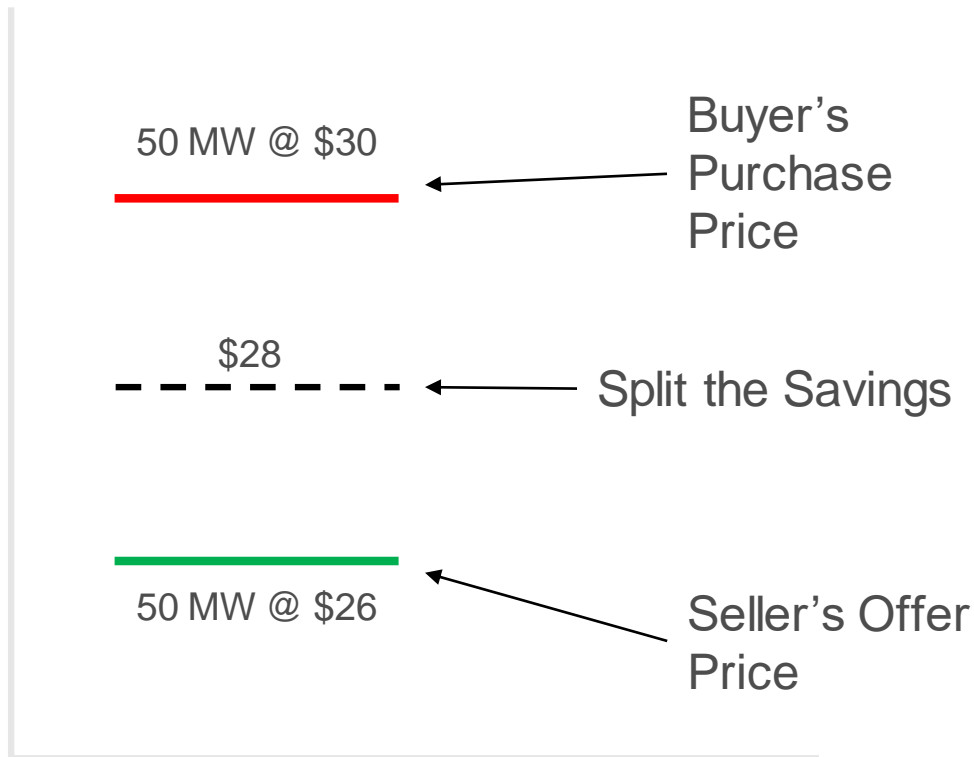
- Bids and Offers
  - Must provide quantity in MW, price as \$/MWh, and source/sink
    - Sources/sinks must be pre-approved, valid WebRegistry points
  - Must specify whether a partial match is acceptable or not and a minimum match size
  - 4 MW minimum (due to integration of 15 minute intervals across hour)
  - Must specify any limitations (e.g., market power mitigation; TVA fence; limits with specific counterparties)
  - Match creates bilateral agreement confirmation; transaction is scheduled and tagged

# Market Timing

- 15-Minute Bilateral Market with four 15-minute intra-hour increments
  - Standard (“normal”) electronic tags
  - Standard 10-min “across the top” ramping
  - Deadline for bid/offer submission is 15 minutes prior to schedule start
  - Change e-tag deadline from 20-minutes ahead to 10-minutes ahead



# Pricing – Split the Savings



- Highest buyer's purchase price will be matched to lowest seller's offer price, and so on, subject to ATC and other limitations
- Pricing and corresponding matches will also consider the cost of procuring power to offset line losses

# SEEM Long Term Plan

