

# Markets+ Fact Sheet: SPP's Seams Principles

Seams exist across nearly 40 boundaries in the Western Interconnection and will persist regardless of market choice. The core unifying priority of the west is not to debate their existence, but to ensure unified collective action that supports western reliability and increases affordability for customers. SPP is guided by five core principles:

## 1. Prioritize Reliability

Reliability comes first; markets exist to reliably coordinate power across regions at the lowest possible cost. Effective coordination unlocks the latent reliability gains that are foundational to the day-ahead electricity markets being developed in the West. SPP's experience proves that systematic coordination increases resilience by giving operators better tools to manage constraints and maintain grid security during stressed conditions.

## 2. Increase Market Efficiency

Well-managed seams expand economic efficiency. Through transparent pricing and more effective cross-border transfers, seams coordination strengthens resource utilization and lowers overall system costs. SPP's Eastern Interconnection experience shows that coordinated seams deliver sustained, measurable improvements in infrastructure utilization. The West can unlock similar long-term benefits through systematic coordination across its own seams.

## 3. Improve Transparency

Transparency is the foundation of trust. Seams solutions should create clear visibility into the grid's reliability and economic needs. This includes sharing operational or market data between neighboring grid operators, developing approaches to work together, and exchanging lessons learned to drive continuous improvement.

## 4. Seek Fairness and Reciprocity

When neighboring grid operators share responsibilities in a balanced way, coordination strengthens because issues are addressed jointly through established processes. A foundation of reciprocal treatment helps prevent operational conflicts, reduce inefficiencies, and support transparent market operations. Fair, consistent practices encourage timely information sharing and joint problem-solving, creating a stable platform for long-term collaboration that enables the grid to function as a cohesive system.

## 5. Balance Independence and Inclusivity

Effective coordination requires independent facilitation and inclusive processes where all parties have a meaningful voice. As the administrator of Markets+, SPP provides the neutral facilitation necessary to support trusted, balanced coordination. This approach ensures Western stakeholders retain decision authority over regional priorities while benefiting from SPP's operational expertise.

## What These Principles Mean in Practice

SPP's seams principles translate into clear operational commitments:

### Systemic Mechanisms

We prioritize automated, rule-based processes over ad hoc negotiations, reducing transaction costs and avoiding unnecessary disputes.

### Independent Facilitation

We provide neutral, experienced coordination without competitive bias toward any market outcome.

### Stakeholder Engagement

We work closely with diverse Western stakeholders to ensure solutions advance customer interests across the region.

The technology is proven and the opportunity exists. SPP is committed to collaborative coordination grounded in these principles. Fully capturing the reliability and affordability benefits across the West will require active and sustained engagement from all market participants.

