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Entergy and SPP ICT Weekly Procurement Process Successfully Launches

March 30, 2009, LITTLE ROCK, ARKANSAS – Entergy Services, Inc.’s first Weekly Procurement Process (WPP) was successfully completed on Friday, March 27 with oversight from Southwest Power Pool, Inc., which serves as the Independent Coordinator of Transmission (ICT) for Entergy. Implementing the WPP marks the culmination of a collaborative effort to develop a creative generation bid-based process that considers transmission limitations.

According to Mark McCulla, Entergy vice president of transmission regulatory compliance, “The power market in Entergy’s service area is robust and dynamic. This new process is another step toward fostering market efficiencies and customer savings.”

The WPP relies on a unique set of computer software that lets generators competitively bid to provide power to meet Entergy’s system requirements for the upcoming week. It is an optimized procurement process, not a centralized market for energy. The WPP receives information from bidding generators and calculates whether accepting some or all of these bids, taking into account the expected configuration and limits on the transmission system, will produce a more economic mix of resources than the operating companies’ existing resources.

The WPP is intended to provide Entergy and its network customers optimized, short-term (weekly) purchases of wholesale energy, factoring in the transmission system’s expected capability, operating constraints, and the operating companies’ existing resources. The WPP will be performed each week on Wednesday and Thursday for the upcoming operating week.

One measure of the benefits of the WPP will be the estimated production cost savings that result from the resources obtained through the WPP process. “We are pleased to have implemented this important ICT service,” said Bruce Rew, SPP vice president of engineering. “This effort provides the opportunity for the ICT to realize its full benefit and potential.”

The WPP is a fundamental part of the SPP ICT. The Federal Energy Regulatory Commission (FERC) approved Entergy’s proposal to establish an ICT in 2006, and Entergy identified the SPP as its ICT. The ICT’s responsibilities include calculating Available Flowgate Capability, granting or denying transmission service, administering Entergy’s Open Access Same Time Information System, performing an enhanced planning function, and overseeing the WPP.

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Southwest Power Pool, Inc. is a group of 53 members serving more than four million customers across nine states of the Eastern Interconnection. Membership is comprised of investor-owned utilities, municipal systems, generation and transmission cooperatives, state authorities, wholesale generators, power marketers, and independent transmission companies. SPP was a founding member of the North American Electric Reliability Corporation in 1968, and was designated by FERC as a regional transmission organization in 2004 and a regional entity in 2007. SPP.org

Entergy Corporation is an integrated energy company engaged primarily in electric power production and retail distribution operations. Entergy owns and operates power plants with approximately 30,000 megawatts of electric generating capacity, and it is the second-largest nuclear generator in the United States. Entergy delivers electricity to 2.7 million utility customers in Arkansas, Louisiana, Mississippi and Texas. Entergy has annual revenues of more than $13 billion and approximately 14,300 employees. Entergy.com