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FERC approves Integrated System joining SPP

NOVEMBER 12, 2014, LITTLE ROCK, ARKANSAS – The Federal Energy Regulatory Commission (FERC) substantively approved the Integrated System (IS) joining SPP. The Western Area Power Administration – Upper Great Plains (Western), Basin Electric Power Cooperative, and Heartland Consumers Power District comprise the IS.

“We are very pleased to have reached this milestone, and appreciate the collective work and support that made this happen,” said Carl Monroe, SPP Chief Operating Officer. “FERC’s substantive approval clears the way for us to continue to work toward integrating the IS. We expect to take on reliability coordination of the IS transmission system June 2015, with full membership in October 2015.”

The three entities have been discussing since 2011 the possibility of joining a Regional Transmission Organization (RTO) to increase options for buying and selling power. Following assessments and research, each of the IS members determined SPP was the best option to maximize the opportunity. In July, Basin Electric’s and Heartland’s boards authorized the cooperative to move forward with joining SPP.

“To put it simply, SPP met the criteria of balancing the needs of our members – from an overall cost, transmission, market, philosophical and geographic perspective,” said Paul Sukut, Basin Electric CEO and general manager. “Joining SPP will give us greater flexibility in the marketplace to maximize power purchases and sales that deliver value to our members.”

The SPP Board of Directors approved proposed tariff changes in June. FERC’s order accepted most of SPP’s proposed revisions to the RTO tariff, bylaws and membership agreement, with an Oct. 1, 2015 effective date for tariff changes. SPP’s compliance filing in response to the FERC order is due Dec. 10, 2014.

“Joining an RTO is a major shift in the way Heartland has traditionally operated, but we firmly believe our customers will benefit,” said Heartland CEO Russell Olson. “We have enjoyed the collaborative process thus far and believe it is a strong indication of the positive relationship we will have with SPP in the future. We look forward to full integration next fall.”

Mark Gabriel, Western’s administrator and CEO said “FERC’s decision recognizes Western’s ability and authority to join an RTO. This business-based decision is in concert with our Vision and our Strategic Roadmap 2024, helping us keep costs low and efficiently serving our customers in the Upper Great Plains Region. We appreciate the hard work and spirit of cooperation by all of the SPP staff and members and our partners in the Integrated System, Basin Electric and Heartland, and our Western team that led to this decision. By approving the SPP tariff changes necessary for Western to participate in the SPP, FERC’s decision paves the way for Western’s full membership in October 2015.”
About the Integrated System
The IS is the backbone of the high-voltage transmission grid in the Upper Great Plains region of eastern Montana, North Dakota and South Dakota. This jointly developed transmission system evolved from the 1962 Joint Transmission System (JTS) agreement of the Bureau of Reclamation with Basin Electric and 103 cooperative and municipal preference customers in this region.

About Southwest Power Pool, Inc.
Founded in 1941, SPP is a group of 80 members in Arkansas, Kansas, Louisiana, Mississippi, Missouri, Nebraska, New Mexico, Oklahoma, and Texas that serve more than 15 million customers. Membership is comprised of investor-owned utilities, municipal systems, generation and transmission cooperatives, state authorities, wholesale generators, power marketers, and independent transmission companies. SPP’s footprint includes 48,930 miles of transmission lines and 370,000 square miles of service territory. As a Regional Transmission Organization, SPP ensures reliable supplies of power, adequate transmission infrastructure, and competitive wholesale electricity prices. The SPP Regional Entity oversees compliance enforcement and reliability standards development. Learn more about SPP by visiting our Newsroom.