Heartland approves membership into Southwest Power pool

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MADISON, S.D. – Heartland Consumers Power District is one step closer to full integration into a Regional Transmission Organization (RTO). The Heartland board of directors recently approved a resolution authorizing execution of a membership agreement with Southwest Power Pool (SPP).

"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 look forward to working with the SPP staff and members as we continue the transition."

Heartland delivers power to its customers over the Integrated System (IS), a high-voltage transmission system that covers a seven-state area and consists of over 9,500 miles of line. Under the terms of the membership agreement, functional control and operational authority of Heartland’s transmission facilities and service within the IS will be turned over to the SPP, and generation resources and customer load will be included within the SPP Integrated Marketplace. Heartland’s participation is contingent upon Federal Energy Regulatory Commission acceptance and approval of the agreement without modifications.

Heartland shares ownership of the IS with Basin Electric Power Cooperative (Basin) and Western Area Power Administration – Upper Great Plains (Western). The three organizations began evaluating a move into an RTO in late 2011 in order to increase access to other power markets and to reduce operating constraints. After an extensive research and assessment period, SPP was determined to be the best business decision to reduce costs and maximize opportunity.

Basin’s board took action in April to negotiate terms and conditions of joining SPP, and approval of the membership agreement is expected this month. Western Administrator Mark Gabriel approved and directed full membership of the Upper Great Plains Region with SPP July 9.

Founded in 1941, SPP is a group of 76 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.

Heartland Consumers Power District is a non-profit, public power utility located in Madison, S.D. Heartland provides reliable power as well as energy services and community development programs to communities and state agencies in South Dakota, Minnesota and Iowa.