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SPP Approves Transmission Plan for the Year 2030, Further Development of New Energy Markets

January 26, 2011, LITTLE ROCK, ARKANSAS – In keeping with its [2010 Strategic Plan](#) to build a robust transmission system and develop efficient energy markets, the Southwest Power Pool, Inc. (SPP) Board of Directors approved:

- Construction of \$176 million in new transmission projects needed to maintain reliable supplies of electricity across the region
- A strategic transmission “roadmap” for 2030
- Negotiating with vendors to build new energy markets



The [Integrated Transmission Planning \(ITP\) process](#) is a new and innovative method of assessing the SPP footprint’s near- and long-term transmission needs to create a cost-effective, flexible, and robust electric grid. Along with SPP’s recently-approved [Highway/Byway cost allocation methodology](#), the ITP promotes transmission investment that will improve electric reliability, bring economic benefit to SPP’s members, and help meet public policy needs.

While transitioning to the ITP, SPP published the [2010 SPP Transmission Expansion Plan](#), which identified \$176 million in new transmission projects that need to be built in 2011-2021 to “keep the lights on”. With the Board’s approval of these projects, SPP will soon instruct utilities to begin constructing these transmission upgrades.

SPP completed its first ITP 20-Year Assessment (ITP20), which identified grid upgrades projected to be needed by 2030 to accommodate possible future scenarios and provide a strong transmission grid. “In the electricity business there are many uncertainties about the future. Will the federal government put a tax on carbon or require all states to obtain a percentage of their electricity from renewable sources? At what rate will demand increase? These issues and many others impact ‘traffic flows’ on the electric grid,” said SPP President and CEO Nick Brown. “A well-planned, robust transmission grid gives us the flexibility to move energy from diverse generating resources to where it’s needed across the region and beyond. Adding more ‘lanes’ to the transmission highway will improve our ability to provide the least-cost power to consumers and strengthen grid reliability so power is always there when we need it.”



The 2010 ITP20 developed several transmission project portfolios and evaluated them on a number of metrics. The Board selected a portfolio of transmission projects that will provide the much needed “roadmap” for transmission expansion in the SPP region and guide future planning efforts and specific project needs.

The 2010 ITP20 Plan consists of 1,494 miles of 345 kV lines and 11 345 kV step-down transformers. The projects are estimated to bring benefits more than five times greater than the \$1.8 billion engineering and construction cost by reducing members’ costs to generate and supply energy to customers. Qualitative benefits include: providing the foundation for higher renewable energy levels, increasing competition and leveling prices in SPP’s energy markets by providing access to more generation, increasing system reliability and efficiency, strengthening the ability to transport energy from/to other regions, reducing emissions, and using land responsibly.

SPP is not asking utilities to build the ITP20 projects at this time. “The ITP20 provides a vision for the year 2030. Knowing where we are going will help us in our shorter-term planning as we determine the transmission infrastructure needed to interconnect new generation to the grid and meet our members’ requests for long-term use of the region’s transmission lines,” said Vice President of Engineering Lanny Nickell. “The specific need for these 2010 ITP20 projects will continue to be reviewed in future studies.”

The next ITP20 will be completed in 2013. The ITP process also includes 10-Year and Near-Term Assessments; the first 10-Year Assessment will be completed in January 2012, and Near-Term Assessments will be completed every year.

The Board also authorized SPP staff to begin negotiations with vendors to develop work statements and contracts for developing the [Integrated Marketplace](#). According to Chief Operating Officer Carl Monroe, “These new energy markets, expected to be implemented in 2014, will provide benefit by coordinating which generating units across the region should run the next day to maximize cost-effectiveness. They will provide participants with greater access to reserve energy, improve regional balancing of electricity supply and demand, and facilitate the integration of renewable resources.”

SPP and its members have been working on the Integrated Marketplace design since 2008; the Markets and Operations Policy Committee recently approved an 800-page design document that outlines how the markets will work.

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Founded in 1941, Southwest Power Pool, Inc. is a group of 61 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. SPP was a founding member of the North American Electric Reliability Corporation in 1968, and was designated by the Federal Energy Regulatory Commission as a Regional Transmission Organization (RTO) in 2004 and a Regional Entity (RE) in 2007. As an RTO, SPP ensures reliable supplies of power, adequate transmission infrastructure, and competitive wholesale prices of electricity. The SPP RE oversees compliance enforcement and reliability standards development. [Read more fast facts](#) or [watch a video](#) about SPP.