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SPP’s Integrated Marketplace online and running smoothly

March 3, 2014, LITTLE ROCK, ARKANSAS – Southwest Power Pool (SPP) successfully implemented its Integrated Marketplace on schedule March 1, becoming the first Regional Transmission Organization (RTO) to design, build, and deliver a day-ahead market on time and on budget.

The Integrated Marketplace, comprised of the Day-Ahead Market, Real-Time Balancing Market, and Congestion Hedging Markets, is expected to realize up to $100 million in annual net benefits to the SPP RTO region. During its first two days of operation, the Integrated Marketplace has seen about 30,000 megawatts of power being exchanged at any time.

“The Integrated Marketplace program is the latest and most complex incremental step in SPP’s evolutionary approach to improving our service to members and the region,” said Nick Brown, SPP President and CEO. “The program had many moving parts, but we focused on ensuring everyone – market participants, members, vendors, and our staff – reached the finish line at the same time. However, we would not have been successful without the input, cooperation, and hard work of our many stakeholders.”

Brown also personally thanked fellow RTO PJM Interconnection, the Electric Reliability Council of Texas and their respective CEOs, Terry Boston and Trip Doggett, “for their willingness to consult with us throughout the process.”

“We said all along we would deliver a quality product on March 1, and we did exactly that,” said Jim Eckelberger, Chairman of the Board. “It was critical we remained committed to our timeline and budget. In the end, we were told by stakeholders that this project was one of the smoothest they had been involved in.”

The Integrated Marketplace replaces SPP’s Energy Imbalance Service Market, which has been in operation since 2007. Planning for the Marketplace began shortly afterwards, with a market design approved in April 2011. Following months of tests, market trials, and after linking 103 eligible market participants to the various market computer systems, the Marketplace became financially binding at 12:05 a.m. March 1.

The Integrated Marketplace will improve grid reliability by determining which generating units should run the next day for maximum cost-effectiveness, and improve the regional balancing of supply and demand. It is also expected to facilitate further integration of renewable resources in SPP’s market.

The new markets also mean new responsibilities for SPP. The Integrated Marketplace combines SPP’s 16 legacy Balancing Authorities into a consolidated SPP Balancing Authority, leaving SPP responsible for meeting significant and numerous regulatory and compliance requirements.

Bruce Rew, SPP’s Vice President of Operations and the project’s executive sponsor, said, “We would like to acknowledge our primary vendors in this effort. Accenture, Alstom, Nexant, and OATI were instrumental in meeting our goals.”
The Federal Energy Regulatory Commission last week accepted SPP's certification of readiness and approved the Integrated Marketplace’s start-up and operation.

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. The SPP Regional Entity oversees compliance enforcement and reliability standards development. Learn more about SPP by visiting our Newsroom.