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Pete Hoelscher, Southwest Power Pool Communications Manager
501.688.8284
phoelscher@spp.org

SPP Board approves changes to facilitate Integrated System membership

JUNE 10, 2014, LITTLE ROCK, ARKANSAS – Southwest Power Pool, Inc., (SPP) Board of Directors yesterday approved changes to accommodate the Integrated System’s membership in SPP. The Western Area Power Administration – Upper Great Plains (Western), Basin Electric Power Cooperative, and Heartland Consumers Power District make up the IS.

“These tariff changes will enable all the IS entities to join an RTO,” said Carl Monroe, SPP Chief Operating Officer. “We are pleased that our culture and value to our members can provide benefits to our customers.”

In April, the Basin Electric board gave the cooperative's management authorization to support Western in their federal process to join SPP and to negotiate terms and conditions of joining with SPP as a transmission owning member.

“We are very pleased with SPP’s Board action yesterday,” said Robert Harris, Upper Great Plains Regional Manager for Western Area Power Administration. “This represents a major step toward Western's Upper Great Plains full membership in SPP. Yesterday’s action is the result of significant work by SPP, its members, committees and staff as well as Western. We continue to be very impressed with SPP's dedication and tenacity, working together to find solutions benefiting all members and look forward to being active participants in SPP.”

The three providers have been discussing the possibility since late 2011 of joining an 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.

"We are pleased with the SPP announcement and are looking forward to a long partnership," said Paul Sukut, Basin Electric CEO and general manager. "In evaluating our Regional Transmission Organization options, we felt that SPP was a solid philosophical match for our cooperative. The next step in this process is Basin Electric board action in July.

"Integrating with an RTO presents many complexities, but Basin Electric and our entire member cooperative family are committed to working with our IS participants and SPP to facilitate this transition. Joining an RTO is a major shift from the way we have traditionally done business, but we believe this new environment will better help us reliably serve our members and optimize our existing facilities," Sukut said.

Heartland CEO Russell Olson also said his organization was happy with this next step.
“The IS owners have been working on this effort for some time and we’re pleased the board endorsed the proposed changes as it is an important first step,” said Olson. “The SPP staff and membership have been a pleasure to work with. The open and collaborative process has reinforced our earlier decision to seek membership in SPP and we look forward to continuing our integration into SPP for the benefit of our customers.”

About the IS

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 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.