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SPP to implement Integrated Marketplace’s TCR Market October 18

October 14, 2013, LITTLE ROCK, ARKANSAS – Southwest Power Pool (SPP) will implement the Integrated Marketplace’s first business function when the Transmission Congestion Rights (TCR) Market goes live October 18 with the posting of live TCR-process data.

An 11-person team of SPP stakeholders and senior management gave its approval for the TCR Market to move forward during an October 11 conference call. The Go-Live Team reviewed recommendations from the Change Working Group – an SPP member/market participant group responsible for changes to market systems – and SPP staff, and 17 go-live criteria before issuing its formal approval.

The Integrated Marketplace, which includes the TCR Market, is set to go live in March 2014. It is expected to yield estimated annual net benefits of up to $100 million to the SPP region. The Marketplace has attracted 105 registered participants eligible to compete when the market goes live.

“This go-live vote moves us another step closer to delivering a quality product on schedule – as we said we would,” said SPP President and CEO Nick Brown, a member of the Go-Live Team. “The Integrated Marketplace is a complex project with many moving parts, but we continue to work closely with our many stakeholders to ensure everyone reaches the finish line at the same time.”

The TCR Market is integral to the Day Ahead Market, which will ensure the next-day’s generation within SPP’s footprint will be used economically and efficiently. TCRs are used as a financial hedge against congestion, allowing market participants to reduce their potential exposure to market-price fluctuations. The TCR Market goes live before the Integrated Marketplace’s other functions so that participants can hold TCRs before congestion costs are incurred.

The TCR Market has been undergoing Market Trials since January 2013, concluding them in September. The market’s systems have gone through more than two years of testing (1,700 days of effort), and the interfaces required to run the market have been fully operational since March.

The Integrated Marketplace will determine which generating units should run the next day for maximum cost-effectiveness, provide participants with greater access to reserve electricity, improve regional balancing of supply and demand, and facilitate the integration of renewable resources.

Founded in 1941, SPP is a group of 74 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.