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Emily Pennel, Southwest Power Pool Communications Manager  
501.614.3337 · [epennel@spp.org](mailto:epennel@spp.org)

## **Portfolio of New EHV Transmission Projects Approved: Benefits Will Be Balanced Across SPP Region**

**April 29, 2009, LITTLE ROCK, ARKANSAS** – The Southwest Power Pool, Inc. (SPP) Regional State Committee and Board of Directors/Members Committee approved a long-awaited group of extra high voltage economic transmission expansion upgrade projects totaling over \$700 million, to be funded by the application of Federal Energy Regulatory Commission-approved “postage stamp” rates to SPP’s transmission-owning members across the region. The benefits of this group of transmission upgrades have been demonstrated by model analysis to outweigh the costs, thus achieving a “balanced portfolio” of projects. The overall cost of generation to serve SPP’s load should be reduced by an amount exceeding investment in the grid. This portfolio of projects will also reduce congestion on the SPP transmission system, and may provide other benefits such as increased reliability and lower end-use consumer costs.

According to SPP President and CEO Nick Brown, “Cost allocation for economic upgrades has always been a barrier to construction. Historically, it has been challenging for one project sponsor to bear all upfront costs of building new extra high voltage transmission lines that provide benefits of varying degrees to many market participants. Allocating costs of these mutually-beneficial projects across the region will spur transmission construction, which is one of the goals of the Federal Energy Regulatory Commission and the new Obama administration.”

Under the new balanced portfolio approach, SPP evaluates the benefits of a group of economic upgrades rather than evaluating individual upgrades on a project-by-project basis. A portfolio approach alleviates potential disputes that may arise from the construction of a single project that may benefit one zone but not others.

The balanced portfolio includes five new 345 kV transmission lines, a 345 kV transformer, and a new connection between two existing 345 kV lines. Out of over 50 transmission projects analyzed by SPP, the following projects met specific requirements of the SPP Open Access Transmission Tariff for achieving regional benefits greater than costs. (The models determined cost/benefits based on simulated production cost requirements among utilities in SPP’s footprint.)

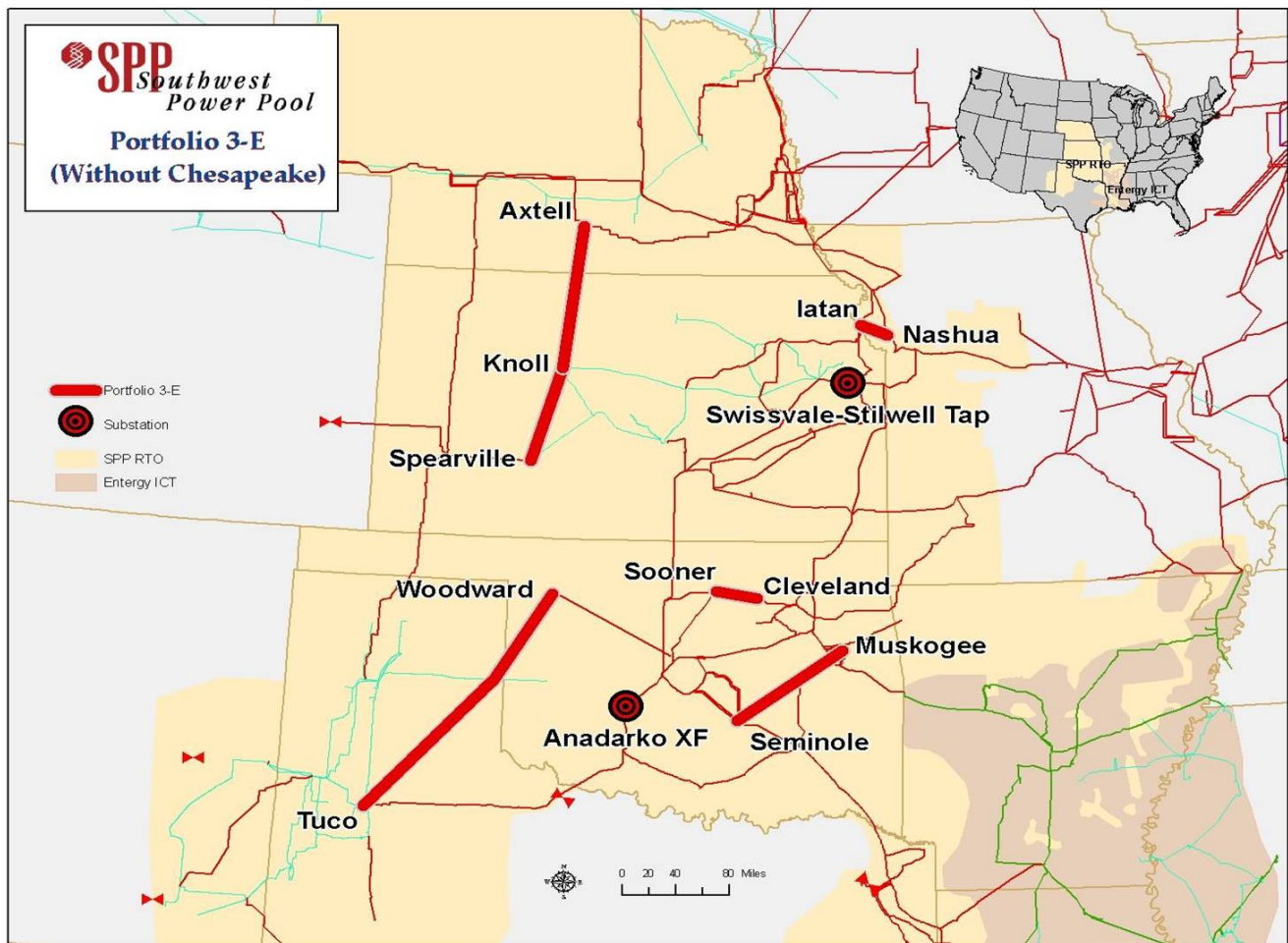
- The 250 mile “Woodward -Tuco” line between Hale County, Texas (north of Abernathy) and Woodward, Oklahoma will cost \$229 million.
- The 215 mile “Spearville-Knoll-Axtell” line between Spearville, Kansas (east of Dodge City); Hays County, Kansas; and Axtell, Nebraska will cost \$237 million.
- The 100 mile “Seminole-Muskogee” line between Seminole County and Muskogee, Oklahoma will cost \$131 million.
- The 36 mile “Sooner-Cleveland” line between Sooner Lake in Noble County, Oklahoma and Cleveland, Oklahoma will cost \$34 million.
- The 30 mile “Iatan-Nashua” line between Iatan and Nashua, Missouri (north of Kansas City) will cost \$54 million.
- The Anadarko Transformer in Anadarko, Oklahoma will cost \$8 million.
- The Swissvale-Stilwell Tap near Gardner, Kansas will cost \$2 million.

Notifications to construct will be issued in the coming weeks to transmission owners identified by SPP’s transmission planners.

Les Dillahunt, SPP Senior Vice President of Engineering and Regulatory Policy, states, “The balanced portfolio projects will enhance access to all types of generation, including the vast wind potential in the SPP region. These transmission upgrades will be the beginning of a wind-collector grid that will enable the collection, use, and possible export of renewable energy beyond SPP.”

According to Regional State Committee President David King of the New Mexico Public Regulation Commission, “Creation of the balanced portfolio process was a collaborative, consensus-building effort among utility regulators in six states, SPP, its members, and stakeholders to create a reasonable group of economic upgrades that benefit everyone. Enhancing the regional grid today will provide economic development, increase the availability of renewable energy, and prepare us for future load growth. Today’s economic projects become tomorrow’s reliability requirements.”

The following map depicts projects included in the balanced portfolio:



[Access more information about the balanced portfolio.](#)

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Southwest Power Pool, Inc. is a group of 54 members serving more than five million customers across nine states of the Eastern Interconnection. 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 26 balancing authorities, 47,000 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.