

2023 MEMBER VALUE



Southwest Power Pool provides \$3.62 billion in annual savings and benefits to our members

SPP oversees the bulk electric system and administers a wholesale power market on behalf of a diverse group of members and market participants. SPP has a track record of superior stewardship of our stakeholders' resources. That's why hundreds of utilities have joined SPP since 1941. Without SPP's centralized core services, our members would have to individually secure staff, expertise and technology to perform our core functions.

Reliability is SPP's top priority. It is intertwined with other functions that collectively support reliability and have other economic benefits. Each year we calculate the net value of four key functions:

Operations and Reliability: **\$905.2 million**

SPP operates the grid from a regional perspective. This reduces costs and required energy reserves and increases efficiency.

Markets: \$2.250 billion

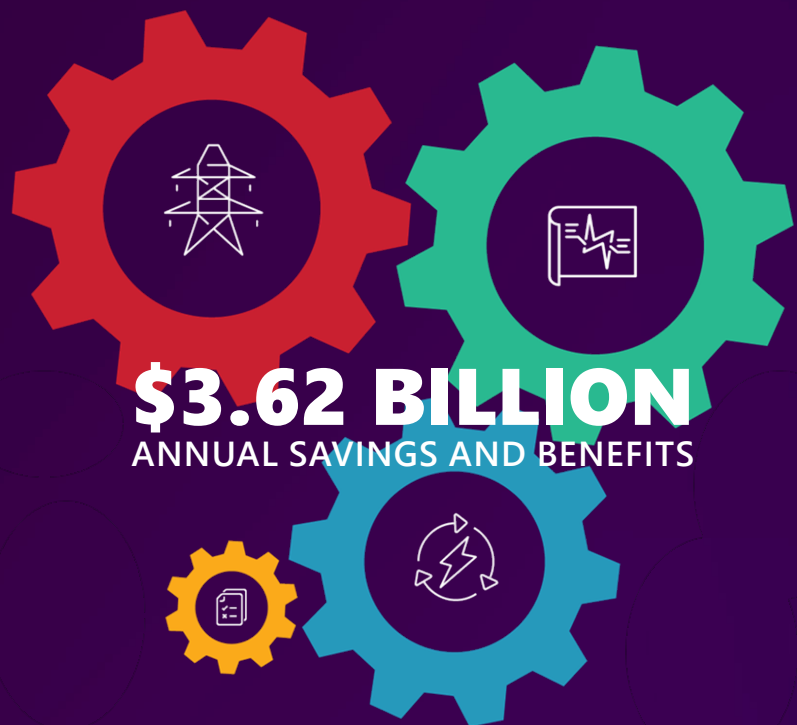
SPP's Integrated Marketplace combines efficient and economic day-ahead, real-time and transmission markets.

Transmission: \$446.7 million

SPP's collaborative, stakeholder-driven transmission planning processes result in robust infrastructure and have rapidly and reliably integrated renewables.

Tariff, Scheduling and Services: \$42.9 million

SPP's industry-leading services and training meet the compliance, settlements, engineering, tariff and scheduling needs of our customers on a regional scale.

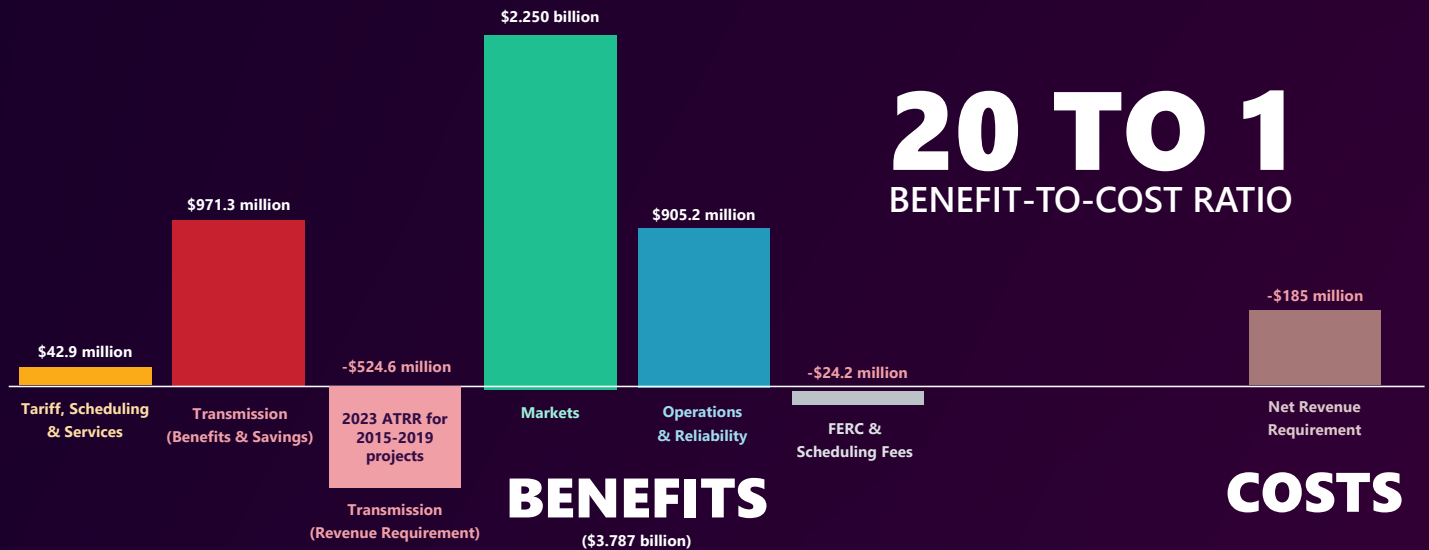


\$3.62 BILLION
ANNUAL SAVINGS AND BENEFITS

RETURN ON INVESTMENT

Each year, members fund SPP's operations through a net revenue requirement (NRR). The NRR comprises operating expenses, principal payments on loans and a capital reserve fund, and it is offset by revenues like reimbursements for engineering studies. SPP's 2023 NRR was \$185 million, resulting in a **benefit-to-cost ratio of 20-to-1**.

20 TO 1
BENEFIT-TO-COST RATIO



OTHER BENEFITS

SPP provides significant, measureable value to our members of more than \$3.621 billion annually. Our services also contribute to:

Positive Environmental Impact

SPP's markets and transmission have improved access to renewables and reduced CO₂ emissions by 30% since 2014, displacing an estimated 408 million metrics tons of CO₂. The dollar value of this reduction, when using a social cost of carbon estimate, is over \$20 billion.

Improved Public Policy

SPP helps our members meet state renewable goals, provide alternatives to right-of-way acquisitions, create mutually beneficial policies and more.

Economic Development

Transmission expansion facilitated by SPP results in billions of capital investment and thousands of skilled jobs for local economies. Our competitive wholesale rates are attracting new business to our region.

BENEFITS

With SPP

Without SPP

Regional open access transmission	✓	✗
Integrated markets	✓	✗
Consolidated balancing	✓	✗
Reserve sharing	✓	✗
Regional expansion planning & cost-sharing	✓	✗
Facilitated collaborative improvement processes	✓	✗



SPP.ORG