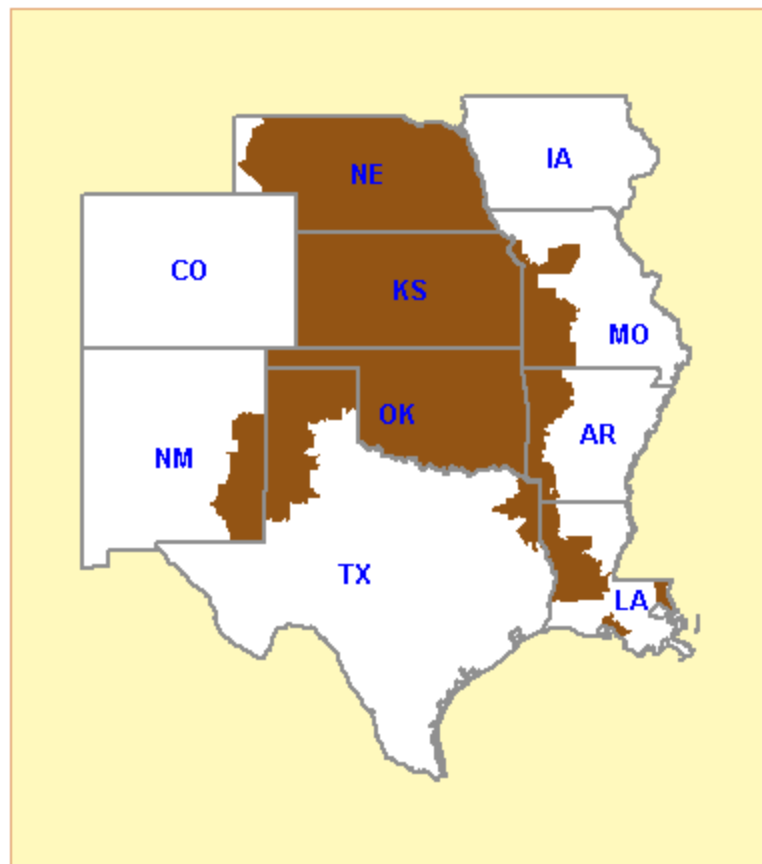


Southwest Power Pool (SPP) Electric Region



Southwest Power Pool Electric Market: Overview and Focal Points

Federal Energy Regulatory Commission • Market Oversight @ FERC.gov

Overview

Geography

On December 1, 2008, SPP added a new municipal member, Lincoln Electric System (LES); and two new state agencies, Nebraska Public Power District (NPPD) and Omaha Public Power District (OPPD).

States covered: Kansas, Oklahoma, most of Nebraska, and parts of New Mexico, Texas, Louisiana, Missouri, Mississippi and Arkansas

Reliability region: Southwest Power Pool (SPP)

Balancing authorities: Balancing authorities are responsible for managing the minute-to-minute supply/demand balance for electricity within their borders to assure reliability. The SPP regional footprint is comprised of 16 balancing authorities:

CSWS - (AEPW) American Electric Power West *

EDE - Empire District Electric

INDN - Independence Power & Light

KCPL - Kansas City Power & Light

LEPA - Louisiana Energy & Power Authority

OKGE - OG+E Electric Services

SPA - Southwestern Power Administration

WR - Westar Energy

CLEC - CLECO Power

GRDA - Grand River Dam Authority

KACY - Kansas City Board of Public Utilities

Lafa - City of Lafayette, Louisiana

MPS - KCP&L Greater Missouri Operations

SECI - Sunflower Electric

SPS - Southwestern Public Service

WFEC - Western Farmers Electric Cooperative

* Formerly Central and South West Services

There are five different SPP footprints: Regional Entity, Reserve Sharing Group, Reliability Coordinator (RC) Area, Regional Transmission Organization/Tariff, EIS Market Region. More information regarding these footprints is available at:

http://www.spp.org/publications/SPP_Footprints.pdf

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RTO/ISO

Southwest Power Pool (SPP) (granted RTO status in 2004) provides transmission service on the transmission facilities owned by its members and operates the region's real-time energy imbalance service (EIS) market. Market participants trade physical electricity bilaterally, either directly or through brokers, and through the EIS market.

[SPP 2008 State of the Markets Report](#)

Market Monitor:

Richard Dillon – Director, Market Development & Analysis
Boston Pacific Company, Inc. – External Market Advisor

Generation/Supply

Marginal fuel type: Natural gas (55%) and coal (35%)

Firm generating capacity - summer 2008: 50,600 MW

Capacity reserve - summer 2008: 7,709 MW

Reserve margin - summer 2008: 18%

Demand

Regional Footprint Peak Demand for 2008: 42,891 MW, reached in August.

Peak Demand Growth 2007-2008: 0.7%

All time peak demand:

Reliability Footprint: 43.3 GW (set August 14, 2007)

Market Footprint: 35.9 GW (set August 14, 2007)

In the summer of 2007 demand reached record levels due to extremely hot weather.

Southwest Power Pool Electric Market: Overview and Focal Points

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Demand (continued)

Summer Peak Demand (GW):

2004: 39.4
2005: 40.5
2006: 42.2
2007: 43.2
2008: 42.9

Prices

Annual Average of Platts SPP North Daily Spot Price Index

2004: \$45.19/MWh
2005: \$67.44/MWh
2006: \$55.84/MWh
2007: \$60.21/MWh
2008: \$68.77/MWh

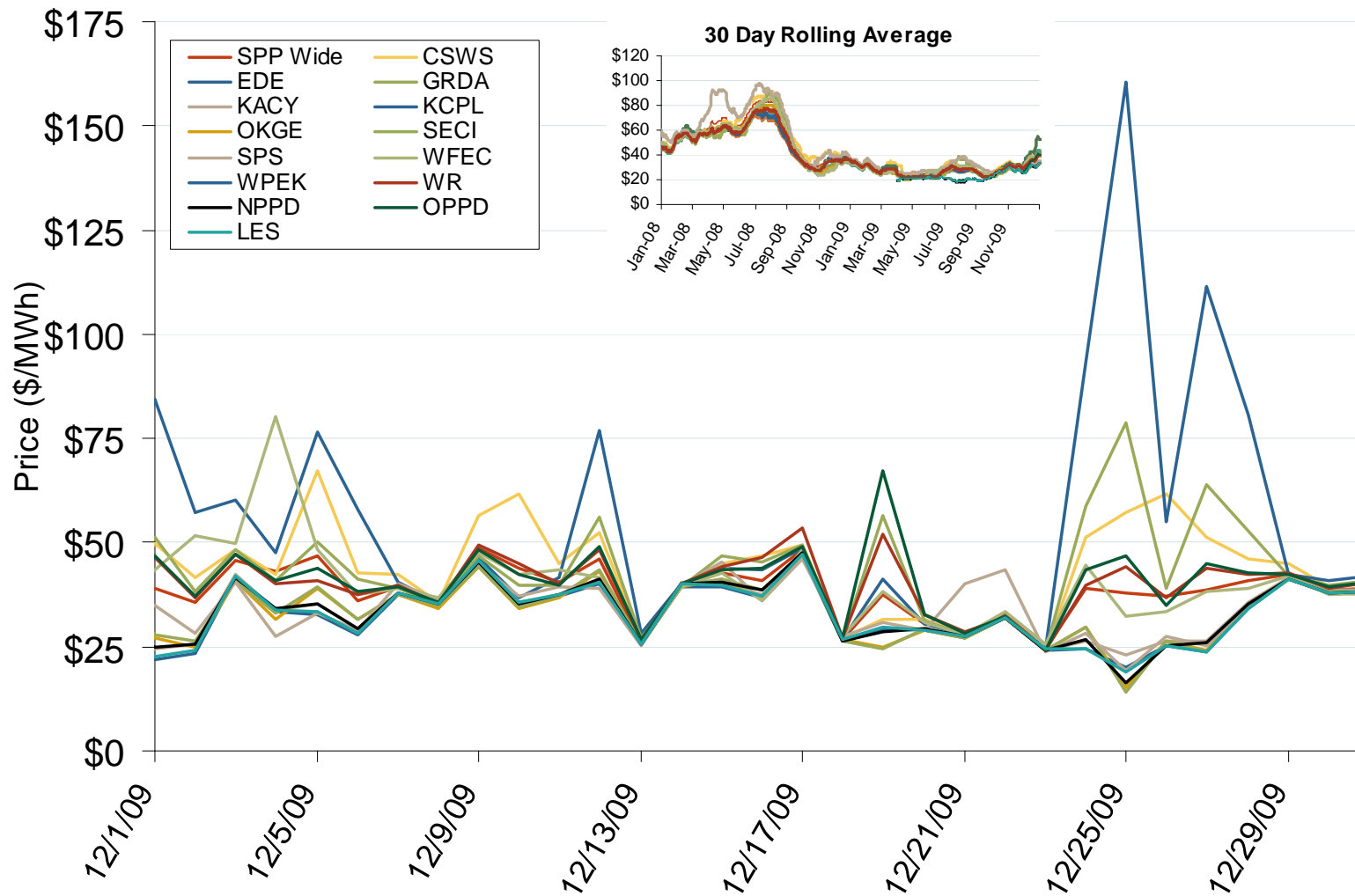
Supply and Demand Statistics for SPP

Supply Demand Statistics					
	2004	2005	2006	2007	2008
Summer Generating Capacity MW (1)	45,039	45,768	48,267	49,516	50,600
Summer Peak Demand MW	39,383	40,451	42,227	43,167	42,891
Summer Reserves MW	5,656	5,317	6,040	6,349	7,709
Summer Reserve Margin	14%	13%	14%	15%	18%
Annual Load (GWh)	193,931	202,083	204,029	207,292	208,348

Annual Average Bilateral Prices

Annual Average Day Ahead On Peak Prices (\$/MWh)						
	2005	2006	2007	2008	2009	5-Year Avg
SPP North	\$67.44	\$55.84	\$60.21	\$68.77	\$32.94	\$57.04
ERCOT North	\$77.14	\$61.03	\$59.53	\$73.42	\$34.89	\$61.16

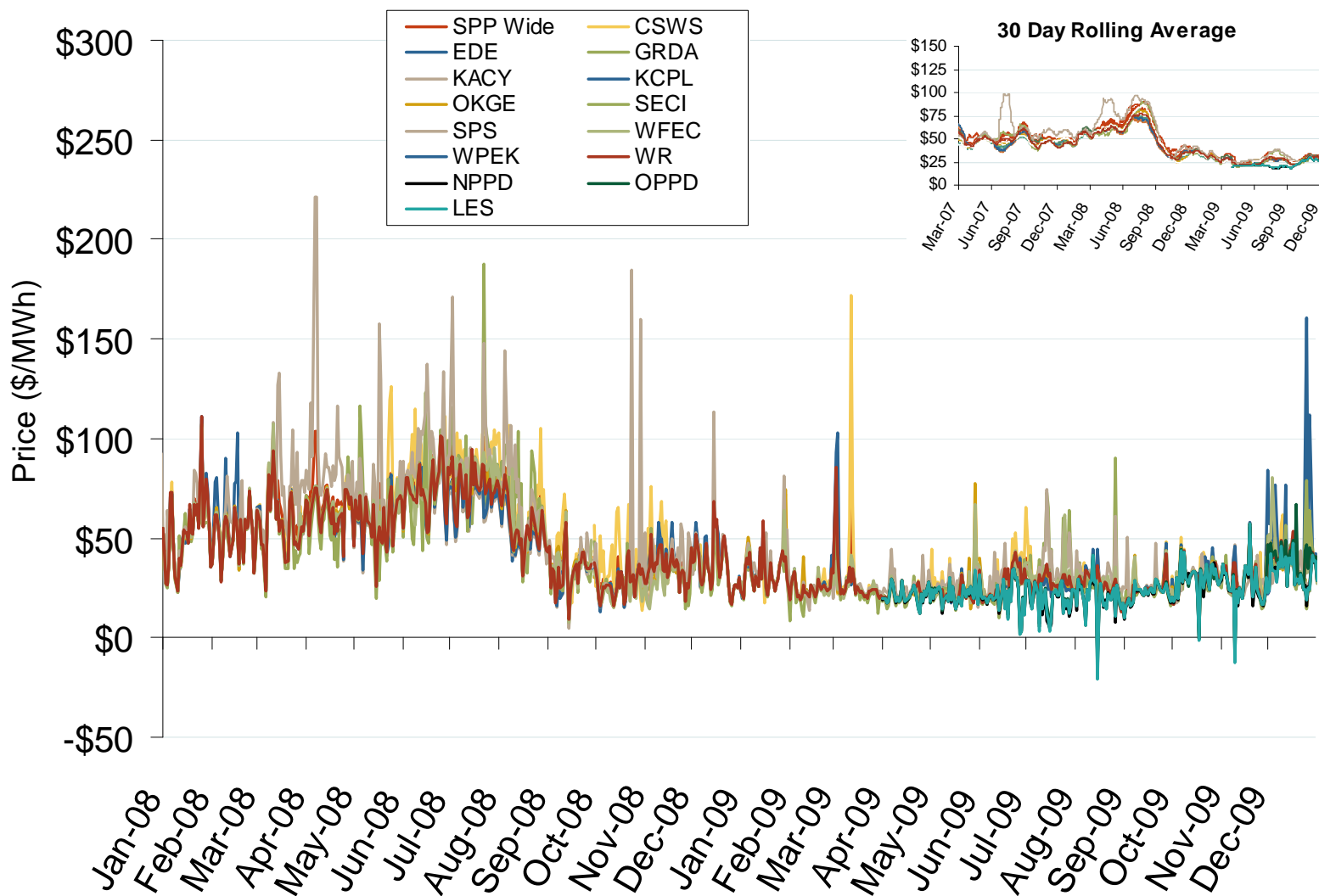
Daily Average of SPP Real Time Prices - All Hours



Source: Derived from SPP data.

Updated January 8, 2010

Daily Average of SPP Real Time Prices - All Hours

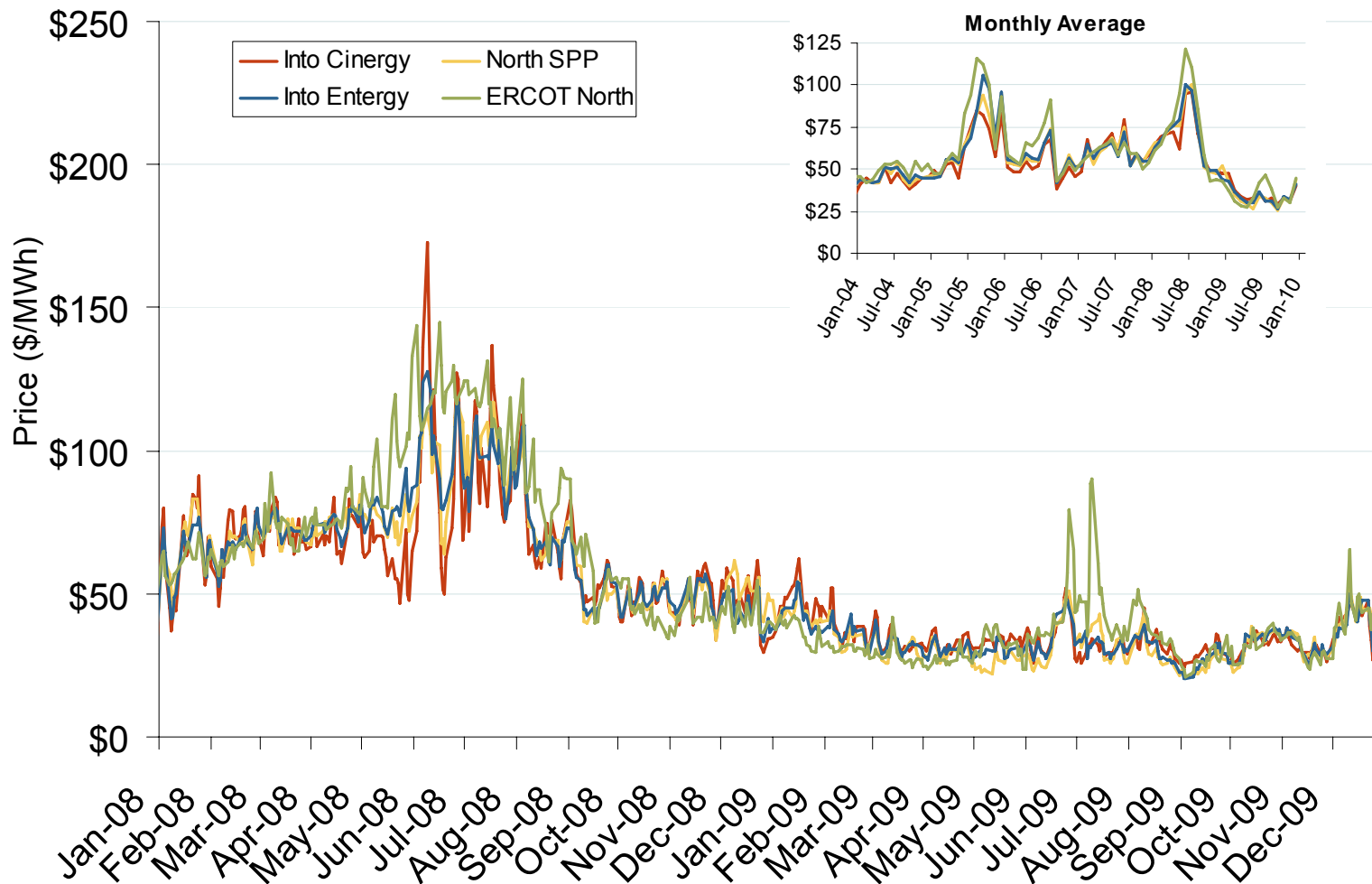


Source: Derived from SPP data.

Updated January 8, 2010

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Central Daily Bilateral Day-Ahead On-Peak Prices

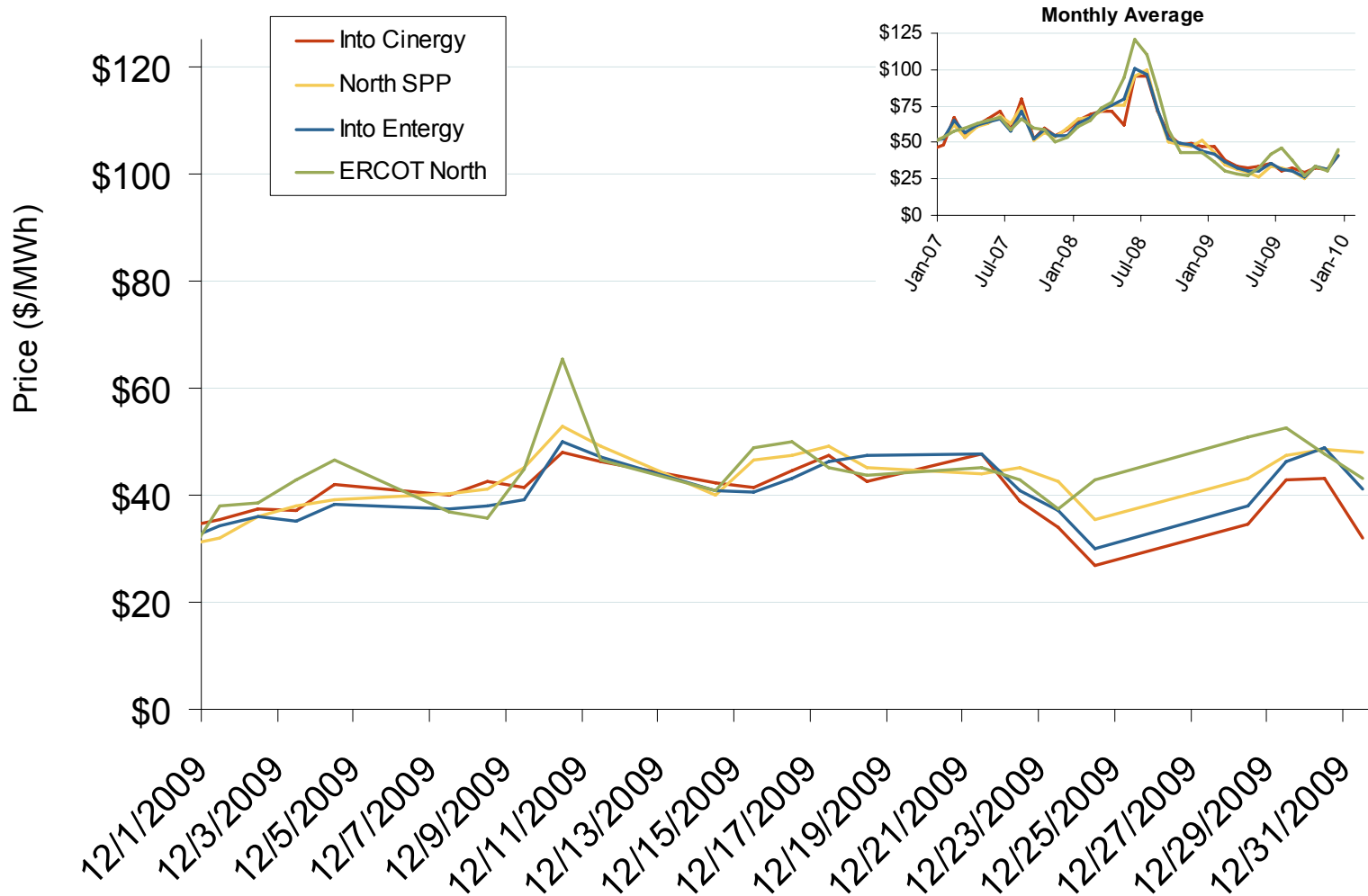


Source: Derived from *Platts* data.

Updated January 8, 2010

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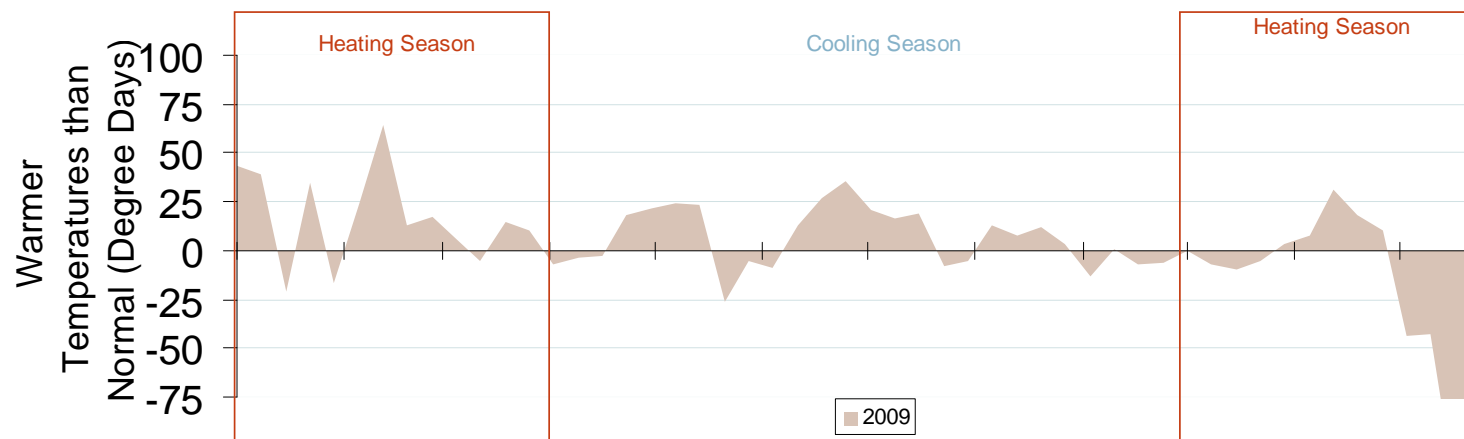
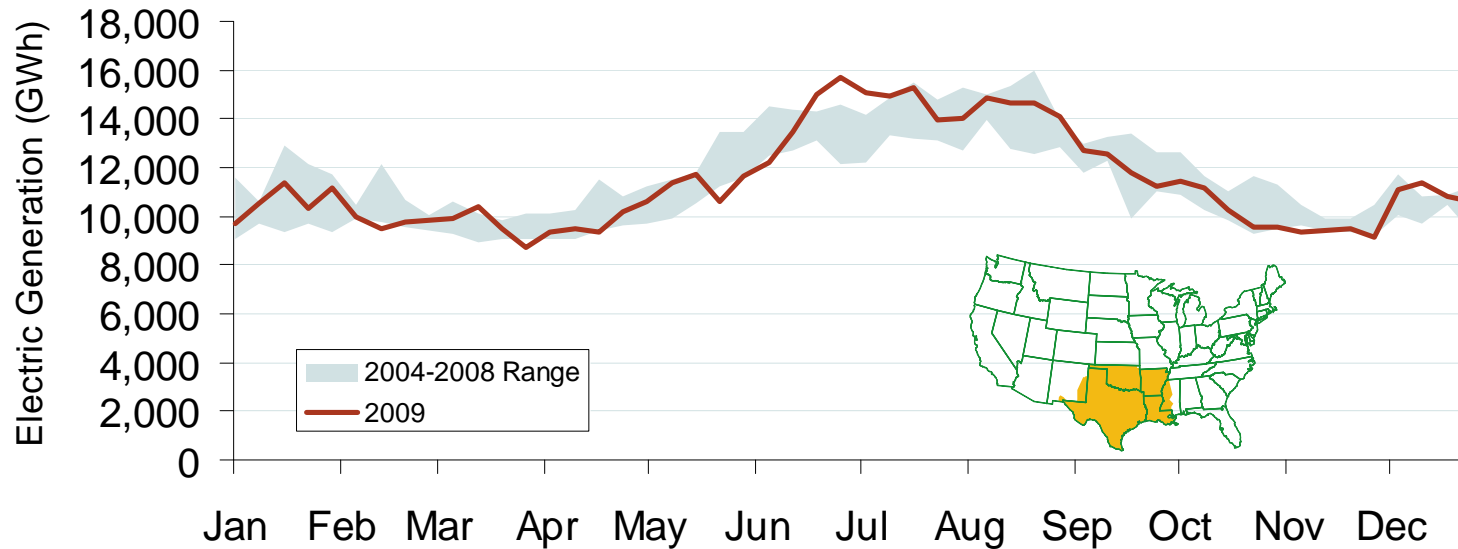
Central Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from *Platts* data.

Updated January 8, 2010

Weekly Electric Generation Output and Temperatures South Central Region



Source: Derived from EEI and NOAA data.

Updated January 8, 2010