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SEVENTY-FIVE YEARS OF
RELIABILITY THROUGH RELATIONSHIPS



SPP Integrated Marketplace Benefits

Bruce Rew, PE

Vice President, Operations

Our Mission

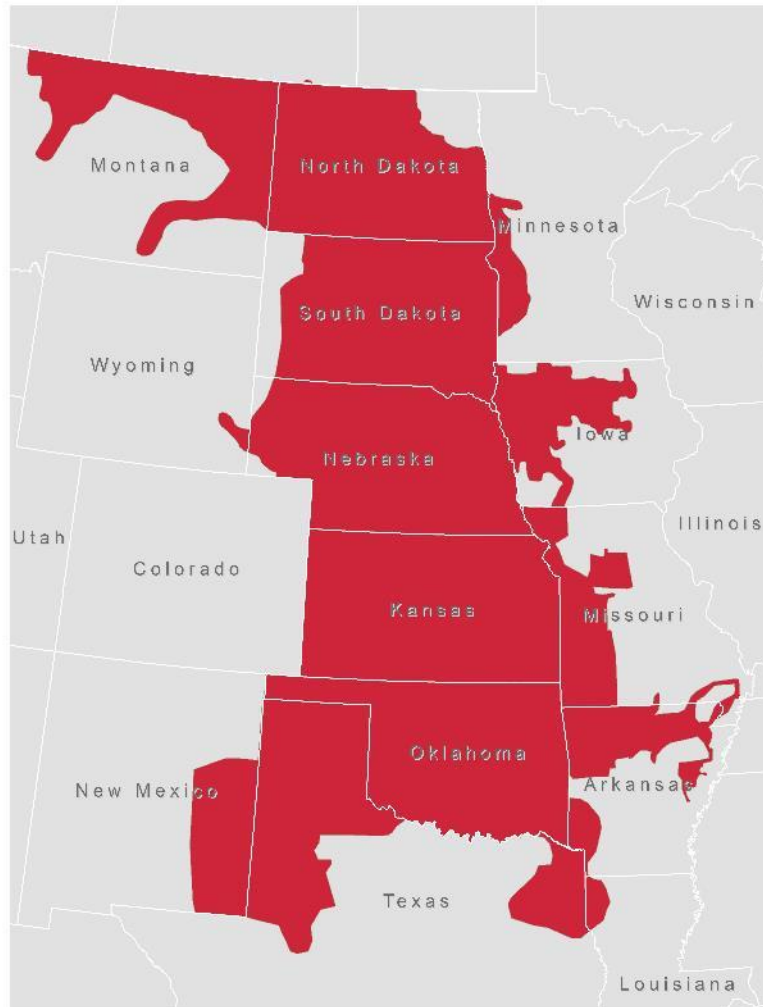
Helping our members work together to
keep the lights on ...
today and in the future.



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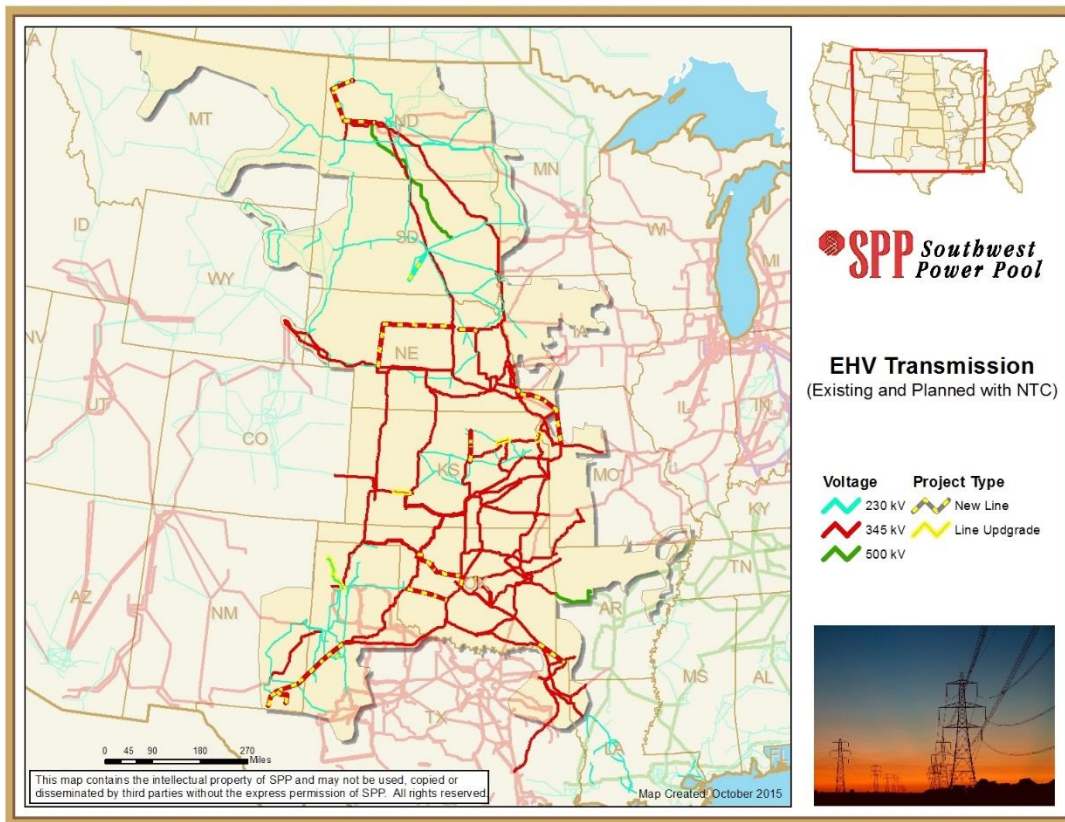
The SPP Footprint: Members in 14 States



- **Arkansas**
- **Kansas**
- **Iowa**
- **Louisiana**
- **Minnesota**
- **Missouri**
- **Montana**
- **Nebraska**
- **New Mexico**
- **North Dakota**
- **Oklahoma**
- **South Dakota**
- **Texas**
- **Wyoming**

SPP Integrated Marketplace

- Provides for coordinated generation market dispatch in day-ahead and real-time to serve load required
- Tight generation pool dispatch allows for optimized regional dispatch for varied resources



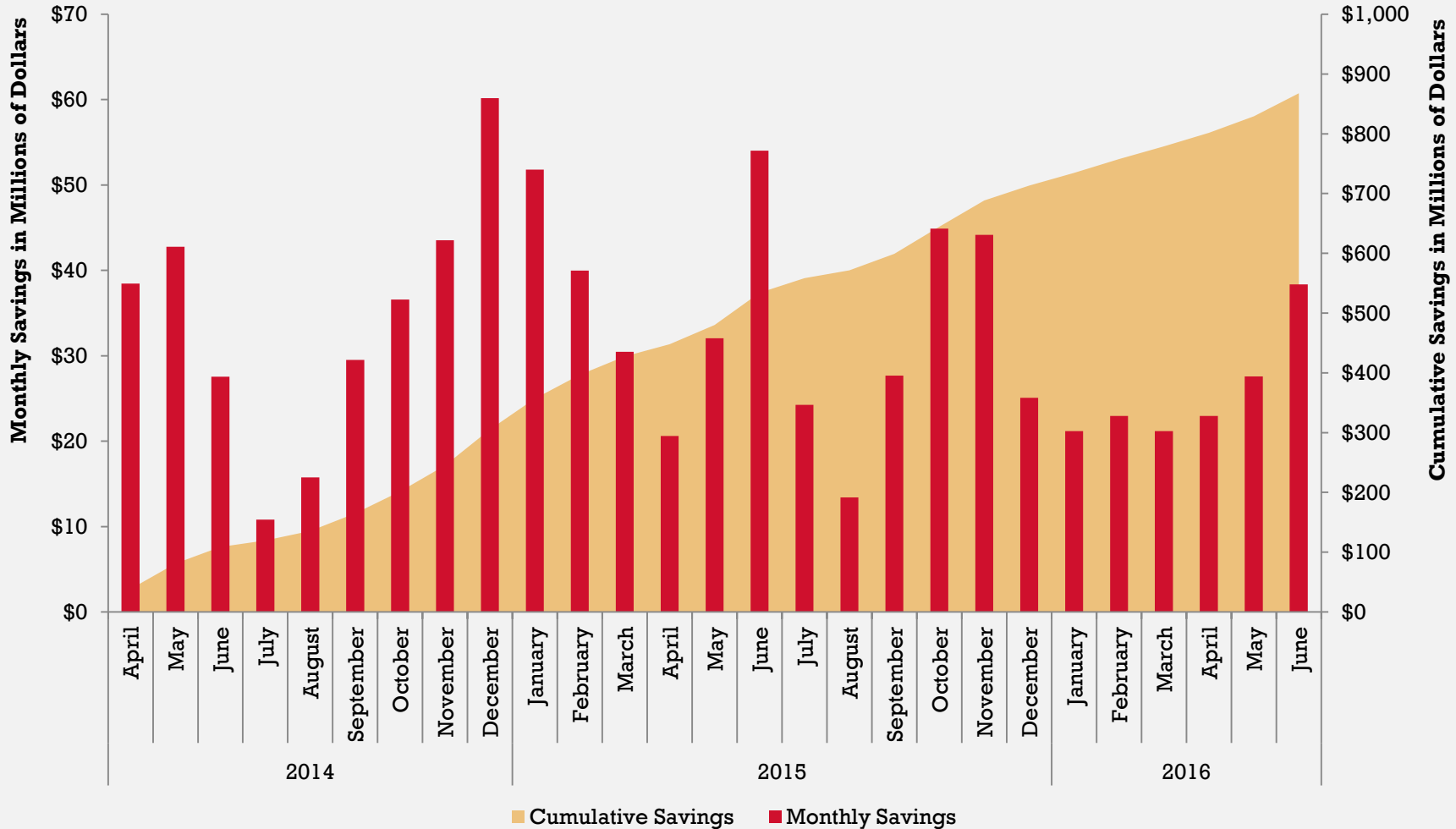
Market Facts

- 172 market participants
- 695 generating resources
- 2015 Marketplace Settlements = \$14.6 billion
- 50,622 MW coincident peak load (7/21/2016)

Integrated Marketplace Calculated Savings

- The Market started on March 1, 2014
- Savings calculated based on comparison with member potential dispatch without market in place
- First year net savings calculated to be \$380 million
 - Initial cost benefit study projected \$270 million in savings
- 2015 annual net savings calculated to be \$422 million
- Provided approximately \$900 million in cumulative benefits to the region through June
- *Should top one billion in savings by year end*

Integrated Marketplace Cost Savings



Integrated Marketplace Savings Drivers

- Market provides savings even with wind and low natural gas prices through optimized dispatch
- Market commits most economic units based on offers from the generators and matches to load requirements
- Day-Ahead market position along with Real-Time energy dispatch allows reliable & economic dispatch
- Transmission expansion provides greater access to lower cost generation across the region by eliminating transmission constraints

Market Integrity Assurance

- **Federal Energy Regulatory Commission (FERC)**
 - Regulated Tariff and Protocols approved by Members and Board
 - Mandatory compliance with North American Electric Reliability Corporation (NERC) Standards with regular audits
 - Standards include Reliability and Critical Infrastructure Protection (Cyber) requirements
- **Financial Controls**
 - SPP has SSAE16 SOC1 financial controls in place
 - Annual independent audit of controls
- **Market Monitoring Unit (MMU)**
 - Provides oversight to market participants and SPP staff operations on all market activity
 - Reports to Board Oversight Committee
 - FERC audits MMU for independence and compliance



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brew@spp.org

501-614-3214