



# SPP EXPANDING WEST

MIDWEST ELECTRIC ANNUAL MEETING  
LANNY NICKELL, SPP PRESIDENT & CEO  
DEC. 10, 2025

*Working together to responsibly and economically  
keep the lights on today and in the future.*



SouthwestPowerPool




SPPorg



southwest-power-pool

# INTRO TO SPP



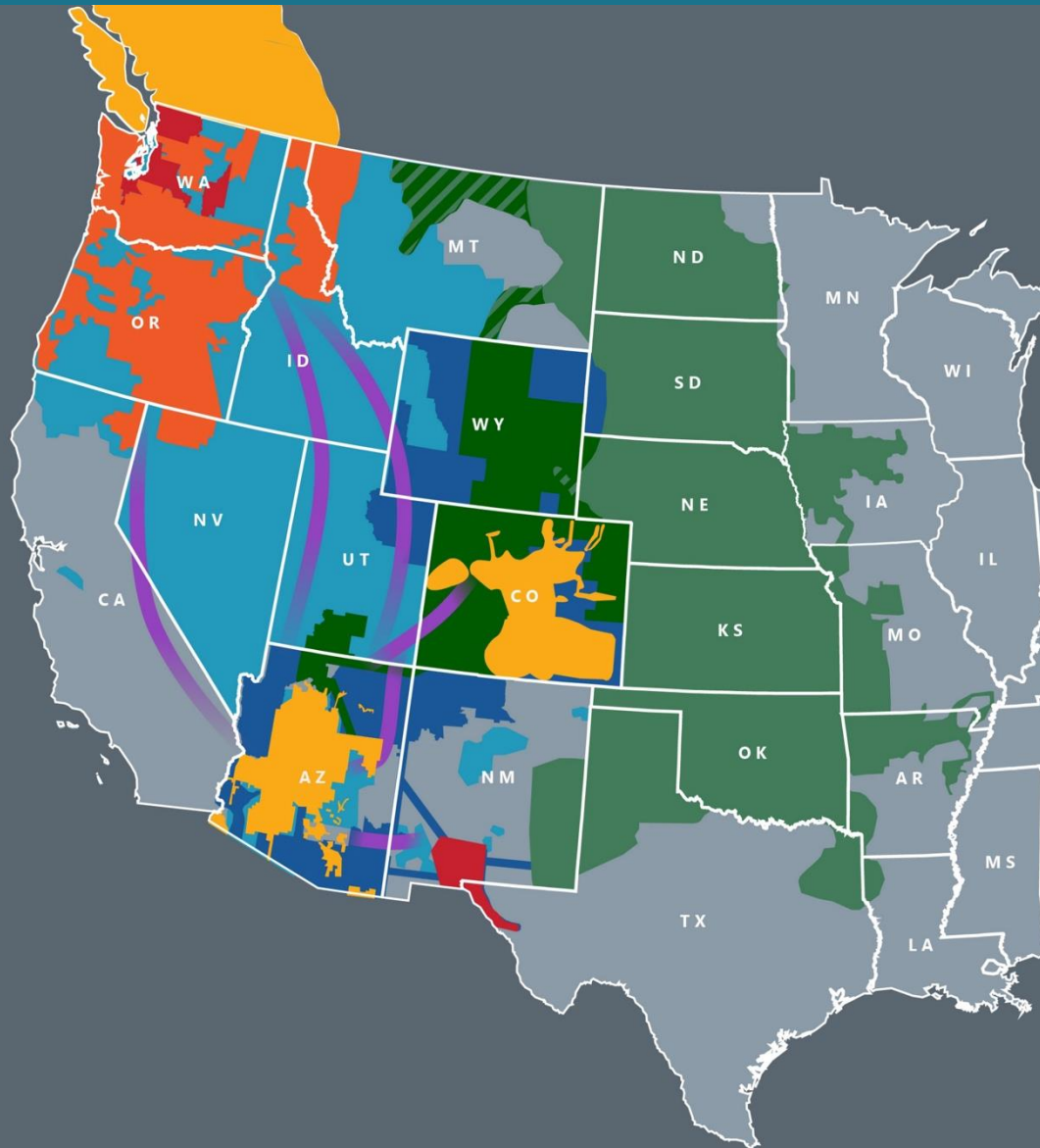


**OUR MISSION:** Working together to responsibly and economically keep the lights on today and in the future.

**OUR VISION:** Leading our industry to a brighter future while delivering the best energy value.



# SPP'S REGIONAL FOOTPRINTS



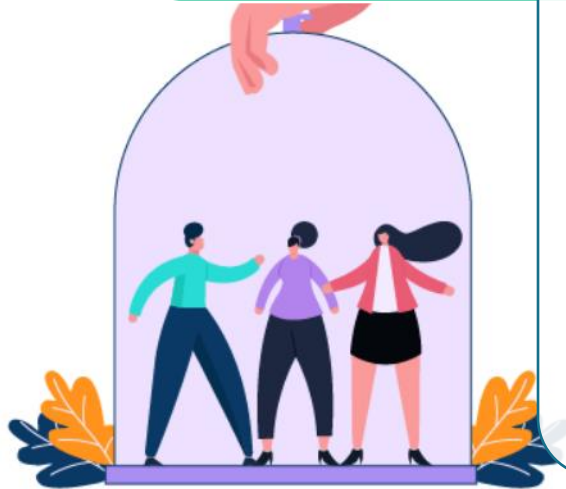
- Regional Transmission Organization (RTO)
- RTO Expansion
  - Basin Electric Cooperative
  - Colorado Springs Utilities
  - Deseret
  - MEAN
  - Platte River Power Authority
  - Tri-State G&T
  - United Power
  - WAPA - Colorado River Storage Project
  - WAPA - Rocky Mountain Region
  - WAPA - Upper Great Plains
- Markets+ (2027 Wave 1 Parties)
  - Arizona Public Service
  - Powerex
  - Public Service Company of Colorado
  - Salt River Project
  - Tucson Electric
- Markets+ (2028 Wave 2 Parties, as of Nov 3)
  - Bonneville Power Administration
  - Chelan County PUD
- Markets+ (Funding Party / Indicated Intent to Join)
  - El Paso Electric
  - Grant County PUD
  - Puget Sound Energy
  - Tacoma Power
- Markets+ areas connect via transmission service rights of participants
- Western Resource Adequacy Program (WRAP)
- Western Reliability Coordinator (RC)

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# OUR PROVEN FRAMEWORK FOR INDEPENDENT REGIONAL GOVERNANCE

SPP's regional governance model has been in place since 2004  
Ensures multi-state, multi-sector equity in decision-making  
Is actively scaling to the West

- Adaptable & responsive to evolving industry, regulatory & stakeholder needs
- State regulators have defined authorities through SPP's Regional State Committee
- Stakeholders & independent board approve 100% of Markets+ Tariff, RTO Tariff & RTO modifications



# **SPP VALUE & MARKET PERFORMANCE**

# \$3.9 BILLION

## 2024 REGIONAL SAVINGS AND BENEFITS



### **Operations and Reliability: \$835.6 million**

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

### **Markets: \$2.500 billion**

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

### **Transmission: \$552.4 million**

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

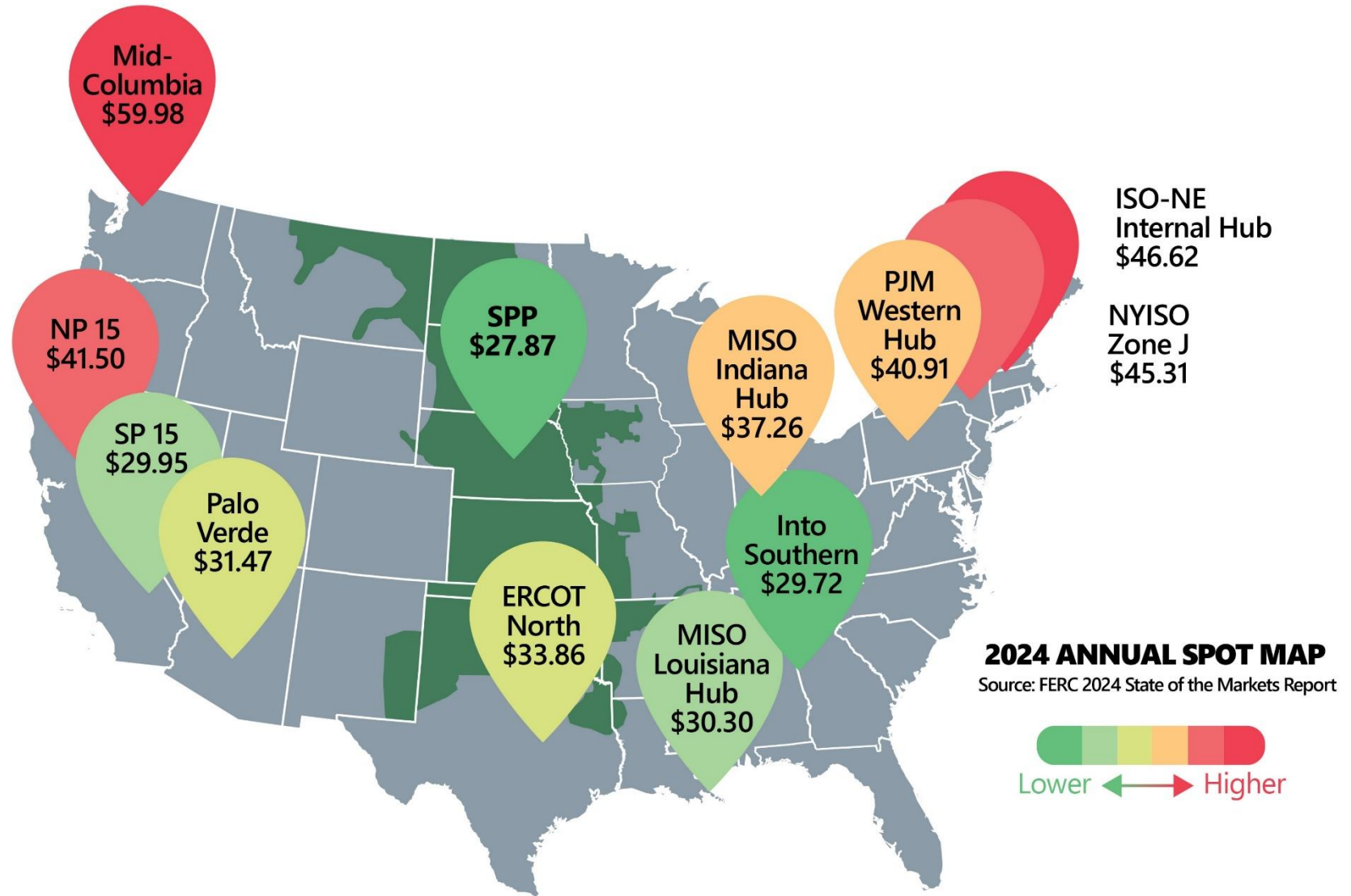
### **Tariff, Scheduling and Services: \$42.9 million**

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

# 2024 ANNUAL AVERAGE SPOT PRICES

In 2024, SPP's average wholesale market prices remained the lowest of any organized market in the U.S.

*Adapted from FERC's 2024 State of the Markets Report. Sources: Nodal prices from ABB Velocity Suite. ISO hub prices from SNL's Day-Ahead On-Peak Prices data. Mid-Columbia, Palo Verde, and Into Southern prices from SNL's S&P Global Market Intelligence Day-Ahead—Annual OnPeak Prices data.*





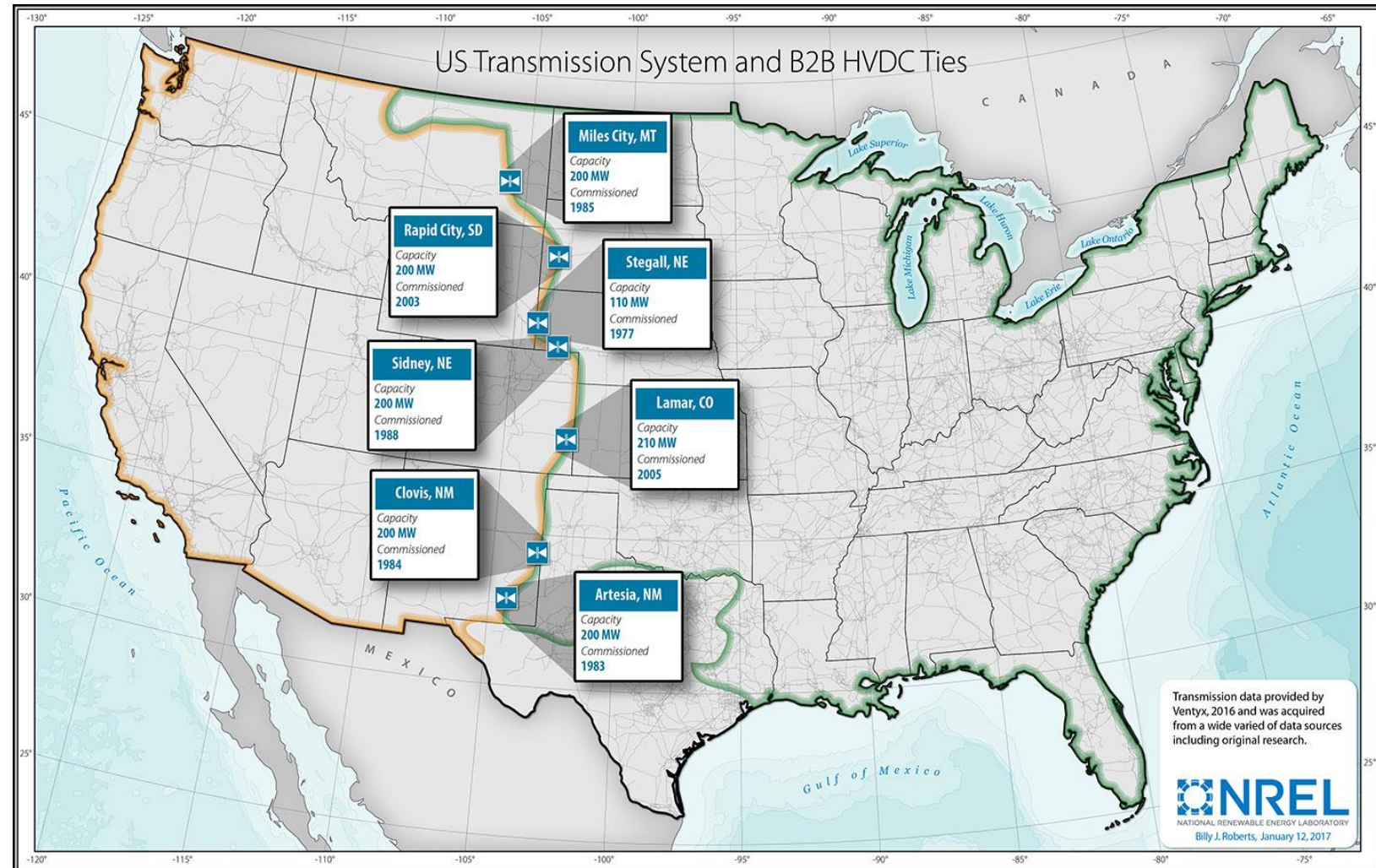
# SPP'S RTO SOLUTIONS LEAD THE INDUSTRY

- **RTO expansion** will make SPP first RTO to operate in two interconnections
- **Large load policies** ensure interconnection studies are among fastest in nation
- First-of-its-kind **Consolidated Planning Process** improves timeliness, accuracy & robustness of regional planning
- **Generator Interconnection backlog** cleared in 2025
- **Hitachi/NVIDIA partnership** enables quicker & more informative planning studies
- **Expedited Resource Adequacy Study** and **Surplus+** processes will facilitate quicker interconnection of generation needed to meet resource adequacy needs
- **Long-Term Planning Reserve Margin (PRM) policy** gives load-serving entities more advance notice and certainty on PRM requirements

# **ADDING VALUE THROUGH WESTERN EXPANSION**

# VALUE OF OPTIMIZING DC TIES

- DC ties provide 1,320 MW transfer capability between East & West Interconnections
- Optimizing DC ties will provide beneficial energy transfers & increased resilience to East & West
- RTO expansion will initially bring 3 of 7 ties into SPP





# RTO EXPANSION

# MARKETS+

- Goes live **April 1, 2026**
- **~\$380M annual savings** for existing & new members

- Goes live **Oct. 1, 2027**
- **~\$500M annual savings** for market participants

Enhances reliability & resiliency


Reduces energy production costs

Optimizes trade with time zone, generation mix & weather diversity


RTO expansion regionalizes transmission planning

# **OUR GENERATIONAL CHALLENGE**

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 Excess generating capacity in SPP is shrinking to dangerously low levels.

As coal and gas generators are being retired, SPP increasingly depends on renewable energy, which is cleaner and lower cost but challenging due to its variability.

 We need significant amounts of new transmission and generation, which is costly and takes years to complete.

All generation types struggle to perform during extreme weather when demand is highest and human health and safety are at greatest risk.

 Emerging technologies can be helpful but need more investment and development to address today's challenges.

New sources of demand — data centers, crypto mining, oil and gas production, electric cars — consume tremendous energy.

Winter and summer peak demands are growing at alarmingly high rates.

 Demand in SPP could be 75% higher by 2035

Our world is increasingly becoming electrified, and demand is rapidly rising across the U.S.

Extreme weather events are more frequent and cause greater consumption during times of urgent need.



Our risks will increase exponentially if we don't take steps to address our generational challenge



# QUESTIONS & ANSWERS