



OKLAHOMA CORPORATION COMMISSION UPDATE ON THE SOUTHWEST POWER POOL

CHAIRWOMAN DANA MURPHY

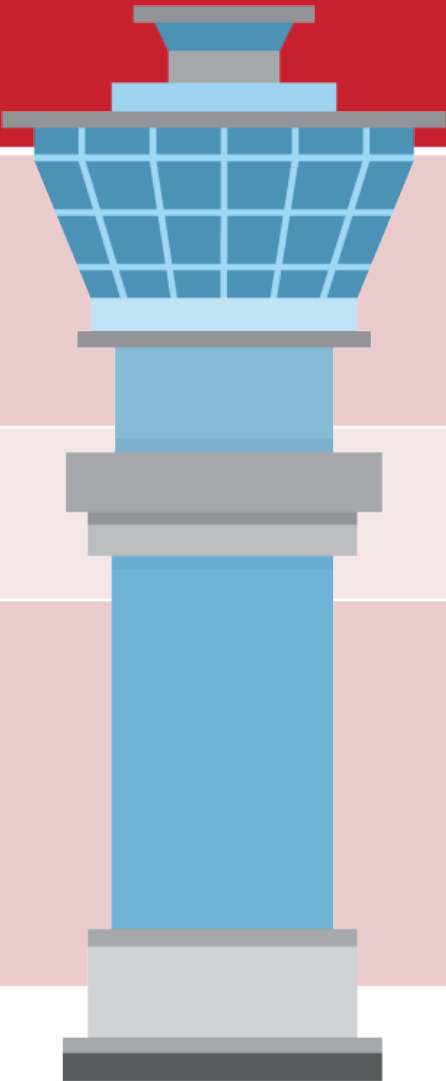
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SOUTHWEST POWER POOL “SPP”

- SPP is a regional transmission organization (RTO): a nonprofit corporation mandated by the Federal Energy Regulatory Commission to ensure reliable supplies of power, adequate transmission infrastructure and competitive wholesale electricity prices.
- SPP is one of nine independent system operators (ISO) and RTOs in North America.
- ISOs/RTOs are the "air traffic controllers" of the electric power grid. ISOs/RTOs do not own the power grid; they independently operate the grid minute-by-minute to ensure that power gets to customers.

AIR TRAFFIC CONTROL: AN ANALOGY

Air Traffic Control		Southwest Power Pool
Does not own airplanes, airlines or airports		Does not own utilities, power generators or transmission lines
Does not own the sky it monitors		Does not own the land electricity flows across
Directs air routes to ensure airplanes and passengers are safely transported		Monitors and directs regional bulk power grid to ensure electricity gets from where it's made to where it's needed

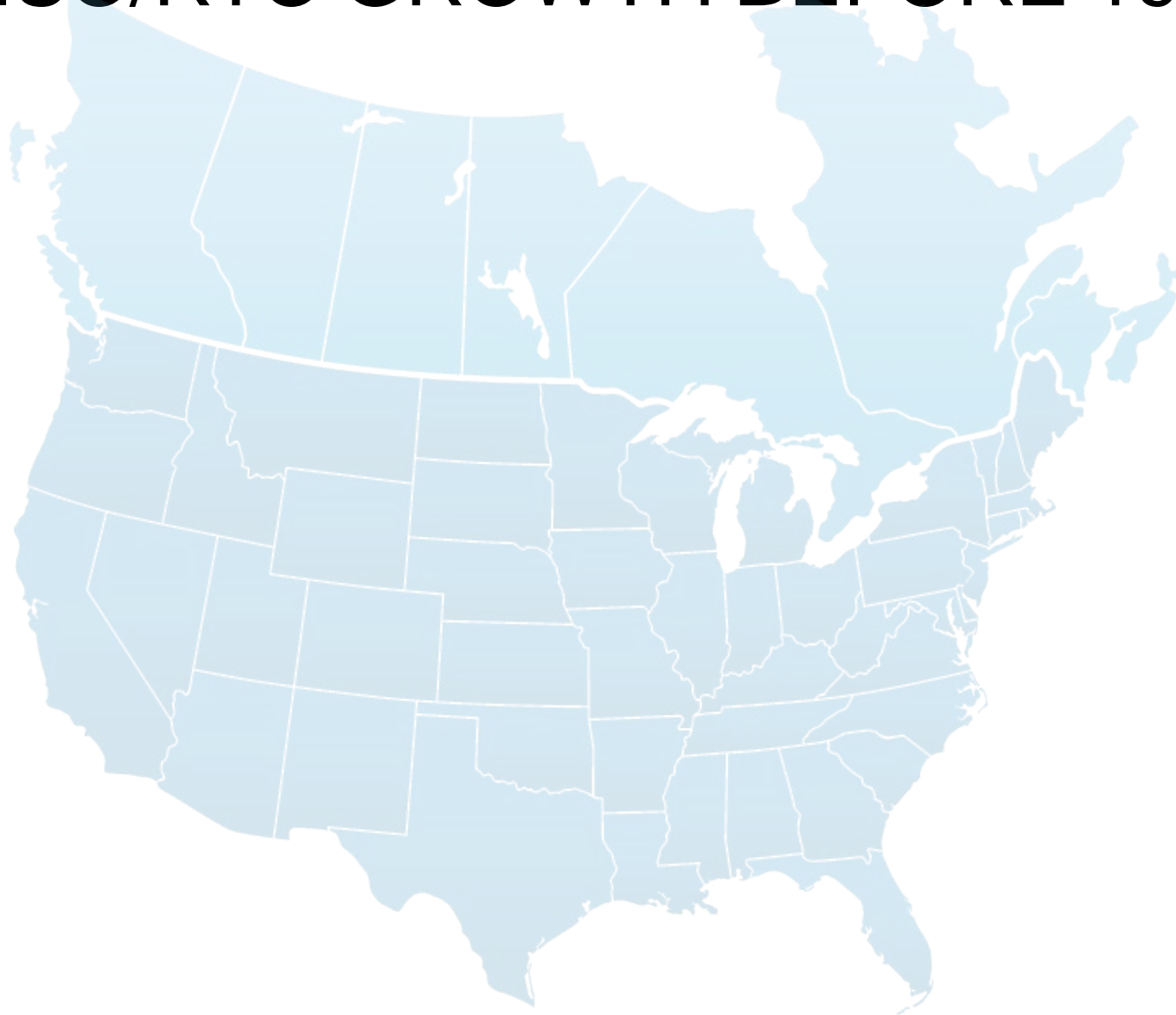
REGULATORY ENVIRONMENT

- Incorporated in Arkansas as 501(c)(6) nonprofit corporation
- Federal Energy Regulatory Commission (FERC)
 - Regulated public utility
 - Regional Transmission Organization
- Founding member of the North American Electric Reliability Corporation (NERC)

NORTH AMERICAN INDEPENDENT SYSTEM OPERATORS (ISO) AND REGIONAL TRANSMISSION ORGANIZATIONS (RTO)



ISO/RTO GROWTH BEFORE 1996

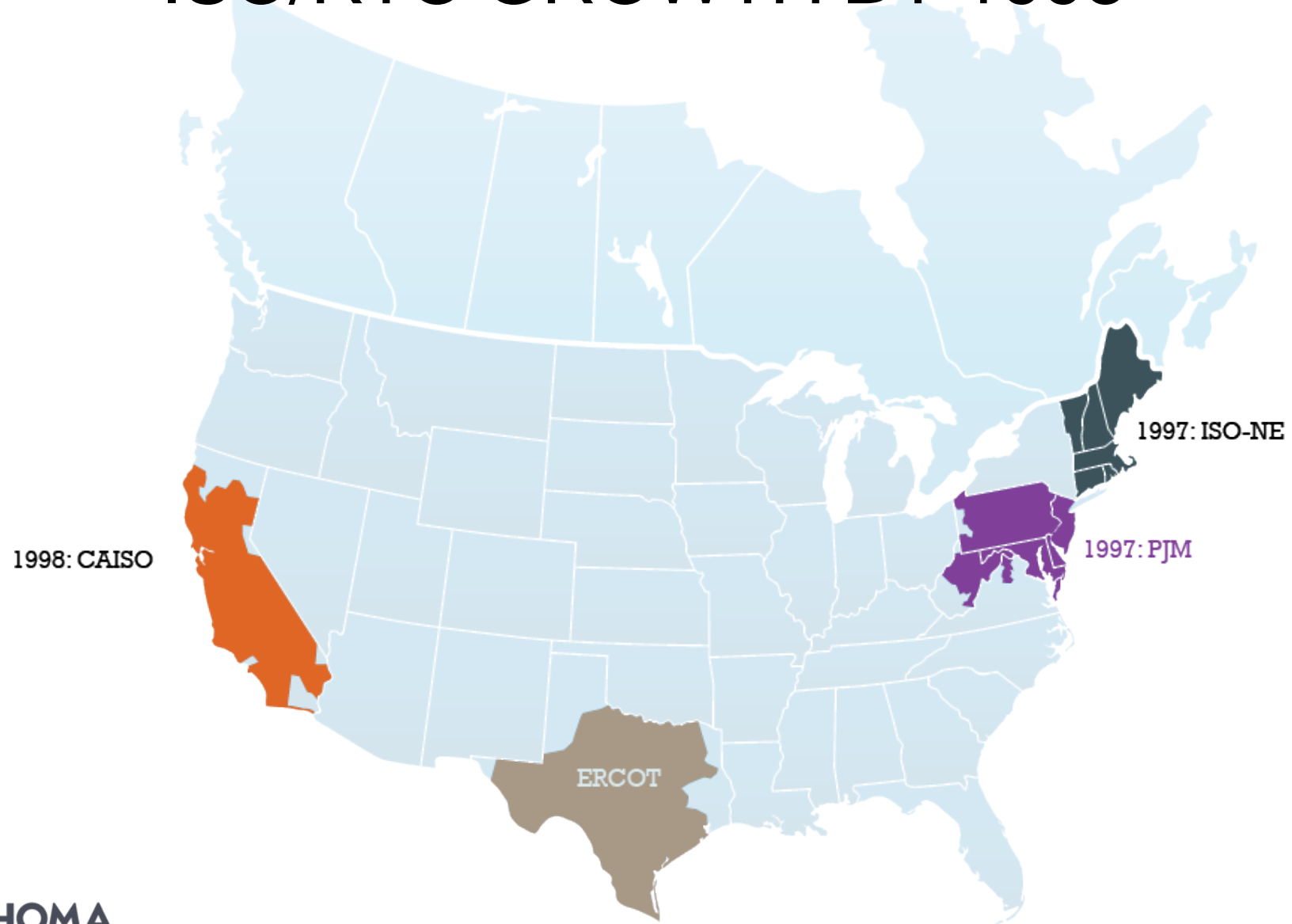


ISO/RTO GROWTH BY 1996

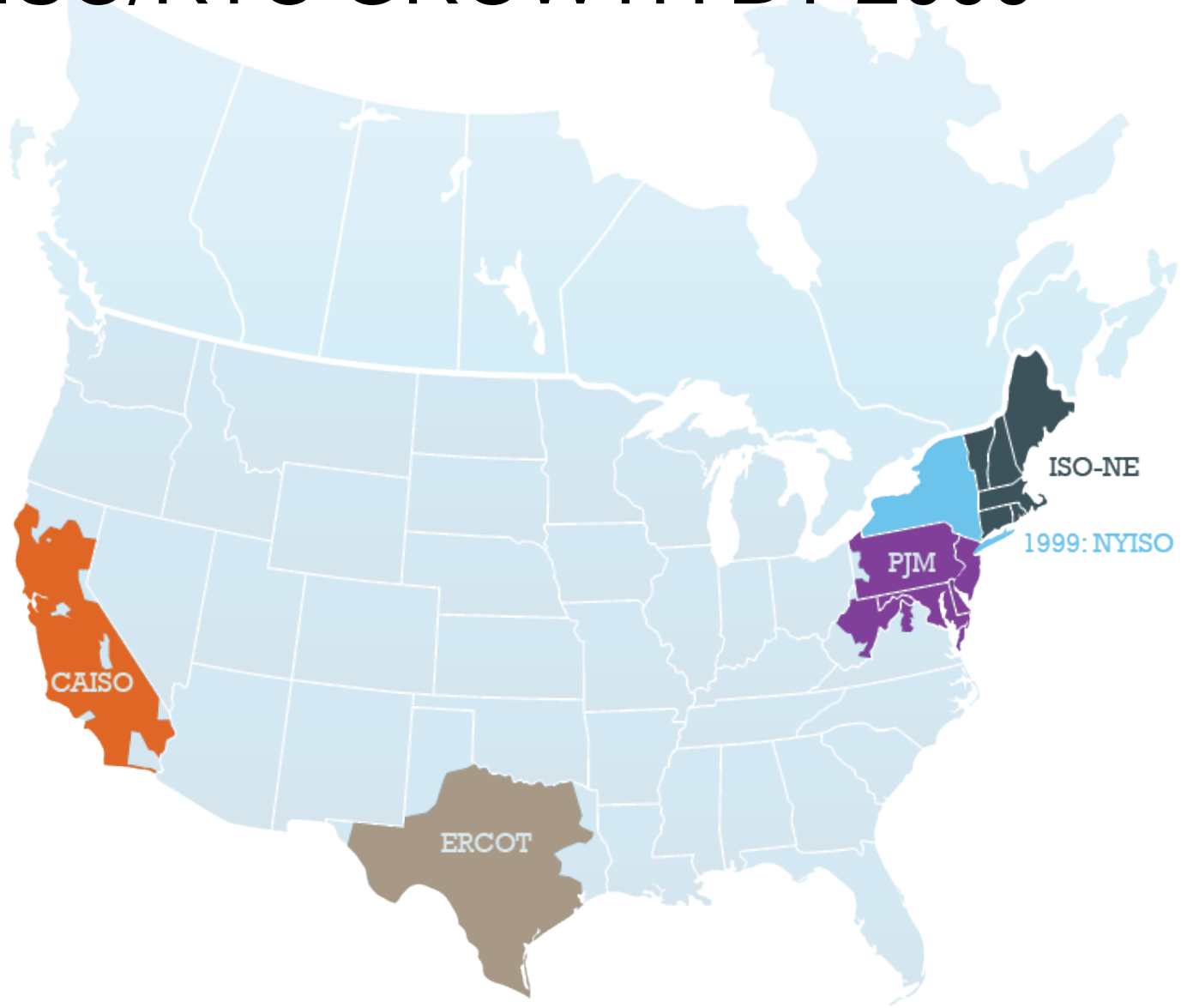


1996: ERCOT

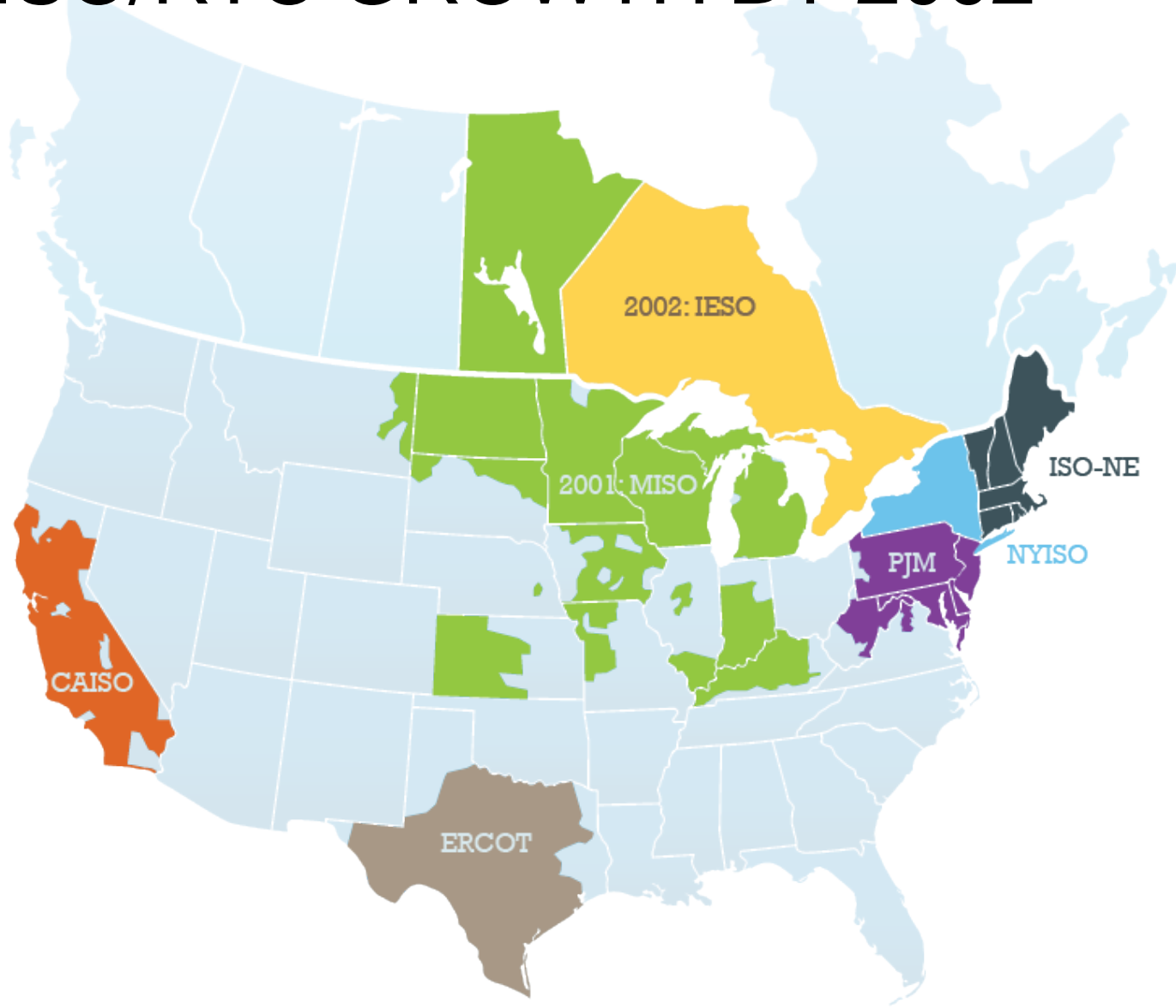
ISO/RTO GROWTH BY 1998



ISO/RTO GROWTH BY 2000

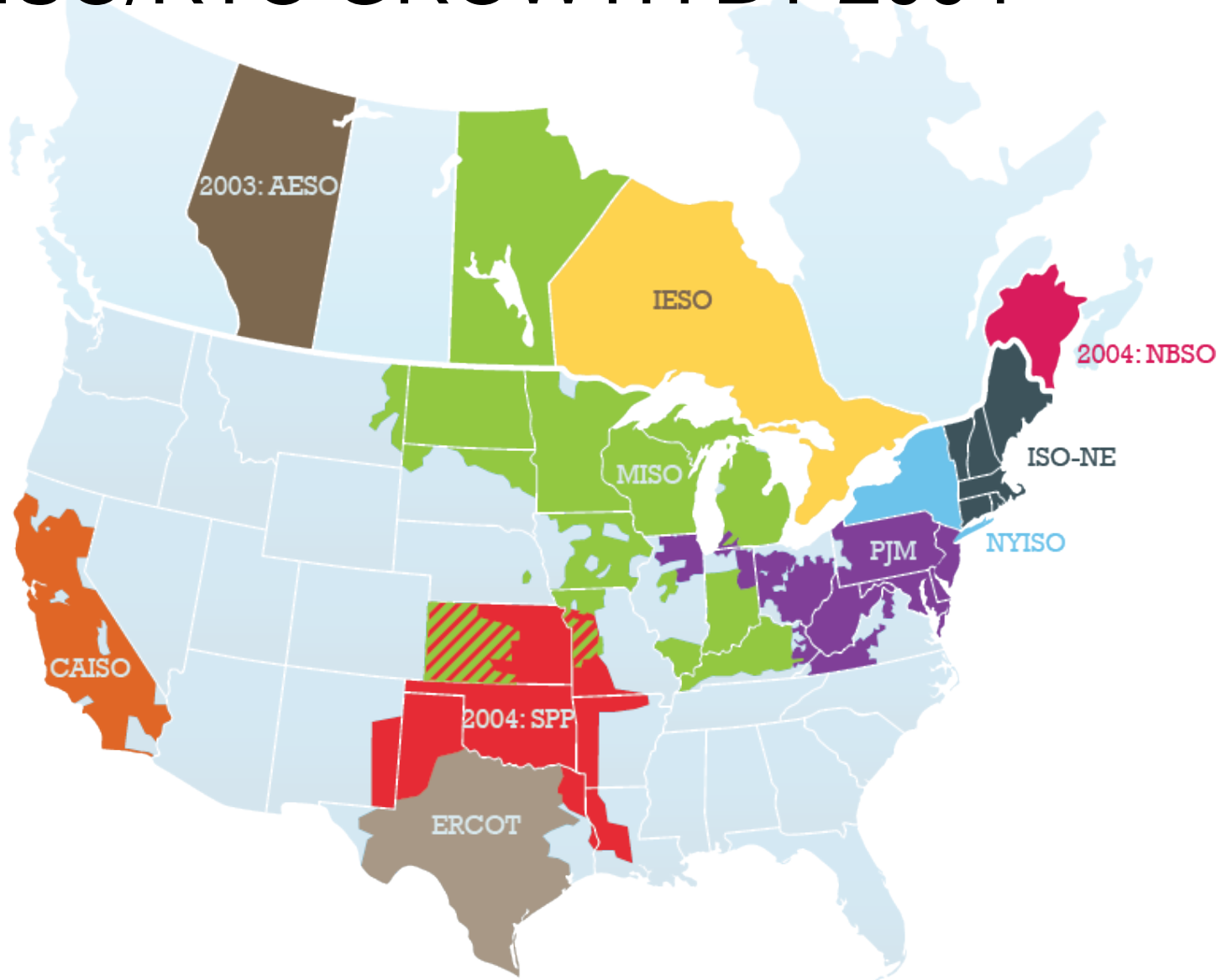


ISO/RTO GROWTH BY 2002



1
2

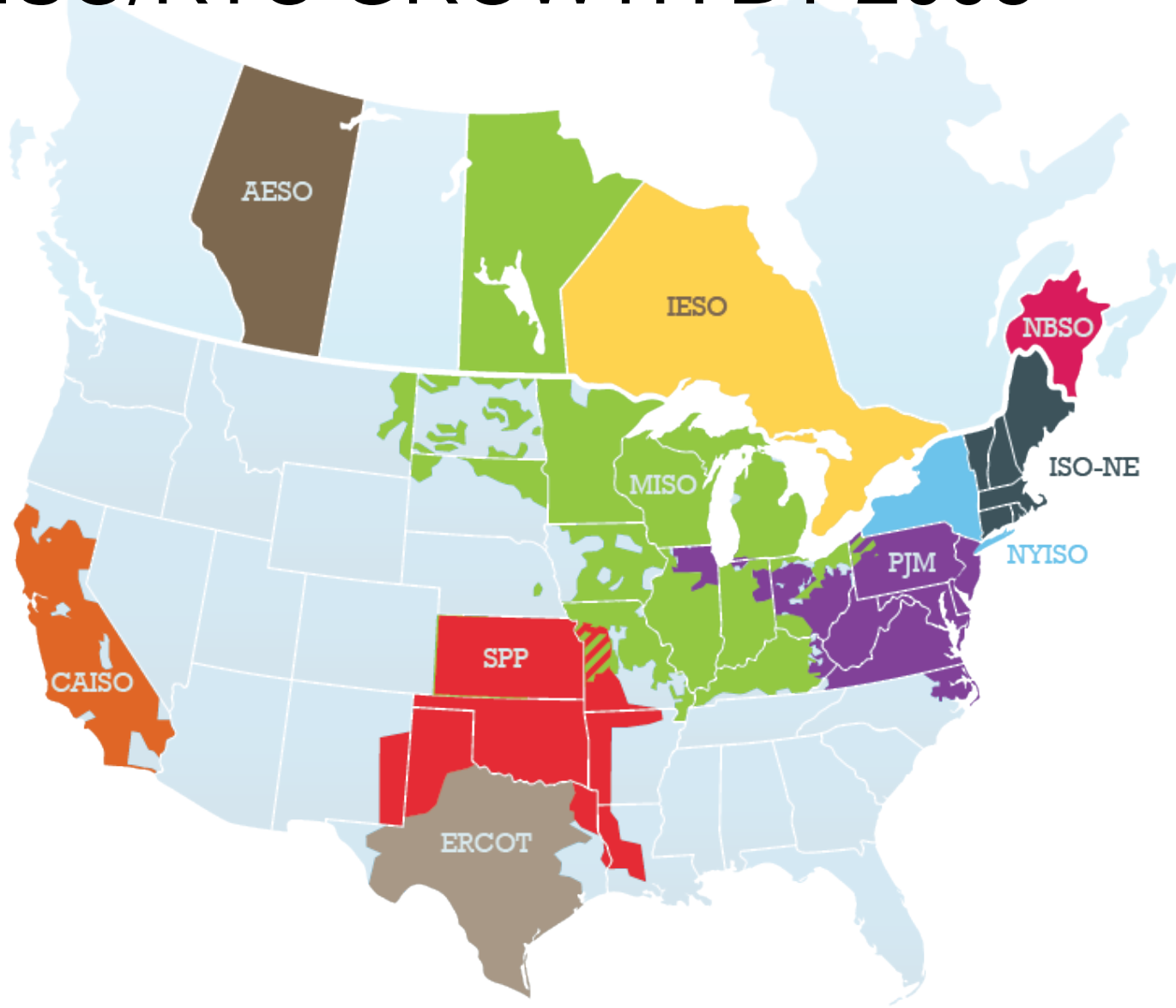
ISO/RTO GROWTH BY 2004



ISO/RTO GROWTH BY 2006



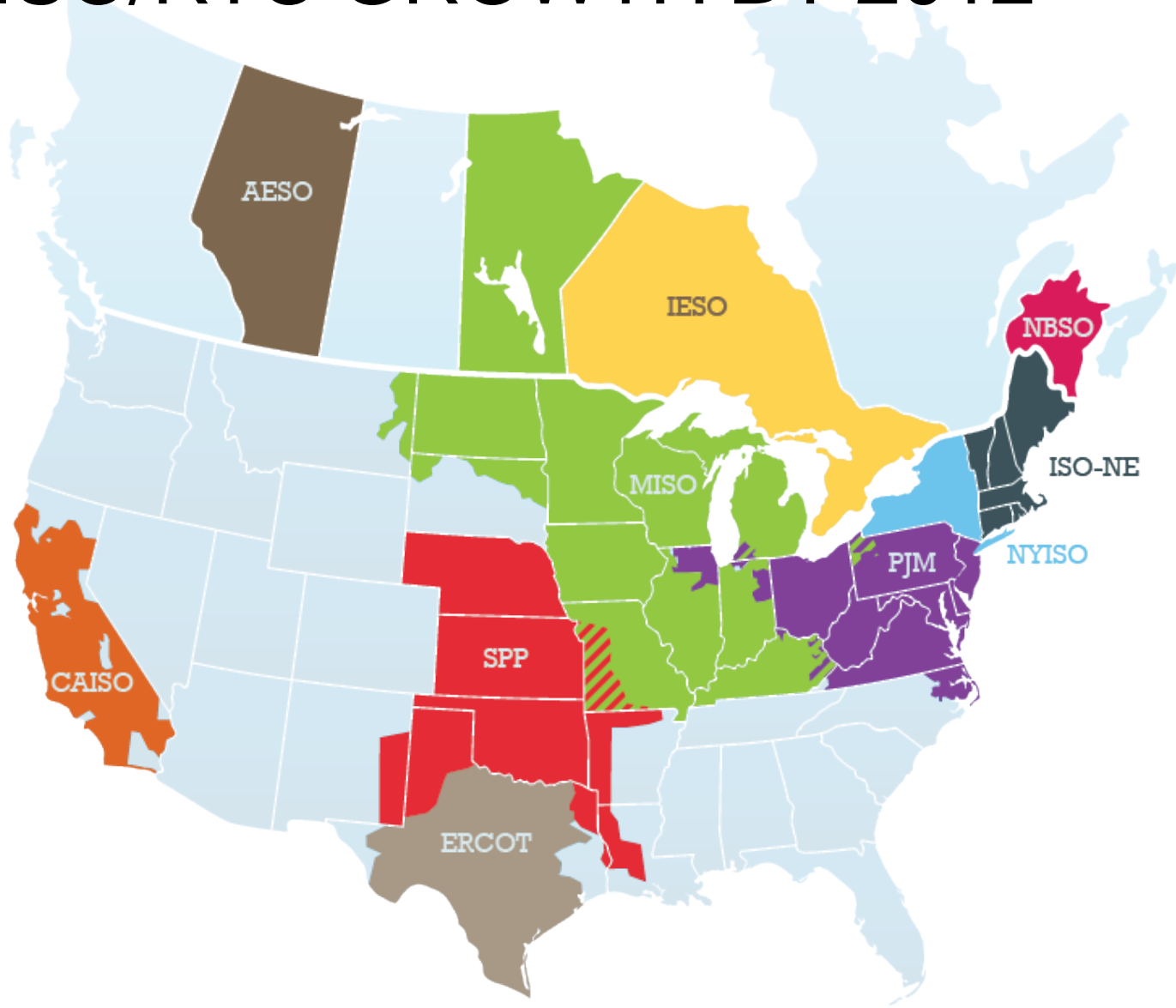
ISO/RTO GROWTH BY 2008



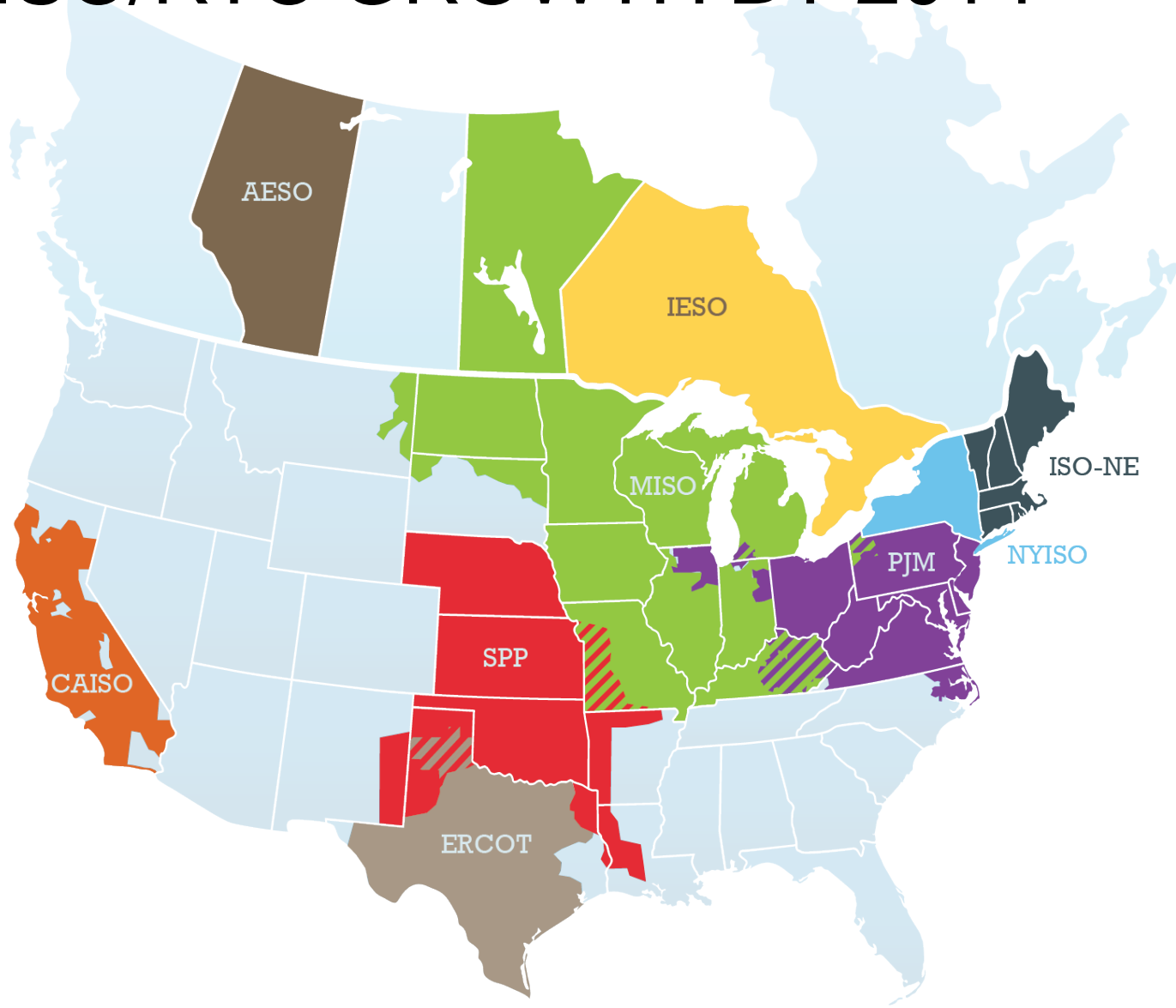
ISO/RTO GROWTH BY 2010



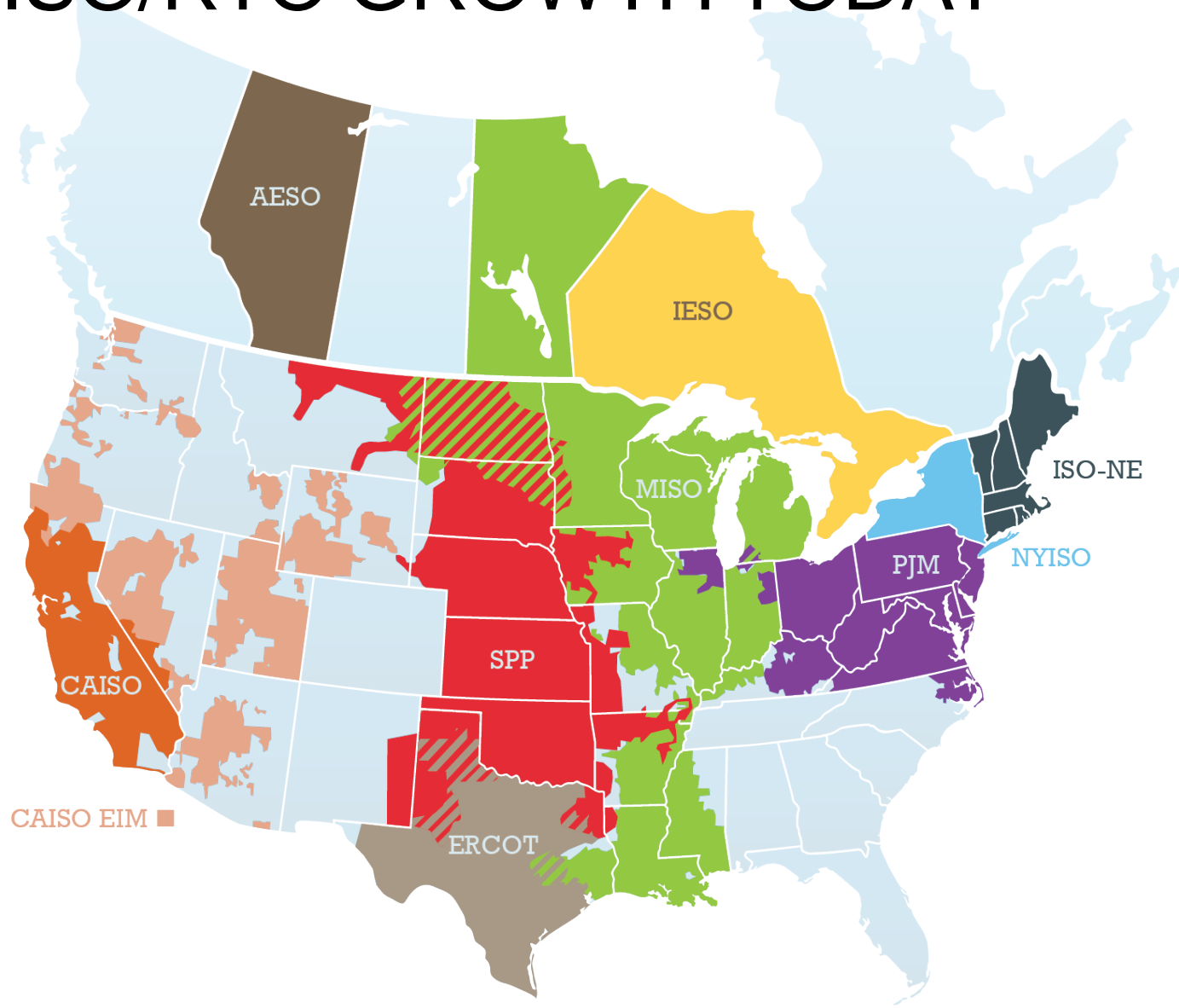
ISO/RTO GROWTH BY 2012

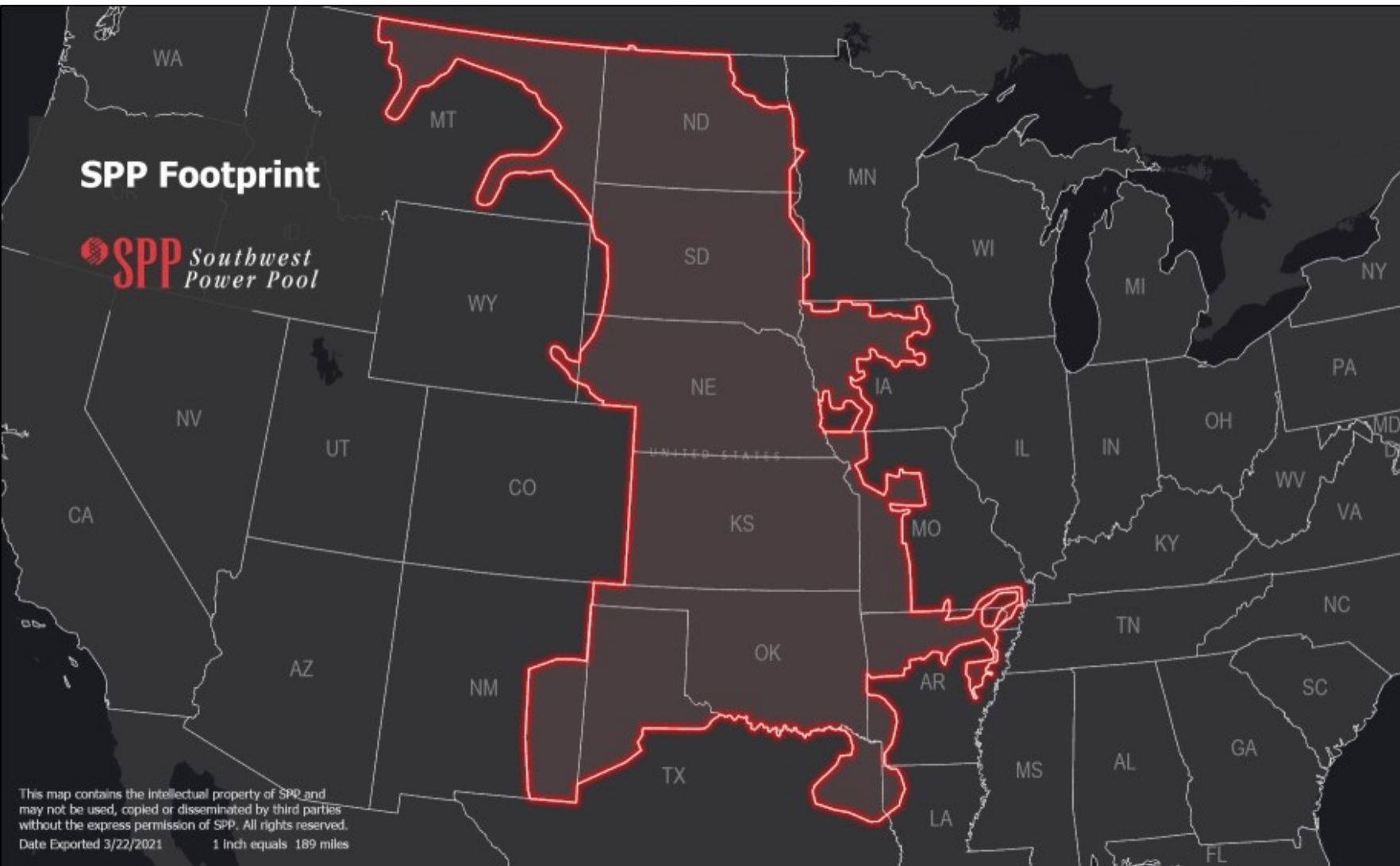


ISO/RTO GROWTH BY 2014



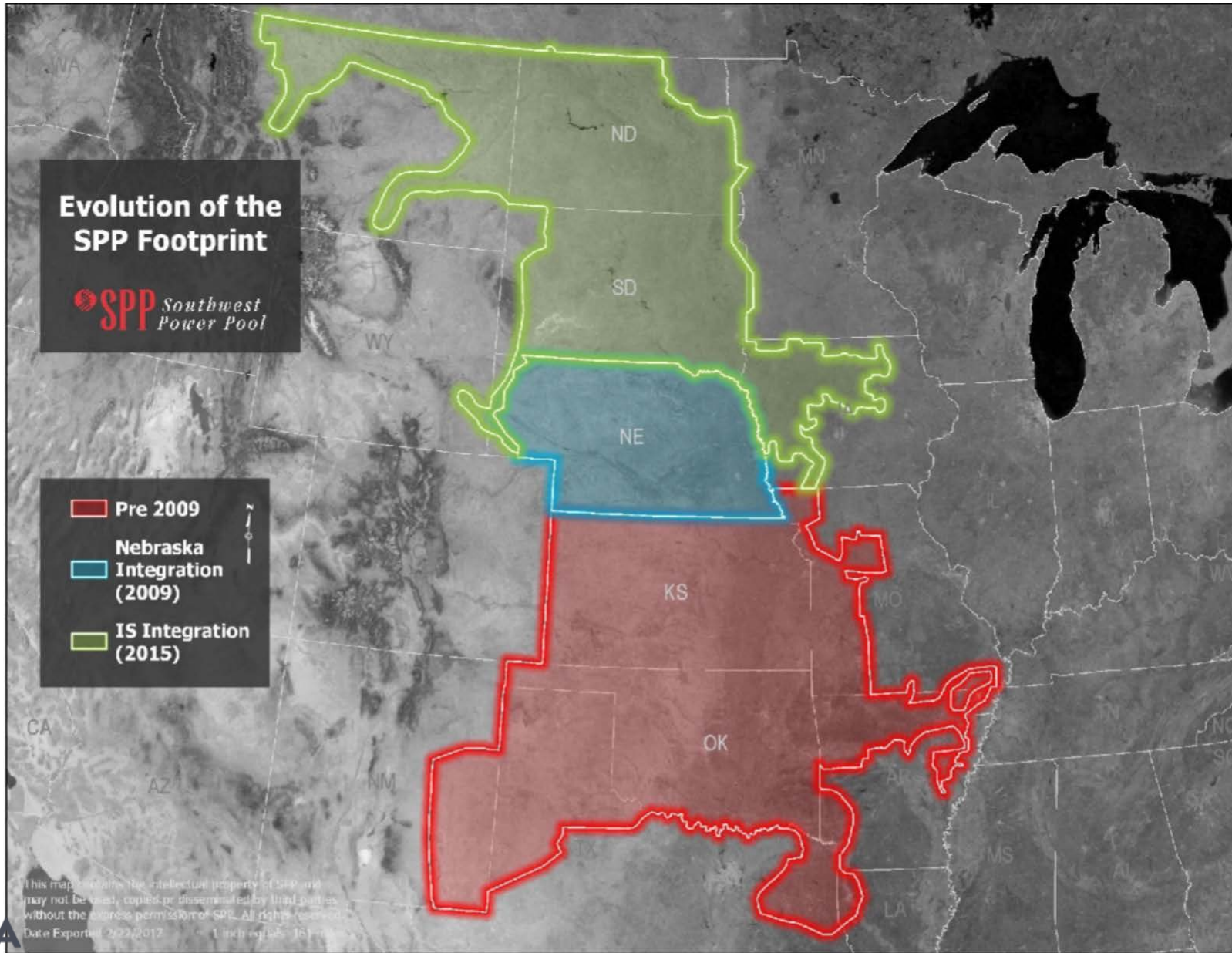
ISO/RTO GROWTH TODAY

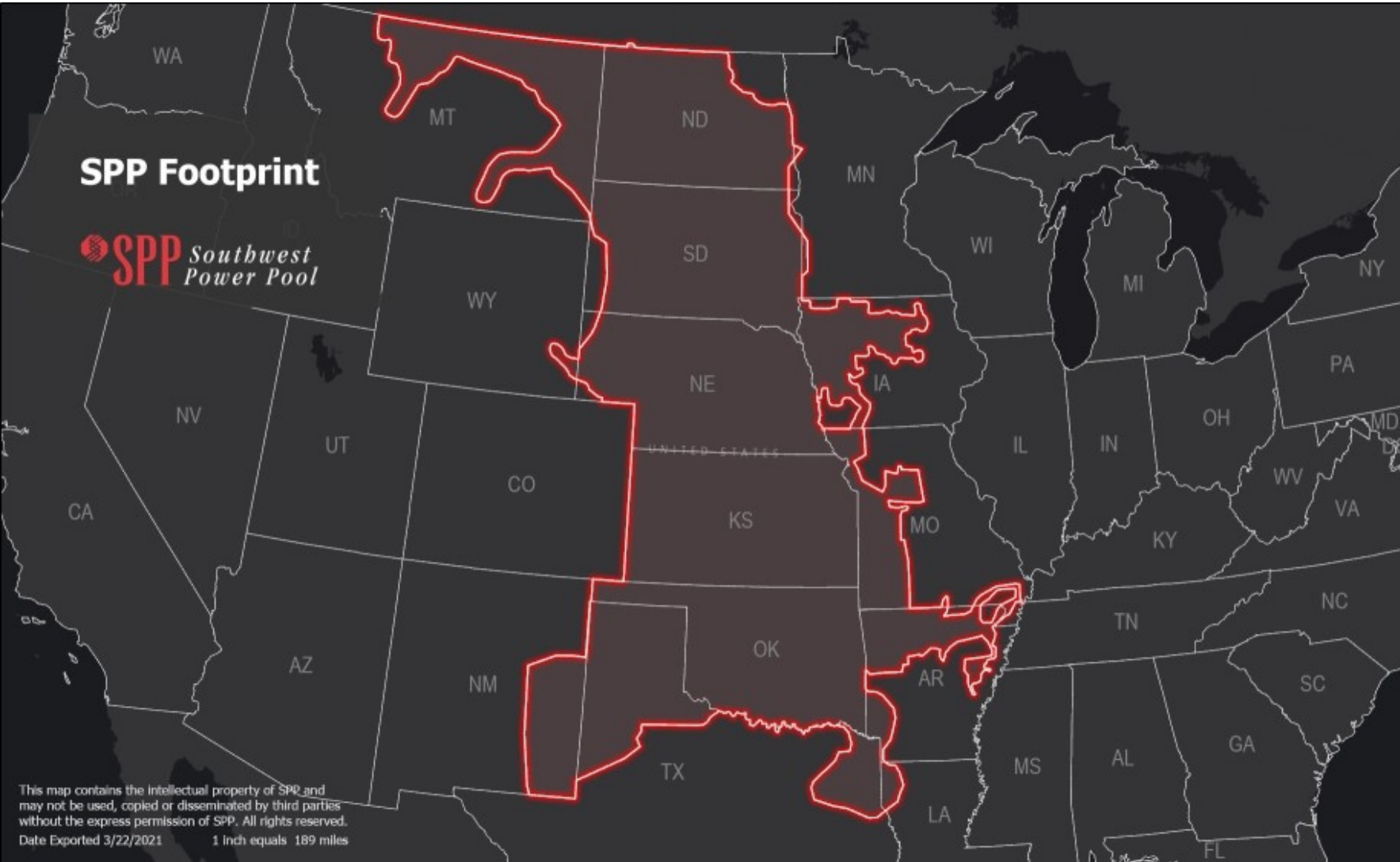




MEMBERS IN 14 STATES

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



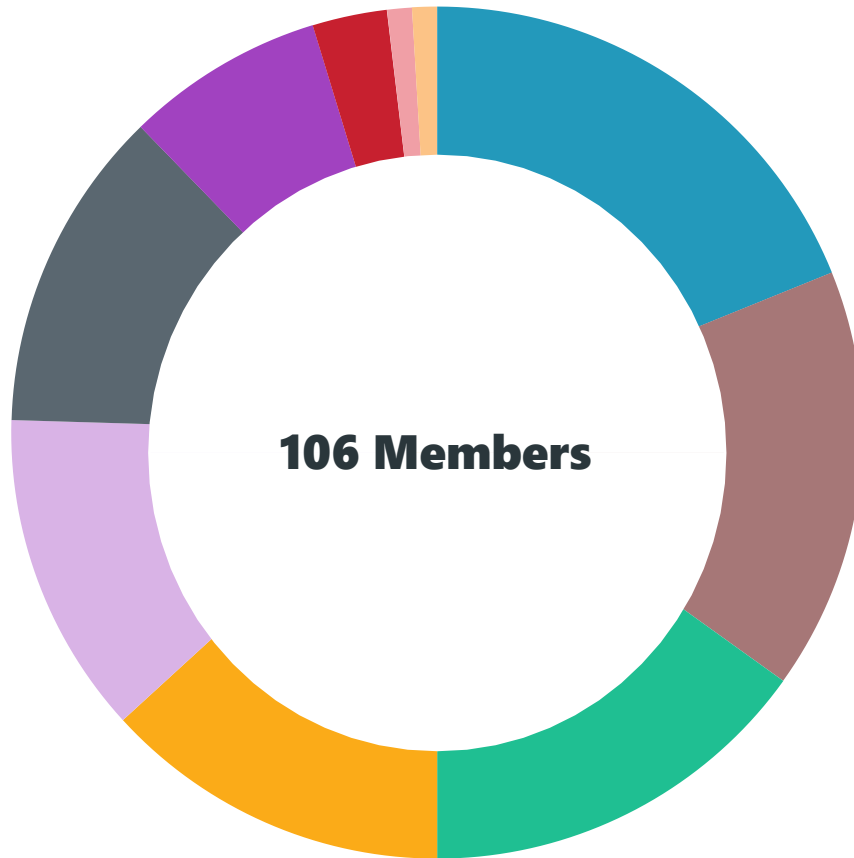


OPERATING REGION

- Service territory: 552,885 square miles
- Population served: Approx. 18 million
- Generating plants: 1,162*
- Substations: 6,140*

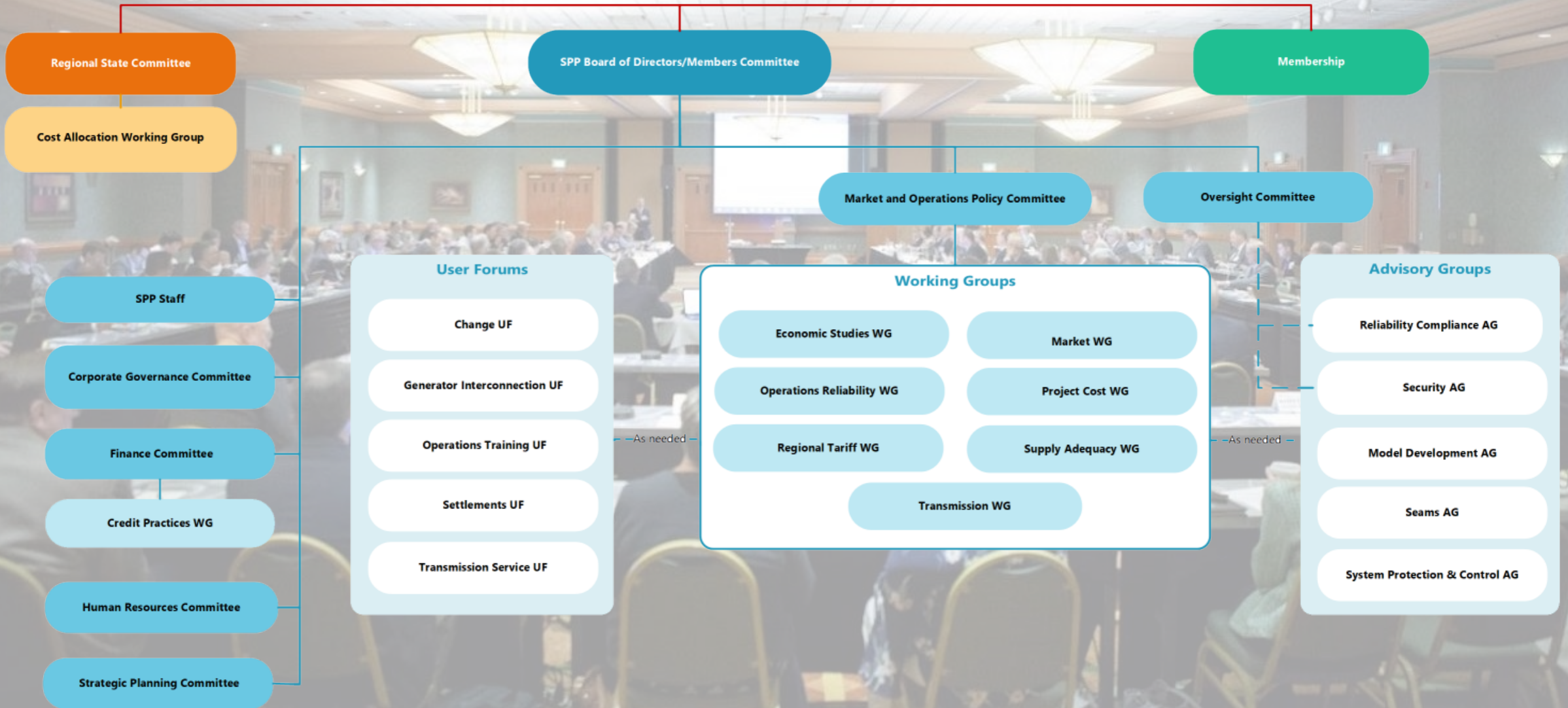
* In SPP's reliability coordination footprint

SPP'S 106 MEMBERS: INDEPENDENCE THROUGH DIVERSITY



- 20 Generation and Transmission Cooperatives
- 17 Independent Power Producers
- 16 Investor-Owned Utilities
- 14 Municipal Systems
- 13 Power Marketers
- 13 Independent Transmission Companies
- 8 State Agencies
- 3 Large Retail Customers
- 1 Federal Agency
- 1 Alternative Power/Public Interest

FACILITATION



STATE REGULATORS' ROLE

- Regional State Committee —
Retail regulatory commissioners from
12 States:

Arkansas	Minnesota	North Dakota
Iowa	Missouri	Oklahoma
Kansas	Nebraska	South Dakota
Louisiana	New Mexico	Texas
- Primary responsibility for:
 - Cost allocation for transmission upgrades
 - Approach for regional resource adequacy
 - Allocation of transmission rights in SPP's markets



LOAD RATIO SHARE, MILES OF TRANSMISSION, AND TRANSMISSION RATIO BY STATE

- *Information provided by SPP March 2022

State	Load Ratio Share*	Miles of Transmission under SPP functional control*	Transmission Ratio
AR	4.00%	2079	3.15%
IA	2.33%	2272	3.44%
KS	15.81%	9838	14.89%
LA	4.07%	724	1.10%
MN	0.37%	568	0.86%
MO	11.42%	4210	6.37%
MT	0.25%		0.00%
ND	5.89%	4635	7.02%
NE	12.21%	7708	11.67%
NM	3.53%	2374	3.59%
OK	25.87%	15959	24.16%
SD	3.43%	7258	10.99%
TX	10.83%	8439	12.77%
Total Miles		66064	

2021-2022 REGIONAL STATE COMMITTEE “RSC” HIGHLIGHTS

- Jan. 2021 – Approved five Seams Liaison Committee Recommendations.
- April 2021 – Approved 2021 RSC Operational Objectives.
- July 2021 – Formed Improved Resource Availability Task Force “IRATF” in response to 2021 Winter Storm Uri.
- April 2022 – Approved RSC Bylaw Modifications related to western expansion.

2021-2022 REGIONAL STATE COMMITTEE “RSC” HIGHLIGHTS

- July 2022
 - Approved Direct Current (“DC”) Ties Congestion Hedging solution related to western expansion.
 - Approved performance based accreditation methodologies for conventional resources for summer 2027.
 - Approved increase to SPP’s Planning Reserve Margin (“PRM”) from 12% to 15% effective for the 2023 summer season.

2021-2022 BOARD OF DIRECTOR “BOD” HIGHLIGHTS

- July 2021
 - Approved 2021 Feb. Winter Weather report and recommendations.
 - Approved Integrating Western entities in the SPP RTO.
 - Approved the Generator Interconnection Backlog Clearing Proposal.
 - Approved 2021-2026 Strategic Plan.
- October 2021 - Approved Strategic and Creative Re-engineering of Integrated Planning Team (SCRIPT) report and recommendations. Formed Task Force to consolidate the SPP planning processes resulting in savings of time and money.

2021-2022 BOARD OF DIRECTOR “BOD” HIGHLIGHTS

- Jan. 2022 – Elected two new members to the SPP Board of Directors.
- July 2022
 - Approved DC Tie Whitepaper Proposal related to Western entities becoming SPP Members.
 - Approved performance based accreditation methodologies for conventional resources for summer 2027.
 - Approved increase to SPP’s Planning Reserve Margin (“PRM”) from 12% to 15% effective for the 2023 summer season.

CURRENT ITEMS AND LOOKING FORWARD

- Current/future increased reserve margins needed due to retirement of conventional resources and substantial development of renewable generation.
- Future decreases in capacity factors for conventional resources due to moving to a Performance Based Accreditation methodology.
- Western Interconnect Expansion – New members joining SPP RTO and new states joining SPP RSC.
- Turnover of Board and RSC Members and new Members joining.
- RSC ACTION ITEM 22-01: SPP staff, CAWG and stakeholders considering alternatives to improve the ability of market participants to hedge congestion costs.

CURRENT ITEMS AND LOOKING FORWARD

- Resource availability and fuel assurance recommendations.
- Amount of Change/Revision Requests SPP is currently experiencing.
- Growing and diverse membership creates challenges for consensus.
- Lack of alignment between SPP planning models and member planning models.
- FERC Notice of Proposed Rulemakings – Planning and Cost Allocation, Generation Interconnection, Cybersecurity.

OKLAHOMA SPP MEMBER COMMENTS



QUESTIONS?



OKLAHOMA
Corporation
Commission