



**OKLAHOMA**  
Corporation  
Commission

**Chairman Kim David**  
**Vice-Chairman Bob Anthony**  
**Commissioner J. Todd Hiett**

# **SOUTHWEST POWER POOL REPORT**

**Submitted by:**  
**Oklahoma Corporation Commission**  
**Public Utility Division**

**December 31, 2024**

In fulfillment of Section 294 of Title 17 of the Oklahoma Statutes. This Report provides information concerning the regulatory and statutory frameworks addressing the rule of the Southwest Power Pool (SPP) as it pertains to the State of Oklahoma.

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## Executive Summary

On May 10, 2024, Governor J. Kevin Stitt signed [House Bill \(“HB”\) 3053](#) into law, which was codified at [Title 17, Section 294](#).

The purpose of the legislation is for the Oklahoma Corporation Commission (“OCC”) to provide a report to the Governor, Senate, and House concerning the regulatory and statutory frameworks addressing the rule of the Southwest Power Pool (“SPP”) as it pertains to the State of Oklahoma.

In compliance with 17 O.S. § 294, the OCC Public Utility Division (“PUD”) submits the following Report electronically to the:

- a. Governor,
- b. Speaker of the Oklahoma House of Representatives,
- c. President Pro Tempore of the Oklahoma State Senate,
- d. Chair of the Utilities Committee of the House of Representatives or successor committee,
- e. Chair of the Energy and Telecommunications Committee of the Senate or successor committee, and
- f. Chair of the Energy and Natural Resources Committee of the House of Representatives or successor committee.

Respectfully Submitted,



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**Kim David, Chairman**



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**Brandy Wreath, Director of Administration**

## Statutory Requirements in 17 O.S. § 294

- A. The Corporation Commission shall coordinate with the regional transmission organization known as the Southwest Power Pool (SPP) to develop and provide a reporting of the regulatory and statutory frameworks addressing the rule of the SPP as it pertains to this state. The report shall provide a comprehensive assessment of the impact of the SPP on the state's electricity infrastructure and areas in which the state may desire further evaluation.
- B. The report shall use the most recent twelve (12) months of available data and shall include and consider the following:
1. An explanation of how decisions are made at the SPP, including the Regional State Committee (RSC), and the impact of such decisions on Oklahoma ratepayers;
  2. The potential impact of decisions resulting from the SPP process, including the RSC, on the state budget;
  3. The current use of intermittent power sources to meet baseload capacity requirements and explanation of the SPP's decision-making processes regarding the use of these intermittent sources;
  4. The studies and processes used by the SPP to assess and respond to demands, including transmission studies conducted;
  5. Identification of SPP decisions and processes that may impact Oklahoma's oil and natural gas industries;
  6. Identification of areas in which Oklahoma stakeholders may benefit from additional information being shared on events occurring at the SPP;
  7. The amount of power produced within Oklahoma that was transmitted outside of the state through the SPP for the calendar year ending December 31, 2023, the market value of such power, and any benefit of this transmission to Oklahoma ratepayers;
  8. The cost, if any, that is built into the most recent rate cases with final orders previously before the Corporation Commission for the construction and maintenance of generation and transmission infrastructure which is used in whole or in part for the generation and transmission of power for sale outside of Oklahoma; and
  9. An explanation of the level of input the Corporation Commission has on the processes and decisions of the SPP.
- C. 1. The Commission shall ensure the completion of the report no later than December 31, 2024.
2. A copy of the finalized report shall be submitted electronically to the following:
- a. the Governor,
  - b. the Speaker of the Oklahoma House of Representatives,
  - c. the President Pro Tempore of the Oklahoma State Senate,
  - d. the Chair of the Utilities Committee of the House of Representatives or successor committee,
  - e. the Chair of the Energy and Telecommunications Committee of the Senate or successor committee, and
  - f. the Chair of the Energy and Natural Resources Committee of the House of Representatives or successor committee.

## Current and Past Oklahoma Regional State Committee Members

- Denise Bode 2004 – 2007
- Jeff Cloud 2007 – 2011
- Dana Murphy 2011 – 2022
- J. Todd Hiatt 2022 – 2024
- Kim David 2024 – Present

## OCC Staff Involvement with SPP

- **Jason Chaplin, OCC PUD, Programs Manger VI**
  - Vice-Chair of the Cost Allocation Work Group (“CAWG”) and voting member
  - Resource and Energy Adequacy Leadership Team (“REAL”) voting member
  - Project Cost Working Group (“PCWG”) non-voting regulatory liaison member
  - Monitors a majority of all the other working groups and task forces that have an impact on the RSC's primary responsibilities or items that will come before the RSC for a vote
  - Monitors and participates with the RSC with Commissioner David and the Board of Directors, Market and Operations Policy Committee (“MOPC”), the Strategic Planning Committee, the Transmission Working Group, and the Seams Advisory Group
- **Trent Campbell, OCC PUD, Programs Manager VI, Fuels Coordinator**
  - Monitors and participates with the RSC with Commissioner David and the Board of Directors, MOPC, Finance Committee, and Market Working Group
- **Lisa Figliozzi, OCC PUD, Programs Manager V**
  - Monitors and participates with the Regional Tariff Working Group and the Economics Studies Working Group
- **Everett Plummer, OCC PUD, Programs Manger III**
  - Monitors and participates with the Operations Reliability Working Group and the Future Grid Strategy Advisory Group
- **Marybeth Purvis, OCC PUD, Programs Manger VI**
  - Monitors and participates with the Supply Adequacy Working Group and the Corporate Governance Committee
- **Jeff Kline, Administrative Aide and Legal Advisor to Commissioner Kim David**
  - Advises Commissioner David while she serves as Oklahoma’s RSC member
- **Erica O’Neal, Executive Assistant and Paralegal to Commissioner Kim David**
  - Advises Commissioner David while she serves as Oklahoma’s RSC member

## Oklahoma Members of SPP

Below is a list of Oklahoma members of SPP, as of December 31, 2024.

<b>Cooperatives</b>	<ul style="list-style-type: none"><li>• Peoples Electric Cooperative</li><li>• Tri-County Electric Cooperative</li><li>• Western Farmers Electric Cooperative</li></ul>
<b>Investor-Owned Utilities</b>	<ul style="list-style-type: none"><li>• American Electric Power (AEP Oklahoma Transmission Co.; Public Service Company of Oklahoma)</li><li>• The Empire District Electric Company d/b/a Liberty Utilities</li><li>• OGE Transmission, LLC</li><li>• Oklahoma Gas &amp; Electric Co.</li></ul>
<b>Large Retail Customers</b>	<ul style="list-style-type: none"><li>• Continental Resources</li><li>• Southern Star Central Gas Pipeline</li><li>• Walmart Inc.</li><li>• Google Energy, LLC</li></ul>
<b>Municipals</b>	<ul style="list-style-type: none"><li>• Oklahoma Municipal Power Authority</li></ul>
<b>State Agencies</b>	<ul style="list-style-type: none"><li>• Grand River Dam Authority</li><li>• The Office of the Attorney General State of Oklahoma (eff. January 2025)</li></ul>
<b>SPP Contract Participants</b>	<ul style="list-style-type: none"><li>• Southwestern Power Administration</li></ul>
<b>Others</b>	<ul style="list-style-type: none"><li>• Gridliance High Plains LLC</li><li>• ITC Great Plains LLC</li><li>• NextEra Transmission Southwest LLC</li><li>• Plains and Eastern Clean Line LLC</li><li>• Transource Oklahoma LLC</li><li>• EDF Renewables Development, Inc.</li><li>• EDP Renewables North America LLC</li><li>• Enel Green Power North America, Inc.</li><li>• Petroleum Alliance of Oklahoma</li></ul>

## Oklahoma Members Stakeholder Involvement in SPP

Below is a list of Oklahoma member stakeholders and their committee involvement with SPP, as of December 31, 2024.

<b>American Electric Power</b>	
Stacey Burbure	SPP Members Committee
Richard Ross	Strategic Planning Committee Markets and Operations Policy Committee Market Working Group (Chair) Regional Allocation Review Task Force (Vice Chair) Supply Adequacy Working Group Resource and Energy Adequacy Leadership Team
Mark Harris	Load Forecasting Task Force
Doug Kouskouric	Markets and Operations Policy Committee (AEP OK Transmission)
Chris Schaffer	Operating Reliability Working Group
Tommy Vannoy	Project Cost Working Group
Matt McGee	Transmission Working Group

<b>Oklahoma Gas &amp; Electric</b>	
Emily Shuart	Members Committee Markets and Operations Policy Committee
Bradley Cochrane	Finance Committee Markets and Operations Policy Committee (OGE Transmission)
Scott Briggs	Human Resources Committee
Ryan Benton	Economic Studies Working Group
Shawn McBroom	Market Working Group
Bryn Wilson	Operating Reliability Working Group
Scott Brunnett	Project Cost Working Group
Christy Siharath	Regional Tariff Working Group
Aaron Castleberry	Supply Adequacy Working Group
Adam Snapp	Transmission Owner Selection Process Task Force (Chair) Transmission Working Group

<b>Oklahoma Municipal Power Authority</b>	
Dave Osburn	Members Committee Resource and Energy Adequacy Leadership Team
Natasha Brown	Markets and Operations Policy Committee
Michael Watt	Economic Studies Working Group
Alex Dobson	Regional Tariff Working Group
Jim McAvoy	Transmission Working Group

<b>Western Farmers Electric Cooperative</b>	
Matt Caves	Markets and Operations Policy Committee
Rodney Palesano	Human resources Committee
Calvin Daniels	Economic Studies Working Group (Chair)
Brandon McCracken	Market Working Group Regional Tariff Working Group
Chance Myers	Operating Reliability Working Group
Curtis Miller	Project Cost Working Group

David Sonntag	Supply Adequacy Working Group (Vice-chair)
Kalun Kelley	Transmission Working Group

### The Empire District Electric Company

Tim Wilson	Members Committee
Aaron Doll	Markets and Operations Policy Committee
David Pham	Operating Reliability Working Group
Todd Tarter	Regional Tariff Working Group
Brian Berkstresser	Supply Adequacy Working Group
Nate Morris	Transmission Working Group

### Grand River Dam Authority

Tim Brown	Markets and Operations Policy Committee
Eric Alexander	Market Working Group Supply Adequacy Working Group
Derek Stafford	Operating Reliability Working Group
Joe Fultz	Transmission Working Group

### Other Oklahoma Members

Zac Perkins (Tri County Electric Coop)	Members Committee
Chris Giles (Tri County Electric Coop)	Markets and Operations Policy Committee
Will Houser (Continental Resources)	Markets and Operations Policy Committee Load Forecast Task Force
Kevin Wood (Peoples Electric)	Markets and Operations Policy Committee
David Mindham (EDP Renewables)	Members Committee Strategic Planning Committee
Jodi Walters (EDP Renewables)	Markets and Operations Policy Committee
C. Patrick Woods (ITC Great Plains)	Members Committee
Matt Dills (ITC Great Plains)	Human Resources Committee
James Staggs (Walmart Inc)	Corporate Governance Committee Markets and Operations Policy Committee
Jeff Wells (Plains and Eastern Clean Line)	Markets and Operations Policy Committee
Chris Matos (Google)	Markets and Operations Policy Committee
Jennifer Soloman (NextEra Energy)	Markets and Operations Policy Committee
Mona Tierney-Lloyd (Enel Green Power)	Markets and Operations Policy Committee
Noman Williams (Gridliance High Plains)	Markets and Operations Policy Committee



## Responses to Legislative Questions

### **1. An explanation of how decisions are made at the SPP, including the Regional State Committee (“RSC”), and the impact of such decisions on Oklahoma ratepayers.**

The SPP is a Federal Energy Regulatory Commission (“FERC”) approved Regional Transmission Organization (“RTO”). It is an Arkansas non-profit corporation with its principal place of business in Little Rock, Arkansas. The SPP currently has 116 members, including:

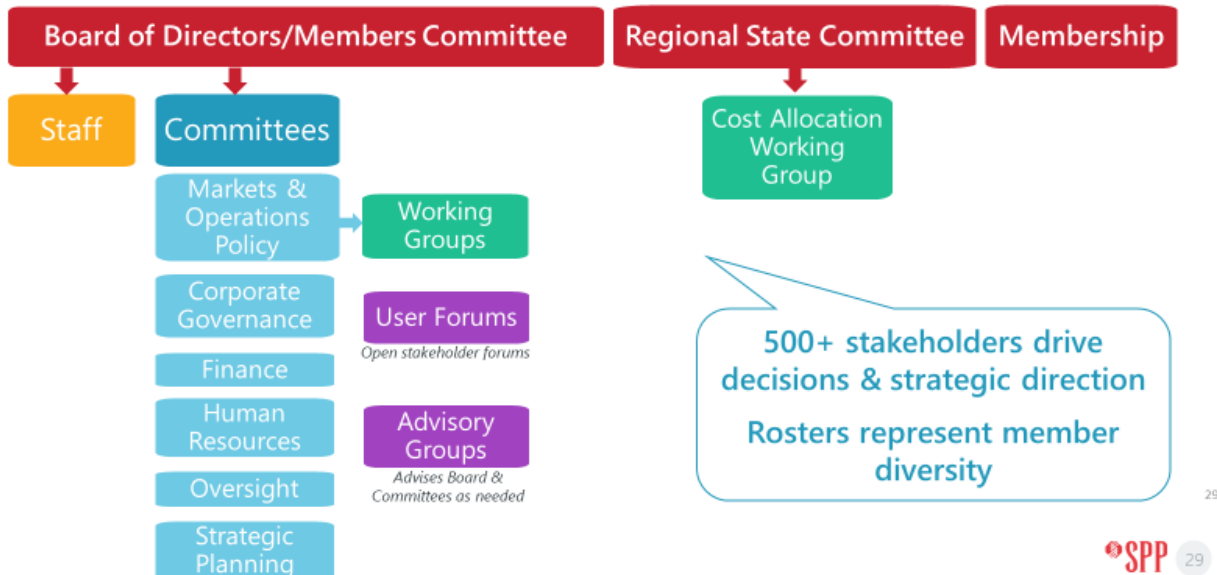
- 16 investor-owned utilities
- 13 municipal systems
- 23 generation and transmission cooperatives
- 6 state agencies
- 22 independent power producers
- 11 power marketers
- 14 independent transmission companies
- 1 federal agency
- 4 large retail customers
- 2 alternative power entities
- 4 public interest entities

As an RTO, the SPP: (1) administers, across the facilities of SPP's Transmission Owners, open access transmission service over approximately 72,000 miles of transmission lines covering portions of Arkansas, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming; and (2) administers the Integrated Marketplace, a centralized day-ahead and real-time Energy and Operating Reserve market with locational marginal pricing and market-based congestion management.

Since its inception in 1941, the SPP has maintained an open, transparent, consensus-driven approach to solving the many operational and technical issues that have arisen. This is accomplished through a robust member driven stakeholder process that drives decisions and strategic direction. This SPP stakeholder process is comprised of Committees, Working Groups and Task Forces made up of voting members that have been assigned to represent their companies and the region in identifying and resolving issues or potential issues, looking at alternative approaches to resolution and developing policies that provide the most comprehensive solutions that benefit the region. Typically, these proposed solutions are worked and driven from the lower applicable task forces through the working groups and on to the committees for approval. There are over 500 stakeholders that participate in this process.

As shown below and in the link provided is to a high-level overview of the SPP Stakeholder Process: [Stakeholder Groups - SPP](#)

## COLLABORATIVE STAKEHOLDER PROCESS



A significant group with this collaborative SPP stakeholder process is the SPP RSC. The creation of the RSC was mandated by the FERC in the approval of SPP becoming an RTO. The RSC is comprised of one representative of each state that has transmission and load in the SPP footprint. Additionally, the RSC is supported by the CAWG that is made up of state staff members who provide technical analysis and recommendations to the RSC.

Through the [SPP Bylaws](#), the RSC was granted authority in four specific areas:



As detailed in the [RSC Bylaws](#), each RSC member has one vote to represent their state, and it takes a majority vote to approve policy matters.

Matters related to the areas of RSC authorities must be approved by the RSC prior to implementation. Most matters will be debated and approved through multiple groups at each level prior to final approval. This gives stakeholders multiple opportunities to review and discuss these proposals. In the end, SPP and its stakeholders (including state regulators) has a robust stakeholder governance process that allows for input and participation by any stakeholder, regulator or interested party.

4 Areas of Authority	Description	Used
Cost Allocation	Whether participant funding will be used for transmission enhancements & whether license plate or postage stamp rates will be used for the regional access charge	16
Financial Transmission Rights (FTRs)	FTR allocation, where a locational price methodology is used; and the transition mechanism to be used to assure that existing firm customers receive FTRs equivalent to the customers' existing firm rights	6
Planning for Remote Resources	Whether transmission upgrades for remote resources will be included in the regional transmission planning process and the role of transmission owners in proposing transmission upgrades in the regional planning process	3
<b>Resource Adequacy</b>	<b>Determine the approach for resource adequacy across SPP</b>	<b>17</b>

Since their creation in 2004, the OCC has actively participated in the RSC and CAWG. Through the OCC's participation in SPP, Oklahoma ratepayers benefit from the diversity of generation that is produced in the SPP footprint that allows Oklahoma to compete based on cost for the electricity needs of Oklahomans. The SPP dispatches the lowest-cost energy available to meet demand at any given time. This access to lower-cost energy saves Oklahoma ratepayers money on their energy needs.

Oklahoma ratepayers also benefit from the robust decision process to determine the transmission needs that allow the generation to travel to where it is needed. This process ensures that the transmission line is built at the lowest reasonable cost by allowing the utility, whose territory the transmission line needs to be built, the initial opportunity to build the transmission line. This allows the local utility to rely upon resources, which benefits the state's economy during the construction of the transmission line.

County economies where the transmission line is located also benefit over the useful life of the transmission line through increased annual property or ad valorem tax. If the incumbent utility is not in a position to build the transmission, a competitive bid process is entered, which again benefits Oklahoma ratepayers because it ensures the project is being built at the lowest reasonable cost. With access to this pool of generation and transmission in the SPP region, the objective is to save Oklahoma ratepayers money by having consistent transmission rates while delivering the most economic energy at any given time. For example, in 2023, Public Service Company of Oklahoma ("PSO") saved \$18.5 million because of its participation in SPP.<sup>1</sup>

<sup>1</sup> Case No. PUD2024-000040, Public Service of Oklahoma, Testimony filed by Mr. Jason M. Stegall on August 15, 2024.

## 2. The potential impact of decisions resulting from the SPP process, including the RSC, on the state budget.

As required by the RSC Bylaws Article IX, § 8, on an annual basis the RSC will prepare an annual budget of estimated income and expenditures for the fiscal year that is approved by the RSC Board in conjunction with the Annual Meeting. SPP will fund the costs of the RSC pursuant to the annual budget developed and approved by the RSC Board and submitted to SPP and ultimately approved by the SPP Board of Directors.

The annual budget developed and approved by the RSC Board has three main categories of expenditures:

- A. Travel and Meeting Expense:** Expenditures incurred by the RSC Board or delegated representatives for all fair and reasonable expenses incurred when in conduction of RSC business. This includes meetings, travel, lodging and other reasonable, necessary, and customary business expenses.
- B. Administrative Expenses:** Expenditures related to the required annual audit and any other administrative expenses approved by the RSC.
- C. Principal Consulting Expense:** Included in the annual RSC budget if the RSC approves the need to use outside consulting resources to assist in RSC business.

As noted above, the RSC has authority over regional cost allocation within the SPP region. Any transmission projects approved for construction by the SPP board of directors will have their costs allocated based on the rules established by the RSC and approved by FERC.

Oklahoma's state budget is impacted by state employees' active participation in SPP, which includes time, travel, and accommodations. [OK S.B. NO. 827 2009](#): Corporation Commission is authorized to employ one person to serve as a senior-level electric transmission system advisor to the Commission for the purpose of monitoring state, regional and federal activities relating to access to and reliability of the electric transmission system. In addition to any other duties specified by the Commission, the advisor shall attend and participate in meetings of the Southwest Power Pool, the regional transmission organization governing electric transmission service for this state, to advocate on behalf of the citizens of this state and report to the Corporation Commission on all issues relating to electric power transmission in this state.

Currently, in addition to the designated person stated above, one OCC Commissioner, the Commissioner's staff, and one additional OCC PUD staff member actively participates in SPP related matters to address Oklahoma's interest. The OCC Commissioner and staff's expenses are paid by the annual RSC budget and the designated person's expenses are paid by the OCC PUD's annual budget.

### **3. The current use of intermittent power sources to meet baseload capacity requirements and explanation of the SPP's decision-making processes regarding the use of these intermittent sources.**

Since March 2014, the SPP has operated an Integrated Marketplace where all generation types—including intermittent resources—compete based on cost, with SPP dispatching the lowest-cost energy available to meet demand at any given time. However, SPP does not directly decide to use intermittent sources specifically to meet "baseload" needs, they rely on a diverse generation mix and a market-based structure where reliability and economic efficiency guide SPP decisions.

SPP's approach to intermittent resources and their integration is multifaceted. While SPP is "fuel neutral", wind and solar, due to their cost-effectiveness and zero fuel cost, are often dispatched when available. Yet, their variability—given the dependency on weather—means they cannot reliably meet consistent load requirements like traditional baseload generators such as coal or natural gas. Thus, the Integrated Marketplace dynamically manages these resources, ensuring dispatchable (i.e., controllable) generation sources are available when wind or solar output drops.

For clarity, SPP also performs rigorous planning and analysis to ensure resource adequacy and reliability in its footprint. SPP studies and operational processes account for potential fluctuations in renewable output and peak demand scenarios, especially under extreme weather conditions. This planning ensures grid stability even as the fuel mix evolves, leveraging traditional baseload resources alongside renewables to meet regional demand without compromising reliability.

#### 4. The studies and processes used by the SPP to assess and respond to demands, including transmission studies conducted.

SPP conducts regional transmission planning studies to ensure a reliable and cost-effective supply of electricity both now and in the future. These studies include the following key areas: the Integrated Transmission Plan, Interregional Projects, Generation Interconnection, Aggregate Transmission Service, and Sponsored Upgrade.

Type of Planning Study	Led By	Funded by
<p><b>Integrated Transmission Plan:</b> An annual study that evaluates economic, and reliability needs over a 10-year horizon across the SPP region, aiming to identify the most beneficial transmission solutions. Economic needs are derived typically from the congestion observed during the study horizon while reliability needs are derived typically from assessing the performance of the SPP transmission system under system intact and contingency conditions.</p>	Stakeholder-driven	Members
<p><b>Interregional Projects:</b> Involves collaboration with neighboring regions on joint projects. A recent example is the Joint Targeted Interconnection Queue study, conducted with the Midcontinent Independent System Operator (“MISO”).</p>	Stakeholder-driven	Members
<p><b>Generation Interconnection:</b> Assess the transmission requirements needed to connect new generation to the grid, ensuring resource adequacy.</p>	Customer-initiated	Customers
<p><b>Aggregate Transmission Service:</b> Determine the transmission infrastructure necessary to meet new demand.</p>	Customer-initiated	Customers
<p><b>Sponsored Upgrade:</b> Provide a pathway for the construction of new transmission facilities not identified through other planning processes.</p>	Customer-initiated	Customers

From 2006-2023, SPP planned and approved \$12.5 billion in transmission upgrades and as of January 2024 there are \$3.5 billion of transmission upgrades in progress. In 2024, SPP is recommending a transmission portfolio more than \$7 billion dollars to address reliability needs across SPP’s service territory resulting from load growth, changes in the

region's generating fleet, resiliency from increasing frequency and severity of extreme weather events and more. The portfolio consists of 89 projects that represent 2,277 miles of new transmission and 443 miles of transmission rebuilds. The project portfolio has the highest benefit-to-cost ratio – 8:1 or better – of any ITP portfolio SPP has proposed.

## 5. Identification of SPP decisions and processes that may impact Oklahoma's oil and natural gas industries.

There are several key areas where SPP's decisions, processes, and market structure influence the state's oil and natural gas industries. Oklahoma is a significant producer of natural gas, which plays a vital role in the state's economy and energy sector. Given the evolving grid dynamics, understanding how SPP integrates, manages, and impacts natural gas resources is critical to both industries and policymakers.

### A. Explanation of SPP's Market Structures and Processes

SPP operates a wholesale electricity market that includes an Integrated Marketplace, which optimizes the generation, transmission, and delivery of electricity across 14 states, including Oklahoma. Key components of this marketplace that affect oil and gas include:

- i.* **Day-Ahead Market (DA Market)** The DA Market schedules generation resources for the next operating day based on cost-efficiency. This market offers oil and gas generators the opportunity to bid their energy into the market, ensuring that economically competitive resources, including natural gas plants, are dispatched. Natural gas plays a crucial role in ensuring reliability during periods when intermittent renewable resources (like wind and solar) are unavailable.
- ii.* **Real-Time Balancing Market (RTBM)** The RTBM addresses real-time fluctuations in supply and demand. Natural gas plants, which can ramp up quickly, are often utilized to meet sudden demand spikes or to balance renewable energy shortfalls. This is particularly relevant for Oklahoma, where wind energy is a major resource, but its intermittency necessitates the use of dispatchable generation like natural gas to maintain grid stability.
- iii.* **Reliability Unit Commitment (RUC)** RUC ensures sufficient capacity is available to meet expected demand, especially under high-load or emergency conditions. Natural gas resources are frequently committed in this process to ensure reliability, reinforcing their importance in SPP's fuel mix.
- iv.* **SPP's Market Clearing Engine (MCE)** The MCE plays a central role in these processes by using algorithms to ensure that the most economical resources are dispatched while adhering to security constraints (e.g., transmission limits). For Oklahoma, this means that natural gas generation is dispatched when it is the most cost-effective option, directly impacting gas producers and power generators.

## B. Impact of SPP Decisions on Oklahoma’s Oil and Natural Gas Industries

The integration of intermittent renewable resources into SPP’s grid has grown significantly, but this transition has also highlighted the ongoing need for dispatchable resources, such as natural gas, to provide reliable electricity when renewables are unavailable. This dynamic affects the oil and natural gas industries in several ways:

- i. *Reliance on Natural Gas as a Balancing Resource*** As the largest producer of wind energy in SPP’s footprint, Oklahoma’s renewable energy resources have led to a fluctuating generation profile. When wind energy drops off, natural gas plants are essential to balancing supply and demand. This maintains the demand for natural gas, especially during peak load periods or when renewable output is low. For example, during periods of low wind generation, SPP relies on natural gas to fill the gap and meet regional demand.
- ii. *Natural Gas Market Opportunities*** Natural gas facilities in Oklahoma benefit from SPP’s market structure, which allows them to participate in the Day-Ahead and Real-Time Balancing Markets, offering flexible and responsive generation. The participation in these markets has allowed Oklahoma to average an electricity retail price in the residential sector of 12.92 cents per kilowatt-hour in August 2024, which was the eighth lowest in the United States, according to U.S. Energy Information Administration (EIA).<sup>2</sup> This flexibility positions gas plants as critical assets for SPP’s reliability and cost-efficiency goals, particularly during high-demand events or extreme weather conditions. According to EIA, 60.2% of Oklahoma’s net electricity generation is from natural gas.<sup>3</sup> Also, of the 36 power plants in Oklahoma 29 use natural gas solely, 3 use natural gas among other fuel sources and the remaining four plants use other sources of fuel.<sup>4</sup>
- iii. *Impact of SPP’s Transmission Planning and Cost Allocation*** SPP’s transmission planning decisions, such as the Highway/Byway Cost Allocation Methodology, impact the ability of natural gas-generated electricity to reach wider markets. For Oklahoma, this means that as new transmission lines are built or upgraded, natural gas generation could gain improved access to neighboring states and markets, increasing the demand for Oklahoma-produced gas. However, transmission costs can also be passed through to ratepayers, influencing the economic viability of power generated in Oklahoma.

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<sup>2</sup> EIA State Profile and Energy Estimates, [U.S. Energy Information Administration - EIA - Independent Statistics and Analysis, https://www.eia.gov/state/rankings/?sid=OK#series/31](https://www.eia.gov/state/rankings/?sid=OK#series/31), December 17, 2024.

<sup>3</sup> EIA State Energy Profile Data, <https://www.eia.gov/state/data.php?sid=OK>, November 21, 2024.

<sup>4</sup> Electricity data browser - List of plants for natural gas, Oklahoma, all sectors, <https://www.eia.gov/electricity/data/browser/#/topic/1?agg=2,1.0&fuel=1&geo=0000000004&sec=g&freq=A&start=2001&end=2023&ctype=linechart&ltype=pin&rtype=s&pin=&rse=0&maptype=0&datecode=2023>, December 17, 2024.



### **C. Adequacy of SPP Base Load Power and Future Projections**

Natural gas remains a cornerstone of SPP's baseload generation, especially as traditional coal plants are retired. SPP's planning and market processes ensure that natural gas continues to play a critical role in maintaining the adequacy of baseload generation. This is especially important as intermittent renewables become a larger part of the energy mix, increasing the need for reliable, dispatchable resources like natural gas to meet existing and future demand.

SPP's future generation mix projections indicate that natural gas will remain a key resource for ensuring reliability as renewable energy capacity grows. This continued reliance on natural gas highlights the significant role that Oklahoma's oil and gas sectors will play in supporting the region's energy needs.

SPP and its members and regulators continuously make decisions and implement changes to resolve matters that include changes to SPP energy markets, transmission planning and other services that SPP provides its member utilities. As described in other areas of this report, decisions at SPP are consensus driven through stakeholder led working groups and task forces that culminate in approvals made at the Committee level and the RSC and SPP Board of Directors. SPP members and stakeholders are urged to participate in the process and provide input on those matters of interest. SPP has several members that have interest in Oklahoma and participate in the stakeholder process described below.

Each SPP member has a voting seat on the Markets and Operations Policy Committee (MOPC) which is the largest SPP stakeholder group. Most all task forces and working groups report up to the MOPC (Cost Allocation Working Group and Resource and Energy Adequacy Leadership Team are two exceptions that report directly to the RSC).

## **6. Identification of areas in which Oklahoma stakeholders may benefit from additional information being shared on events occurring at the SPP.**

The SPP's website, [www.spp.org](http://www.spp.org), contains a calendar of all SPP stakeholder meetings. Most all SPP stakeholder meetings are open to the public and allow anyone participating in the meeting to provide input on any topic. In addition, meeting minutes are posted after each meeting that describe action items and the results of any voting items from each meeting. One additional way to stay informed are through an email exploder system that is generally organized by stakeholder working groups. Anyone can create a user account on [www.spp.org](http://www.spp.org) and sign up for topics of interest. As meeting information, meeting

background materials and other information is published the email exploder list will be updated and subscribers will be notified.

## **Communicating Emergency Events**

SPP prioritizes proactive, transparent communication with its stakeholders and the public throughout all levels of grid conditions, from normal operations to extreme emergencies. This approach ensures Oklahoma stakeholders, including government officials, utilities, and public representatives, are equipped with timely, actionable information as situations evolve.

### ***A. Emergency Alerts and Advisories***

SPP communicates escalating grid conditions through a structured framework that includes Resource Advisories, Weather Advisories, Conservative Operations Advisories, and Energy Emergency Alerts (EEAs) of varying levels. For each alert level, tailored notifications are distributed to inform stakeholders of grid status, risks, and recommended actions. Oklahoma officials, regulators, and stakeholders automatically receive relevant alerts through the *Grid Notice Exploder*, a dedicated public list for real-time notifications.

### ***B. Multichannel Updates and Real-Time Information***

During emergency events, SPP utilizes a combination of the SPP.org *Grid Conditions* page, the *SPP Go App*, and social media to ensure all interested parties have direct access to updates. This multi-platform strategy provides continuous visibility into grid conditions and allows stakeholders to follow emergency declarations and advisories as they are issued.

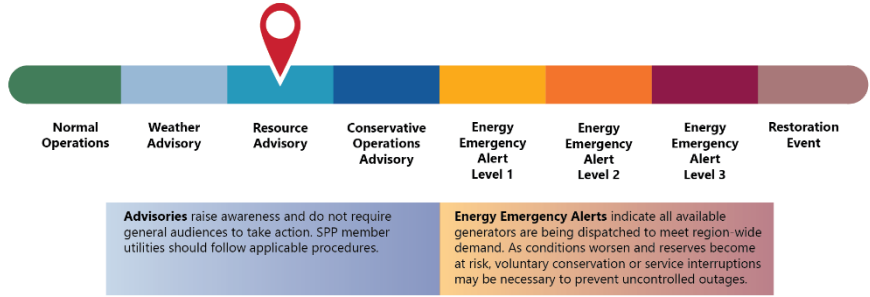
### ***C. Targeted Briefings for Government and Regulatory Stakeholders***

SPP's communications staff maintains close coordination with Oklahoma's regulatory bodies, ensuring that state commissioners, legislators, and agencies receive timely, detailed briefings during heightened grid events. For example, during an EEA, SPP coordinates periodic updates to the RSC to support regional response alignment and prepare Oklahoma entities for any escalations or conservation actions.

### ***D. Communication Transparency and Public Outreach***

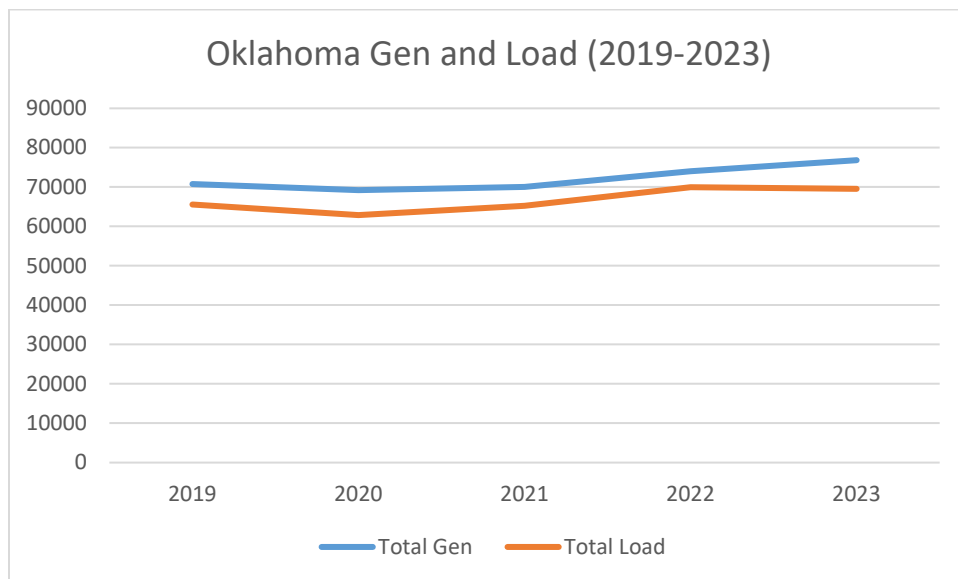
In events that might impact the public, such as EEAs or load-shedding events, SPP's public information team issues press releases, uses social media channels, and coordinates with Oklahoma-based transmission operators for public conservation appeals. This transparency ensures that Oklahoma residents understand their role in supporting grid stability during emergency conditions.

**SOUTHWEST POWER POOL GRID CONDITIONS**

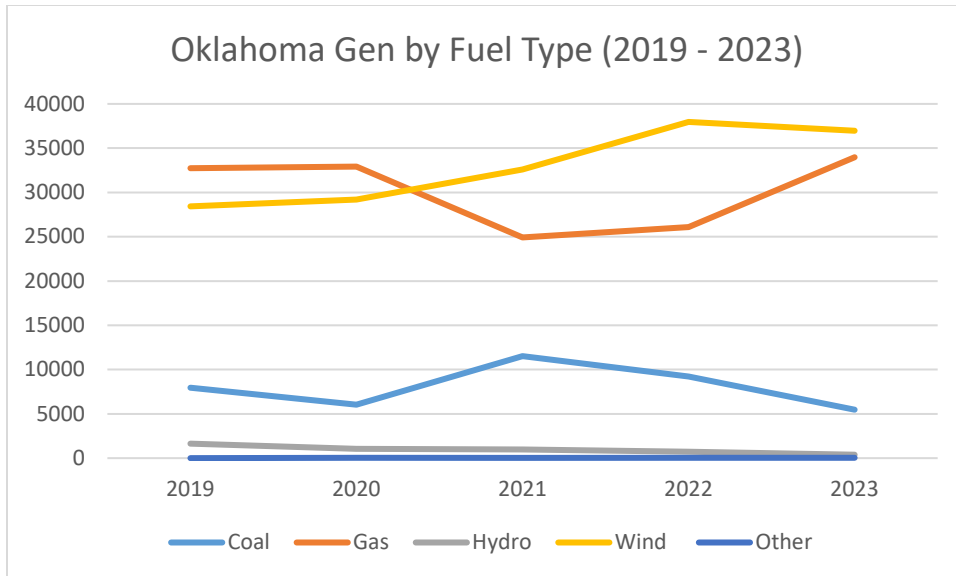


**7. The amount of power produced within Oklahoma that was transmitted outside of the state through the SPP for the calendar year ending December 31, 2023, the market value of such power, and any benefit of this transmission to Oklahoma ratepayers.**

Oklahoma is a net-seller into the SPP market, in that on an annual basis the state produces more MWh of energy than it consumes. Determining the market value of that excess energy is not possible. What SPP can provide as a representative value is looking at the hours that energy produced in Oklahoma was greater than what was consumed and assume that this energy was delivered to the SPP Market and priced at an “average footprint price”<sup>5</sup>.



<sup>5</sup> The average price over the 8,760 hours for the year.



**8. The cost, if any, that is built into the most recent rate cases with final orders previously before the Corporation Commission for the construction and maintenance of generation and transmission infrastructure which is used in whole or in part for the generation and transmission of power for sale outside of Oklahoma; and**

No OCC rate regulated utility that is a member of SPP has constructed and maintained generation and transmission infrastructure in whole or in part for the generation and transmission of power for sale outside of Oklahoma.

**9. An explanation of the level of input the Corporation Commission has on the processes and decisions of the SPP.**

The OCC has been a member the SPP RSC since its inception in 2004. The RSC is unique among similar RTO/ISO state regulator bodies as they have been granted specific authorities within the governance of SPP for transmission cost allocation, financial transmission rights, planning for remote resources and regional resource adequacy. The SPP Bylaws also allow for the RSC to join and participate in many of the SPP stakeholder working groups, task forces and committees allowing the RSC to provide input on any issues and policies being addressed by SPP.

Most notably, the RSC has been active participants in the following:

- Synergistic Planning Project Team
- Rate Impact Task Force
- Regional Allocation Review Task Force
- Strategic Planning Committee Task Force on New Member Process

- Interregional Cost Allocation Task Force
- Holistic Integrated Tariff Team (HITT)
- Strategic and Creative Re-engineering of Integrated Planning Team (SCRIPT)
- FERC Order 2022 Task Force
- Resource and Energy Adequacy Leadership Team (REAL)

The [SPP RSC 20<sup>th</sup> Anniversary History Book](#) provides a detailed historical look at the role that the RSC has played in the ongoing development and evolution of SPP and the great value that is provided to its member utilities and their rate payers.

## Supplemental Information

- **Link to SPP Bylaws:**  
<https://spp.org/documents/13272/current%20bylaws%20and%20membership%20agreement%20tariff.pdf> Establishment of the RSC, RSC funding, RSC authorities in Section 7.2
- **Link to RSC Bylaws:**  
<https://spp.org/documents/13272/current%20bylaws%20and%20membership%20agreement%20tariff.pdf>
- **Link to 2023 History of the RSC:**  
<https://spp.org/documents/58610/history%20of%20rsc%202023.pdf>
- **Link to SPP's Generational Challenge detailed paper:**  
<https://spp.org/documents/72058/our%20generational%20challenge%20paper.pdf>