



# POWER MO: SECURING MISSOURI'S ENERGY FUTURE

AUGUST 2024

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



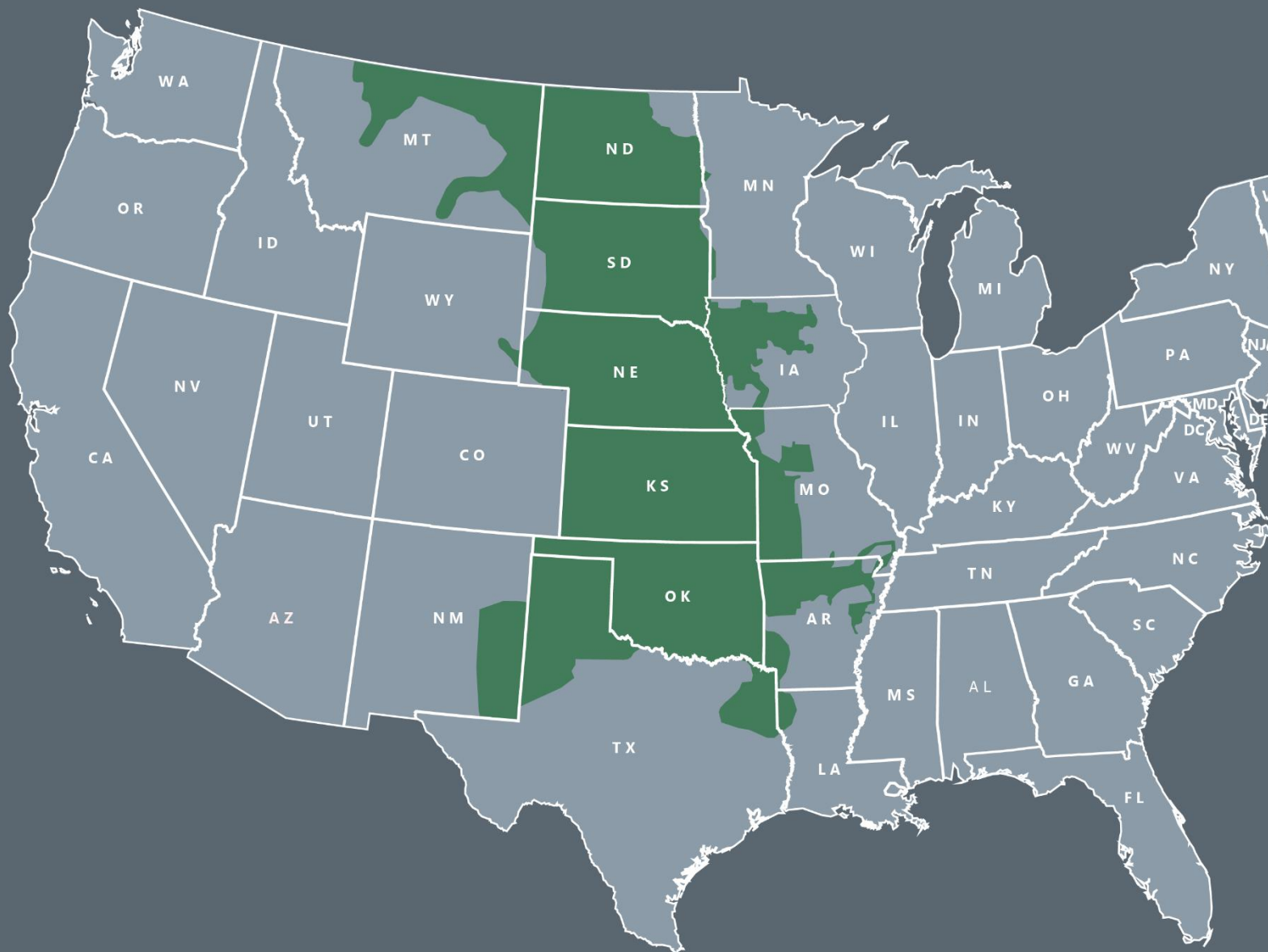
SouthwestPowerPool



SPPorg



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## RTO OPERATING REGION

- **552,885** square mile service territory
- **~18 million** population served
- **967\*** generating plants
- **5,267\*** substations

\* In SPP's balancing authority area



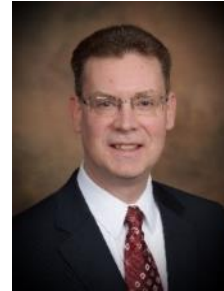
# 2025 REGIONAL STATE COMMITTEE



**John Tuma,**  
**RSC President**  
Minnesota Public  
Utilities Commission



**Todd Hiatt,**  
**RSC Vice President**  
Oklahoma Corporation  
Commission



**Chuck Hutchison,**  
**RSC Secretary/Treasurer**  
Nebraska Power Review  
Board



**Randel Christmann**  
North Dakota Public  
Service Commission



**Lori Cobos**  
Public Utility  
Commission of Texas



**Kristie Fiegen**  
South Dakota Public Utilities  
Commission



**Mike Francis**  
Louisiana Public Service  
Commission



**Andrew French**  
Kansas Corporation  
Commission



**Sarah Martz**  
Iowa Utilities Board



**Pat O'Connell**  
New Mexico Public Regulation  
Commission



**Kayla Hahn**  
Missouri Public Service  
Commission



**Justin Tate**  
Arkansas Public Service  
Commission

# SPP REGIONAL STATE COMMITTEE

Retail regulatory commissioners from:

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 markets



# SPP'S RESOURCE ADEQUACY CONSTRUCT

UNDERSTANDING THE RISKS



# SPP'S CURRENT RESOURCE ADEQUACY APPROACH

- Regional resource adequacy requirements imposed on Load Responsible Entities ("LREs")
- LREs must demonstrate sufficient accredited capacity will be available to meet peak demand plus the Planning Reserve Margin (PRM) requirement
  - Summer Requirement (deficient LREs subject to deficiency payment)
  - Winter Obligation
- LREs build or procure capacity through bilateral market
- PRM requirement established through Loss of Load Expectation (LOLE) analyses performed at least biennially
- Compliance measured through annual data collection process



## Capacity

Team members' collective ability to play

## Energy

Output of players on field

## Reserve margin

Ability of reserve players to contribute

# RESOURCE ADEQUACY CHALLENGES

Influx of intermittent renewable generation

Thermal generation retirements

Resource under-performance & unavailability

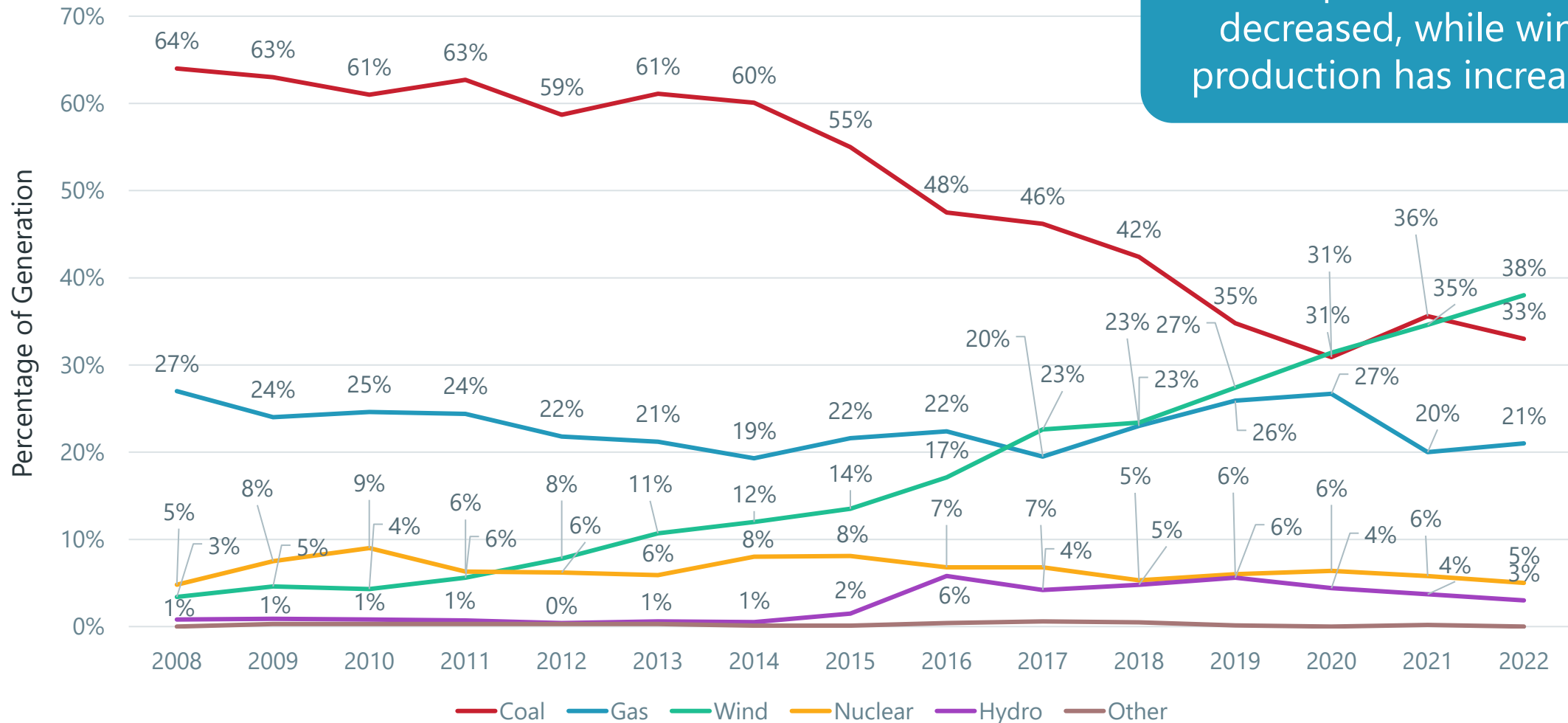
Increasing load & volatility

Extreme weather events

Reducing margins

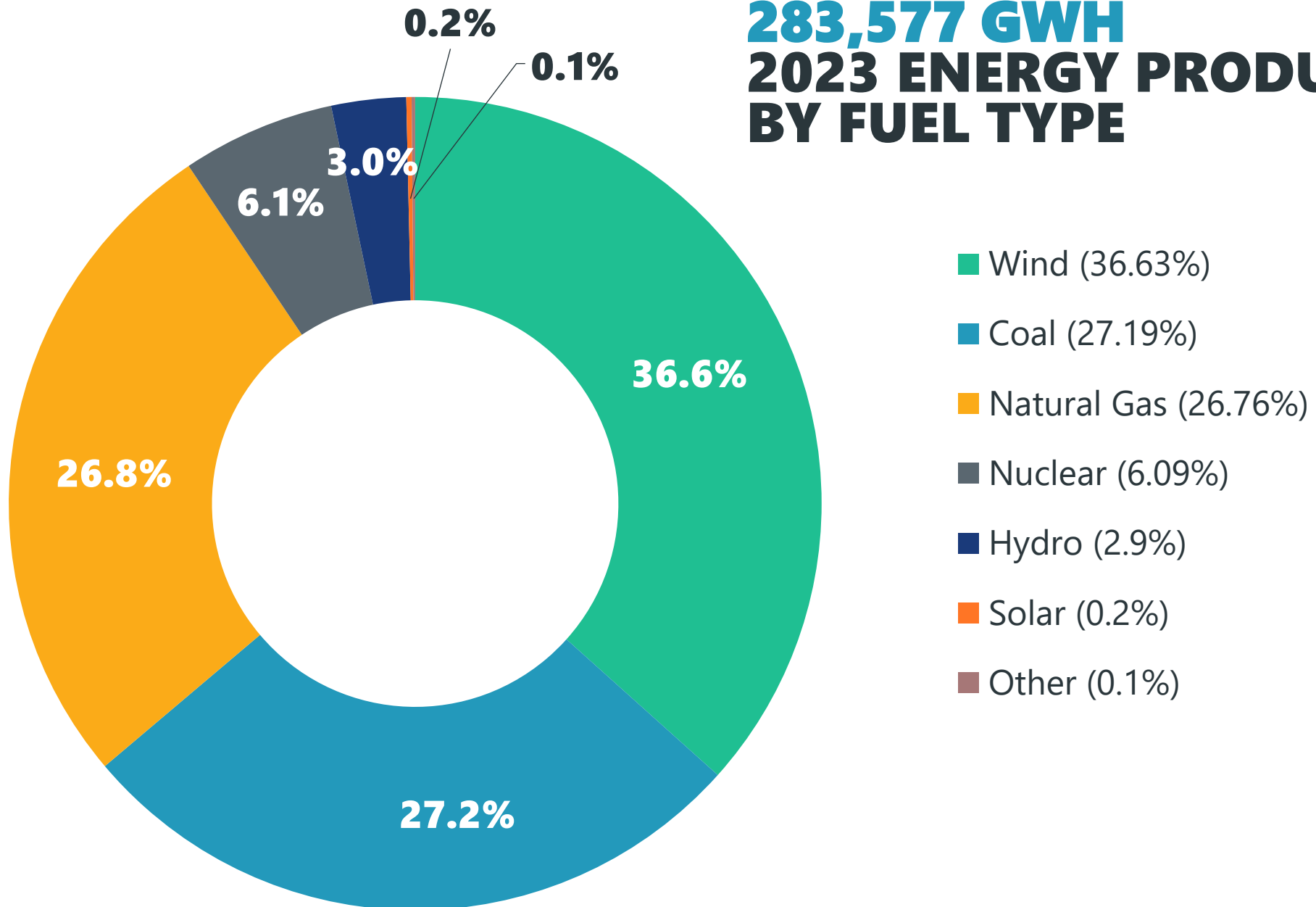
# SPP'S EVOLVING ENERGY MIX

Coal production has decreased, while wind production has increased



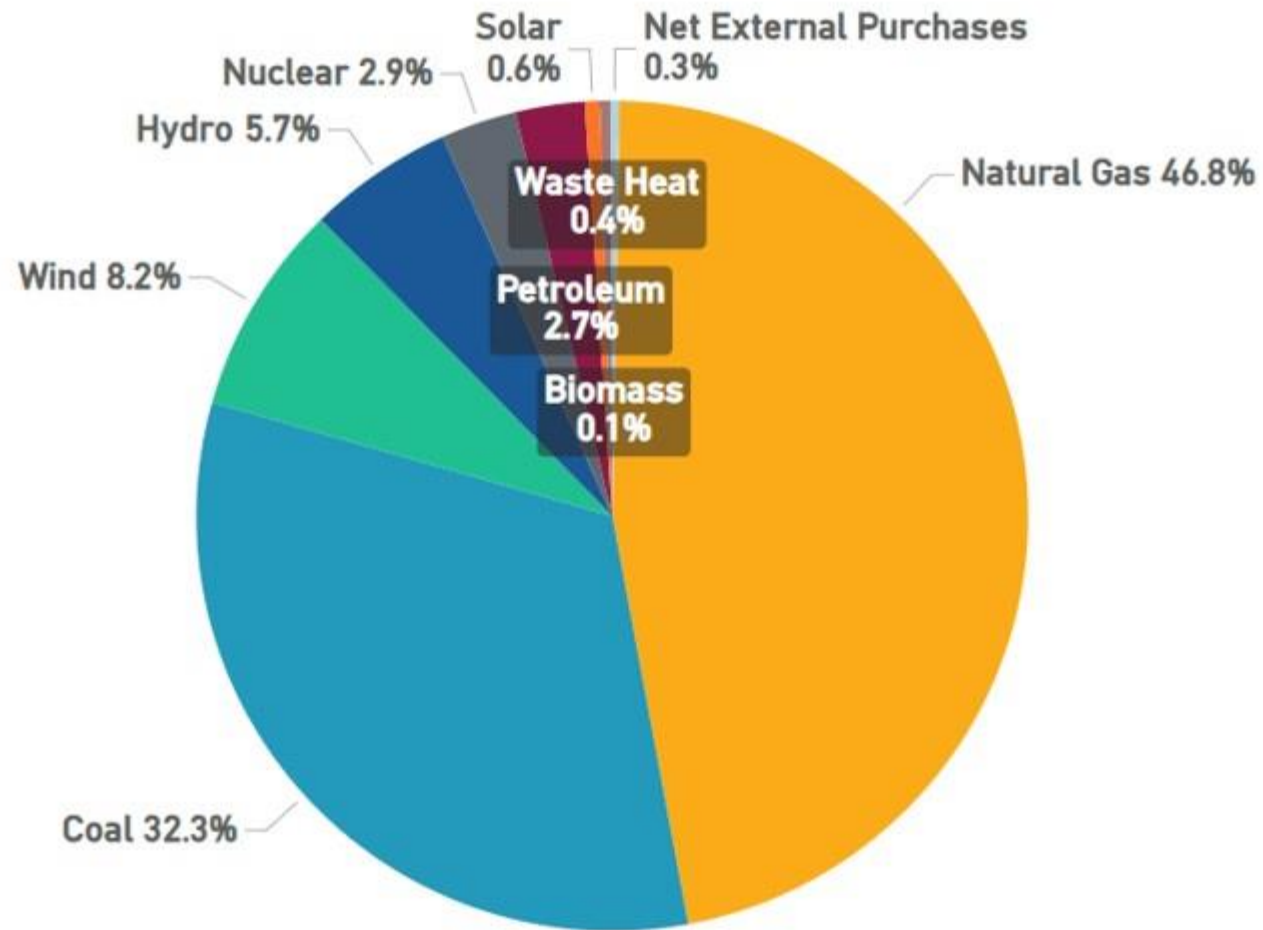


# 283,577 GWH 2023 ENERGY PRODUCTION BY FUEL TYPE



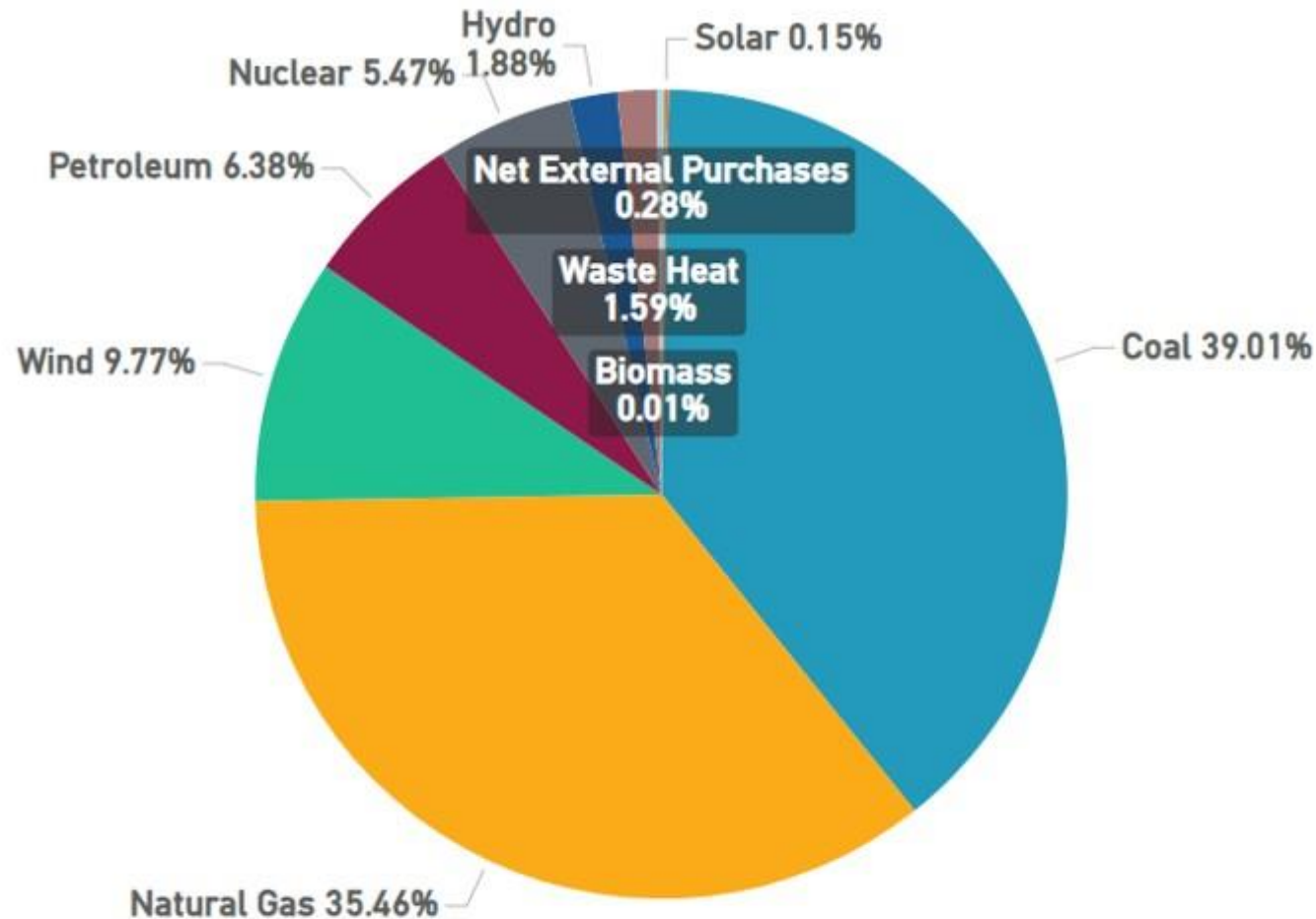
**66,145 MW  
ACCREDITED  
CAPACITY**

### 2024 FUEL TYPE SUMMARY - SPP



**10,113 MW  
ACCREDITED  
CAPACITY**

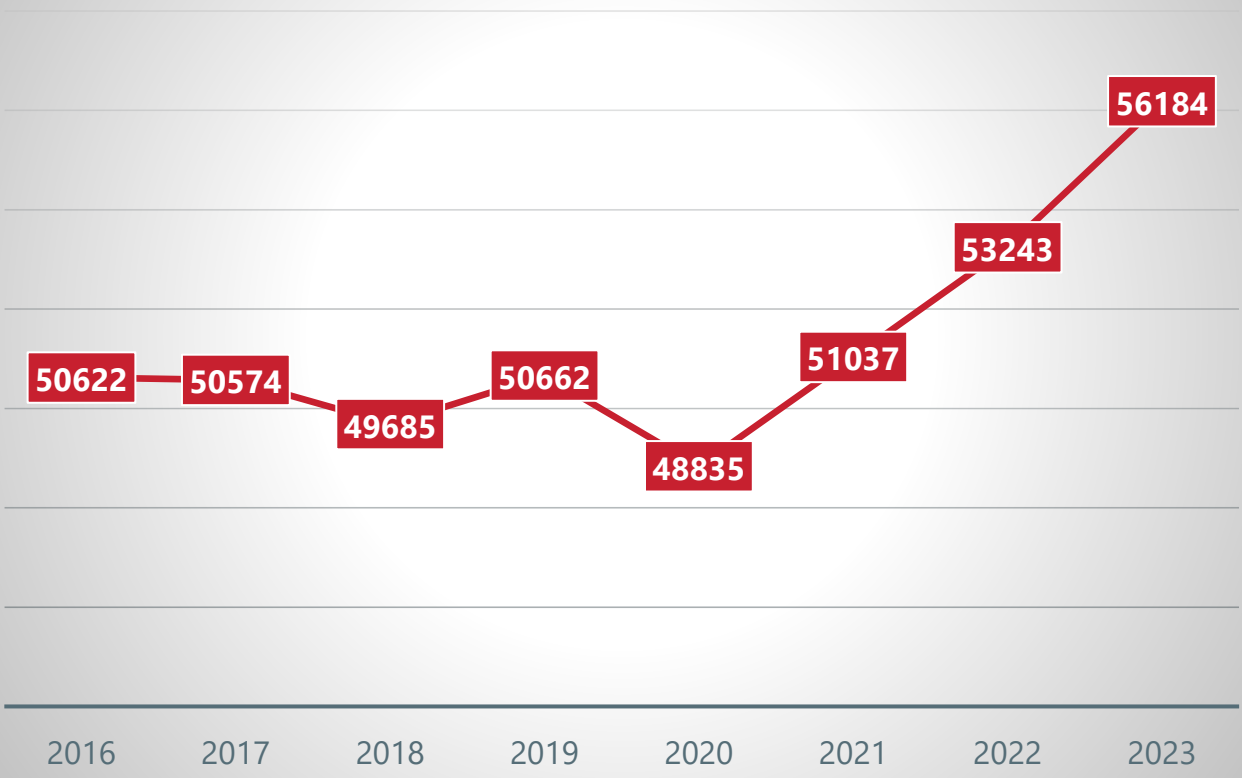
## 2024 FUEL TYPE SUMMARY - MISSOURI BASED LRES



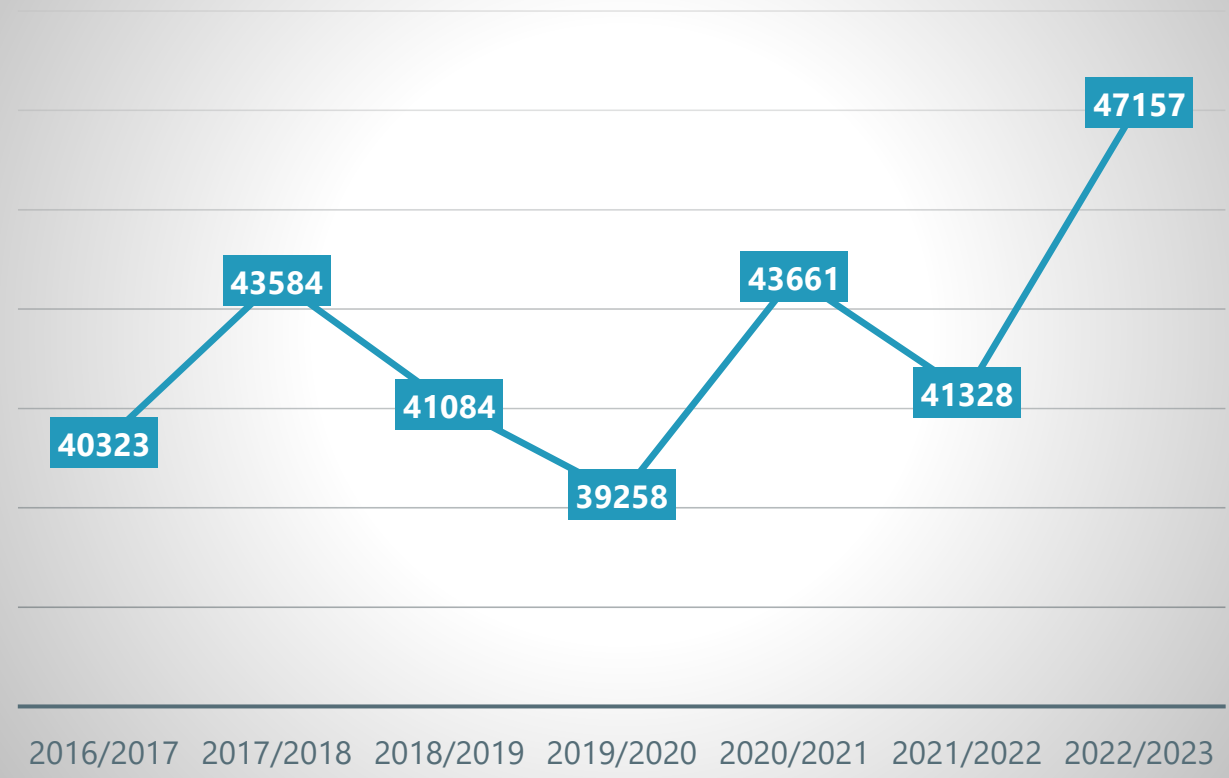


# PEAK LOAD TRENDS

## SPP Historical Summer Peaks

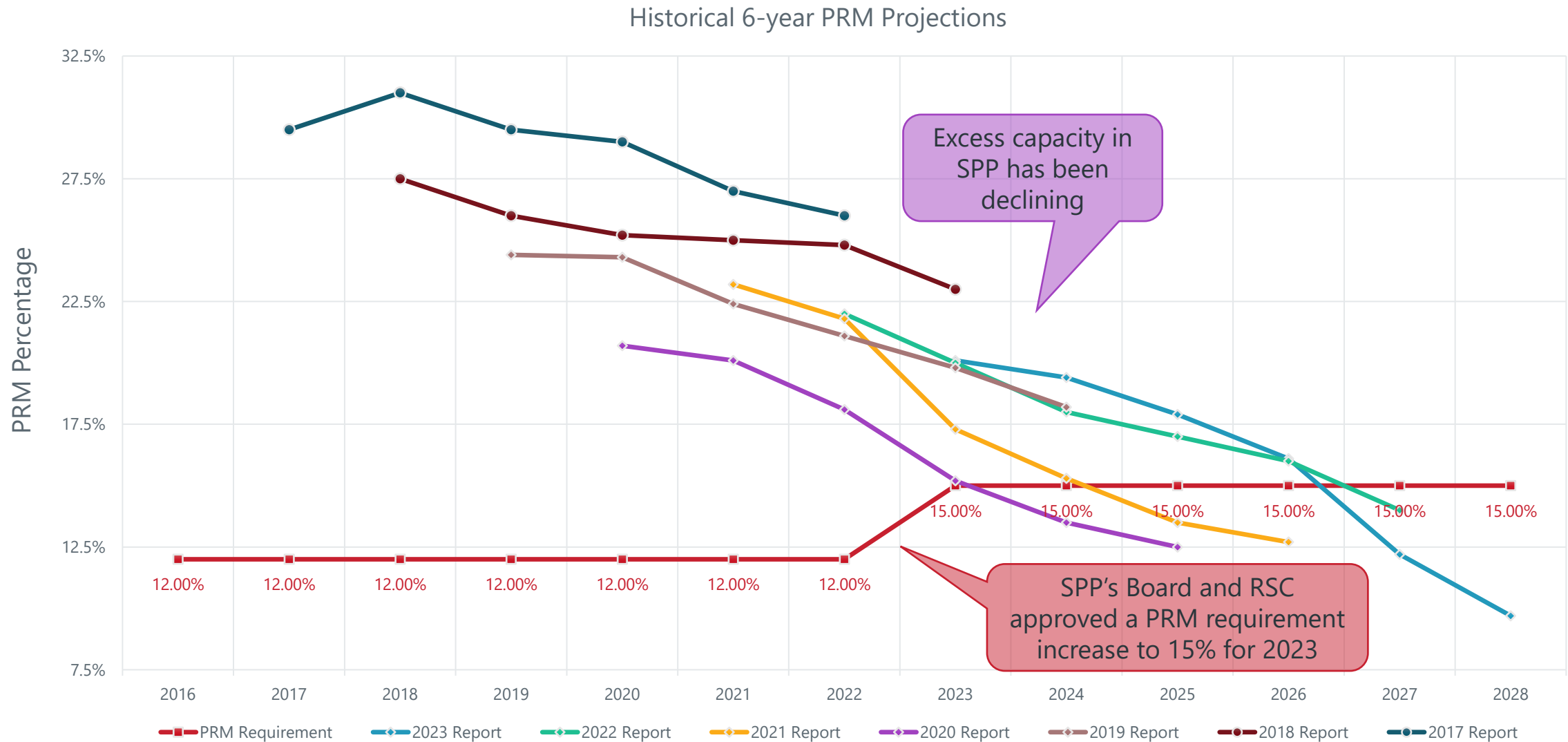


## SPP Historical Winter Peaks



2023 summer peak load 5.5% higher than previous peak and 2022/23 winter peak 8% higher than previous winter peak

# HISTORICAL MARGIN PROJECTIONS





# RESOURCE ADEQUACY PATH FORWARD

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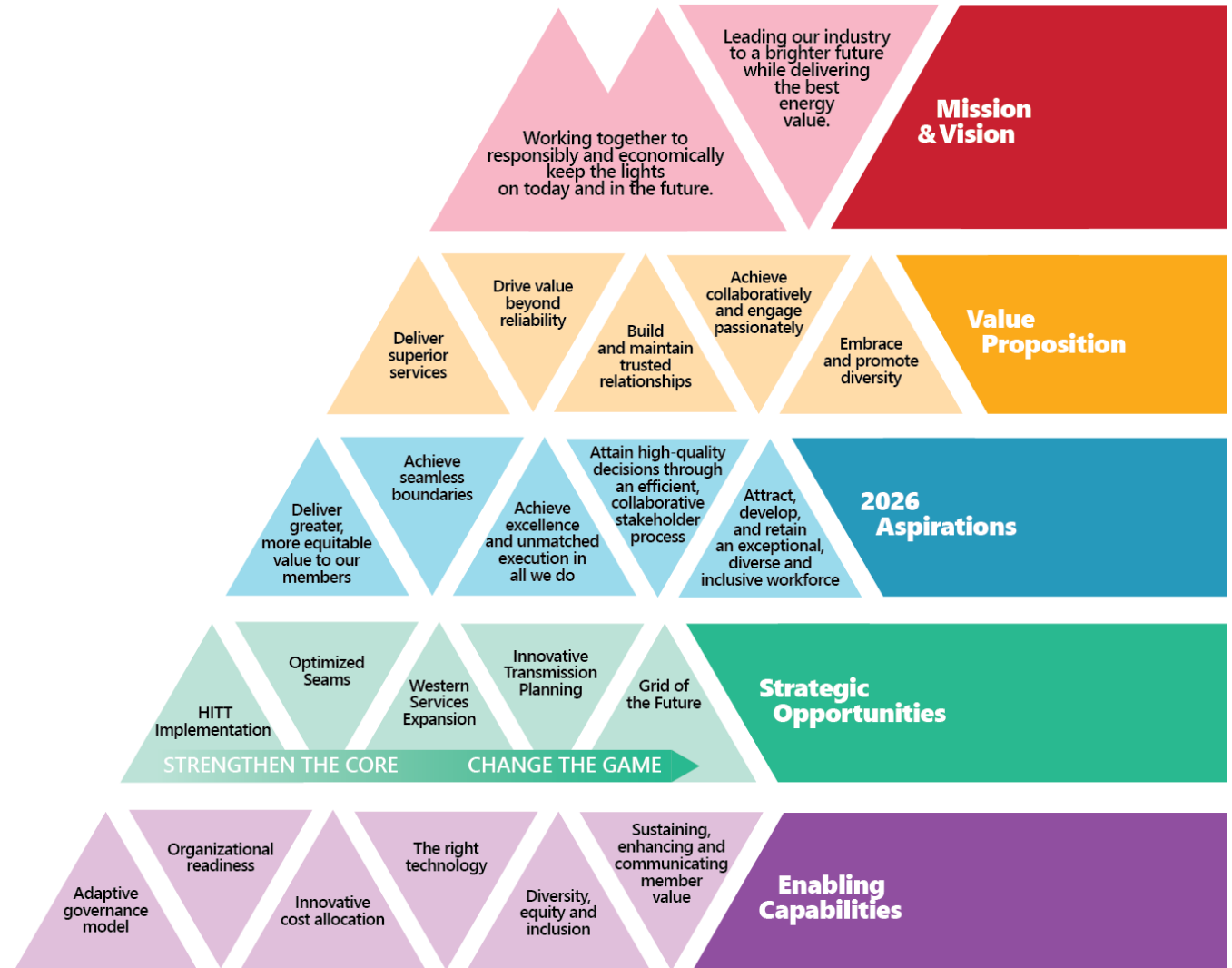


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# SPP 2024 CORPORATE GOAL: MITIGATE RA RISKS

By the end of 2024, we will improve our resource adequacy risk position through developing policy improvements along with additional requirements for operating, planning, and markets that align with priorities established by the REAL team.



# RA POLICY TARGETS

**Resource and Energy Adequacy Leadership (REAL) Team:** address strategic resource adequacy policies. The team developed a multi-year work plan and has already led the development of several resource adequacy improvements

Resource Adequacy Policy	Target
Winter Resource Adequacy Requirement	Complete
VOLL metric and usage policies*	Complete
Generation Outage Policy	Complete
Generator Availability	Complete
Fuel Assurance Policy/OMC	Complete
Winter Planning Reserve Margin	August 2024
Summer Planning Reserve Margin	August 2024
Expected Unserved Energy Policy	
Longer Term Projections of future PRM	
Demand Response Policy	
Ramping Policy	
Market Mechanism	

# WHAT WE HAVE DONE ALREADY

Working together with our members, regulators, market participants, and other stakeholders, we have accomplished multiple milestones over the past few years.



Mitigated  
Adequacy Risk



Streamline GI  
Queue



Prepared for  
Extreme Weather



Transmission  
Policy Innovation



Planning for "Grid  
of the Future"



Coordinating with  
our Neighbors



# WHAT DOES THIS MEAN FOR YOU?

This generational challenge is a mission-critical moment. SPP has a responsibility to work with its members and regulators to ensure adequate generation and transmission are being planned for the future. But we can't do it alone.

## Regulators:

- Continued engagement in the stakeholder process
- Support the development of diverse energy resource portfolios, new transmission infrastructure, and investments in grid modernization

## Policymakers

- Ensure policies promote energy portfolios with reliability attributes

## SPP's Members

- Continue upgrading aging infrastructure, integrating grid-enhancing technology, and bringing new transmission and generation

## RTO

- Collaborative investment & coordination to build interregional transmission, connect new generation, enhance real-time coordination during energy extremes, and advocate for interests supporting our shared missions

## Consumers

- Stay informed & support utilities' effort to ensure a reliable grid

# QUESTIONS?



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