Future Services

# INTEGRATED MARKETPLACE

# Why develop new markets?

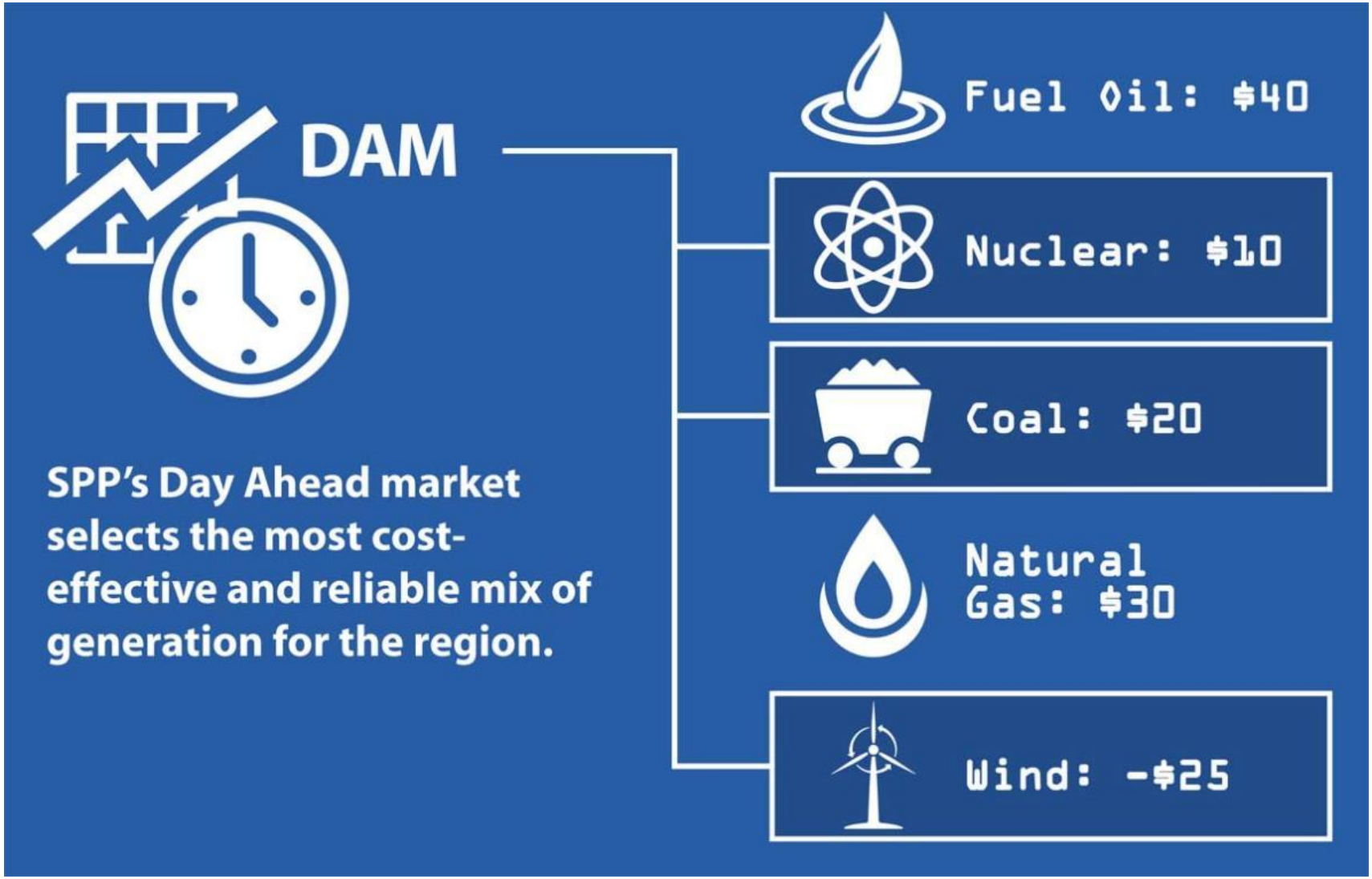
- SPP conducts complex cost-benefit studies before beginning new market development
  - Under Regional State Committee oversight
  - 2005 Charles River Associates analysis of EIS market:
    - Estimated benefit of $86 million for first year
    - Actual benefit of $103 million for first year
- Integrated Marketplace will bring estimated annual average additional net benefits of $100 million
  - According to 2009 Ventyx analysis
  - 2014 launch

# What type of new markets is SPP implementing?

- **Integrated Marketplace will:**
  - **Provide participants with greater access to reserve energy**
  - **Improve regional balancing of supply and demand**
  - **Facilitate integration of renewable resources**

- **Includes:**
  - **Day Ahead: SPP determines what generating units should run the next day for maximum cost-effectiveness**
  - **Operating Reserves: Market to buy and sell reserve energy that**
    - **Meets emergency needs**
    - **Regulates instantaneous load and generation changes**
    - **Maintains electricity quality (keeping voltage up, etc.)**

# Day Ahead market makes regional generation choices



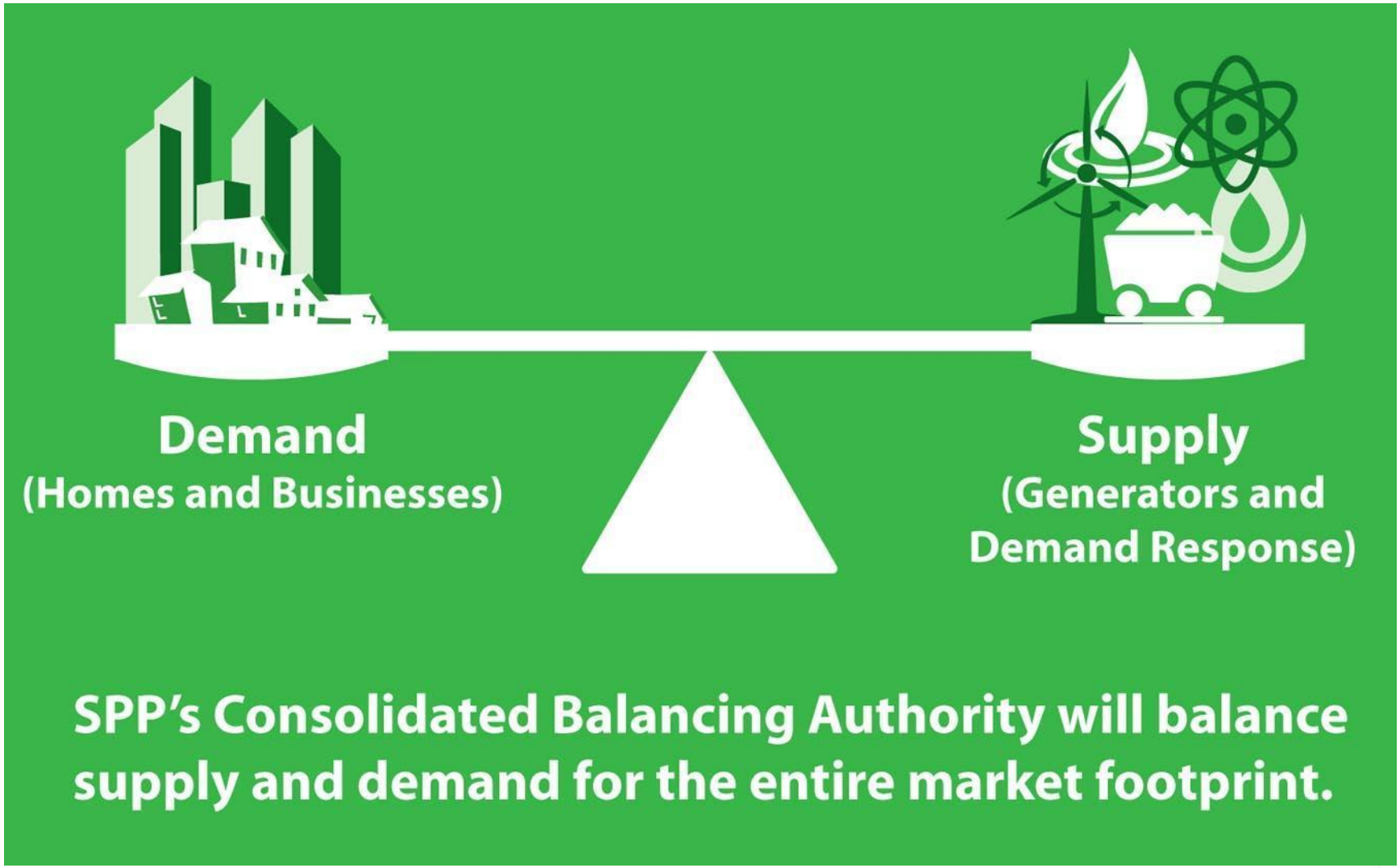
# Day Ahead market offers regional diversity

**The centralized market could provide access to a more diverse fuel mix than might be available to an individual utility.**

Fuel Mix: Utility A

Fuel Mix: Day Ahead Market

# Benefits of Operating Reserves market

- Greater access to reserve electricity
- Improve regional balancing of supply and demand
- Facilitate integration of renewable resources

# SPP will balance load/supply for region