



FEDERAL ENERGY REGULATORY COMMISSION

NEWS

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NEWS MEDIA CONTACT

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FERC Accepts SPP Funding Proposal to Integrate Wind Resources

The Federal Energy Regulatory Commission (FERC) took action today to expand the availability of wind resources in the Southwest Power Pool, Inc. (SPP) region by approving a wind transmission cost allocation proposal designed to reduce barriers to integrating wind power into the region.

Today's action updates SPP's open access transmission tariff by making more of the costs associated with wind resources eligible for "base plan" funding. Base plan funding represents how SPP allocates costs for certain network upgrades that are included in and constructed under the SPP transmission expansion plan.

SPP will now allocate a greater percentage of network upgrade costs associated with wind resources to the entire SPP region. FERC said SPP's treatment for such wind resources is reasonable because of their location-constrained nature.

"Our action today represents a significant step for SPP toward leveling the playing field for all generating resources," FERC Chairman Jon Wellinghoff said. "This plan also ensures that zones with substantial wind resources do not bear a disproportionate amount of the cost of network upgrades that are needed for those resources to serve loads in other zones."

SPP's proposal generally increases base plan eligibility for network upgrade costs associated with wind resources. However, SPP also proposed a limitation that such network upgrades will qualify for base plan funding if the sum of a customer's new and existing transmission capacity designated for wind does not exceed 20 percent of the customer's projected system peak responsibility in the first year the customer plans to take service from the wind resource. FERC accepted that – but gave SPP one year to evaluate the integration of wind generating facilities into the system and report the results to FERC to ensure that the limit will not unnecessarily impede wind resource development.

SPP is a FERC-approved regional transmission organization that serves portions of Arkansas, Kansas, Louisiana, Missouri, Nebraska, New Mexico, Oklahoma and Texas.

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