State of My Region

Jon Worthington, Administrator
Southwestern Power Administration

Federal Hydropower Strategic Planning Workshop

May 13, 2008

SOUTHWESTERN POWER ADMINISTRATION

System Conditions

- All interconnected system storage projects have been well over 100% energy-in-storage (EIS) since late February 2008.
- The system averaged over 200% EIS for much of April 2008.
- Hydrologic patterns for 2008 are promising, with numerous monthly rainfall records set in March and April in the region.

System Conditions – Surf's Up!

System Conditions

- As of May 8, 2008, EIS was about 190% - about 78% above average for this time of year.
- Since January 2008, SWPA has delivered:
  - 800 gigawatt-hours (GWh) of peaking energy
  - 1,800 GWh supplemental energy
- This amount of energy would meet the energy needs of approximately 700,000 average American households.

Renewable and Alternative Energy

- SWPA believes hydropower plays a significant role in the Nation's renewable resources. The ability to dispatch hydropower on demand is significant when other renewable energy options are considered.
- The DOE Energy Information Administration reports that hydropower accounts for nearly 75% of this country's renewable energy supply while meeting approximately 7% of consumers' total electricity needs.

Renewable and Alternative Energy

- SWPA supports the development of wind and other alternative energy sources and has developed and filed with FERC flexible interconnection procedures to facilitate the interconnection of new generation to SWPA's system while recognizing our specific operational limitations.
- Most of the wind development in SWPA's region is occurring in western Oklahoma, northern Texas, and northwest Missouri -- outside of SWPA's transmission system. To date, there have been no requests to interconnect onto our system.

Regional Reliability Initiatives

- In coming years, increased regulation of utility operations nationwide will mean continued vigilant attention to FERC and NERC standards, which will place more demands on SWPA's financial and manpower resources.
- Above-average growth in parts of SWPA's marketing area means SWPA will be called upon to coordinate with other industry partners to address potential bottlenecks on the transmission system.
- SWPA continues to participate in the Southwest Power Pool Regional Transmission Organization.

Transfer of Switchyard Assets

- SWPA and the Corps' Tulsa District are working to transfer from the Corps to SWPA certain transmission equipment in the 8 Corps switchyards of the Tulsa District.
- The Corps' Little Rock and Kansas City Districts also plan to work with SWPA to transfer switchyards assets.
- The transfer of the switchyard transmission equipment from the Corps to SWPA should increase the reliability of the switchyards and assist in meeting NERC compliance requirements.

Jonesboro MOA and Corps Work

- The Jonesboro Memorandum of Agreement (MOA) was signed in October 1999 among the Corps, SWPA, and Jonesboro, Arkansas.
- To date, 137 Sub-agreements have been executed to perform work at the 6 Corps districts in SWPA's marketing area.

Jonesboro MOA and Corps Work

- The execution of the Webbers Falls Unit 1 Sub-agreement in April 2008 brought the total amount funded under the Jonesboro MOA to $147,693,000.
- The Jonesboro MOA has been a significant funding mechanism for Corps capital replacement projects in recent years as Congressional appropriations diminish; however, SWPA continues to work toward direct funding of Corps maintenance activities.