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## WFEC FACING CHALLENGES OF INCREASING SPP RESERVE CAPACITY REQUIREMENTS

Article by Western Farmers Electric Cooperative

Southwest Power Pool (SPP), a 14-state Regional Transmission Organization and Regional Electricity Market concluded reliability (both generation and transmission) needed to improve following Polar Storm Uri in February of 2021.

For Western Farmers Electric Cooperative (WFEC), as one of SPP's 120-plus members, this meant a need for more generation of all types (coal, natural gas, wind, nuclear, and solar) plus increased transmission capability for this region.

To accomplish that goal, SPP and its members did two things: 1) increased the winter season reserve margin from 16% to 36% and strengthened the way generation capacity is calculated. 2) SPP started authorizing construction of more transmission or improvements to existing transmission to make sure that new generation could reach loads.

How did these two decisions impact WFEC? Based on the load of WFEC's distribution members, reserves were required to increase from 352 megawatts (MW) to 792 MW – an increase of 440 MW of generation to make the region more reliable during extreme weather conditions. WFEC members' load is also growing, and additional generation (160 MW) is necessary to serve normal load growth over the next five to six years.

At the same time, WFEC was issued Notices to Construct (NTC's), for various transmission projects

with a total cost of over \$250 million dollars. These additional expenses and investments in reliability and capacity may increase rates but are necessary to maintain reliability and deliverability to consumers.

WFEC is a not-for-profit, wholesale power supplier for 21 distribution cooperatives, including Southwest Rural Electric and Altus Air Force Base, located across Oklahoma and into parts of New Mexico.

"As your electric provider, we are doing everything possible to minimize the impacts of those future challenges that will help ensure WFEC and its cooperatives can continue to provide reliable service at a competitive price," commented WFEC CEO Gary Roulet.

For additional information, please visit the WFEC website: www.wfec.com.

### HAPPY HOLIDAYS

from Southwest Rural Electric

Wishing you peace, love and joy this holiday season.

Our offices will be closed December 24–25 and January 1 for the holidays.

Increased Load

### New Generation

## What's needed

- The U.S. grid has about 240k circuit miles of transmission (>230kV).
- Capacity would need to more than double by 2035 to meet expected demand.

ABC DATA CENTER

### Why it's needed

- Increasing Demand
   Manufacturing, electrification and data centers are driving a nationwide spike in electricity use.
- Renewables Integration
  Transmission is needed to bring wind and solar power from where it's produced to where it's needed.
- Reliability

The grid must balance supply/demand issues with factors like intermittent renewables and more extreme weather.

- Distributed Generation
  Future aggregation of regional DG will
  create a need for more transmission.
- Aging Grid
   70% of the grid was built 25+ years ago and is in need of upgrade/replacement.

### Challenges

Permitting

The average time from proposal to start of construction is 10 years.

Project Bottlenecks

At least 500 GW of generation is waiting to connect to the grid over the next 10 years.

Supply Chain

Higher costs and delays due to shortages of materials and qualified labor.

Policy

New federal transmission rules undermine the regional flexibility needed to provide reliable, affordable power.



# ANNUAL MEETING: MEMBERS SHOW SPIRIT

Southwest Rural Electric brought the co-op spirit to life during its 88<sup>th</sup> Annual Meeting, hosting a double drive-thru event on October 7 in Altus, Oklahoma, and Vernon, Texas. Members turned out in true team fashion, driving the cooperative past the quorum requirement with 579 total registered memberships.

Each registered membership received a \$40 Energy Credit, a commemorative SWRE hat, and an entry into the annual prize drawing. The excitement carried over to the following day as SWRE went "live" on Facebook for a spirited virtual prize drawing. Lucky members took home a total of \$3,050 in Energy Credits, \$3,000 in cash, and an array of vendor-donated prizes.

Congratulations to our grand prize winners!

- \$2,000 Cash Gerald Wright
- \$1,000 Cash Jimmy Dennis
- \$750 Energy Credit Leslie McDonald
- \$750 Energy Credit Friendship Volunteer Fire Dept.
- \$500 Energy Credit Melissa Irons

As SWRE looks ahead to its 89<sup>th</sup> year, the cooperative remains proud of its strong roots and member spirit. Whether it's gathering for Annual Meeting or connecting with our neighbors, SWRE members continue to show what it means to be part of something bigger—something local, loyal, and full of heart.

Until next year's meeting, members are encouraged to stop by the Tipton office or call to make account updates, share feedback, or simply say hello. At SWRE, we're more than your electric provider—we're your team, and we're proud to power you.

#### **Southwest Rural Electric**

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Dan Lambert

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