

# LEI Semi-Annual Regional Market Update and 10-year Energy Price Forecast

- SPP -

## Table of contents

<b>1</b>	<b>MARKET OVERVIEW AND RECENT DEVELOPMENTS</b> .....	<b>1</b>
<b>2</b>	<b>MODELING ASSUMPTIONS</b> .....	<b>4</b>
2.1	MARKET TOPOLOGY .....	4
2.2	FUEL PRICE PROJECTIONS .....	5
2.3	EMISSIONS COSTS .....	6
2.4	COST OF GENERIC NEW ENTRY.....	7
2.5	IMPORT AND EXPORT FLOWS .....	7
2.6	DEMAND AND SUPPLY.....	8
2.7	RPS REQUIREMENTS.....	13
<b>3</b>	<b>10-YEAR PRICE FORECAST</b> .....	<b>16</b>
3.1	ENERGY MARKET PRICES .....	16
3.2	IMPLIED MARKET HEAT RATE .....	19
	<b>APPENDIX: OVERVIEW OF FORECASTING METHODOLOGY</b> .....	<b>20</b>

## List of figures

FIGURE 1.	INSTALLED CAPACITY IN MW (LEFT) AND GENERATION IN GWH (RIGHT) BY FUEL TYPE .....	2
FIGURE 2.	INSTALLED CAPACITY IN MW (LEFT) AND GENERATION IN GWH (RIGHT) BY MARKET PLAYER .....	2
FIGURE 3.	SPP FOOTPRINT AND REGIONAL TRANSMISSION INTERFACE LIMITS .....	4
FIGURE 4.	FOSSIL FUEL PRICE PROJECTIONS (NOMINAL \$).....	5
FIGURE 5.	EMISSIONS COST PROJECTIONS (NOMINAL \$/TON).....	7
FIGURE 6.	COST OF GENERIC NEW ENTRY ASSUMPTIONS FOR SPP, 2015 .....	7
FIGURE 7.	TARGETED ANNUAL IMPORT AND EXPORT .....	8
FIGURE 8.	FORECAST PEAK DEMAND AND ANNUAL ENERGY BY ZONE .....	9
FIGURE 9.	SPP DEMAND-SUPPLY BALANCE .....	10
FIGURE 10.	CUMULATIVE NEW ENTRIES (2011-2020).....	11
FIGURE 11.	ASSUMED RETIREMENTS.....	11
FIGURE 12.	INTERNAL RESERVE MARGINS (BY ZONE) .....	12
FIGURE 13.	SUPPLY CURVE FOR SPP (2015) .....	13
FIGURE 14.	RPS REQUIREMENTS IN SPP .....	14
FIGURE 15.	RPS REQUIREMENTS IN THE SPP MARKET .....	14
FIGURE 16.	FORECAST ENERGY MARKET PRICES, 2011-2020 (NOMINAL \$/MWH) .....	17
FIGURE 17.	FORECAST HEAT RATES, 2011-2020 (NOMINAL BTU/KWH) .....	19
FIGURE 18.	POOLMOD'S TWO-STAGE PROCESS .....	20