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The Energy Authority successfully completes SPP market connectivity testing using The Structure Group's nMarket™ product

HOUSTON (October 11, 2005) –The Energy Authority (TEA) successfully completed the Southwest Power Pool's (SPP) recent Participant Readiness Testing through the use of The Structure Group's nMarket software platform.

The SPP-led connectivity testing provided market participants the opportunity to test their ability to submit and query Resource Plans, Ancillary Service Plans, Energy Imbalance Service Offer Curves and SPP notifications in a controlled and scripted environment before proceeding with further market trials. During the testing, TEA verified it could successfully operate within the parameters handed down by the SPP, according to Bill Clarke, RTO Implementation Manager for The Energy Authority.

"This first round of SPP readiness testing was a success," Clarke said. "Similar to how we utilized nMarket for our successful participation in the Midwest ISO market, nMarket is our cornerstone tool for use in trading, scheduling and settlement in this new Regional Transmission Organization (RTO)."

The Energy Authority is the nation's leading energy marketing organization when it comes to providing risk management and wholesale energy trading services to public power utilities. Collectively, its members own more than 18,000 MW of generating assets of all fuel types.

"The ability to communicate with SPP is a critical aspect of serving our members in and near the SPP footprint," Clarke said. "nMarket reduced the complexity of TEA's integration efforts with the RTO because the software allowed us to focus on internal system integration and other pertinent areas of operation rather than diagnosing how to communicate with SPP," he said.

The SPP Energy Imbalance Service (EIS) market will include an imbalance market for real-time energy. Locational imbalance pricing (LIP) will be utilized to ensure that the lowest cost assets offered into the SPP EIS market are dispatched. The EIS market will be settled hourly.

"nMarket's automation capability is much preferred to doing things manually," Clarke said. "I don't know how you'd function efficiently in an RTO without nMarket. For example, the software's automated settlement functions give TEA a tool for comparing SPP's settlement statements and TEA's own 'shadow' statements to check for inconsistencies.

"Another added benefit of the software," Clarke said, "is knowing nMarket adheres to current SPP business rules. We know the market design is fluid, and so we chose The Structure Group because we wanted a software partner who is proactively monitoring changes in market design. The Structure Group follows the activities of the SPP's Market Working Group (MWG), the Market Implementation Task Force (MITF), and Market Operations and Policy Committee (MOPC). In addition, the company is active in all the markets and has solutions for communicating with market operators in every region."

SPP Participant Readiness Testing was a success for Structure clients because Structure was able to translate its knowledge of wholesale energy markets into the nMarket software, according to Structure's SPP product marketing manager Scott Quin.

“As important, we were able to constantly adapt our software and support in reaction to an emerging market such that our clients were able to fully test their interaction with the SPP’s systems,” Quin said. “Ease of integration with TEA’s existing system and the proven track record of the nMarket product suite made us an attractive, low-risk solution for TEA and its members located in the SPP footprint.”

SPP is expected to administer several more phases of market trials throughout the year. Day-in-the-Life testing is currently scheduled for November and will include testing of day-ahead processes through Resource Plan validation. A third release of the product will be made available in support of Enhanced Day-in-the-Life testing scheduled for late January 2006. Enhanced Day-in-the-Life will be the first test of SPP’s upgraded systems along with the first test of Native Load Scheduling (NLS) and the settlements process. Structure’s nMarket product will fully support SPP’s EIS market and the estimation and verification of settlements. The unscripted portion of market trials is anticipated in late February leading up to the final trials and parallel operations.

About The Energy Authority

The Energy Authority is a non-profit energy marketing organization formed for public power by public power. TEA is headquartered in Jacksonville, Florida, and its members and resource management partners collectively own more than 18,500 MW of generation and purchased power assets in five NERC Reliability Regions. The company provides comprehensive resource management and optimization services to publicly owned utilities, including trading and marketing physical power and natural gas, energy risk assessment and management services, credit risk management, contract management, back-office services and more. For more information, visit www.teainc.org or send an e-mail to kwilliamsdell@teainc.org. “The Energy Authority” and “TEA” are registered trademarks of The Energy Authority, Inc.

About The Structure Group

The Structure Group is a leading provider of energy trading business solutions and consulting services to market participants in North America and Europe. Structure has experience working with organizations in all stages of the energy value chain. Structure introduced nMarket in 2000. The product assists energy organizations with the bidding, scheduling, dispatch and settlement of energy trades and ancillary services in regional power markets. There are currently more than 95 installations of nMarket, and power marketers who participate in the California, ERCOT, Midwest, New England, New York, PJM, SPP and Ontario markets are currently using the product. For more information about The Structure Group, visit www.thestructuregroup.com or contact us directly at media@scgo.com.

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