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FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 18, 2011

In Reply Refer To:
Southwest Power Pool, Inc.
Docket Nos. ER11-2711-000
ER11-2719-000
ER11-2719-001

Wright & Talisman, P.C.
1200 G Street Suite 600
Washington, DC 20005

Attention: Tyler R. Brown, Attorney for Southwest Power Pool, Inc.

Reference: Generator Interconnection Agreements

Dear Mr. Brown:

1. On January 20, 2011, and on January 21, 2011 as amended on January 31, 2011, Southwest Power Pool, Inc. (SPP) filed executed generator interconnection agreements (collectively, Interconnection Agreements) with the Commission. In Docket No. ER11-2711-000, the Interconnection Agreement¹ is between Southwestern Public Service Company (SPS), a wholly owned subsidiary of Xcel Energy Inc. as the transmission owner and Rio Blanco Wind Farm LLC (Rio Blanco) as the interconnection customer. In Docket Nos. ER11-2719-000 and ER11-2719-001, the Interconnection Agreement² is between SPS as the transmission owner and Buffalo Point Wind LLC (Buffalo Point) as the interconnection customer. SPP states that both Interconnection Agreements are being filed because they contain provisions that may not conform to SPP's *pro forma* generator

¹ Designated as Original Service Agreement No. 2152.

² Designated as Original Service Agreement No. 2141.

interconnection agreement (GIA).³ SPP requests that the Commission accept the Buffalo Point Interconnection Agreement effective December 22, 2010 and the Rio Blanco Interconnection Agreement effective January 5, 2011.

2. In each of the Interconnection Agreements, SPP proposes to include the following note in Appendix B:

*Interconnection Customer has separately submitted a request for Limited Operation pursuant to GIA Article 5.9 [Limited Operation]. If the results of the study show that Limited Operation will be possible, within 30 days after completion of the operating studies described in that Article, Interconnection Customer may request to accelerate subsequent Milestones stated in the table above. Pursuant to Article 5.9, Transmission Owner shall permit Interconnection Customer to operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of those studies until such time that higher or equally queued customers give authorization to proceed with engineering and construction. At such time, studies under Article 5.9 will need to be performed again to determine if any interconnection capacity is available for Interconnection Customer. Interconnection Service may be pro-rated or pre-empted based on such results.⁴

3. SPP explains that the language in the note will allow the interconnection customers to accelerate their Milestones and take limited service in the event that the Article 5.9 study determines that limited service is possible.⁵ SPP adds that the language further notifies the interconnection customers that in the event that the developer of a project with an equal or superior queue position elects to proceed with engineering and construction, SPP will need to conduct additional operational studies to determine the extent interconnection service can be provided to the Buffalo Point and Rio Blanco projects.⁶

³ SPP's *pro forma* GIA is contained within Appendix 6 of Attachment V of its Open Access Transmission Tariff.

⁴ Proposed Rio Blanco and Buffalo Point Interconnection Agreements, at Appendix B.

⁵ SPP, January 20, 2011 Transmittal Letter, Docket No. ER11-2711-000, at 2; SPP, January 21, 2011 Transmittal Letter, Docket No. ER11-2719-000, at 2.

⁶ *Id.*

4. In addition, SPP proposes to add the following note to Appendix B of the Buffalo Point Interconnection Agreement:

(&) These dates shall be reasonably modified by amendment to this GIA pursuant to Article 30.9, as necessary, without penalty or impairment to the Parties' rights under Article 5.16, should these proposed dates become unachievable due to regulatory, construction or procurement delays associated with the Previous Network Upgrades identified in Appendix A.2(e), and other Network Upgrades that may postpone activities necessary to complete these project milestones. Such delays of Previous Network Upgrades in Appendix A.2(e) will be reported by the Transmission Provider in its Quarterly Project Tracking Report (or its successor) and delays of the dates marked with "&" will coincide with these reported delays.

5. SPP states that the language in the note is necessary because it provides a transparent and non-discriminatory mechanism to place Buffalo Point on notice of potential delays to Milestone dates.⁷ Specifically, SPP explains that in the event that Milestone dates are delayed due to regulatory, construction, or procurement reasons, SPP will extend the Milestone dates and report delays to Previous Network Upgrades necessary for the interconnection on a quarterly basis in the Quarterly Tracking Report, which is posted on the SPP website.⁸

6. Notice of SPP's filing in Docket No. ER11-2711-000 was published in the *Federal Register*, 76 Fed. Reg. 5,572 (2011), with interventions and protests due on or before February 10, 2011. Xcel Energy Services, Inc., on behalf of its utility operating company affiliate SPS, filed a late motion to intervene on February 14, 2011. Notices of SPP's filings in Docket Nos. ER11-2719-000 and ER11-2719-001 were published in the *Federal Register*, 76 Fed. Reg. 5,572 (2011) and 76 Fed. Reg. 7,553 (2011), with interventions and protests due on or before February 11, 2011 and February 22, 2011, respectively. Xcel Energy Services, Inc., on behalf of its utility operating company affiliate SPS, filed a motion to intervene on February 14, 2011. The Commission will grant SPS's late-filed motion to intervene in Docket No. ER11-2711-000, given its interest in the proceedings, the early state of the proceedings and the absence of undue prejudice or delay. Further, pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2010), the timely, unopposed motion to intervene serves to make SPS a party to the proceeding in Docket Nos. ER11-2719-000 and ER11-2719-001.

⁷ SPP, January 21, 2011 Transmittal Letter, Docket No. ER11-2719-000, at 3.

⁸ *Id.*

7. For the reasons discussed below, we will reject SPP's request to accept the Interconnection Agreements for filing. We find that the revisions SPP proposes to Appendix B do not deviate from SPP's *pro forma* GIA and are therefore conforming provisions that need not be filed with the Commission. Appendix B of the *pro forma* GIA is expressly reserved for case-specific information pertaining to the interconnection customer's Milestones associated with its request for interconnection service. The proposed asterisked language in Appendix B references Article 5.9 of the *pro forma* GIA, which allows for limited operations of the generating facility and interconnection customer's interconnection facilities if the transmission owner's interconnection facilities or network upgrades are not reasonably expected to be completed prior to the commercial operation date of the generating facility. Here, SPP proposes to permit the customers limited interconnection service consistent with the outcome of Article 5.9 operating studies until such time that higher or equally queued customers give authorization to proceed with engineering and construction. Thus, we find that the proposed asterisked language of Appendix B is consistent with Article 5.9 of the *pro forma* GIA and is not a non-conforming provision.

8. Additionally, we find that the second note SPP proposes to add to the Buffalo Point Interconnection Agreement serves to qualify Milestone dates and makes them subject to amendment. We find that this note is consistent with Sections 5.1.1 (Standard Option), 30.9 (Amendment), and 30.10 (Modification by the Parties) of the *pro forma* GIA. Section 5.1.1 provides that the transmission owner shall use reasonable efforts to complete its interconnection facilities and network upgrades by the Milestones in Appendix B and if unable to do so, undertake reasonable efforts to meet the earliest dates thereafter. Section 30.9 provides that the Buffalo Point Interconnection Agreement may be amended by mutual agreement; similarly, Section 30.10 provides that the "Appendices to this GIA" may be amended. We also note that the interconnection customer's suspension rights are preserved under Article 5.16, if the Milestone dates are changed based on delays associated with Previous Network Upgrades or other Network Upgrades due to regulatory, construction or procurement reasons. Thus, we find that this type of explanatory note does not render the Interconnection Agreement non-conforming. Accordingly, we reject both Interconnection Agreements and require that they be included as conforming agreements in SPP's quarterly reports.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.