

136 FERC ¶ 61,119
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

August 19, 2011

In Reply Refer To:
NorthWestern Corporation
Docket No. ER11-3850-000

NorthWestern Corporation
Attn: M. Andrew McLain, Corporate Counsel
208 N. Montana Avenue, #205
Helena, MT 59601

Dear Mr. McLain:

1. On June 22, 2011, NorthWestern Corporation (NorthWestern) submitted proposed revisions to sections 13.8 and 14.6 of its Montana Open Access Transmission Tariff (OATT). The proposed revisions allow NorthWestern to perform intra-hour scheduling.
2. NorthWestern states that, since mid-2008, it has collaborated with utility groups in the Pacific Northwest in a joint initiative to pursue potential high-value, cost-effective regional electric transmission-related projects across the Western Interconnection. According to NorthWestern, part of the joint initiative's focus includes a review of current transmission service scheduling practices to facilitate a more efficient integration of variable generation resources, including wind and solar generation resources.
3. In 2009, the joint initiative participants (Participants) recommended that Western Interconnection transmission service providers (Transmission Service Providers) and balancing authorities implement intra-hour scheduling practices for transmission service to the extent a Transmission Service Provider or balancing authority is able to accept such schedules (and corresponding e-Tags) with its existing infrastructure. The practice would be allowed provided schedules would not negatively affect the reliability of the Transmission Service Provider's system. The Participants also agreed that multiple Transmission Service Providers and balancing authorities should adopt this recommendation so that intra-hour scheduling could be available for transactions across multiple systems.
4. NorthWestern maintains that it has been an active Participant and endorses the intra-hour scheduling initiative undertaken by other Participants. NorthWestern explains

that intra-hour scheduling is a valuable tool to mitigate the intra-hour fluctuations common to intermittent, variable generation resources. NorthWestern adds that intra-hour scheduling also provides greater access to generation capacity across multiple transmission systems because it allows for a greater number of scheduling increments.

5. According to NorthWestern, in recognition of the benefits of intra-hour scheduling, the Bonneville Power Administration (BPA) introduced a pilot program on December 1, 2009, that allows scheduling of renewable wind generation resources in 30-minute increments on the BPA transmission system. BPA has recently expanded the scope of its pilot program, effective June 28, 2011, to allow participation from non-wind generation resources. NorthWestern states that other utilities in the region that are part of the joint initiative, e.g., Puget Sound Energy, Portland General Electric Company, and Avista Corporation, have adopted similar practices to accommodate the pilot program. NorthWestern indicates that its proposed tariff revision will allow NorthWestern likewise to participate in the pilot program.

6. NorthWestern proposes to add revised tariff language to permit intra-hour scheduling, as authorized in and in accordance with the timeline contained in its business practices manual. NorthWestern's proposal for intra-hour scheduling will coordinate with and use the same 30-minute interval as the BPA pilot program. NorthWestern asserts that the proposed revisions to its tariff are superior to the *pro forma* OATT because intra-hour scheduling will: (1) promote greater flexibility in administering balancing authority functions, particularly with respect to variable generation resources; (2) promote greater access to generation capacity across markets because of greater uniformity of practices across those markets and due to shortened scheduling timeframes; (3) increase flexibility for transmission customers to tie their transmission needs more closely to generation and load resources; and (4) promote greater consistency and uniformity across the Northwest, where several utilities already allow for intra-hour scheduling. NorthWestern requests that the Commission accept the revised tariff, effective July 1, 2011.

7. Notice of NorthWestern's filing was published in the *Federal Register*, 76 Fed. Reg. 39,087 (2011), with protests or interventions due on or before July 13, 2011. Central Montana Electric Power Cooperative, Inc., Basin Electric Power Cooperative, and NaturEner USA, LLC filed timely motions to intervene. On August 8, 2011, PPL EnergyPlus, LLC and PPL Montana, LLC (collectively, PPL) filed a motion to intervene out of time and comments (Comments). Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2011), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2011), the Commission will grant PPL's late-filed motion to intervene given its interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

8. In its Comments, PPL states that it fully supports NorthWestern's efforts to implement intra-hour scheduling. However, it argues that NorthWestern may be limiting intra-hour scheduling to renewable wind generation projects. PPL asserts that the opportunities for intra-hour scheduling should extend to all of NorthWestern's transmission customers. PPL also states that NorthWestern's specific rules for governing intra-hour scheduling should be included in its OATT, rather than referencing its business practice manual.

9. NorthWestern's proposed tariff revisions extend the pilot program initiated by BPA, and we will not require any additional tariff revisions at this time.¹ NorthWestern's proposed intra-hour scheduling provides greater flexibility than is currently present on the transmission system and coordinates with BPA's pilot program. In addition, BPA has recently expanded the scope of its pilot program to include all generation resources, and NorthWestern's proposed tariff language similarly does not limit intra-hour scheduling solely to wind generation resources. As NorthWestern states, its proposal emulates BPA's pilot program and thus PPL's concerns about which resources are included are misplaced. Finally, we note that accepting the proposed revisions and allowing intra-hour scheduling, as adopted by other Participants in the pilot program, will promote greater access to generation capacity across multiple transmission systems, encourage greater and more efficient use of the electric transmission system, and reduce costs to customers.² Accordingly, we find that NorthWestern's proposed revised tariff, as filed, is consistent with or superior to its existing OATT because, as described above, the revisions provide greater flexibility and are improvements over the current scheduling. Therefore, we will accept NorthWestern's proposed tariff revisions as filed, effective July 1, 2011.³

By direction of the Commission

Nathaniel J. Davis, Sr.,
Deputy Secretary.

¹ Cf. *WestConnect*, 135 FERC ¶ 61,271 (2011).

² *Id.* P 8.

³ We find good cause to grant waiver of the 60-day prior notice requirement to permit an effective date of July 1, 2011. See *Central Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106, *order on reh'g*, 61 FERC ¶ 61,089 (1992).