

122 FERC ¶ 61,060  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
Philip D. Moeller, and Jon Wellinghoff.

Southwest Power Pool, Inc.

Docket Nos. ER07-1311-000  
ER07-1311-001

ORDER ACCEPTING IN PART, AND REJECTING IN PART,  
REVISED TARIFF SHEETS

(Issued January 25, 2008)

1. On August 30, 2007, Southwest Power Pool, Inc. (SPP) filed proposed revisions to its: (1) Open Access Transmission Tariff (OATT) (related to the interconnection of large generators to SPP's transmission system); (2) *pro forma* Large Generator Interconnection Agreement (LGIA); and (3) *pro forma* Large Generator Interconnection Procedures (LGIP) (August 2007 filing). SPP contends that each of its proposed tariff revisions satisfies the "independent entity variation" standard established by the Commission in Order No. 2003.<sup>1</sup> As discussed below, we will accept in part, and reject in part, SPP's proposed tariff revisions to become effective November 1, 2007 and will require a compliance filing.

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<sup>1</sup> *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 68 Fed. Reg. 49,845 (August 19, 2003), FERC Stats. & Regs. ¶ 31,146 (2003), *order on reh'g*, Order No. 2003-A, 69 Fed. Reg. 15,932 (March 26, 2004), FERC Stats. & Regs. ¶ 31,160 (2004), *order on reh'g*, Order No. 2003-B, 70 Fed. Reg. 265 (January 4, 2005), FERC Stats & Regs. ¶ 31,171 (2004), *order on reh'g*, Order No. 2003-C, 70 Fed. Reg. 37,662 (June 30, 2005), FERC Stats. 7 Regs. ¶ 31,190 (2005), *aff'd sub nom.* National Association of Regulatory Utility Commissioners v. FERC, 475 F. 3d 1277 (2007) (Order No. 2003). Briefly, the "independent entity variation" recognizes that a Regional Transmission Organization (RTO) or an Independent System Operator (ISO) has different operating characteristics depending on its size and location and is less likely to act in an unduly discriminatory manner than a Transmission Provider that is a market participant. The "independent entity variation" provides the RTO and ISO with greater flexibility to customize its interconnection procedures and agreements to fit regional needs. *See* Order No. 2003 at P 827.

## **Background**

2. On January 20, 2004, SPP filed revisions to its OATT proposing to adopt a *pro forma* LGIP and LGIA based on the Commission's Order No. 2003 *pro forma* LGIA and LGIP. The Commission accepted and suspended SPP's January 20 filing, subject to refund, and required SPP to incorporate the Order No. 2003 *pro forma* language into SPP's OATT, including the Order No. 2003 crediting provisions.<sup>2</sup> SPP submitted the required filing on April 19, 2004, which was conditionally accepted by the Commission effective April 26, 2004.<sup>3</sup> In addition, in an order issued on August 10, 2004, the Commission accepted SPP's subsequent compliance filing.<sup>4</sup>

## **The Instant Filing**

3. SPP's proposed tariff revisions generally fall into four categories: (a) converting the Commission's two-party LGIA and LGIP to three-party agreements and procedures (to recognize the structure of the SPP Regional Transmission Organization (RTO) as the Transmission Provider); (b) replacing the Order No. 2003 crediting provisions for Network Upgrades with provisions that provide financial compensation for subsequent use of certain limited Network Upgrades; (c) providing that the dispute resolution process in SPP's OATT will apply to disputes arising in connection with the interconnection process; and, (d) modifying provisions in SPP's *pro forma* LGIA and LGIP to be consistent with provisions in SPP's OATT.

4. SPP's August 2007 filing states that each of its proposed tariff revisions was developed through the SPP stakeholder process, with all interested entities able to participate in the development and approval of the proposed revisions. Further, SPP states that, based on its experience in administering the interconnection process over the last few years, among other factors, it concludes that its proposed revisions will improve upon the Commission's *pro forma* LGIA and LGIP for the benefit of all parties involved.

## **Notice of Filings**

5. Notice of SPP's August 2007 filing was published in the *Federal Register*, with motions to intervene and protests due on or before September 20, 2007.<sup>5</sup> Timely motions to intervene were filed by: the Electric Power Supply Association; American Wind Energy Association, together with the Wind Coalition (collectively AWEA); Golden Spread Electric Cooperative, Inc.; Arkansas Electric Cooperative Corporation; the East

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<sup>2</sup> See *Southwest Power Pool, Inc.*, 106 FERC ¶ 61,254 (2004).

<sup>3</sup> See *Southwest Power Pool, Inc.*, 107 FERC ¶ 61,286 (2004).

<sup>4</sup> See *Southwest Power Pool, Inc.*, 108 FERC ¶ 61,186 (2004).

<sup>5</sup> 72 Fed. Reg. 51,630 (2007).

Texas Cooperatives (consisting of East Texas Electric Cooperative, Inc., Northeast Texas Electric Cooperative, Inc., and Tex-La Electric Cooperative of Texas, Inc.); and American Electric Power Service Corporation, as agent for Public Service Company of Oklahoma and Southwestern Electric Power Company. Timely motions to intervene accompanied by comments were filed by Western Farmers Electric Cooperative (WFEC) and ITC Great Plains, LLC (ITC GP). On October 4, 2007, AWEA revised its motion to intervene to add a protest to SPP's August 2007 filing. On October 19, 2007, SPP filed an answer to the protest filed by AWEA.

6. On October 29, 2007, in response to SPP's August 2007 Filing, Commission Staff issued a deficiency letter that directed SPP to provide additional information on eight specific issues. On November 28, 2007, SPP filed a response to the deficiency letter. Notice of SPP's filing was published in the *Federal Register*, with motions to intervene and protests due on or before December 19, 2007.<sup>6</sup>

7. Timely comments in response to SPP's November 28, 2007 filing were filed by AWEA, ITC GP and WFEC. In addition, Sunflower Electric Power Corporation and Mid-Kansas Electric Company, LLC (jointly, Sunflower), filed a timely motion to intervene and comments supporting SPP's position on the direct assignment of the costs of Attachment Facilities.

## **Discussion**

### **A. Interventions**

8. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,<sup>7</sup> the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Although AWEA's motion to admit its protest was filed after the comment period, the Commission will accept it, given the early stage of the proceeding, and the absence of undue prejudice or delay to other parties from acceptance. Moreover, while AWEA's motion to admit its protest was filed after the initial comment period, it was filed prior to the expiration of the additional comment period afforded when notice was given of SPP's October 29, 2007 filing.

9. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure,<sup>8</sup> prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. The Commission will accept SPP's answer to AWEA's late-filed protest, as it has provided information that assisted the Commission in its decision-making process.

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<sup>6</sup> 72 Fed. Reg. 70,322 (2007).

<sup>7</sup> 18 C.F.R. § 385.214 (2007).

<sup>8</sup> 18 C.F.R. § 385.213 (a)(2) (2007).

## **B. SPP's Proposed Tariff Revisions**

10. As discussed below, the Commission will accept a number of SPP's proposed changes and will reject others. Most of these changes are warranted under the "independent entity variation" outlined in Order No. 2003 and supported by SPP's operating characteristics as an independent RTO. Under this standard, the Commission will permit RTOs and ISOs the flexibility to deviate from the *pro forma* LGIP and LGIA to meet regional needs.<sup>9</sup>

### **1. Conversion from Two-party to Three-party Documents**

11. SPP states that its *pro forma* LGIA and LGIP are two-party documents that contemplate that the Transmission Provider and the Transmission Owner would be one entity. SPP explains that, under the SPP RTO structure, it is the sole Transmission Provider on behalf of 13 separate Transmission Owners. SPP states that, with regard to interconnections, both SPP and the affected Transmission Owner have separate roles. Thus, SPP argues, SPP's *pro forma* LGIP and LGIA should both be revised to reflect the rights and responsibilities of both SPP and its Transmission Owners. SPP states that its August 2007 proposed tariff revisions include the necessary OATT modifications that define SPP's and the Transmission Owners' respective roles. Specifically, SPP proposes that the Transmission Provider and the Transmission Owner, along with the Interconnection Customer, be parties to the interconnection agreement. This change results in agreements that are three-party in nature, setting forth the rights and responsibilities of SPP, the Transmission Owners and the Interconnection Customers.

### **Commission Determination**

12. We accept this proposal reflecting the three-party nature of the agreements under the SPP RTO and find it consistent with the "independent entity variation" standard. In Order No. 2003, the Commission recognized that in an RTO or ISO, where the transmission provider is not the transmission owner, the RTO or ISO's compliance filing may propose a modified interconnection agreement that provides different respective rights and obligations in the region.<sup>10</sup>

### **2. Pricing Policy for Upgraded Facilities**

13. In Order No. 2003, the Commission required that Interconnection Customers pay initially the full cost of Interconnection Facilities and Network Upgrades that would not be needed but for the interconnection.<sup>11</sup> The costs of Interconnection Facilities on the

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<sup>9</sup> See Order No. 2003 at P 26, 28, 32, 24, 92, 698-703 and 822-24.

<sup>10</sup> See Order No. 2003 at P 909.

<sup>11</sup> See Order No. 2003 at P 694.

generator's side of the point of interconnection are directly assigned to Interconnection Customers with no credits for those costs.<sup>12</sup> The costs of Network Upgrades are refunded, with interest, to the generator through transmission service credits, and if necessary, a lump-sum payment after 20 years.<sup>13</sup> On August 10, 2004, the Commission accepted the Order No. 2003 crediting mechanism for SPP.<sup>14</sup>

14. In the instant filing, SPP proposes to adopt an interconnection pricing policy under Order No. 2003's "independent entity variation" standard. SPP proposes to amend Article 11.4.1 of its LGIA to remove the provisions for Order No. 2003 crediting and provide for financial compensation in accordance with Attachment Z. Under Attachment Z, transmission customers that pay for Network Upgrades receive revenues from new transmission service that makes use of the Network Upgrades.<sup>15</sup> Any revenues received from such new transmission service flow to the funding transmission customer until the funding customer is fully compensated for the costs of the Network Upgrades.<sup>16</sup> SPP proposes to remove the provision in the LGIA that would require full reimbursement of all amounts advanced by the Interconnection Customer for Network Upgrades within 20 years of the operation date of the upgrade.<sup>17</sup> Attachment Z does not guarantee full reimbursement; rather, it provides financial compensation to the funding customer when use is made of the Network Upgrades funded by the customer.

15. Additionally, SPP proposes to amend Articles 12.2.2 and 12.2.3 of its LGIP to create different cost allocation and financial reimbursement mechanisms for two categories of Network Upgrades. SPP proposes that Interconnection Customers will be entitled to reimbursement for Stability Upgrades, defined as Network Upgrades that are

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<sup>12</sup> *But see California Indep. Sys. Oper. Corp.*, 119 FERC ¶ 61,061 (2007) (granting petition for declaratory order seeking conceptual approval of a new mechanism to finance the construction of interconnection facilities to connect location-constrained resources to the CAISO-controlled grid).

<sup>13</sup> *See* Order No. 2003-B at P 35.

<sup>14</sup> *See Southwest Power Pool, Inc.*, 108 FERC ¶ 61,186 (2004).

<sup>15</sup> Attachment Z provides aggregate transmission service study procedures as well as certain cost allocation and cost recovery provisions for Network Upgrades. *See Southwest Power Pool, Inc.*, 110 FERC ¶ 61,028 (order accepting and suspending subject to refund and further Commission orders Attachment Z cost allocation and cost recovery provisions); *Southwest Power Pool, Inc.*, 111 FERC ¶ 61,118 at P 71-72 (order conditionally accepting cost allocation and cost recovery provisions of Attachment Z), *order on reh'g and compliance*, 112 FERC ¶ 61,319 (2005).

<sup>16</sup> Attachment Z, Section VII.

<sup>17</sup> LGIA, Section 11.4.1, Superseding Original Sheet No. 514.

required for stability of the generating facility and the transmission system, in accordance with Attachment Z. For Attachment Facilities, defined as Network Upgrades required to interconnect the generating facility to the existing Transmission System or extensions of the existing Transmission System, SPP proposes that the Interconnection Customer would not be eligible for reimbursement of the costs it paid for these Network Upgrades. SPP states that Attachment Facilities are a narrow category of facilities around the point of interconnection, such as ring busses or switchyard facilities that are sole-use facilities of the Interconnection Customer.

16. SPP states that assigning the costs of Attachment Facilities directly without crediting or future reimbursement represents a reasonable balance between the interests of transmission owners and Interconnection Customers. SPP also states that, in order to carry out the Order No. 2003 crediting approach, transmission owners need to receive incremental transmission revenues that can be used to provide credits. Otherwise, SPP contends, under the SPP RTO structure, there will be inadequate incremental revenues.<sup>18</sup> SPP states that the scope of the Attachment Facilities that would be paid for by Interconnection Customers and for which reimbursement under Attachment Z would not be available, is limited.

### **Comments and Protests**

17. WFEF supports SPP's proposed revisions related to the direct assignment of the costs of Attachment Facilities, stating that SPP's proposal reflects a reasonable balance among the interests of generators, transmission customers, transmission owners, and the load that ultimately bears the costs of the Attachment Facilities. WFEF also states that SPP's proposal would help ameliorate the problem of inadequate incremental revenues for transmission crediting purposes.<sup>19</sup>

18. ITC GP objects to SPP's proposal to assign the entire cost of certain Network Upgrades to interconnecting generators. However, while it objects, ITC GP also states that it will not protest the filing. ITC GP states that interconnecting generators that meet certain prerequisites, (*e.g.*, designation as a Network Resource or a power purchase agreement of one year), should be reimbursed for the cost of all Network Upgrades. ITC GP argues that SPP's proposal will have a detrimental impact on the development of new generation within SPP. ITC GP further argues that full reimbursement for Network Upgrades would "level the playing field" between generation constructed by incumbent utilities, which can recover the un-reimbursed cost of interconnection through regulated retail rates and generation constructed by independent entities, which have no such rate recovery mechanism.<sup>20</sup> ITC GP requests that the Commission's determination in this

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<sup>18</sup> SPP Transmittal Letter at 6-8.

<sup>19</sup> WFEF Comments at 3-5.

<sup>20</sup> ITC GP Comments at 3-4.

proceeding be without prejudice to subsequent revisions to the SPP OATT proposed by independent transmission companies under which Interconnection Customers would be reimbursed fully for the cost of Network Upgrades that meet certain prerequisites.

19. AWEA objects that there is no actual regional need for this revision and that the only reason SPP would lack incremental revenues to fund crediting is because it proposes not to roll-in the costs of these network upgrades into its cost-of-service network transmission rate. AWEA argues that, if the cost of these facilities is added to the revenue requirement for SPP's cost-of-service transmission rate, then SPP would have the additional revenues to credit the interconnecting generator for its initial funding of these facilities.<sup>21</sup> AWEA argues that SPP's proposed revision is not needed because Attachment Facilities are, by definition, *Network Upgrades*, and distinct from radial or generation-tie facilities. AWEA maintains that, for decades, the Commission has adhered to the general principle that such network facilities should not be directly assigned to individual customers because all customers benefit from the integrated network.<sup>22</sup>

20. In addition, AWEA distinguishes SPP's proposal from that approved by the Commission in a proceeding involving the Midwest Independent Transmission Operator, Inc. (Midwest ISO) in which the Commission approved Midwest ISO's proposal to split the costs 50-50 between the interconnecting generator and the other network customers.<sup>23</sup> Moreover, AWEA references two recent Midwest ISO orders in which the Commission, in separate cases, allowed ATC and ITC to reimburse generators for the full cost of their upgrades under certain circumstances, which marked a departure from the Midwest ISO's general structure providing for a 50-50 split of interconnection costs.<sup>24</sup> AWEA argues that SPP's proposal for the interconnection costs to be borne totally by the interconnecting generator is contrary to the approach approved by the Commission in the ATC and ITC Orders because it would not result in any cost-sharing, much less a 50-50 split of costs between the interconnecting generator and the other network customers as provided in Midwest ISO's tariff.

21. Finally, according to AWEA, SPP's rationale (that its proposal promotes economic efficiency) is flawed. AWEA argues that because these Attachment Facilities are not the type that will vary by the location of the generator, they cannot provide an incentive for a generator to locate in a more economically efficient location. AWEA also

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<sup>21</sup> AWEA Protest at 5.

<sup>22</sup> *Id.* at 6.

<sup>23</sup> *Midwest Independent Transmission System Operator, Inc.*, 108 FERC ¶ 61,027 (2004).

<sup>24</sup> *See American Transmission Company LLC*, 120 FERC ¶ 61,221 (ATC Order); *International Transmission Company*, 120 FERC ¶ 61,220 (2007) (ITC Order).

argues that location-constrained renewable resources such as wind and solar generators cannot respond to incentives to choose more economically efficient locations, because these generators must be sited where the resources are located.

### **SPP Answer**

22. In its answer, SPP states that its August 30 filing demonstrates that its proposal is consistent with Commission policy. With regard to the Midwest ISO orders cited by AWEA, SPP states that the Commission made clear in those orders that it would not impose Midwest ISO's approach on others.<sup>25</sup> SPP further states that, in approving Midwest ISO's revised cost allocation, the Commission did not indicate that it was overriding the Commission's policy permitting RTOs to propose different methods of addressing interconnection pricing issues.

### **Deficiency Letter and SPP Responses**

23. In the October 29 Deficiency Letter, Commission Staff requested that SPP further explain a number of issues related to its crediting mechanism for assigning the costs of Network Upgrades associated with Interconnection Facilities directly to the Interconnection Customer. SPP responds that its proposed treatment of Interconnection Facilities, Attachment Facilities, and Stability Upgrades is set out in its proposed LGIP/LGIA revisions, and that any Network Upgrade not classified as an Attachment Facility would be deemed to be associated with transmission delivery service. SPP states that the cost of such upgrades will be allocated in accordance with the provisions of Attachment Z.

24. SPP also responds that Interconnection Customers funding network upgrades will have the same rights as any Transmission Customer funding Network Upgrades; payment of credits to the Interconnection Customer, pursuant to Attachment Z, for all subsequent incremental utilization of any Stability Upgrade paid for by the Interconnection Customer. SPP argues that the opportunity to receive financial compensation for a Stability Upgrade pursuant to Attachment Z fulfills the Commission's vision in Order No. 2003 by giving customers the ability to receive a valuable right to revenue derived from Network Upgrades in return for the direct payment of upgrade costs. SPP further claims that when the upgrades are located in areas that benefit the transmission system the most, Interconnection Customers receiving financial compensation pursuant to Attachment Z, have the potential to be paid at a faster rate than the SPP's Order No. 2003 crediting mechanism.

25. While SPP's Attachment Z refers solely to Requested and Economic Upgrades associated with transmission delivery service, SPP states that credits for subsequent

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<sup>25</sup> See ATC Order, 120 FERC ¶ 61,221 at P38; ITC Order, 120 FERC ¶ 61,220 at P35.

incremental use of any Stability Upgrade paid for by the Interconnection Customer would be determined in a manner similar to the process used for subsequent incremental use of Economic Upgrades. SPP further responds that it is willing to modify the language in Attachment Z to include provisions of credits for Stability Upgrades in a compliance filing.

26. SPP reiterates that its treatment of Attachment Facilities is consistent with Order No. 2003 because Attachment Facilities are believed to be sole-use facilities. SPP states that, while it does not expect there to be a subsequent interconnection to Attachment Facilities, it recognizes the possibility this may occur. SPP states that it is willing to file modifications to its proposal to allow for sub-allocation or proration of the costs of Attachment Facilities to address potential future uses of such upgrades.

### **Comments on SPP's Deficiency Response**

27. AWEA and ITC GP argue that SPP's submittal is inadequate and that, because Attachment Facilities are Network Upgrades by definition, the Commission should not allow SPP to directly assign the costs of such facilities without the opportunity to receive transmission credits.

28. WFEA and Sunflower agree with SPP that Attachment Facilities are sole-use facilities that would not be necessary but for the interconnecting generator's request to interconnection. They contend that SPP has correctly observed that, without the proposed changes concerning direct assignment of the costs of Attachment Facilities, there will be insufficient incremental revenues for the SPP Transmission Owners to provide the refunds to interconnecting generators. Sunflower further states that a mechanism that provides for the Interconnection Customer to advance the costs for Network Upgrades then recover those costs, with interest, through credits and refunds works well where a single transmission owner's system is used or an RTO has a single rate structure. However, Sunflower contends that this approach is not equitable in the SPP system in which essentially all load is Network Load that is forced to pay for credits for Network Upgrades that do not benefit the load.<sup>26</sup> Sunflower claims that its customers are facing significant rate increases due to wind generators interconnecting on their small, rural transmission system that sell their output primarily to distant urban systems.<sup>27</sup>

29. Similarly, WFEA states that a generation project located on WFEA's system has constructed approximately \$2 million in what would be Attachment Facilities under SPP's proposed changes. WFEA states that the electrical output from the project will be purchased by AEP for load on AEP's system. However, WFEA contends that under SPP's current approach, SPP must provide transmission credits for the \$2 million in

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<sup>26</sup> Sunflower Comments at 5.

<sup>27</sup> *Id.* at 6-7.

upgrades, and it will look to WFEC to fund the credits because the upgrades are located in WFEC's zone, even though its native load did not require the Attachment Facilities or benefit from them.<sup>28</sup>

### **Commission Determination**

30. The Commission conditionally accepts SPP's proposal to allocate the costs of Network Upgrades to Interconnection Customers and provide for reimbursement of those costs pursuant to its Attachment Z mechanism as consistent with the Commission's interconnection pricing policy. In Order No. 2003, the Commission found that objections to its crediting policy were valid and warranted a flexible approach. Therefore, the Commission permitted, in limited circumstances, the use of participant funding for Network Upgrades for generator interconnections. The Commission noted that it would allow interconnection pricing policies implemented by independent Transmission Providers "in which the Interconnection Customer bears the costs of all facilities and upgrades that would not be needed but for the interconnection of the new Generating Facility and receives valuable transmission rights in return. . . ."<sup>29</sup> We find that SPP's proposal to provide Interconnection Customers funding Network Upgrades with financial compensation from subsequent uses of those upgrades is consistent with the Commission's interconnection pricing policy. Pursuant to SPP's proposal, Interconnection Customers will pay the 'but for' costs of the interconnection and in return receive a valuable right to future revenues when the Network Upgrades funded by the customer are used by other customers. We agree with SPP that the right to receive these revenues on an accelerated basis as compared with the timeframe for receiving credits under Order No. 2003 benefits Interconnection Customers that fund upgrades.

31. However, we find that although SPP expresses in its transmittal letter and deficiency response its intention to allow for reimbursement of Network Upgrades through Attachment Z, it has failed to submit in this filing the necessary modifications to Attachment Z that would allow Interconnection Customers the opportunity to receive reimbursement for the Network Upgrades they fund. Attachment Z does not refer to either category of Network Upgrades, the costs of which will be assigned to Interconnection Customers, nor does it refer to Interconnection Customers. Rather, Attachment Z pertains to the study, cost allocation and cost recovery provisions for transmission service. Thus, we direct SPP to modify Attachment Z to clarify that Network Upgrades associated with generator interconnection requests are eligible for crediting under Attachment Z in a manner similar to the financial compensation process used for subsequent incremental use of Economic Upgrades. Accordingly, we direct SPP to make a compliance filing within 30 days of the date of issuance of this order to amend Attachment Z to make this clarification.

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<sup>28</sup> WFEC Comments at 5.

<sup>29</sup> See Order No. 2003 at P 695.

32. Additionally, we reject SPP's proposal to exclude Attachment Facilities from financial reimbursement under Attachment Z. As AWEA points out, Attachment Facilities are, by definition, Network Upgrades, and an Interconnection Customer that pays the 'but for' costs of Network Upgrades should, in return, have the ability to receive compensation, or some other valuable right, for subsequent use of the Network Upgrade it funded. SPP states that Attachment Facilities are sole-use facilities, but also expresses some uncertainty as to that fact.<sup>30</sup> Additionally, SPP is willing to modify its tariff to provide for sub-allocation of the costs of Attachment Facilities in the event that these facilities are used by subsequent customers. Given this implicit admission that subsequent use by others may occur, we believe it is appropriate to allow for financial compensation through Attachment Z for Attachment Facilities. Further, because we direct that Attachment Facilities and Stability Upgrades receive the same opportunity for financial compensation through Attachment Z, we see no need for a distinction between these types of Network Upgrades.<sup>31</sup> Thus, we reject the distinction proposed by SPP between Stability Upgrades and Attachment Facilities and direct SPP to remove this distinction from its OATT, LGIP and LGIA in the compliance filing ordered herein.

33. WFEA and Sunflower express support for SPP's proposal to directly assign the cost of Attachment Facilities to an Interconnection Customer without credits because, they state, under SPP's current Order No. 2003 pricing provisions, load that does not benefit from certain interconnection facilities may be required to bear the costs of those facilities by funding credits to the Interconnection Customer. We note that SPP's proposed interconnection pricing mechanism abandons the Order No. 2003 crediting approach and adopts a pricing policy where an Interconnection Customer directly assigned the cost of a Network Upgrade is provided the opportunity to receive financial compensation for a customer's subsequent use of that facility, pursuant to SPP's Attachment Z. SPP's proposal does not guarantee that an Interconnection Customer will receive any compensation for its Network Upgrade investment. Furthermore, only customers subsequently using the additional capacity created by a Network Upgrade will pay for the Network Upgrades funded by the Interconnection Customer. If certain Network Upgrades are sole-use facilities, as SPP advocates, then Interconnection Customers would receive no compensation from subsequent use of those facilities for their investment. Accordingly, the Commission's rejection of SPP's proposal to treat

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<sup>30</sup> See SPP Deficiency Response at 3.

<sup>31</sup> We note that SPP's proposal is inconsistent with the interconnection pricing provisions that the Commission accepted for the Entergy System under the "independent entity variation" standard. See *Entergy Services, Inc.*, 115 FERC ¶ 61,095 at P 159-168, *order on reh'g*, 116 FERC ¶ 61,275 at P 76-147 (2006). Entergy's pricing provisions allow for the opportunity to receive financial compensation for all Network Upgrades an Interconnection Customer funds, including facilities similar to those SPP has labeled Attachment Facilities.

Attachment Facilities and Stability Upgrades differently with regard to financial compensation will not result in any party paying credits for a Network Upgrade it does not use.

34. We also find that SPP has failed to explain the connection between the loss of point-to-point transmission revenue and an inability to provide compensation or credits for Network Upgrades under its Attachment Z. Nor has SPP explained why a loss of point-to-point revenues should drive interconnection pricing policy for independent entities. SPP puts forward a proposal that would provide an opportunity to an Interconnection Customer to recover its Network Upgrades costs, but at the same time, provides no guarantee of any cost recovery if there are no subsequent uses of the Network Upgrades. Thus, the risk of loss of point-to-point revenues in this case falls on the Interconnection Customer that decides to fund Network Upgrades rather than on Transmission Owners within SPP.

### **3. LGIA Article 11**

35. SPP proposes the addition of a new Article 11.3.1 to its LGIA to reflect the new facility categories of Attachment Facilities and Stability Upgrades. This Article provides for contingencies affecting Attachment Facilities, Stability Upgrades and Distribution Upgrades wherein SPP may modify a customer's responsibility for interconnection costs based on changes in interconnection requests higher in the queue. In addition, SPP proposes a new Article 11.3.2 providing for an Agreement to Restudy if, at any time before the Attachment Facilities, Stability Upgrades, System Protection Facilities and/or Distribution Upgrades associated with higher queued interconnection requests are completed, the Transmission Provider determines restudy is required because of modifications necessitated by various changes specified in the Article.

### **Comments and Protests**

36. AWEA objects to SPP's proposal to add Articles 11.3.1 and 11.3.2. According to AWEA, these provisions to the LGIA would require the Interconnection Customer to accept modifications to the interconnection facilities, and these modifications could increase the interconnecting customer's cost responsibility. Moreover, these modifications and concomitant cost responsibility would be imposed when those modifications occur even after execution of the LGIA. AWEA avers that such continuing uncertainty will almost certainly increase financing costs or make it difficult to obtain financing for the generation project.

### **Commission Determination**

37. The Commission rejects as unsupported SPP's proposed addition of Articles 11.3.1 and 11.3.2. SPP has not provided adequate justification for the proposed changes nor has SPP shown that the proposed changes would improve the reliability of its

transmission system. SPP also has not shown that this variation is necessary to address a specific regional need. Accordingly, we will reject these changes.

#### **4. Dispute Resolution Provisions**

38. SPP states that it proposes revising its OATT, as well as its LGIA and LGIP, to refer only to the dispute resolution provisions in section 12 of its OATT. As a result, SPP will provide only one dispute resolution procedure applicable to transmission service. SPP states that administering and maintaining only one dispute resolution procedure results in administrative efficiency. There were no adverse comments on this proposal.

#### **Commission Determination**

39. We accept this proposal under the “independent entity variation” standard and as consistent with a similar provision accepted for the Midwest ISO.<sup>32</sup>

#### **5. Definitions**

40. SPP proposes to modify “Generation Interconnection Customer” in the LGIP to delete the word “Generation,” so that the resulting term is “Interconnection Customer.” SPP states that this change is necessary for consistency with its revised LGIA and LGIP.

41. SPP also proposes revising the definition of “Distribution System” to pertain to the Transmission Owner’s facilities and equipment that are not included in SPP’s Transmission System. SPP’s Transmission System is defined in Attachment AI (Transmission Definition) of its OATT. As a result, all other facilities of a Transmission Owner are, by exception, distribution facilities.

42. SPP proposes adding language to the definition of “Emergency Condition” to include a condition or situation that, in the case of a Transmission Owner, is imminently likely, as determined in a non-discriminatory manner, to cause a material adverse effect on the security of, or damage to the Transmission Owner’s interconnection facilities. SPP states that this change is necessary to reflect the fact that SPP and the Transmission Owner are separate entities.

43. In its October 29, 2007 submittal, SPP addresses its proposed modification of the definition of “Interconnection Customer” in the LGIA, rather than its proposed modification of the term “Generation Interconnection Customer” in the LGIP, as the Commission requested.<sup>33</sup> SPP states that the definition of “Interconnection Customer”

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<sup>32</sup> See *Midwest Independent Transmission System Operator, Inc.*, 108 FERC ¶ 61,027, at P172, *order on reh’g*, 109 FERC ¶ 61,085 at P 69 (2004) (Midwest ISO orders).

<sup>33</sup> See SPP Response Deficiency Letter at 4.

has been modified to exclude the Transmission Provider as an entity, because the Transmission Provider is the SPP RTO, who is never a customer.

### **Commission Determination**

44. We reject SPP's proposed modification to the term "Generation Interconnection Customer" in the LGIP.<sup>34</sup> SPP's stated reason for making the change is for consistency with its *pro forma* OATT. This is not sufficient to justify the proposed variation.<sup>35</sup> However, the Commission finds that SPP has justified its proposed revised definitions of "Emergency Condition," "Distribution System," and "Interconnection Customer" in the LGIA<sup>36</sup> under the "independent entity variation" standard.<sup>37</sup> SPP's proposed definitions are similar to those of the Midwest ISO, which the Commission accepted in the Midwest ISO's Order No. 2003 compliance filing.<sup>38</sup> In addition, because SPP's Attachment AI defines Transmission Facilities, we conclude that it is reasonable to define Distribution System as those facilities not included in the transmission system.

### **6. Article 4 (Appendix A)**

45. SPP proposes that Articles 4.1.1.1 and 4.1.2.1 reference Appendix A rather than "Attachment A," as is now the case. SPP states this correction tracks its *pro forma* OATT.

46. SPP also proposes replacing the term "congestion" in Article 4.1.2.2 with "additional" in the context of costs. SPP states that deliveries to specific loads under SPP's OATT may require payment of other, or "additional," charges under SPP's cost allocation process or SPP's real-time energy imbalance service market.

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<sup>34</sup> See SPP OATT proposal, First Revised Sheet No. 19.

<sup>35</sup> While we reject this proposed revision by SPP, we accept several other proposed revisions by SPP (see P 39 and P 63) where SPP also argues that the revisions were made to achieve consistency with the *pro forma* tariff. Consistency with the OATT alone will not justify a change that is protested. However, in these other instances, other factors were also at play. For example, in P 39 we note that the change is consistent with the independent entity variation and in P 63 we find that the revision is also consistent with Order No. 2003.

<sup>36</sup> See *id.* at First Revised Sheet Nos. 464 and 466.

<sup>37</sup> See *Midwest Independent Transmission System Operator, Inc., order on compliance filing*, 117 FERC ¶ 61,363 at P 17-19 (2006).

<sup>38</sup> See Midwest ISO orders cited in n.21 *supra*.

### **Commission Determination**

47. We accept SPP's proposal to change the reference in Articles 4.1.1.1 and 4.1.2.1 to Appendix A so that this reference is consistent with its *pro forma* OATT. In addition, this change is consistent with the "independent entity variation" standard.

48. We reject SPP's proposed modifications of Article 4.1.2.2 because SPP's stated reason for making the changes is not sufficient to justify the proposed variation. In addition, we note that SPP deleted additional portions of Article 4.1.2.2 without explanation. Therefore, we reject these revisions as unsupported.<sup>39</sup>

### **7. Article 5 (Construction of Facilities to Transmission Owners Specifications) and Article 24 (Information Requirements)**

49. SPP proposes removal of any reference to the "Alternate Option" in Article 5.1 stating that it has concluded Transmission Owners should not be subjected to liquidated damages arrangements as outlined in Alternate Options section. SPP submits that the appropriate remedy for the Interconnection Customer when a Transmission Owner is unable to meet the customer's timeline is the Option to Build or the Negotiated Option (Articles 5.1.2 and 5.1.3, respectively).

50. SPP proposes adding language to Article 5.1.2 to require Interconnection Customers to construct the Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades in accordance with the Transmission Owner's material and equipment specifications, its design criteria and construction practices, because these facilities will be transferred to the ownership of the transmission owner or otherwise must operate together with the Transmission Owner's facilities. SPP contends this change will assure reliable operation of the facilities under local circumstances.

51. SPP also proposes adding language to Article 5.2(8) to require Interconnection Customers to transfer ownership of the Transmission Owner's Interconnection Facilities and Stand-Alone Network Upgrades to the Transmission Owner not later than the In-Service Date. SPP proposes adding language to Article 5.2(11) to require the Interconnection Customer to deliver to the Transmission Owner "as-built" drawings, information and other required documents necessary to assure the facilities are built to the standards and specifications required by the Transmission Owner within 120 Calendar Days after Commercial Operation date. SPP asserts these changes would establish a specific deadline by which the transfers must be made.

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<sup>39</sup> See Southwest Power Pool FERC Electric Tariff Fifth Revised Volume No. 1 Proposed First Revised Sheet Nos. 477 and 478.

52. SPP also proposes adding language to Article 5.2(11) to provide that, within six months after the Interconnection Customer completes construction of its portions of the Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades as specified in Appendix A, the Interconnection Customer will notify SPP and the Transmission Owner of the applicable cost for that entity's portion of the facilities. SPP states this revision would enable the settlement of accounts with the transfer of title to the facilities constructed by the Interconnection Customer.

53. SPP proposes modifying Article 5.5.1 to title the interconnection agreement as the "Interconnection Facilities Study and the Interconnection Facilities Study Agreement." SPP states this revision properly identifies the title of the agreement.

54. SPP proposes adding language to Article 5.7 requiring that if the Interconnection Customer determines completion of Network Upgrades will not be required until after the In-Service Date, it will provide written notification to SPP and the Transmission Owner of such later date. SPP submits that the parties should advise one another about all upgrades, not just the interconnection facilities.

55. SPP also proposes adding a new Article 5.10.4 requiring the Interconnection Customer to provide specific updated information no later than 180 calendar days prior to the Initial Synchronization Date. SPP states that if the updated information is materially different than what was originally provided, SPP will conduct appropriate studies to determine the impact on the Transmission System based on actual data. These provisions were previously accepted in Article 24.3.

56. In addition, SPP proposes a new Article 5.10.5 detailing additional information supplementation requirements so that SPP models will reflect actual equipment installed along with its characteristics. SPP states this will enable SPP to maintain accurate models of its Transmission System, which is essential for reliable operation and effective planning. These provisions were previously accepted in Article 24.4.

57. SPP proposing revising Article 5.11 to require the Transmission Owner's Network Upgrades to be designed and constructed in accordance with Good Utility Practice. SPP submits that all facilities constructed by the Transmission Owner should be done according to such standards.

58. Additionally, in Article 5.11, SPP proposes language providing that the Transmission Owner will obtain ownership of its Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities. SPP states that the LGIA should be clear that ownership and control of such facilities will be conveyed to the Transmission Owner.

59. SPP proposes deletion of language from Article 5.14 requiring SPP or the Transmission Owner to provide permitting assistance to the Interconnection Customer comparable to that provided to the Transmission Owner's own generation. SPP contends that the stakeholders' responsibility should be limited to cooperation with the efforts of the Interconnection Customer to obtain permits, licenses and rights of way. SPP believes the Transmission Owners should not be required to act on behalf of the Interconnection Customer because Transmission Owners would need to represent themselves.

60. SPP proposes adding language to Article 5.16 clarifying that the Interconnection Customer may request more than one suspension provided the cumulative duration of the suspensions does not exceed three years. SPP contends this is consistent with Order No. 2003.

61. SPP proposes revising Article 5.19.1 requiring any Party planning to make modifications to its facilities that reasonably may be expected to affect another Party's facilities to provide relevant drawings, plans and specifications to the other Parties at least 180 Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties agree. SPP states that the additional time is necessary to properly plan and review the impacts of any contemplated modifications.

62. SPP also proposes the deletion of Article 24 (Information Requirements) in its entirety. SPP states that the provisions have been incorporated into Article 5 of the LGIA.

### **Protest**

63. AWEA objects to SPP's elimination from Article 5.1.2 of the Alternate Option (which provides for a contractually binding mutually agreed upon In-Service date and liquidated damages to protect the generator in the event of the Transmission Provider's unexcused failure to complete upgrades by the in-service date). AWEA argues that SPP has offered insufficient justification for this change and that SPP's desire to avoid any real consequences for unexcused delays does not justify eliminating the Alternate Option.

64. AWEA also objects to SPP's elimination of the obligation to file monthly reports from LGIA Article 5.7 – Work Progress. AWEA asserts that this obligation is appropriate for inclusion in Section 5.7, which in SPP's current proposal requires only a "periodic" progress report without specifying the information to be included in such report.

65. AWEA objects to SPP's proposal to eliminate the requirement in LGIA Article 5.14 – Permits to "provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation." AWEA argues that this is contrary to the core principle of reciprocity. AWEA argues that SPP's justification of this change (that Transmission Owners should not be required to "act on

behalf” of the customer to the extent the Transmission Owner would “represent themselves”) is unavailing.<sup>40</sup> In AWEA’s view, SPP’s statement is disingenuous, because the deleted language does not refer to “representation” or “acting on behalf” of the customer, but rather the obligation to provide comparable “*permitting assistance*.” AWEA argues that, if SPP needs to add clarification to avoid confusion between assistance and representation, it can do so, but it should not be permitted to remove the reciprocity requirement altogether.

66. AWEA also objects to SPP’s proposal to revise LGIA Article 5.19.1. SPP proposes to change from 90 to 180 days, the notice requirement by either party to the other of plans to modify its facilities. SPP contends without explanation that “the additional time is necessary to properly plan and review the impacts of any contemplated modifications.” AWEA asserts that 180 days seems unnecessary, and that the existing 90 day requirement is more appropriate.

67. In addition, as to SPP’s proposal to delete Article 24, its October 29, 2007 submittal SPP reiterates that the provisions of Article 24 have been moved and incorporated into Article 5 of the LGIA.

### **Commission Determination**

68. We accept SPP’s proposal to remove reference to the “Alternate Option” in Article 5 under the “independent entity variation” standard. Order No. 2003 states that the Transmission Provider may decline the use of the Alternate Option.<sup>41</sup> Even in the absence of the Alternate Option, if a Transmission Owner is unable to meet the customer’s timeline, then the customer may utilize the Option to Build. Under this option, the Interconnection Customers may assume responsibility for the construction of the Transmission Provider’s Interconnection Facilities and Stand Alone Network Upgrades. A customer may also use the Negotiated Option which provides that if the Transmission Provider notifies the Interconnection Customer that it cannot meet the dates established by the Interconnection Customer, and the Interconnection Customer does not want to assume responsibility for construction, the Interconnection Customer may enter negotiations to revise the construction completion dates.<sup>42</sup>

69. We reject SPP’s proposed additional language to Article 5.1.2 requiring Interconnection Customers to construct the Transmission Owner’s Interconnection Facilities and Stand Alone Network Upgrades in accordance with the Transmission Owner’s material and equipment specifications, its design criteria and construction practices as redundant. SPP has not demonstrated that the change is necessary to

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<sup>40</sup> SPP Transmittal Letter at 13.

<sup>41</sup> See Order No. 2003 at P 352-353.

<sup>42</sup> See Order No. 2003 at P 353-354.

accommodate regional reliability practices. Under Article 5.2, the Interconnection Customer must use Good Utility Practice and the standards and specifications provided in advance by the Transmission Provider.<sup>43</sup> Therefore, the Commission finds that this change is not required for regional flexibility and is not superior to or consistent with the *pro forma* LGIA.

70. We also reject the revisions proposed for Article 5.2(8) which requires transfer of ownership by the In-Service Date. Order No. 2003 does not require that the Interconnection Customer transfer ownership of the Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to the Transmission Provider upon completion. The Commission requires only the transfer of control of such facilities. The Commission states that reliability does not require ownership, but does require control by the Transmission Provider.<sup>44</sup> We further reject SPP's proposed revisions to Article 5.2(11). SPP has provided no justification that reliability will be enhanced by requiring the Interconnection Customer to provide as-built drawings and other assurances that the facilities are built to specifications within a certain time frame.

71. We accept SPP's proposed revision to Article 5.5.1 changing the title of the "Interconnection Facilities Study Agreement" and SPP's proposal regarding Article 5.7 requiring written notification by the Interconnection Customer if completion of facilities will not be necessary by the In-Service Date under the "independent entity variation" standard. The revisions are consistent with SPP's OATT and the proposed Article 5.7 tracks the language of Order No. 2003.<sup>45</sup>

72. We accept SPP's unprotested revisions to Article 5.10.4 requiring the Interconnection Customer to provide specific updated information no later than 180 calendar days prior to the Initial Synchronization Date under the "independent entity variation" standard.

73. We accept SPP's new Article 5.10.5 detailing additional information requirements under the "independent entity variation" standard. These revisions enable SPP models to reflect actual equipment installed and the actual installed equipment characteristics which are essential for reliable operation and effective planning. Likewise, we accept SPP's revision of Article 5.11 requiring "Network Upgrades" as well as Interconnection Facilities to be designed and constructed in accordance with Good Utility Practice under the "independent entity variation" standard. The proposal clarifies the need to follow Good Utility Practices as stated in Order No. 2003.<sup>46</sup> We reject SPP's further revision of

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<sup>43</sup> *Id.* at P 356.

<sup>44</sup> *Id.* at P 362.

<sup>45</sup> *See* Article 5.7 of *pro forma* LGIA.

<sup>46</sup> *See* Article 5.11 of *pro forma* LGIA.

Article 5.11 concerning transfer of ownership of facilities to the Transmission Owner. As explained above, Order No. 2003 states that control, not ownership is required to insure reliability.<sup>47</sup>

74. We reject SPP's proposed revisions to Article 5.14 concerning the Transmission Owner's assistance in the permitting process. In Order No. 2003-A, the Commission denied a request for rehearing that basically made this same argument and instead reaffirmed that the Transmission Owner and Transmission Provider must cooperate with the Interconnection Customer, in good faith, to obtain any necessary permits, licenses and authorizations.<sup>48</sup> We also find that Order No. 2003-A does not require "representation" or "acting on behalf" of the customer, but rather the obligation to provide comparable "permitting assistance."

75. We accept SPP's proposed revisions of Article 5.16, clarifying that the Interconnection Customer may request more than one suspension provided that the cumulative duration of the suspensions does not exceed three years. The Commission approved the right to ask for several suspensions of work up to a cumulative period of three years for each Interconnection Request in Order No. 2003-A.<sup>49</sup>

76. We reject SPP's proposed revisions to Article 5.19.1, which would require any Party planning modifications to provide relevant drawings, plans and specifications at least 180 Calendar Days in advance of commencement of work or such shorter period upon which the Parties agree. SPP has provided insufficient justification for extending the period from 90 days as prescribed in Order No. 2003 to 180 days.<sup>50</sup>

77. We accept SPP's proposal to delete Articles 24.3 and 24.4, but reject SPP's proposal to delete Articles 24.1 and 24.2. While it is clear that SPP has included Articles 24.3 and 24.4 as Articles 5.10.4 and 5.10.5, respectively, it is not clear that the provisions in Articles 24.1 and 24.2 have been incorporated in Article 5. Furthermore, SPP has provided no justification supporting the deletion of these provisions, particularly the monthly status report that the Transmission Provider is required to provide to the Interconnection Customer under Article 24.2. We note, however, that in Articles 24.1 and 24.2 the term "Transmission Provider" may need to be modified to "Transmission Owner" or the relevant constructing party.

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<sup>47</sup> *Id.* at P 362.

<sup>48</sup> *See* Order No. 2003-A at P 303.

<sup>49</sup> *Id.* P 319.

<sup>50</sup> *See* Article 5.19.1 of *pro forma* LGIA.

### **8. Article 7 (Metering)**

78. SPP proposes revising Article 7.1 to require the Transmission Owner to provide metering quantities in analog and/or digital form to the Transmission Provider as well as the Interconnection Customer on a same-time basis. Presently, the Transmission Owner is only required to provide metering quantities in analog and/or digital form to the Interconnection Customer.

### **Commission Determination**

79. We accept the proposal to provide metering quantities to the Transmission Provider as well as the Interconnection Customer under the “independent entity variation” standard. This proposal will provide data in real time to SPP as well as to the Interconnection Customer thus enhancing reliability in data communications.

### **9. Article 9 (Wind Power Factor Design Criteria)**

80. SPP proposes removing language from Article 9.6.1 that exempts wind generators from power factor design criteria. SPP states that reactive capability is needed from wind power due to the concentration of wind facilities in SPP’s region.

81. SPP also proposes revising Article 9.6.2.1 to prohibit the Interconnection Customer from causing its generator to disconnect automatically or instantaneously from SPP’s Transmission System for an under or over frequency condition consistent with Good Utility Practices and Applicable Reliability Standards.

### **Protest**

82. AWEA argues that, as the reactive power requirement for wind generators is covered by Appendix G, there is no need or purpose justifying SPP’s proposal to remove the exemption from section 9.6.1 of SPP’s OATT. Therefore, Article 9.6.1 should not be modified.<sup>51</sup> AWEA adds that SPP’s proposed amendment to its OATT will make reactive capability a requirement in all cases, without the support of a study showing that the investment is needed. It argues that these requirements make little sense when applied to induction machines that are non-synchronous, and that are often interconnected at the end of a radial line remote from load. AWEA argues that these technical differences warrant different treatment for wind generators. To force wind generators to perform like a fundamentally different technology does not promote reliability and would impose significant costs on the generators.<sup>52</sup>

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<sup>51</sup> AWEA Protest at 12.

<sup>52</sup> *Id.* at 12-13.

83. AWEA further argues that the Commission's need-based approach makes sense and should not be changed in SPP's tariff. Order No. 661-A requires that the power system be studied to determine if reactive support is needed from each wind facility. If studies show there is a need at the location of the wind farm for reactive power support at the time of the requested interconnection, then, argues AWEA, the wind plant is required to be capable of a reactive power range of 0.95 leading to 0.95 lagging. AWEA argues that SPP's proposal to make reactive capability a requirement in all cases, without conducting a study to show the investment needed is inferior to the current tariff, which provides a wind generator exemption. In AWEA's view, Order No. 661-A already contains a requirement that the necessary reactive power capability be installed with a facility-specific assessment at the time of interconnection.

### **SPP Answer**

84. In its answer, SPP agrees that its proposal to remove the wind generator exemption in Article 9.6.1 should be modified. SPP states that it will replace Article 9.6.1 in a compliance filing to state "a wind generator plant shall maintain a power factor within the range of 0.95 leading and 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission Provider's System Impact Study shows that such a requirement is necessary to ensure safety or reliability."

### **Commission Determination**

85. In Order No. 661, the Commission required a wind plant to maintain the required power factor range only if the Transmission Provider shows, through the System Impact Study, that such capability is required of that plant to ensure safety or reliability.<sup>53</sup> As explained in Order No. 661, SPP can require a wind plant to maintain the required power factor on a case-by-case basis to ensure safety or reliability as determined in the System Impact Study. Accordingly, we will reject SPP's proposed change (as outlined in its August 2007 submittal), without prejudice to SPP making a revised filing as it has committed to do in its answer.

86. We also accept SPP's proposal prohibiting the Interconnection Customer from causing its generator to disconnect automatically or instantaneously from SPP's Transmission System as proposed in Article 9.6.2.1. This proposal is in accordance with

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<sup>53</sup> *Interconnection for Wind Energy*, Order No. 661, 70 Fed. Reg. 34,993 (June 16, 2005), FERC Stats. & Regs. ¶ 31,186 (2005), *order on reh'g*, Order No. 661-A, 70 Fed. Reg. 75,005 (December 19, 2005), FERC Stats. & Regs. ¶ 31,198 (2005); *see also* Order Granting Extension of Effective Date and Extending Compliance Date, 70 Fed. Reg. 47,093 (August 12, 2005), 112 FERC ¶ 61,173 (2005); Notice Extending Compliance Date, issued October 28, 2005; Notice Extending Compliance Date, issued December 22, 2005 (Order No. 661), at P 50-51.

Good Utility Practice and Applicable Reliability Standards and enhances the reliability of SPP's system. The units must be able to respond to under/over-frequency protection systems. This change is also consistent with the "independent entity variation" standard of Order No. 2003.

#### **10. Article 11 (Letter of Credit)**

87. SPP proposes revising Article 11.5 to require an Interconnection Customer to provide and maintain an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations or an alternative form of security acceptable to SPP until the Interconnection Customer has completed all applicable payments to the Transmission Owner. SPP states that it removed language (Articles 11.5.1 and 11.5.3) related to guarantees and surety bonds because they are not acceptable forms of security to SPP.

#### **Protest**

88. AWEA argues that SPP's proposal deletes important customer options for the provision of security in Article 11.5 of the LGIA.<sup>54</sup> AWEA argues that the *pro forma* LGIA provides the customer with the option of providing a guarantee, surety bond, letter of credit or other form of security. AWEA maintains that SPP's only justification for this important restriction on customer rights is that a letter of credit is the only security acceptable to SPP. Further, AWEA asserts that SPP provides no explanation for why SPP does not consider a guarantee or surety bond an acceptable security. Given that the *pro forma* LGIA allows these options consistent with the requirements of the applicable Uniform Commercial Code, AWEA states that there should be a strong presumption that the surety bond and the guarantee are acceptable security. AWEA argues that SPP's unsupported statement that it does not find these options acceptable is an insufficient justification for this important variation from the Commission's standard rule.

#### **SPP Answer**

89. In its Answer, SPP reiterates that its proposal is consistent with Attachment X (Southwest Power Pool, Inc. Credit Policy) of its OATT. SPP states that the Commission has stated that limiting the types of financial security avoids the potential that different terms will be applied to different types of credit customers and would diminish SPP's administrative burden. SPP further states that Article 11.5 of SPP's proposed LGIA specifically allows for "an alternative form of security proposed by the Interconnection Customer and acceptable to the Transmission Provider and consistent with commercial

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<sup>54</sup> AWEA Protest at 16-17.

practices established by the Uniform Commercial Code of jurisdiction identified in Article 14.2.1”<sup>55</sup>

### **Commission Determination**

90. We reject SPP’s proposal to delete the reference in Article 11.5 to surety bonds and guarantees. SPP argues that it should be allowed to delete the reference in Article 11.5 to surety bonds and guarantees as acceptable forms of security, because it does not find these kinds of security acceptable.<sup>56</sup> In addition, SPP’s answer notes that the *pro forma* language permits security “reasonably acceptable to the Transmission Provider.”

91. In Order No. 2003, the Commission stated that the Interconnection Customer has the right to select a form of security that is acceptable to the Transmission Provider and that the Transmission Provider cannot unreasonably refuse to accept a particular form.<sup>57</sup> We find SPP’s argument unpersuasive because it is unsupported and overlooks that, under Order No. 2003, a Transmission Provider may not unreasonably refuse to accept a particular form of security. SPP’s unilateral blanket assertion that surety bonds and guarantees are unacceptable is contrary to Order No. 2003 and is thus rejected.

### **11. Article 13 (Safe and Reliable Operation)**

92. SPP states that it is deleting Article 13.1 because a definition for Emergency Condition is set out in the Definitions section. SPP further proposes adding language to Article 13.5 providing that an Interconnection Customer will not be obligated to follow SPP’s and/or the Transmission Owner’s instruction to the extent the instruction would have a material adverse impact on the Interconnection Customer’s safe and reliable operation. SPP states that this revision is necessary to reduce the potential consequences of ordering inappropriate actions.

93. SPP also proposes the addition of language to renumbered Article 13.6 that references Article 18 referring to indemnity and damages. SPP states that it is useful to reference the indemnity and damages section in Article 13.

### **Commission Determination**

94. We reject SPP’s proposal to delete Article 13.1 referencing Emergency Conditions as well as SPP’s language added to renumbered Article 13.5 as unnecessary modifications of the *pro forma* LGIA. We find that an Interconnection Customer may avoid following inappropriate directives under the existing provisions in Article 13.5,

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<sup>55</sup> See SPP Answer at 4.

<sup>56</sup> SPP Transmittal Letter at 14.

<sup>57</sup> See Order No. 2003 at P 597.

because an Interconnection Customer "...may take actions or inactions..." to preserve public health and safety and limit or prevent damages.

95. We will also reject SPP's proposal to modify Article 13.6. Article 13.6 of the *pro forma* LGIA provides that, except as noted in Article 11.6.1, neither party will be liable to the other for good faith actions it takes in response to an Emergency Condition if its actions are consistent with Good Utility Practices. SPP proposes to add a reference to Article 18, thus changing the scope of Article 13.6.

## **12. Article 14 (Federal Laws)**

96. SPP has proposed revisions to the federal laws referenced in Article 14.1 of the LGIA. In addition, SPP proposes to revise Article 14.2.1 to provide that the LGIA shall be governed by the laws "of the United States of America except to the extent that the laws of the state where the Point of Interconnection is located may apply."<sup>58</sup>

97. Article 14.2.1 of the *pro forma* LGIA provides that the provisions of the LGIA shall be governed by the laws "of the state where the Point of Interconnection is located without regard to its conflicts of law principles." SPP proposes to revise this language to add a reference to the laws of the United States and to drop the reference to conflicts of laws. SPP argues that these changes are needed to reflect the fact that SPP, as an RTO, is subject to the Commission's jurisdiction.<sup>59</sup>

### **Commission Determination**

98. We will accept SPP's proposed revision to Article 14.1 to reference recently enacted legislation, because this revision does not conflict with Order No. 2003.

99. However, we will deny SPP's request to revise Article 14.2.1 because SPP's proposed revision would substitute language that raises questions of federalism rather than providing clarity. In Article 14.2.1 of the *pro forma* LGIA, the applicable governing law is clearly stated, (*i.e.* the law to apply is the law of the state where the Point of Interconnection is located without regard to its conflicts of law principles). In SPP's proposed revision, this clarity is replaced with the "except to the extent" language that makes the determination of what law is to apply a case-by-case issue. We also reject SPP's argument that revisions are needed to the language of Article 14.2.1 of the *pro forma* LGIA based on SPP's status as an RTO. Nothing in the existing section is inconsistent with the Commission's jurisdiction over SPP.

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<sup>58</sup> SPP Transmittal Letter at 15.

<sup>59</sup> *Id.*

### **13. Article 17 (Breach and Default)**

100. SPP proposes to revise Article 17 and its subsections to govern both a “breach” and a “default.” Specifically, SPP states that Article 17.1.1 pertains to notification of a “breach” and opportunity cure; whereas, Article 17.1.2 concerns the right to terminate when a “breach” has not been cured, which constitutes a “default.”

### **Commission Determination**

101. We are not persuaded that any revision is needed to Articles 17.1.1 and 17.1.2. These sections already clearly provide notification of a breach and an opportunity to cure. Moreover, both “breach” and “default” are defined in Article 1 and the use of those terms in Article 17 is consistent with those definitions. Thus, we will reject SPP’s proposed revisions to Articles 17.1.1 and 17.1.2.

### **14. Article 18 (Liability and Insurance)**

102. SPP proposes a number of revisions to Article 18. Specifically, SPP proposes revising Article 18 so that “indemnifying party” and “indemnified person” are not defined terms.

103. SPP also proposes adding language to Article 18 providing that the minimum limits for the Employers’ Liability insurance will be \$1,000,000 for each accident bodily injury by accident, \$1,000,000 for each employee bodily injury by disease and a \$1,000,000 policy limit for bodily injury by disease.

104. SPP also proposes revising Article 18.3.2 to require Interconnection Customers and Transmission Owners to maintain commercial general liability insurance with minimum limits of \$1,000,000 for each occurrence/\$2,000,000 in general aggregate, and \$2,000,000 products and completed operations aggregate combined single limit for personal injury, bodily injury, including death and property damage.

105. In addition, SPP proposes to add a new Article 18.3.3 providing that excess liability insurance maybe procured and maintained in lieu of commercial general liability insurance not to exceed \$1,000,000 for each occurrence.

106. SPP proposes revising Article 18.3.4 (as renumbered by SPP) to require comprehensive automobile liability insurance to cover licensed vehicles, owned, non-owned and hired. SPP explains it is removing coverage for vehicles which remain at the construction site. Article 18.3.4 currently requires insurance coverage for vehicles “designed for travel on public roads.” SPP would change this to “licensed for travel on public roads.”

107. Further, SPP proposes revising Article 18.3.6 to require 30 calendar days written notice prior to any cancellation, non-renewal or change in coverage.

108. SPP proposes changing Article 18.3.7 to require that insurance policies must contain provisions that specify that the policies are primary and non-contributing with respect to any other insurance policies separately carried by other parties.

109. SPP proposes clarifying that the insurer's liability will not be increased beyond the amount by the insurer would have been liable had only one insured been covered, and that the Interconnection Customer and Transmission Owner would be responsible for their respective deductibles or retentions.

110. SPP proposes revising Article 18.3.8 to require insurance policies to be maintained for a minimum of two years after termination of the LGIA.

111. SPP proposes a new Article 18.3.11 requiring all insurance to be written with an insurance company carrying an AM Best rating no lower than class A- and a financial category of IX and authorization to do business in the state in which the Point of Interconnection is located.

112. SPP further proposes that renumbered Article 18.3.12 be modified to require the senior secured debt of any party seeking to self-insure to be rated at investment grade or better by Standard & Poor's. Self-insured companies are not required to comply with the insurance requirements of Articles 18.3.1 through 18.3.11.

### **Protest**

113. AWEA asserts that SPP has not explained or justified its proposal to modify LGIA Article 18.3.12 to delete the requirement that self-insurers meet the otherwise applicable coverage requirements applicable to self-insurance. According to AWEA, the modification would leave parties free to self-insure without complying with the minimum coverage requirements spelled out in Article 18.3.2 through 18.3.8. AWEA objects that this revision could eviscerate the protection provided by such requirements. Thus, it argues, the Commission should reject the proposed change.<sup>60</sup>

### **Commission Determination**

114. SPP's proposes to revise Article 18 so that the terms "indemnifying party" and "indemnified person" are not capitalized (because those terms are not defined terms under Article 1 of the LGIA. We do not view this distinction as substantive and will allow this revision.

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<sup>60</sup> AWEA *Protest* at 22.

115. We will accept SPP's proposals to provide minimum insurance limits in Article 18 because Article 18.3.1 of the *pro forma* LGIA does not currently prescribe minimum dollar limits on required insurance, and instead merely requires employers' liability and workers' compensation insurance in accordance with state law at the point of interconnection. These provisions do not conflict with the current provision of the *pro forma* LGIA, which neither requires nor precludes the specification of minimum coverage amounts for such insurance.

116. As with SPP's proposed revisions to Article 18.3.1, we will approve SPP's proposed addition of minimum coverage amounts for commercial general liability insurance. The Commission finds that these provisions do not conflict with the current requirements of the LGIA, which neither require nor preclude the specification of minimum coverage amounts for such insurance.

117. The Commission rejects Article 18.3.3. This provision departs from the LGIA requirement to maintain commercial general liability insurance without justification for this revision.

118. We will reject SPP's change to Article 18.3.4 (as renumbered by SPP), finding that this proposed revision is unnecessary. The Commission interprets the existing provision to not require coverage for vehicles that remain at the construction site and do not travel on public roads. Moreover, SPP has provided no justification for this revision.

119. We will reject SPP's proposed revision of renumbered Article 18.3.6 as unnecessary and unsupported. We reach this conclusion because, under the tariff, cancellation, non-renewal, or a change in coverage are all material changes and already require thirty days' advance written notice. In addition, we believe it is important to maintain the requirement to provide advance written notice thirty days prior to the anniversary date.

120. SPP has proposed two revisions to Article 18.3.7. We will reject both as unnecessary. First, we reject SPP's proposal to specify that the policies are primary policies as unnecessary because Article 18.3.7 already provides that insurance policies are primary and shall apply without consideration for other separately carried policies. Second, we reject SPP's proposal to clarify coverages because the current provision already provides that each insured is provided coverage as though a separate policy had been issued to each and that each party shall be responsible for its respective deductibles or retentions. Moreover, SPP has provided no justification for either of these revisions.

121. We will reject SPP's proposed revisions to renumbered Article 18.3.8 and new Article 18.3.11 because SPP has not yet justified this departure from the current LGIA requirements. We will also reject SPP's proposed revisions to renumbered Article 18.3.12 to require self-insured parties to meet minimum insurance requirements. As

AWEA correctly notes, these revisions depart from current LGIA requirements, and SPP has provided no justification for these revisions.

### **15. Articles 19 and 22 (Governmental Authority)**

122. SPP proposes adding language to Article 19.1 prohibiting any assignment of the LGIA that violates applicable laws and regulations. SPP states this revision is consistent with Article 14.2.2 which provides that the LGIA is subject to all applicable laws and regulations.

123. SPP states that it is revising Article 22.1.7 to change “Government Authority” to read “Governmental Authority.” SPP asserts the change adds clarification to the Article.

124. SPP also proposes adding language to Article 22.1.9 providing that it does not apply to Transmission Owners that are Federal Power Agencies. SPP explains that Federal Power Agencies would not be responsible for compensating a Party for Breach of obligations under Article 22.

### **Commission Determination**

125. We reject SPP’s proposal to include language in Article 19.1 that already is adequately stated in Article 14.2.2. We accept SPP’s proposed changes to Articles 22.1.7 and 22.1.9 under the “independent entity variation” standard as a clarification of the respective Articles.

### **16. Appendices**

126. SPP proposes revision of Appendix 5 (Optional Interconnection Re-Study Agreement) of the LGIP and the Definitions of the LGIA to remove “Optional Interconnection Study Agreement.” SPP states that it is concerned about the additional burden associated with performing optional studies. SPP also proposes the deletion of Appendix 7 (Interconnection Procedures for a Wind Generation Plant).

127. SPP further proposes revisions to Appendices A, B, C and D to the LGIA to specify the particular information to be submitted as part of an interconnection request. SPP states that its revisions provide additional clarity.

128. SPP also proposes revising Appendix G to the LGIA to include interconnection provisions for wind generation. SPP states these are the same revisions previously approved by the Commission.<sup>61</sup>

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<sup>61</sup> See *Southwest Power Pool, Inc.*, Docket No. ER06-512-000, letter order issued under delegated authority by Director Division of Tariffs and Market Development-Central on March 8, 2006.

129. SPP proposes modifying Appendix 1 of the LGIP to replace the prior requirement of a “general description of the equipment configuration” with “a preliminary one-line diagram of the Large Generating Facility.” SPP also proposes to modify Appendix 1 to require as part of the initial interconnection request a “Geographical map showing the approximate location of the proposed Point of Interconnection and the location of the Large Generating Facility.” This proposal replaces existing language referring to the option of identifying the approximate location of the point of interconnection.

130. SPP further proposes language be added to Appendix 2 of the Interconnection Feasibility Study Agreement to clarify “standard miscellaneous terms.” SPP also proposes the addition to Attachment A to Appendix 3 language to provide for additional data requirements.

### **Protests**

131. AWEA protests SPP’s proposed changes to Appendix 1 of the LGIP, Appendix 2 and Attachment A to Appendix 3. Specifically, AWEA contends that a one-line drawing is premature and unnecessary at the time of the initial interconnection request and should be required at the time of request for System Impact Study. AWEA further asserts that the requirement of a geographical map is not appropriate because at the point of the initial request for interconnection, the point of interconnection may be unknown or there may be multiple location options.<sup>62</sup>

132. AWEA states that SPP has provided no explanation or justification for adding unnecessary requirements to the feasibility study agreement found in Appendix 2 to the LGIP. Similarly, AWEA asserts that SPP has not adequately explained how the data being required in Attachment A to Appendix 3 would be used in its studies. AWEA contends the requested data is burdensome to assemble and may unfairly discriminate against wind.<sup>63</sup>

133. AWEA argues that SPP has not explained or justified eliminating Appendix 7. AWEA would not object to the substance of Appendix 7 being incorporated into Appendix G but, otherwise, it objects to its deletion without justification.

### **SPP Answer**

134. In its Answer, SPP states that a one-line diagram is traditionally used to simply and effectively describe the equipment configuration of an electrical facility and points out that it is requiring a “preliminary one-line diagram.” SPP further asserts that a simple geographic map showing the location of the proposed generation facility and proposed

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<sup>62</sup> AWEA Protest at 19-20.

<sup>63</sup> AWEA Protest at 20-21.

points of interconnection would provide SPP with necessary information without imposing an undue burden.<sup>64</sup>

135. In its Answer, SPP states that the language being proposed in Appendix 2 is consistent with language included in the LGIA. SPP also responds to AWEA's protest of the language addition to Attachment A to Appendix 3 that the requested data is required because of the geographic scope of many wind farms. SPP explains that the data requirement is necessary to assess the stability and reactive performance of each generator from the viewpoint of fault ride and reactive requirements of wind generation.<sup>65</sup>

136. In its October 29, 2007 submittal, SPP reiterates that the proposed revisions to Appendices A, B, C and D provide clarity, specificity, and are superior to the more general provisions of the *pro forma* appendices because they are indicative of the probable content of an actual agreement. In addition, SPP states that there is no Appendix 7 to the *pro forma* LGIP or in SPP's proposed LGIP, and instead discusses the proposed deletion of Appendix 5.<sup>66</sup> AWEA suggests that SPP is confused as SPP *did* have an Appendix 7 to its LGIP, but now proposes to delete it.<sup>67</sup> AWEA states that SPP's response on Appendix 5 was not requested by the Commission and does not explain why it has deleted Appendix 7.<sup>68</sup>

### **Commission Determination**

137. We accept SPP's proposed revision of Appendix 5 under the "independent entity variation" standard. This is consistent with accepting SPP's revisions to Article 5 removing any reference to the Alternate Option for interconnection facilities, procurement and construction. However, we reject SPP's proposal to clarify Appendices A, B, C and D as SPP has not justified its proposal in either its transmittal letter or its response to the deficiency letter.

138. We accept SPP's revisions to Appendix G to the LGIA to include interconnection provisions for wind generation. However, we reject SPP's proposed removal of Appendix 7 as unsupported. Further, it is unclear whether those provisions have been incorporated in Appendix G.

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<sup>64</sup> SPP Answer at 5-6.

<sup>65</sup> *Id.* at 7.

<sup>66</sup> SPP Response at 5.

<sup>67</sup> AWEA Comments in Response to Deficiency Letter at 6

<sup>68</sup> *Id.* at 6-7.

139. We accept SPP's proposed revisions to Appendix 1 and Appendix 2 of the LGIP because the proposed revisions are minimally burdensome and would enable SPP to define its Interconnection Feasibility Study Agreement more precisely. We will accept in part and reject in part SPP's proposed amendments to Attachment A to Appendix 3. We accept SPP's Data Requirements moved from Appendix 1 (Original Sheet Nos. 439A-439E). We reject without prejudice SPP's Original Sheet Nos. 439F-439G (Wind Generators Impact Study Data Requirements). We agree with AWEA that SPP did not support the requirement for additional data for wind Interconnection Customers.

### **17. Definition of Base Case**

140. SPP proposes revising the definition of Base Case in Article 1 of both the LGIA and LGIP to provide that only SPP may conduct interconnection studies. SPP asserts that this revision is justified because it is the expert on its transmission system and has been performing studies for years. This revision is unopposed.

### **Commission Determination**

141. We accept SPP's proposed revision of the definition of Base Case as an independent entity variation.

### **18. Definition of Clustering**

142. SPP proposes to revise the definition of "Clustering" in the LGIA and LGIP to encompass all interconnection studies. SPP states that this would be an improvement because it would facilitate the clustering of Facility Studies as well as System Impact Studies. SPP also seeks approval of changes throughout the LGIP to enable clustering of interconnection requests within a 180-day window.

143. SPP proposes various other changes to Clustering provisions found in the LGIP including language to section 13.3 of the LGIP to provide that in the event SPP uses clustering, the Interconnection Customer would pay its proportionate share of the actual cost of the Interconnection Studies, and that costs associated with the study of each individual interconnection, made part of a cluster, would be directly assigned to the related Interconnection Customer. SPP states that costs incurred to study the interconnection cluster, as a whole, would be allocated to the Interconnection Customers proportionately.

### **Protest**

144. AWEA supports the concept of clustering generally and also believes that a 180-day window is appropriate. It points out that both this concept and this window are permitted under the *pro forma* LGIP. However, AWEA finds the details of SPP's

clustering proposals troublesome.<sup>69</sup> It notes that, in some instances, SPP provides insufficient details regarding basic issues (such as how interconnection costs will be allocated among clustered customers). In other cases, AWEA argues that the proposed required details would unduly restrict customers compared with the *pro forma* LGIP (such as by imposing such shorter turn-around times on customers for document reviews or submission of deposits). AWEA urges the Commission not to approve SPP's proposed deviations from the *pro forma* LGIP regarding clustering without a substantial and detailed explanation from SPP regarding how it proposes to implement the concept, particularly as regarding the allocation of upgrade costs among clustered projects. Further, AWEA argues that the Commission should not approve SPP's proposed limitations on customer review and deposit times, absent a compelling showing by SPP that specific regional needs require such amendments to enable clustering.

145. Although AWEA does not object in principle to the "proportionate share" concept, it finds the proposed new statement in the LGIP section 13.3 – Obligation for Study Costs that "[i]f the Transmission Provider uses Clustering the Interconnection Customer shall pay its proportionate share of the actual cost of the Interconnection Studies" vague and troublesome. AWEA argues that, without further explanation, adding this language will invite disputes.

### **SPP Answer**

146. In its Answer, SPP states that it has determined that its clustering proposal was premature. SPP, therefore, states that it will withdraw its clustering proposal and remove the relevant revisions from its OATT in a compliance filing. SPP asserts that it will continue to include the language of the *pro forma* tariff on the clustering issue.<sup>70</sup>

### **Commission Determination**

147. We accept SPP's commitment to withdraw its clustering proposal as premature. We anticipate that a well-defined clustering approach to interconnection studies will provide benefits to customers as well as efficiencies for SPP and we encourage SPP's efforts to improve its proposal. Given that SPP is withdrawing its Clustering proposal, we will take no action on SPP's proposal to modify the definition of Clustering to include all interconnection studies at this time.

## **19. Revisions to LGIP Section 11**

148. SPP proposes revision of section 11.1 of the LGIP to provide for the drafting and distribution of only one copy of the LGIA to be prepared by SPP and negotiated between

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<sup>69</sup> AWEA Protest at 17-18.

<sup>70</sup> SPP Answer at 5.

SPP, the Transmission Owner and the Transmission Customer to provide for efficiency. SPP also proposes additional language providing for a sixty day period of negotiation among the Transmission Provider, Transmission Owner and the Interconnection Customer concerning provisions of the appendices to the draft LGIA.

149. SPP also proposes a revision to section 11.3 of the LGIP, stating that it would not execute the final LGIA unless the Interconnection Customer has provided all the information described therein. SPP also proposes to state in section 11.3 of the LGIP that the Interconnection Customer would execute the LGIA, or request that it be filed unexecuted, within 15 business days after receipt of the final LGIA.

150. In addition SPP proposes to make general “technical” modifications to the appendices and attachments of the LGIP. In its November 28, 2007 submittal SPP states, in regard to the proposed modifications to the appendices and attachments, it is requesting more detailed data for wind farm projects based on its interpretation of the Commission’s requirement that the wind plant Interconnection must submit completed detailed electrical design specifications and other data to allow the Transmission Provider to complete the System Impact Study.

#### **Commission Determination**

151. We accept SPP’s proposed changes to section 11 of the LGIP. SPP has provided sufficient justification under the independent entity variation that these modifications promote efficiency and expedite business function.<sup>71</sup>

152. Finally, in regard to SPP’s proposed revisions to the appendices and attachments to reflect technical information that it needs or does not need, we reject any provisions not specifically identified and accepted above. We also reject its revisions to the study agreements to reflect more detailed contractual language often found in contracts. SPP has provided no justification for these revisions.

#### **The Commission orders:**

(A) SPP’s proposed tariff revisions are hereby accepted, in part, and rejected in part, effective November 1, 2007, as discussed in the body of this order.

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<sup>71</sup> In SPP’s November 28, 2007 submittal it erroneously refers to modifications to Article 11.5 of the LGIA in regard to its revisions of section 11 of the LGIP. However, it is clear from the context that SPP is actually referring to section 11 of the LGIP.

(B) SPP is hereby directed to submit, within 30 days of the date of issuance of this order, a compliance filing adopting the accepted provisions, reinstating Order No. 2003 *pro forma* provisions, and amending Attachment Z, as discussed in the body of this order.

By the Commission. Commissioner Kelly concurring in part with a separate statement attached.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Southwest Power Pool, Inc.

Docket No. ER07-1311-000  
ER07-1311-001

(Issued January 25, 2008)

KELLY, Commissioner, *concurring in part*:

This order addresses revisions to the Open Access Transmission Tariff (OATT), *pro forma* Large Generator Interconnection Agreement (LGIA), and the *pro forma* Large Generator Interconnection Procedures (LGIP) of Southwest Power Pool, Inc. (SPP). In particular, the order accepts SPP's proposal to require the interconnection customer, as part of its interconnection request, to submit a preliminary one-line diagram of the facility as well as a geographical map showing, among other things, the approximate location of the proposed point of interconnection. It appears that such requirements are consistent with Orders No. 661 and 661-A and parties to the proceeding have not argued otherwise.<sup>72</sup>

Accordingly, I respectfully concur in part with this order.

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Sudeen G. Kelly

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<sup>72</sup> *Interconnection for Wind Energy*, Order No. 661, FERC Stats. & Regs. ¶ 31,186, *order on reh'g*, Order No. 661-A, FERC Stats. & Regs. ¶ 31,198 (2005). Order No. 661-A states that the Final Rule permits "wind plants to enter the interconnection queue with a set of preliminary electrical design specifications depicting the wind plant as a single generator, instead of providing detailed design specifications as required by Order No. 2003." Order No. 661-A, FERC Stats. & Regs. ¶ 31,198 at P 60.