

127 FERC ¶ 61,207
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Southwest Power Pool, Inc.

Docket No. OA09-23-000

ORDER GRANTING WAIVER OF CONVERSION
AND POSTING REQUIREMENTS

(Issued May 29, 2009)

1. On March 26, 2009, Southwest Power Pool, Inc. (SPP) submitted a request for waiver until June 30, 2009, of requirements set forth in Order No. 890¹ that transmission providers convert Available Flowgate Capacity values into Available Transfer Capability values for a specified transmission path and post Available Transfer Capability, Total Transfer Capability, Capacity Benefit Margin and Transfer Reserve Margin values on their Open Access Same-Time Information System (OASIS).
2. In this order, we grant SPP's limited waiver request until June 30, 2009, as discussed below.

I. Background

3. In Order No. 890, the Commission reformed the *pro forma* Open Access Transmission Tariff (OATT) to clarify and expand the obligations of transmission providers to ensure that transmission service is provided on a non-discriminatory basis. Among other things, Order No. 890 amended the *pro forma* OATT to require greater consistency and transparency in the calculation of Available Transfer Capability. The Commission required a transmission provider to clearly identify which methodology it uses (e.g., contract path, network Available Transfer Capability, or network Available

¹ *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (2007), *order on reh'g*, Order No. 890-A, 73 Fed. Reg. 2984 (Jan. 16, 2008), FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 73 Fed. Reg. 39,092 (July 8, 2008), 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009).

Flowgate Capacity). The transmission provider was also required to describe in detail the specific mathematical algorithms used to calculate firm and non-firm Available Transfer Capability (and Available Flowgate Capacity, if applicable) for its scheduling, operating and planning horizons.² Further, the actual mathematical algorithms must be posted on the transmission provider's website, with the link noted in the transmission provider's Attachment C.³ As relevant here, Order No. 890 affirmed the requirement for all transmission providers using the flowgate methodology, such as SPP, to convert their Available Flowage Capacity values into Available Transfer Capability values prior to posting. The Commission stated:

[We] remind transmission providers that our regulations require the posting of Available Transfer Capability values associated with a particular path, not Available Flowgate Capacity values associated with a flowgate. Transmission providers using an Available Flowgate Capacity methodology must therefore convert flowgate (Available Flowgate Capacity) values into path (Available Transfer Capability) values for OASIS posting.⁴

4. On rehearing of Order No. 890, E.ON U.S., LLC (E.ON) requested clarification of the requirement that Available Flowgate Capacity calculations be converted into Available Transfer Capability for purposes of posting, noting that, because some regional transmission organizations (RTOs) utilize Available Flowage Capacity and do not calculate or post Available Transfer Capability for their systems, transmission-owning utilities in those regions follow suit and calculate Available Flowgate Capacity because of their interactions with these RTOs.⁵ E.ON requested that the Commission clarify that if RTOs and their member utilities are granted waivers of the requirement to calculate and post Available Transfer Capability, in favor of Available Flowgate Capacity, all transmission-owning utilities in the region should be able to request a waiver on the same basis. E.ON stated that allowing all transmission-owning utilities within a region to calculate Available Flowgate Capacity, instead of Available Transfer Capability, would

² Order No. 890, FERC Stats. & Regs. ¶ 31,241 at *pro forma* OATT, Attachment C; *see also id.* P 323.

³ *Id.* P 325, 328.

⁴ *Id.* P 211. *See also* 18 C.F.R. § 37.6(b) (2008) (“The available transfer capability on the Transmission Provider’s system (ATC) and the total transfer capability (TTC) of that system shall be calculated and posted for each Posted Path as set out in this section.”).

⁵ Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 45.

result in greater accuracy and consistency within the industry.⁶ In Order No. 890-A, the Commission agreed that transmission-owning utilities in an RTO region can request waiver of the requirement to convert Available Flowgate Capacity calculations into Available Transfer Capability for posting purposes in the event the RTO has been granted such a waiver.⁷

5. On May 16, 2008, the Commission issued an order accepting, subject to certain modifications, SPP's Order No. 890 compliance filing in which it revised the non-rate terms and conditions of its OATT.⁸ Among other tariff revisions, the Commission accepted revisions to SPP's Attachment C that provides a description of the specific mathematical algorithm used to calculate firm and non-firm Available Transfer Capability and Available Flowgate Capacity. In addition, the Commission accepted SPP's Available Flowgate Capacity methodology, and principles for converting Available Flowgate Capacity into Available Transfer Capability values. The Commission also found one deficiency regarding the Available Flowgate Capacity calculation, and directed SPP to explain its method for modeling contingency outages in the Available Flowgate Capacity calculation.⁹

II. Waiver Request

6. SPP states that it employs the "Scenario Analyzer," which is a tool that customers can use to determine the most current Available Transfer Capability value for a specific transmission path and timeframe before submitting a transmission request. However, SPP states that because it exclusively uses an Available Flowgate Capacity methodology to sell transmission service, customers are not required to utilize the Scenario Analyzer to convert Available Flowgate Capacity to Available Transfer Capability prior to submitting a transmission request on the SPP OASIS. SPP states that the Scenario Analyzer is an informational tool available to SPP customers and that it believed that the availability of the Scenario Analyzer satisfied the requirement to make Available Transfer Capability values available to its customers. SPP notes that, like SPP, the Midwest Independent Transmission System Operator, Inc (Midwest ISO) uses a Scenario Analyzer and uses Available Flowgate Capacity to sell transmission service within its region. According to

⁶ *Id.*

⁷ *Id.*

⁸ See *Southwest Power Pool, Inc.*, 123 FERC ¶ 61,176 (2008) (May 16 Order).

⁹ *Id.* P 46.

SPP, when the Commission recently issued an order¹⁰ granting a similar waiver request submitted by the Midwest ISO, SPP first realized that it too may need a waiver of the Available Transfer Capability posting requirement.

7. SPP states that requiring it to post Available Transfer Capability values on its SPP OASIS website prior to June 30, 2009, will not provide any benefit to SPP customers because SPP uses Available Flowgate Capacity values to sell transmission service. SPP states that Available Flowgate Capacity calculations provide a more accurate and meaningful measure than Available Transfer Capability calculations to determine whether transmission capacity is available. According to SPP, Available Flowgate Capacity calculations capture impacts across many elements of a system, as opposed to the impact across one path in an Available Transfer Capability calculation. SPP states that even if it was to post Available Transfer Capability values, SPP customers would derive little benefit from such values.

8. In addition, SPP states, requiring SPP to post Available Transfer Capability values on its OASIS prior to June 30, 2009, will impose significant burdens upon SPP staff. For example, SPP would have to post firm and non-firm Available Transfer Capability values on over 3,080 paths for over 210 future times (a given hour, day, or month), totaling around 1.94 million values every hour. SPP states that its OASIS does not have the capability to calculate and post such values. SPP also states that it does not have the manpower to manually post these values each hour or archive the values if required. SPP states that it would need to develop a specific software program in order to post such information.

9. SPP states that, starting on June 30, 2009, it will transition to a new OASIS site that will automatically convert Available Flowgate Capacity to Available Transfer Capability values. SPP states that it will post such values in compliance with Order No. 890. After June 30, 2009, SPP states that it will no longer require the requested waiver. Therefore, SPP requests that the Commission waive, until June 30, 2009, the requirement that SPP post converted Available Transfer Capability values, and related Total Transfer Capability, Capacity Benefit Margin, and Transfer Reserve Margin values, on SPP's OASIS.

III. Notice of Filing

10. Notice of SPP's filing was published in the *Federal Register*, 74 Fed. Reg. 14,977 (2009), with interventions and protests due on or before April 16, 2009. None were filed.

¹⁰ *Midwest Indep. Transmission Sys. Operator, Inc.*, 126 FERC ¶ 61,107 (2009) (*Midwest ISO Waiver Order*).

IV. Discussion

A. Commission Determination

11. We will grant SPP's requested waiver, until June 30, 2009, to allow it to continue to rely on its Scenario Analyzer to meet the Commission's requirements for SPP to convert Available Flowgate Capacity values into Available Transfer Capability values and to post path-specific Available Transfer Capability, Total Transfer Capability, Capacity Benefit Margin, and Transfer Reserve Margin values on its OASIS for all paths over the SPP transmission system.

12. In the *Midwest ISO Waiver Order*, the Commission granted the RTO limited waiver to use its Scenario Analyzer rather than convert Available Flowgate Capacity values into Available Transfer Capability values and post Available Transfer Capability, Total Transfer Capability, Capacity Benefit Margin, and Transfer Reserve Margin for transactions within the Midwest ISO.¹¹ Here, as in the Midwest ISO, customers can use the Scenario Analyzer to determine the most current Available Transfer Capability value for a specific transmission path and timeframe before submitting a transmission request. In addition, SPP exclusively uses an Available Flowgate Capacity methodology, not Available Transfer Capability, to sell transmission service. Further, SPP's request for waiver is limited until June 30, 2009, at which time SPP states that it will employ a new OASIS site that will automatically convert Available Flowgate Capacity values into Available Transfer Capability values, and SPP will post them accordingly.

13. Furthermore, SPP states that such information is not needed by SPP and its customers because the transmission service within, into and out of SPP does not require an Available Transfer Capability value associated with the transmission request, but instead requires a corresponding Available Flowgate Capacity value. At this time, we find that requiring SPP to manually convert Available Flowgate Capacity values into Available Transfer Capability values and post such values on its OASIS site would impose significant burdens on SPP staff without providing concomitant benefits to SPP or its customers. Therefore, we will grant SPP a limited waiver of the Available

¹¹ *Midwest ISO Waiver Order* at P 21. The Commission limited its grant of waiver to transactions within the Midwest ISO because, as the Midwest ISO acknowledged, customers requesting transmission service into, out of, or through the Midwest ISO need Available Transfer Capability to determine whether transmission capacity is available to accommodate a new service request. *Id.* at 22. That is not the case in the SPP region where Available Transfer Capability is not needed for any requested transmission service.

Flowgate Capacity to Available Transfer Capability conversion and posting requirements of Order No. 890 and the Commission's regulations.¹²

14. Accordingly, we grant SPP waiver of the requirement to convert Available Flowgate Capacity to Available Transfer Capability and to post Available Transfer Capability, Total Transfer Capability, Capacity Benefit Margin, and Transfer Reserve Margin values for each transmission path over the SPP transmission system. Commencing June 30, 2009, we direct SPP to fully employ its new OASIS site to provide Available Flowgate Capacity to Available Transfer Capability conversions and meet the OASIS posting requirements of Order No. 890 and the Commission's regulations.

The Commission orders:

SPP's request for waiver is hereby granted as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

¹² 18 C.F.R. § 37.6(b) (2008).