

130 FERC ¶ 61,066
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

January 26, 2010

In Reply Refer To:
Southwest Power Pool, Inc.
Docket No. ER10-454-000

Wright & Talisman, P.C.
Attention: Carrie L. Bumgarner
1200 G Street, NW
Suite 600
Washington, DC 20005-3802

Dear Ms. Bumgarner:

1. On December 18, 2009, Southwest Power Pool, Inc. (SPP) submitted an unexecuted interim large generator interconnection agreement (interim interconnection agreement) between SPP as transmission provider, Oklahoma Gas & Electric Company (OG&E) as transmission owner, and CPV Keenan II Renewable Energy Company, LLC (CPV Keenan) as interconnection customer.¹ This interim interconnection agreement would allow CPV Keenan to interconnect its wind generating facility prior to completion of the interconnection study process, using existing capacity on the transmission system.
2. As part of its efforts to reform its interconnection queuing practices, SPP communicated to the Commission that it would consider entering into interim interconnection agreements with customers if the interconnection is feasible.² In an order

¹ SPP filed this agreement as an unexecuted agreement at CPV Keenan's request.

² SPP February 9, 2009 Compliance Filing in Docket No. ER09-262-002 at n.18. SPP states that an interim interconnection is feasible when analysis of the transmission system topology and in-service generation expected to be in place at the time of the generating facility's in-service date or commercial operation date indicates interim interconnection service is possible with minimal or no upgrades. SPP December 1, 2009 Transmittal Letter in Docket No. ER10-352-000 at 4.

accepting SPP's compliance filing in Docket No. ER09-262-002, the Commission stated that it was encouraged by SPP's intention to provide interim interconnection service.³ However, the Commission advised SPP that it should amend its Open Access Transmission Tariff (tariff) if it chose to offer this service, in order to provide the service to all customers on a non-discriminatory basis.⁴

3. SPP posted on its website, and notified interconnection customers of, the details and general terms and conditions under which it would enter into interim interconnection agreements.⁵ In response to its website posting, SPP received a small number of requests for interim interconnection service. Two customers executed interim interconnection agreements, and SPP filed these agreements with the Commission in Docket Nos. ER09-1370-000 and ER09-1716-000.⁶ The Commission conditionally accepted these agreements, subject to SPP amending its tariff to include a *pro forma* interim interconnection agreement and submitting a compliance filing to conform the accepted agreements to the Commission-accepted *pro forma* agreement.⁷ SPP submitted a *pro forma* interim interconnection agreement and associated tariff amendments on December 1, 2009, in Docket No. ER10-352-000. This filing is pending Commission action.

4. SPP states it used its as-filed *pro forma* interim interconnection agreement as a model to develop the CPV Keenan Interim Interconnection Agreement, with one exception. As CPV Keenan's interconnection request was not subject to SPP's reformed interconnection procedures,⁸ SPP did not include the request in a definitive

³ *Southwest Power Pool, Inc.*, 127 FERC ¶ 61,138, *order on reh'g*, 129 FERC ¶ 61,145 (2009).

⁴ 127 FERC ¶ 61,138 at P 24.

⁵ *See* http://www.sppoasis.spp.org/documents/swpp/transmission/studies/interim_ia_oasis_posting_3-6-09.pdf.

⁶ *See* SPP agreement with OG&E submitted on June 29, 2009, in Docket No. ER09-1370-000 and SPP agreement with Western Farmers Electric Cooperative submitted on September 17, 2009, in Docket No. ER09-1716-000.

⁷ *Southwest Power Pool, Inc.*, 128 FERC ¶ 61,191 at P 21 (2009) and *Southwest Power Pool, Inc.*, 129 FERC ¶ 61,121, at P 17 (2009).

⁸ *See Southwest Power Pool, Inc.*, 128 FERC ¶ 61,114, *order on compliance*, 129 FERC ¶ 61,226 (2009).

interconnection system impact study. Accordingly, the fourth “whereas” clause in the CPV Keenan Interim Interconnection Agreement references an interconnection system impact study rather than a definitive interconnection system impact study. SPP also notes that the appendices of the CPV Keenan Interim Interconnection Agreement contain details specific to the CPV Keenan generating facility, such as cost responsibilities, ownership of facilities, security requirements, and a list of higher-queued projects that could affect CPV Keenan’s interim interconnection service.⁹

5. SPP affirms that it filed the unexecuted interim interconnection agreement at the request of CPV Keenan in order to accommodate CPV Keenan’s financing needs.¹⁰ In comments supporting the filing, CPV Keenan explains that it cannot close on its financing and obtain funds needed to post its required security until the Commission first issues an order approving the interim interconnection agreement.¹¹ CPV Keenan must post its security within 15 business days of executing the interim interconnection agreement.¹² As noted by SPP, submission of an executed agreement would require the security to be posted before CPV Keenan could secure these funds. SPP states that CPV Keenan requests expedited action with an effective date as of the date of the Commission’s order to facilitate the financial closing related to its facility. SPP also claims that no parties will be harmed by acceptance of this agreement.¹³

6. We will conditionally accept the CPV Keenan Interim Interconnection Agreement, effective as of the date of this order and subject to the outcome of the proceeding in Docket No. ER10-352-000. Accordingly, we direct SPP to modify this agreement as necessary to be consistent with any other changes ultimately approved or required in the Commission-accepted *pro forma* interim interconnection agreement in Docket No. ER10-352-000. We further direct SPP to make this compliance filing within 30 days of Commission acceptance of such tariff amendments. We also find good cause to waive the Commission’s prior notice requirement, based on the facts of this case.

7. We acknowledge the extenuating circumstances requiring that this agreement be submitted in an unexecuted form, and we are satisfied that the agreement will be executed on or around the date of this Commission letter order. In addition to the

⁹ SPP December 18, 2009 Transmittal Letter at 5.

¹⁰ *Id.* 4.

¹¹ CPV Keenan December 24, 2009 Comments at 4.

¹² *Id.* 3-4.

¹³ SPP December 18, 2009 Transmittal Letter at 6.

financing arrangements described by SPP and CPV Keenan, CPV Keenan states that it has executed a power purchase agreement to sell the output from its wind generating facility and has issued notices to vendors to procure equipment.¹⁴ We find that these efforts demonstrate CPV Keenan's commitment to execute the interim interconnection agreement.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

¹⁴ CPV Keenan December 24, 2009 Comments at 3.