

February 2010 Meeting Summaries

These are summaries of orders voted on by the Federal Energy Regulatory Commission at its February 18, 2010, public meeting. They are produced by the FERC Office of External Affairs and are intended to provide only a general synopsis of the orders. They are not intended as a substitute for the Commission's orders. To determine the specific actions and the Commission's reasoning, please consult the individual orders when they are posted to FERC's eLibrary.

FERC approves CAISO convergence bidding proposal

E-2, *California Independent System Operator Corp.*, Docket Nos. ER10-300-000 and ER06-615-000. This order approves, in principle, most of the design elements proposed by the CAISO for its convergence bidding market. The order rejects the CAISO's proposal to implement a two-year phase-in period for internal trading nodes, during which the volume of convergence bidding would be restricted. Similarly, the order rejects the CAISO's proposal to establish a more restrictive and longer-lasting phase-in period for convergence bidding at the interties. More details, minor modifications, and/or additional support are required before the Commission can approve certain design elements, such as the CAISO's proposed uplift cost allocation methodology and request for authority to suspend convergence bidding to address market power or market manipulation. Finally, the order grants the CAISO's motion for an extension of time to implement convergence bidding and rejects requests for a technical conference.

FERC grants clarification on NAESB business practices

E-13, *Standards for Business Practices and Communication Protocols for Public Utilities*, Docket No. RM05-5-018. Southern sought clarification of the Commission's Order No. 676-E, a final rule that incorporated by reference the latest version of certain business practice standards adopted by the Wholesale Electric Quadrant of the North American Energy Standards Board (NAESB), including standards adopted in response to the Commission's issuance of Order No. 890. Southern sought clarification regarding its obligations relating to the study process for Conditional Firm Service and whether Standard 21.1.3.1 is in conflict with the requirements of Order No. 890. Today's order clarifies that Southern will be in compliance with Order No. 890 and the Commission's regulations if it follows the NAESB standard and allows a transmission customer to choose whether it wants the Transmission Provider to do a full system impact

study of both specific system conditions and the number of hours during which a request for conditional firm service may be curtailed, or a study of more limited scope addressing just system conditions or just the numbers of hours, with respect to requests for conditional firm service.

FERC grants Vermont Electric Cooperative's ISO-NE capacity auction deadline waiver request

E-14, *Vermont Electric Cooperative*, Docket No. ER10-503-000. This order grants Vermont Electric Cooperative's request for a one-time waiver of ISO-NE's Updated Measurement and Verification Plan submission deadline, to allow it to submit its Updated Plan one business day late. This will allow Vermont Electric Cooperative to continue participation in the qualification process as an existing demand resource for ISO-NE's fourth Forward Capacity Auction for the 2013-2014 Capacity Commitment Period.

FERC denies AEP's rehearing request

E-17, *Corporation Commission of Oklahoma v. American Electric Power Co., Inc., et al.*, Docket Nos. EL08-80-001 and EL08-80-003. This order denies AEP's request for rehearing of the Commission's November 26, 2008, order that determined AEP had improperly deviated from the method set out in an agreement between AEP-owned electric utilities in the East, and the Central and South West to allocate off-system sales profits after the companies merged in 2000. Today's order also accepts a refund report AEP filed to comply with the November 26, 2008 order.

FERC authorizes market-based rates for Google Energy

E-18, *Google Energy LLC*, Docket No. ER10-468-000. This order grants market-based rate authorization to Google Energy LLC, a wholly owned subsidiary of Google, Inc. Google Energy states that it intends to act as a power marketer, purchasing electricity and reselling it to wholesale customers.

FERC reaffirms use of market monitor-developed alternate de-list bids for ISO-NE forward capacity auction

E-20, *ISO New England Inc.*, Docket No. ER09-1424-002. In this order, the Commission denies rehearing and grants clarification of its order accepting an

informational filing from ISO-NE regarding the qualification of capacity resources to participate in the third Forward Capacity Auction for the 2012-2013 Capacity Commitment Period. The Commission reaffirmed its acceptance of Market Monitor-developed alternate de-list bids for the Salem Harbor units (four separate units sharing certain common costs), explaining that these alternate bids will provide the units a reasonable opportunity to recover their costs.

FERC recertifies Glenns Ferry QF

E-21, *Glenns Ferry Cogeneration Partners, Ltd.*, Docket Nos. EL10-21-000 and QF93-159-008. This order grants Glenns Ferry Cogeneration Partners, Ltd. recertification of its Glenns Ferry, Idaho facility as a qualifying cogeneration facility, and a limited waiver of the Commission's operating and efficiency standards otherwise applicable to the cogeneration facility for calendar year 2009.

FERC denies Green Energy Express' rehearing request

E-22, *Green Energy Express LLC*, Docket No. EL09-74-001. This order denies rehearing of the Commission's November 23, 2009, order that granted transmission rate incentives to Green Energy with respect to its proposed project, conditioned on approval of the project in the California Independent System Operator Corporation's transmission planning process.

FERC denies rehearing on Transco pooling order

G-1, *Transcontinental Gas Pipeline Corporation (Transco)*, Docket Nos. RP01-245-029/030. This order denies Transco's request for rehearing of the Commission's May 29, 2009 order, concerning the manner in which pooling should be conducted on the Transco system. The Commission reaffirmed its prior rejection of Transco's proposal to institute two pools, one for gas coming from the mainline into Station 85 and one for gas on the Mobile Bay lateral. The order also accepts tariff sheets that contain a single usage and fuel charge for all gas scheduled to be received from Station 85 in its Zone 4 rate area, as in compliance with the May 29, 2009, order.

FERC accepts service agreements

G-2, *Monroe Gas Storage Company, LLC*, Docket Nos. RP09-447-000, -003.

This order accepts Monroe's revisions to its Form of Service Agreements, subject to minor conditions; accepts all six non-conforming service agreements, subject to several conditions; and accepts Monroe's compliance filing responding to the previous order in this docket.

FERC clarifies policy on filing non-conforming agreements

G-3, *Texas Gas Transmission, LLC*, Docket No. RP09-505-002. This order clarifies a statement from a November 24, 2009, order requiring Texas Gas to file service agreements that materially deviate from the "current" *pro forma* service agreement. The order upholds the requirement that pipelines must file those agreements that materially deviate from the current *pro forma* agreement, but clarifies that where *pro forma* agreements contain *Memphis* clauses, existing agreements that conformed to the *pro forma* agreement when they were executed generally need not be filed so long as revisions apply equally to existing as well as future customers.

FERC grants waiver of capacity tying prohibition

G-4, *Statoil Natural Gas LLC and Gazprom Marketing and Trading USA, Inc.*, Docket No. RP10-197-000. Petitioners sought a waiver of the Commission's prohibition on capacity tying, so that they can enter into and directly link together a series of liquefied natural gas purchase and sale agreements and prearranged pipeline capacity release agreements. They also seek a waiver of the requirement that the capacity released be posted for bidding. This order grants the requested waiver from the prohibition on capacity tying, explaining also that no waiver of the bidding rules is required in this instance.

FERC denies request for further clarification of selective discounting policy

G-5, *Texas Eastern Transmission LP, et al.*, Docket Nos. RP09-70-004; RP09-275-003; RP09-282-004; RP09-294-003. This order denies Hess Corporation's request for further clarification that, where a releasing shipper's service agreement expressly limits a discounted/negotiated usage or fuel charge to particular primary or secondary points, the pipeline must always treat the asset manager as similarly situated at those points. The order declines to issue such a blanket determination, stressing that the range of potential factual variables requires a case-by-case determination. . And as Hess' request relates to a specific dispute, the order finds the Commission's complaint procedures are the appropriate mechanism for resolution of that disagreement.

FERC denies rehearing on jurisdiction finding for Crescent Street project

H-1, *L.S. Starrett Company*, Docket No. UL09-1-001. This order denies Starrett's request for rehearing of Commission staff's order finding that the Crescent Street Dam Project is required to be licensed under section 23(b)(1) of the Federal Power Act.

FERC grants boatlift pad permit for Lake Gaston

H-3, *Virginia Electric and Power Company*, Project No. 2009-128. This order grants Virginia Electric's request to permit East Oaks to construct a boatlift pad to serve a dry-dock facility at the East Oaks marina on Lake Gaston, one of the reservoirs for the Roanoke Rapids and Gaston Hydroelectric Project. The project is located on the Roanoke River in Brunswick and Mecklenburg counties, Virginia, and Halifax, Warren, and Northhampton counties, North Carolina.

FERC denies Washington Gas's request for rehearing on LNG

C-1, *Transcontinental Gas Pipe Line Company, LLC*, Docket No. CP09-88-001. This order denies a request for rehearing filed by Washington Gas Light of an order authorizing Transco to construct under its blanket certificate two interconnections with Elba Express that will allow it to receive regasified LNG from that pipeline. Washington Gas is a Transco customer and its protest alleged that the proposed interconnections would result in its receiving increased amounts of regasified LNG and that such gas would harm its distribution system.