

September 2011 Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its September 15, 2011 public meeting. The summaries are produced by FERC's Office of External Affairs and are intended to provide only a general synopsis of the orders. These are not intended as a substitute for the Commission's official orders. To determine the specific actions and the Commission's reasoning, please consult the individual orders when they are posted to FERC's eLibrary found at www.ferc.gov.

E-1, Press Release

FERC grants in part requests for clarification and denies requests for rehearing

E-3, *North American Electric Reliability Corporation*, Docket No. RM08-13-004. This order grants, in part, requests for clarification, and denies requests for rehearing with respect to the February 17, 2010 Order on Rehearing, Clarification and Request for an Extension of Time which dealt with issues arising out of the approval of Transmission Relay Loadability Reliability Standard PRC-023-1. Petitioners argue that the Commission failed to give "due weight" to NERC's technical expertise and challenge the technical reasoning behind several of the Commission's directives and interpretations. This order affirms the Commission's precedent that a directive to submit a new or modified Reliability Standard entitles NERC to develop an equally efficient and effective alternative.

E-4 & E-5, Press Release

FERC proposes to modify standards for transmission relay loadability

E-6, *Transmission Relay Loadability Reliability Standard*, Docket No. RM11-16-000. This Notice of Proposed Rulemaking proposes to approve Reliability Standard PRC-023-2 (Transmission Relay Loadability). The proposed Reliability

Standard modifies an existing standard addressing setting protective relays to ensure they reliably detect and protect the electric network from fault conditions but do not limit transmission loadability or interfere with system operators' ability to protect system reliability.

FERC approves reliability standards that address operating personnel credentials

E-7, North American Electric Reliability Corporation, Docket No. RD11-7-000. This order approves Reliability Standard, PER-003-1 (Operating Personnel Credentials). This Reliability Standard requires reliability coordinators, transmission operators, and balancing authorities to ensure that system operators performing reliability-related tasks are certified through the NERC System Operator Certification Program when filling a real-time operating position responsible for control of the Bulk Electric System. The order also approves the retirement of currently effective Reliability Standard, PER-003-0, which will be superseded by PER-003-1.

FERC conditionally accepts proposed credit-reform related tariff revisions

E-8, Midwest Independent Transmission System Operator, Inc., Docket No. ER11-3970-000. The order conditionally accepts MISO's proposed tariff revisions and generally finds that MISO's proposed tariff revisions comply with the directives of Order Nos. 741 and 741-A. However, acceptance is conditioned upon MISO's filing a further compliance filing, principally to establish periodic compliance verification for market participants' risk management policies and procedures.

FERC denies, without prejudice, request for standards of conduct waiver

E-9, Bangor Hydro Electric Company, Docket No. TS11-5-000. The order denies, without prejudice, Bangor Hydro Electric Company's request for waiver of the Standards of Conduct to permit its transmission function employees to engage in actions necessary to effectuate spot market resales of energy in the ISO New England, Inc. real-time market.

FERC conditionally accepts proposed credit-reform related tariff revisions

E-10, *Southwest Power Pool, Inc.*, Docket No. ER11-3967-000. The order conditionally accepts SPP's proposed tariff revisions and generally finds that SPP's proposed tariff revisions comply with the directives of Order Nos. 741 and 741-A. However, acceptance is conditioned upon SPP's filing a further compliance filing, principally to establish periodic compliance verification for market participants' risk management policies and procedures.

FERC denies clarification and rehearing

E-11, *PJM Interconnection, L.L.C. and Trans-Allegheny Interstate Line Company*, Docket No. ER11-3064-001. This order denies clarification and rehearing to one of the underlying co-applicants, Trans-Allegheny Interstate Line Company, regarding an allocation issue not presented by the underlying rate request. The order concludes that this allocation issue, arising under the PJM tariff at Schedule 12 (addressing the system-wide allocation of transmission project costs), is beyond the scope of this proceeding.

FERC conditionally accepts proposed credit-reform related tariff revisions

E-12, *PJM Interconnection, L.L.C.*, Docket No. ER11-3972-000. The order conditionally accepts PJM's proposed tariff revisions and generally finds that PJM's proposed tariff revisions comply with the directives of Order Nos. 741 and 741-A. However, acceptance is conditioned upon PJM's filing a further compliance filing, principally to establish periodic compliance verification for market participants' risk management policies and procedures.

FERC conditionally accepts proposed credit-reform related tariff revisions

E-13, *ISO New England Inc. and New England Power Pool*, Docket No. ER11-3953-000. The order conditionally accepts ISO-NE's proposed tariff revisions and generally finds that ISO-NE's proposed tariff revisions comply with the directives of Order Nos. 741 and 741-A. However, acceptance is conditioned upon ISO-NE's filing a further compliance filing, principally to establish periodic compliance verification for market participants' risk management policies and procedures.

FERC accepts compliance filing, subject to a further compliance filing

E-14, *New York Independent System Operator, Inc.*, Docket Nos. ER11-2224-004, ER11-2224-005, ER11-2224-009. The order addresses two compliance filings by NYISO regarding the implementation of new Installed Capacity (ICAP) demand curve rates for the 2011/2012, 2012/2013, and 2013/2014 capability periods. The order accepts NYISO's compliance filing with regard to the inclusion of property tax abatement in the NYC demand curve. The order also accepts NYISO's additional explanation and support for demand curve input assumptions regarding System Deliverability Upgrade costs, System Upgrade Facility costs, and assumed levels of excess capacity. The order rejects NYISO's explanation regarding its preferred method of calculating the winter/summer adjustment and directs NYISO to calculate the adjustment based on the assumed level of excess capacity.

FERC conditionally accepts proposed credit-reform related tariff revisions

E-15, *New York Independent System Operator, Inc.*, Docket Nos. ER11-3949-000, *et al.* The order conditionally accepts NYISO's proposed tariff revisions and generally finds that NYISO's proposed tariff revisions comply with the directives of Order Nos. 741 and 741-A. However, acceptance is conditioned upon NYISO's filing a further compliance filing, principally to establish periodic compliance verification for market participants' risk management policies and procedures.

FERC conditionally accepts proposed credit-reform related tariff revisions

E-16, *California Independent System Operator Corporation*, Docket No. ER11-3973-000. The order conditionally accepts CAISO's proposed tariff revisions and generally finds that CAISO's proposed tariff revisions comply with the directives of Order Nos. 741 and 741-A. However, acceptance is conditioned upon CAISO's filing a further compliance filing, principally to establish periodic compliance verification for market participants' risk management policies and procedures. Acceptance is also conditioned upon CAISO submitting a further compliance filing to revise its tariff to recognize a letter from a federal agency acknowledging its financial obligations as adequate financial security for the agency to participate in CAISO's congestion revenue rights market.

FERC dismisses requests for clarification and rehearing

E-17, *Idaho Wind Partners 1, LLC*, Docket No. EL11-12-002. This order dismisses Avista Corporation's June 20, 2011 request for clarification or, in the alternative, rehearing of the Commission's May 19, 2011 order as an untimely request for rehearing of an earlier March 17, 2011 order. The March 17, 2011 order held that, once a Qualifying Facility (QF) sells its energy to a third party QF, and then re-purchases that energy un-commingled with any non-QF energy, the QF energy would remain QF energy after the simultaneous sale to and buy-back from the third-party QF and thus may be sold to an electric utility pursuant to the PURPA mandatory purchase obligation at PURPA avoided cost rates. The order also reiterated that, under PURPA, the sale and trading of Renewable Energy Credits is a matter for the states, and not the Commission, to address.

FERC proposes eliminating certain reporting requirements for storage facilities

G-1, *Storage Reporting Requirements of Interstate and Intrastate Natural Gas Companies*, Docket No. RM11-4-000. The Notice of Proposed Rulemaking proposes to eliminate the semi-annual storage reporting requirements for interstate and intrastate natural gas companies that are currently required by the Commission's regulations. The order finds that the reports proposed for elimination are largely duplicative of other reporting requirements.

FERC grants in part and denies in part rehearing requests

H-1, *Duke Energy Carolinas, LLC*, Project Nos. 2698-050 and 2686-062. The order grants in part and denies in part the licensee's rehearing requests of two Commission orders issuing licenses for the 26.175-megawatt East Fork Hydroelectric Project No. 2698 and the 24.6-MW West Fork Hydroelectric Project No. 2686, located on the East and West Forks of the Tuckasegee River in Jackson County, North Carolina.

FERC denies motion for stay

H-2, *Grand Coulee Project Hydroelectric Authority*, Project No. 13681-002. The order denies a motion for stay, pending judicial review, of the Commission's December 14, 2010 order dismissing the Grand Coulee Project Hydroelectric Authority's application for a preliminary permit to study the proposed North Dam Pumped Storage Project. The underlying order concluded that the project would

use the same water resource as a project for which a preliminary permit had already been issued to another entity. The project would have been located in part at Banks Lake, which is a component of the U.S. Bureau of Reclamation's Columbia Basin Project in Washington.

FERC denies rehearing

H-3, *Woodland Pulp LLC*, Docket No. DI10-0-001. The order denies Woodland Pulp LLC's rehearing request of the July 19, 2011 declaratory order, issued by the Director of the Commission's Office of Energy Projects, which found that Woodland Pulp's storage projects on the St. Croix River in Maine contribute to generation at downstream projects and are required to be licensed. The Commission's order affirms the Director's disposition of this matter, which was consistent with prior Commission orders regarding these projects that have been affirmed on judicial review.

FERC issues certificates and grants abandonment authority for natural gas facilities in NY and PA

C-1, *Tennessee Gas Pipeline Company and Dominion Transmission, Inc.*, Docket Nos. CP11-30-000 and CP11-41-000. This order grants authorization to Dominion Transmission, Inc. to abandon by lease 150,000 dekatherms per day of transportation capacity to Tennessee Gas Pipeline Company. The order also grants Dominion authorization to construct and operate its proposed Ellisburg to Craigs Project located in Wyoming and Livingston counties in New York, and Potter County, Pennsylvania to provide the capacity for Tennessee's lease, and it grants Tennessee authorization to construct and operate its Northeast Supply Diversification Project, consisting of 6.77 miles of pipeline and compression facilities to be located in northern Pennsylvania and western New York.

FERC approves abandonment of two compressor stations

C-2, *El Paso Natural Gas Company*, Docket No. CP10-510-000. The order authorizes El Paso Natural Gas Co. to abandon in place two compressor stations – one located in Luna County, NM, the other in Pima County, AZ - on its South Mainline System because the stations are no longer needed to provide firm transportation service to El Paso's existing customers. The order states the abandonment will result in no adverse impact on existing customers and will enable El Paso to avoid repair and maintenance costs for the old and obsolete compressor units.

The order denies several protests alleging that El Paso provided insufficient information regarding current and future throughput on its system to justify abandoning the compressor stations. The order finds that the flow diagrams El Paso filed with its application and its description of the changes that have occurred on its system justify the abandonment with respect to current firm transportation requirements. The lack of response to El Paso's open season for capacity on the South Mainline System supports El Paso's claim that there will not be a future impact on its firm transportation services. Finally, the order denies requests for consolidating this proceeding with El Paso's section 4 rate proceeding and a request for an evidentiary hearing.