

# **November 2011 Meeting Summaries**

**These are summaries of orders voted by the Federal Energy Regulatory Commission at its November 17, 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](http://www.ferc.gov).**

**G-1, Press Release**

**G-2, 3, 4, Press Release**

**H-1, Press Release**

## **FERC accepts filing**

**E-1, *PJM Interconnection, L.L.C.; Trans-Allegheny Interstate Line Company***, Docket No. ER11-4574-000. This order accepts Trans-Allegheny Interstate Line Company's (TrAILCo) proposed modifications to TrAILCo's Attachment H-18 to the PJM OATT. As a result of the merger between Allegheny Energy, Inc. and FirstEnergy Corp., TrAILCo is now affiliated with FirstEnergy's operating companies (FirstEnergy affiliates). The proposed changes reflect the additional PJM transmission zones of the FirstEnergy affiliates in which TrAILCo may construct facilities.

## **FERC denies request for rehearing**

**E-2, *Nebraska Public Power District, Southwest Power Pool Regional Entity***, Docket No. RR11-1-002. This order denies Nebraska Public Power District's (NPPD) and Southwest Power Pool Regional Entity's (SPP RE) requests for rehearing of a Commission order upholding the North American Electric Reliability Corporation's denial of the request to transfer the compliance registrations of NPPD and several other registered entities located within Nebraska (together the "Nebraska Entities") from Midwest Reliability Organization to SPP RE. The order reaffirms that the transfer of the Nebraska Entities' compliance registration to SPP RE would likely result in compliance auditing inefficiencies and the need for increased coordination between Regional Entities.

## **FERC approves reliability standard, denies request for an exemption**

**E-4**, *North American Electric Reliability Corporation*, Docket No. RD11-3-000. This order approves a revised Reliability Standard (FAC-013-2), which was developed in response to prior Commission directives regarding the need for transparency and consistency in assessing Transfer Capability. The proposed standard requires Planning Coordinators to have a transparent methodology for, and to annually perform, an assessment of transmission Transfer Capability over the near-term planning horizon. The order also denies ERCOT's request for an exemption from the requirements of the revised Reliability Standard, and requests further support for, or a modification of, certain Violation Risk Factors assigned to the revised Standard.

## **FERC approves reliability standard**

**E-5**, *North American Electric Reliability Corp.*, Docket No. RD11-10-000. The order approves Reliability Standard FAC-008-3 (Facility Ratings) and the retirement of Reliability Standards FAC-008-1 (Facility Ratings Methodology) and FAC-009-1 (Establish and Communicate Facility Ratings). The order finds that FAC-008-3 presents measurable and enforceable requirements that obligate transmission owners and generator owners to develop facility ratings methodologies for its facilities. The order also approves the assigned Violation Severity Levels and the associated Violation Risk Factors (VRFs) with one modification. Specifically, the order directs NERC to change the VRF assigned to FAC-008-3, Requirement R2, from "Lower" to "Medium."

## **FERC denies rehearing; clarifies prior order**

**E-6**, *Cedar Creek Wind Energy, LLC, Milford Wind Corridor Phase I, LLC*, Docket Nos. RC11-1-001 and RC11-2-001. This order denies rehearing and provides clarification of the Commission's order denying the appeals of two NERC registry decisions in which NERC found that Cedar Creek Wind Energy, LLC and Milford Wind Corridor Phase I, LLC were properly included on the NERC Compliance Registry as transmission owners and transmission operators.

## **FERC denies, in part, and grants, in part, request for clarification**

**E-7**, *Northeast Transmission Development, LLC*, Docket No. EL11-33-001. This order denies in part and grants in part the Designated PJM Transmission Owners' request for clarification of the Commission's June 16, 2011 order on Northeast Transmission's petition for transmission rate incentives.

## **FERC grants petition seeking a declaratory order**

**E-8, *Duke Energy Ohio, Inc.***, Docket No. EL11-58-000 *et al.* The order grants the petition of Duke Energy Ohio, Inc. seeking a declaratory order finding that its proposed payment of dividends from equity accounts will not violate section 305(a) of the Federal Power Act.

**FERC grants, in part, and denies, in part, request for rehearing and directs further revision**

**E-10, *Westar Energy, Inc.***, Docket No. ER09-1273-002 *et al.* This order grants in part and denies in part American Wind Energy Association's and the Wind Coalition's request for rehearing of the Commission's March 18, 2010 order in this proceeding. The March 18, 2010 order accepted Westar Energy, Inc.'s proposed *pro forma* Balancing Area Services Agreement and Schedule 3A, Generator Regulation and Frequency Response Service, which enabled Westar to charge for and provide generation regulation and frequency response services to generators located in Westar's balancing area whose output is delivered outside Westar's balancing area or to Southwest Power Pool, Inc.'s energy imbalance market. The order also institutes a proceeding under section 206 of the FPA, establishes a refund effective date, and directs Westar to submit a compliance filing within thirty days that would require Westar to aggregate certain data in calculating the Schedule 3A regulation requirements.

**FERC acts on rehearing requests, technical conference, and compliance filing**

**E-11, *PJM Interconnection, L.L.C.***, Docket No. ER11-2875-001, *et al.* The order addresses PJM's Minimum Offer Price Rule (MOPR) - a mechanism that seeks to prevent the exercise of buyer market power in the forward capacity market by ensuring that all new resources are offered into PJM's Reliability Pricing Model (RPM) on a competitive basis. The order addresses requests for rehearing and clarification of an earlier order, issued April 12, 2011, a technical conference established to consider a rehearing issue relating to self-supply, and a PJM compliance filing. The Commission generally affirms its acceptance of PJM's proposed revisions to the MOPR, finding that the MOPR helps ensure that wholesale prices are just and reasonable and should elicit new entry when new capacity is needed. The Commission finds that PJM's proposal to permit suppliers to justify their costs on a project-specific basis will allow reasonable consideration of the cost and revenue characteristics and business models of individual projects.

**FERC denies request for rehearing; conditionally accepts compliance filing and directs Commission staff to commence a technical conference**

**E-12**, *California Independent System Operator Corporation*, Docket Nos. ER10-1706-001 and ER10-1706-002. This order denies the California Independent System Operator Corporation's (CAISO) request for rehearing of the Commission's August 31, 2010 order accepting, in part, and rejecting, in part, certain tariff revisions proposed by CAISO relating to interconnection requirements applicable to large asynchronous generators, primarily wind and solar photovoltaic resources. The order finds that CAISO did not provide sufficient evidence to justify its requested tariff revisions, and that the August 31, 2010 order was not in conflict with the Commission's order approving the North American Electric Reliability Corporation's interpretation of the Commission-approved Voltage and Reliability Standard designated VAR-002-1.1b, and does not arbitrarily discriminate against existing conventional generators. The order conditionally accepts CAISO's September 30, 2011 compliance filing, subject to a subsequent compliance filing. The order also directs Commission staff to commence a technical conference to consider the reactive power provisions of Order No. 661-A and the evidentiary requirements necessary to make a showing under that order.

**FERC approves proposed amendments to NERC's Rules of Procedure**

**E-13**, *North American Electric Reliability Corporation*, Docket No. RR11-5-000. This order approves NERC's proposed amendments to the NERC Rules of Procedure. The amendments modify the Election Procedure for Members of NERC Standards Committee and the Registered Ballot Body Criteria.

**FERC accepts and suspends a request**

**E-14**, *Nevada Power Company*, Docket No. EL11-4215-000. The order accepts and suspends a request for cancellation of rate schedule, and sets the matter for hearing and settlement procedures.

**FERC rejects motion for clarification and request for rehearing**

**H-2**, *FirstLight Hydro Generating Company*, Project No. 2576-151. This order rejects the Candlewood Lake Authority's motion for clarification and request for rehearing of a September 23, 2011 Commission staff order approving the request of FirstLight Hydro Generating Company to modify the nuisance plant monitoring plan for its Housatonic Project No. 2576 located in Connecticut, because the Authority is not a party to the proceeding. For clarity, however, the order also addresses Candlewood's substantive concerns.

### **FERC denies rehearing**

**H-3**, *Duke Energy Carolinas, LLC*, Project No. 2601-015. The order denies a request for rehearing by Paulette Smart of a September 20, 2011, notice denying her late motion to intervene in the relicensing proceeding for the Bryson Hydroelectric Project No. 2601 located in North Carolina. The order concludes that Ms. Smart has not provided good cause for intervening late and that she is not aggrieved by the underlying order, but, for clarity, addresses her substantive concerns.

### **FERC denies rehearing**

**H-4**, *The Nevada Hydro Company, Inc.*, Project No. 11858-004. This order denies Nevada Hydro Company's request for rehearing of an order issued July 12, 2011, in which the Director of FERC's Office of Energy Projects dismissed the license application filed by Nevada Hydro and its co-applicant, Elsinore Valley Municipal Water District, for the proposed Lake Elsinore Advanced Pumped Storage Project, in California. The Director dismissed the application based on his conclusion that the co-applicants, which have had ongoing disagreements regarding the status of a transmission line included in the project description, would be unlikely to be able to work together as co-licensees.

In its order denying rehearing, the Commission finds the Director correctly concluded that the disagreements between the co-applicants were such that the Commission could not rely on them to be cooperating co-licensees, and that his dismissal of the application was within his discretion.

### **FERC authorizes revised protective buffer zone for a storage facility in NY**

**C-2**, *Dominion Transmission Inc.*, Docket No. CP11-493-000. The order authorizes Dominion Transmission, Inc. to revise the active boundary and to establish a 2,000-foot buffer zone around its Woodhull Storage Pool located in Steuben County, New York. The order finds that the proposed protective buffer should protect the Woodhull Storage Pool from potential breaches that may be caused from the hydraulic fracturing used in the drilling of Marcellus Shale wells in the vicinity of the Pool.

### **FERC approves construction of certain natural gas facilities in PA**

**C-3**, *Texas Eastern Transmission, LP*, Docket Nos. CP11-67-000 and 001.

The order authorizes, subject to conditions, a proposal by Texas Eastern to construct, operate, and abandon certain facilities on its mainline in Greene and Lancaster Counties, Pennsylvania.

**FERC grants clarification and rehearing**

**C-4, *Tennessee Gas Pipeline Company***, Docket No. CP11-36-001. This order grants Tennessee Gas Pipeline Company's request for clarification and rehearing of the Commission's August 24, 2011 Order Issuing Certificate. This order clarifies that a provision in Tennessee's binding precedent agreement with The Berkshire Gas Company is not non-conforming, as originally determined in the August 24 Order. This order also grants Tennessee's request for rehearing to allow it until November 1, 2012 to place the Northampton Expansion Project into service. The project would be located in Southwick, Massachusetts.