

March 2014 Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its March 20, 2014 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 summaries 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-7 - Press Release

M-1, M-2, and M-3 – Press Release

H-1 – Press Release

FERC conditionally approves a compliance filing

E-1, *California Independent System Operator Corporation*, Docket Nos. ER13-103-001 and ER13-103-003. This order addresses CAISO's second round Order No. 1000 regional compliance filing and a request for clarification of the initial compliance order. The order denies the request for clarification and conditionally accepts CAISO's second compliance filing, subject to further modification.

FERC approves reliability standards

E-4, *Generator Verification Reliability Standards*, Docket No. RM13-16-000. This final rule approves five modeling Reliability Standards submitted by the North American Electric Reliability Corporation: MOD-025-2, MOD-026-1, MOD-027-1, PRC-019-1, and PRC-024-1. The Reliability Standards help ensure that verified data is available for power system planning and operational studies by requiring the verification of generator equipment and capability needed to support Bulk-Power System reliability and promoting the coordination of protection system settings. The improvements in the accuracy of model verifications should help reduce the risk of generator trips and provide more accurate models for transmission planners and planning coordinators to develop system models and simulations.

FERC grants in part requests for clarification; denies rehearing

E-5, *Version 5 Critical Infrastructure Protection Reliability Standards*, Docket No. RM13-5-001. The order grants in part the requests for clarification and denies the requests for rehearing of Order No. 791, which approved the Critical Infrastructure Protection Version 5 Reliability Standards. The requests were filed by the American Public Power Association and National Rural Electric Cooperative Association; Utility Services, Inc.; and Edison Electric Institute and Electric Power Supply Association.

FERC proposes a rule

E-6, *Generator Relay Loadability and Revised Transmission Relay Loadability Reliability Standards*, Docket Nos. RM13-19-000 and RM14-3-000. This Notice of Proposed Rulemaking proposes to approve a new Reliability Standard, PRC-025-1 (Generator Relay Loadability) and to approve Reliability Standard PRC-023-3 (Transmission Relay Loadability), which revises a currently-effective standard pertaining to transmission relay loadability.

FERC accepts tariff amendments

E-8, *New York Independent System Operator Inc.*, Docket No. ER14-385-000. This order accepts tariff amendments proposed by NYISO to comply with the requirements of the Commission's Order No. 764, *Integration of Variable Energy Resources*.

FERC accepts in part and rejects in part proposed tariff revisions

E-9, *ISO New England Inc. and New England Power Pool Participants Committee*, Docket No. ER14-375-000. This order accepts in part and rejects in part proposed revisions to the ISO-NE tariff submitted to comply with the Commission's Order No. 764, *Integration of Variable Energy Resources*. The order finds the proposal consistent with Order No. 764's intra-hour scheduling requirements and, therefore, accepts that aspect of the compliance filing. The order finds that ISO-NE's proposal to place the meteorological and forced outage data reporting requirements in its Operating Documents, rather than in its tariff, does not satisfy the independent entity variation standard. The order directs ISO-NE to submit an additional compliance filing within 30 days to place the data reporting requirements in the tariff.

FERC accepts a filing

E-10, *California Independent System Operator Corporation*, Docket Nos. ER13-2063-001 and ER14-1004-000. This order accepts CAISO's proposal to impose a mandatory requirement for generators that are operable in multiple configurations to register as multi-stage generating resources.

FERC grants a limited waiver

E-11, *Iowa Hydro LLC*, Docket No. QF12-135-000. The order grants Iowa Hydro a limited waiver of the Commission's qualifying facility (QF) filing requirements in section 292.203(a) of the Commission's regulations and, because Iowa Hydro made sales without filing under Federal Power Act (FPA) section 205 and without the benefit of an exemption from FPA section 205, directs Iowa Hydro to make time-value refunds. The order finds that Iowa Hydro, which owns Maquoketa Hydroelectric Project, a 1.2 MW net capacity hydroelectric QF located in Jackson County, Iowa, was not in compliance with the Commission's QF filing requirement from August 1, 2006 through December 27, 2011. Iowa Hydro thus did not have QF status prior to December 27, 2011 when it first filed a notice of self-certification.

FERC denies a request for reconsideration

E-12, *Otter Creek Solar LLC*, Docket Nos. EL13-60-001 and QF13-402-002. The order denies Otter Creek's request for reconsideration, reaffirming its earlier finding that it was appropriate for the Commission to exercise its discretion and decline to initiate an enforcement action against the Vermont Public Service Board under the Public Utility Regulatory Policies Act of 1978 (PURPA). The order also reiterates that, as a qualifying facility in the State of Vermont, Otter Creek may avail itself of its rights under Vermont's Rule 4.100 program (established by Vermont in implementing PURPA), or may instead choose to participate in Vermont's separate, voluntary Sustainably Priced Energy Enterprise Development program.

FERC declines to initiate an enforcement action

E-13, *Hydrodynamics Inc., Montana Marginal Energy Inc., WINData LLC*, Docket Nos. EL13-73-000, *et al.* This Notice of Intent Not to Act and Declaratory Order gives notice that the Commission declines to initiate an enforcement action against the Montana Public Service Commission (Montana Commission), as requested by Hydrodynamics Inc., Montana Marginal Energy, Inc., and WINData, LLC (collectively, Petitioners). Petitioners requested that the Commission take enforcement action, or, in the alternative, issue a declaratory order finding that a Montana Commission rule and orders interpreting that rule fail to implement the Public Utility Regulatory Policies Act of 1978 (PURPA). While the order states the Commission's intention not to go to court, the order does declare that the Montana Commission's practice of requiring qualifying facilities (QF) larger than 10 MW to win a competitive solicitation before they may obtain long-term avoided cost rates, particularly where such competitive solicitations are not regularly held, imposes an impermissible obstacle to obtaining a legally enforceable obligation. The order further declares that an installed capacity limit of 50 MW applicable to purchases from wind QFs larger than 100 kW but equal to or below 10

MW, which precludes wind QFs from obtaining forecasted avoided cost rates and receiving compensation for capacity once the limit is reached, is inconsistent with PURPA.

FERC conditionally accepts proposed tariff revisions

E-14, *California Independent System Operator Corporation*, Docket No. ER14-480-000. This order conditionally accepts CAISO's proposed tariff revisions to align its market structure with certain reforms mandated in Order No. 764, *Integration of Variable Energy Resources*, and to implement additional market enhancements, including revisions to: (i) institute 15-minute scheduling and settlement for all transactions, (ii) facilitate a smooth transition to the new market structure for variable energy resources (VERs), and (iii) reinstate convergence bidding on the interties. The order directs CAISO to submit: (1) a compliance filing within 30 days containing revised tariff language on revocation of VERs' self-forecasting privileges and a process for distribution of refunds if a VER, subject to the transitional protective measures, is later found ineligible following the dispute resolution process; (2) reports regarding the performance of the revised market structure and the impact of convergence bidding on the interties, no later than 120 days prior to May 1, 2015; and (3) a report to evaluate the market impacts of convergence bidding on the interties, no later than 30 days after 12 months after the reinstatement of intertie convergence bidding.

FERC conditionally accepts proposed tariff revisions

E-15, *California Independent System Operator Corporation*. Docket No. ER14-495-000. This order conditionally accepts CAISO's proposed revisions to its tariff to comply with the meteorological and forced outage data reporting requirements of Order No. 764, *Integration of Variable Energy Resources*. The order directs CAISO to submit a compliance filing within 30 days: (1) revising Appendix Q to include the meteorological data reporting requirements currently found in the business practice manuals; and (2) correcting an omission in the *pro forma* language of Article 8.4. The order also grants CAISO's request for waiver of the notice requirement in section 35.3 of the Commission's regulations. CAISO requests an effective date of May 1, which is more than 120 days after the date of its filing.

FERC denies rehearing

E-16, *Midwest Independent Transmission System Operator, Inc.*, Docket No. EL12-35-001. This order denies rehearing of the Commission's May 16, 2013 order, where the Commission found that the formula rate protocols under the MISO Open Access Transmission, Energy, and Operating Reserve Markets Tariff were insufficient to ensure just and reasonable rates.

FERC conditionally accepts a compliance filing

E-17, *Midcontinent Independent System Operator, Inc.*, Docket No. ER13-2375-000. The order conditionally accepts the compliance filing made by the MISO and Southern Indiana Gas & Electric Company (Southern Indiana) proposing revisions to Southern Indiana's Attachment O of MISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff) to modify the existing formula rate protocols.

FERC conditionally accepts a compliance filing

E-18, *Midcontinent Independent System Operator, Inc.*, Docket No. ER13-2376-000. The order conditionally accepts the filing made by the MISO and Northern Indiana Public Service Company (NIPSCO) proposing revisions to NIPSCO's Attachment O of MISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff to modify the existing formula rate protocols.

FERC conditionally accepts a compliance filing

E-19, *Midcontinent Independent System Operator, Inc.*, Docket No. ER13-2379-000. The order conditionally accepts the filing made by the MISO and the MISO transmission owners proposing revisions to Attachment O of MISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff to modify the existing formula rate protocols. The order also accepts the compliance letters filed by Montezuma Municipal Light & Power and Tipton Municipal Utilities; the Board of Water, Electric and Communications Trustees for the City of Muscatine, Iowa d/b/a Muscatine Power & Water; Michigan South Central Power Agency; and Entergy Services, Inc.

FERC grants a complaint in part

E-22, *Old Dominion Electric Cooperative and North Carolina Electric Membership Corporation v. Virginia Electric and Power Company*, Docket No. EL10-49-000. On March 17, 2010, Old Dominion Electric Cooperative (ODEC) and North Carolina Electric Membership Corporation (NCEMC) (collectively, Complainants) filed a complaint against Virginia Electric and Power Company (Dominion), alleging that certain costs were improperly included in Dominion's 2010 Annual Transmission Revenue Requirement (2010 ATRR) (Complaint). The Commission's October 4, 2010 Complaint Order reserved for Commission resolution the issue of whether Dominion should exclude from its 2010 ATRR the incremental costs of undergrounding the Garrisonville, Pleasant View-Hamilton, and DuPont Fabros transmission line projects the event that parties were unable to settle. This order grants the reserved portion of the Complaint in part by finding that Complainants have shown that it is not just and reasonable for wholesale transmission customers outside Virginia to be allocated the incremental costs of undergrounding the projects.

FERC denies petition for a declaratory order

G-1, *Colonial Pipeline Company*, Docket No. OR14-8-000. The order denies Colonial's petition for declaratory order seeking approval of (1) the tariff rate structure and terms of service agreed to by Contract Shippers in Transportation Service Agreements, (2) a proposed prorationing methodology under which the calculation of a Contract Historic Shipper's capacity allocation will be based on the greater of that shipper's annual volume commitment or its history of refined petroleum products shipped over the relevant 12-month period, and (3) a procedure by which excess system capacity is allocated to eligible Contract Shippers. The order also finds unduly discriminatory Colonial's request to create two classes of shippers, committed and uncommitted, out of one class of shippers currently receiving the same service on existing capacity.

FERC authorizes, with conditions, proposed natural gas facilities

C-1, *Northern Natural Gas Company*, Docket No. CP13-528-000. The order authorizes Northern Natural Gas Company to construct and operate its proposed West Leg 2014 Expansion Project to be located in Dakota and Dodge Counties, Nebraska, and Woodbury County, Iowa and approves the associated abandonment of three short segments of existing pipeline to facilitate the tie-in of the new pipeline facilities. The Commission grants the requested certificate authorization, subject to conditions. The order denies Northern's request for a pre-determination that it may roll-in the costs associated with the West Leg Project into its existing rates because the proposed recourse rates approved for service on the West Leg Project will not fully recover the cost of service of the project.

FERC authorizes US to Mexico pipeline project

C-2, *Houston Pipe Line Company LP*, Docket No. CP14-13-000. The order issues a Presidential Permit and grants authorization under section 3 of the Natural Gas Act to Houston Pipe Line Company LP to site, construct, operate, and maintain new border-crossing facilities consisting of 703 feet of 24-inch-diameter pipeline extending from a point in Hidalgo County, Texas, to the international boundary with Mexico at the middle of the Rio Grande River.