

147 FERC ¶ 61,021
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Acting Chairman;
Philip D. Moeller, John R. Norris,
and Tony Clark.

Puget Sound Energy, Inc. Macquarie Energy LLC	Docket Nos. ER10-2374-004 ER10-1533-005
Public Service Company of Colorado Northern States Power Company, a Minnesota corporation	ER10-1818-004 ER10-1819-005
Northern States Power Company, a Wisconsin corporation Southwestern Public Service Company	ER10-1820-007 ER10-1817-005
PacifiCorp CalEnergy, LLC	ER10-3246-002 ER13-1266-002
Avista Corporation Spokane Energy, LLC	ER10-2290-002 ER10-2187-001
NorthWestern Corporation Montana Generation, LLC	ER11-1858-002 ER11-1859-001
Sierra Pacific Power Company Nevada Power Company	ER10-2474-004 ER10-2475-004
Portland General Electric Company	ER10-2249-002
Idaho Power Company	ER13-1857-000

ORDER ON SIMULTANEOUS TRANSMISSION IMPORT
LIMIT VALUES FOR THE NORTHWEST REGION

(Issued April 7, 2014)

1. In June and July 2013, Puget Sound Energy, Inc. (Puget Sound) and Macquarie Energy LLC; Public Service Company of Colorado, Northern States Power Company, a Minnesota corporation, Northern States Power Company, a Wisconsin corporation, and Southwestern Public Service Company; PacifiCorp and CalEnergy, LLC; Avista

Corporation (Avista) and Spokane Energy, LLC; NorthWestern Corporation (NorthWestern) and Montana Generation, LLC; Sierra Pacific Power Company and Nevada Power Company; Portland General Electric Company (Portland General Electric); and Idaho Power Company (collectively, Northwest Transmission Owners)¹ submitted updated market power analyses for the Northwest region in accordance with the regional reporting schedule adopted in Order No. 697.² The Northwest Transmission Owners included Simultaneous Transmission Import Limit (SIL) values for the December 2010 – November 2011 study period for balancing authority areas in the Northwest region.

2. In this order, the Commission accepts the SIL values identified in Appendix A (Commission-accepted SIL values). SIL studies are used as a basis for calculating import capability to serve balancing authority area load when performing market power analyses. SIL values quantify the simultaneous transmission import capability into a market or balancing authority area from its aggregated first-tier area. The SIL values accepted herein, except as discussed below, are based on SIL studies submitted by the Northwest Transmission Owners with their updated market power analyses. As discussed below, the Commission-accepted SIL values identified in Appendix A will be used by the Commission to analyze updated market power analyses for the Northwest region. The updated market power analyses for the Northwest Transmission Owners themselves, including any responsive pleadings, will be addressed in separate orders in the relevant dockets.

3. We note that other transmission owners in the Northwest region also submitted updated market power analyses. The updated market power analyses for those transmission owners are being addressed in separate orders in the relevant dockets.

¹ Some of the Northwest Transmission Owners submitted amendments to their filings.

² *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs. ¶ 31,252, at P 850, *clarified*, 121 FERC ¶ 61,260 (2007), *order on reh'g*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268, *clarified*, 124 FERC ¶ 61,055, *order on reh'g*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008), *order on reh'g*, Order No. 697-C, FERC Stats. & Regs. ¶ 31,291 (2009), *order on reh'g*, Order No. 697-D, FERC Stats. & Regs. ¶ 31,305 (2010), *aff'd sub nom. Montana Consumer Counsel v. FERC*, 659 F.3d 910 (9th Cir. 2011), *cert. denied*, 133 S. Ct. 26 (2012).

I. Background

4. In Order No. 697, the Commission adopted a staggered approach for filing updated market power analyses. The Commission recognized that the transmission-owning utilities have the information necessary to perform SIL studies and therefore determined that transmission-owning utilities would be required to file their updated market power analyses in advance of other entities in each region.³

5. In addition to providing SIL studies for their respective balancing authority areas, some of the Northwest Transmission Owners provided SIL studies for first-tier balancing authority areas that are not operated by public utilities as defined under Part II of the Federal Power Act.⁴ Specifically, Portland General Electric submitted SIL studies for Bonneville Power Administration, Public Utility District of Grant County, and Public Utility District of Chelan County; these studies were performed by the Northwest PowerPool. Puget Sound provided SIL studies for Seattle City Light and Tacoma Power; NorthWestern provided a SIL study for Western Area Power Administration, Upper Great Plains West; and Public Service Company of Colorado provided a SIL study for Western Area Power Administration, Colorado-Missouri. The Northwest Transmission Owners coordinated on the preparation of their SIL studies and shared with each other SIL values for their respective balancing authority areas.

II. Discussion

6. We begin by commending the transmission owners for coordinating on the preparation of their SIL studies and sharing the SIL values for their respective home balancing authority areas with each other. Such a coordinated approach leads to more accurate and consistent SIL study results. We have selected, from among the SIL values submitted, the Commission-accepted SIL values that we will use in assessing transmission import capability for purposes of measuring market power within the Northwest region.

7. The Commission's last order accepting SIL values for the Northwest region provided direction on submitting SIL studies and established a required reporting format – Table 1 and Table 2 – for summarizing the results of SIL studies.⁵ Because SIL values are limited by load, sellers are required to include the seasonal historical peak

³ Order No. 697, FERC Stats. & Regs. ¶ 31,252 at P 889.

⁴ 16 U.S.C. § 824 (2012).

⁵ *Puget Sound Energy, Inc.*, 135 FERC ¶ 61,254, at Appendix B (2011) (*Puget*).

loads for the relevant study period in Line 7 of Table 1. In *Puget*, the Commission directed sellers to identify the source of their load data if their seasonal benchmark case models do not use seasonal historical peak load data from FERC Form No. 714.⁶ Since the *Puget* order was issued, most sellers submitting SIL studies have used FERC Form No. 714 as the source of the peak load data shown in Line 7 of Table 1. However, over the last two years, Commission staff has found many cases in which the seasonal peak load data embedded in the models used to perform the SIL studies differs from the seasonal peak load values shown in Table 1. This inconsistency in peak load data was present in several of the SIL studies submitted by the Northwest Transmission Owners. While differences in peak load values between the models and Table 1 may not be significant for some SIL studies, they can be for others, such as when a study area's peak load is the potential constraint on import capability. Moreover, studies with inconsistent peak load values require amendments to clarify the discrepancy, thereby delaying staff's review of the SIL study.

8. The Commission clarifies that entities submitting SIL studies should use consistent seasonal peak load data. In other words, the peak load values embedded in the models should agree with the peak load values presented in Table 1. Sellers have discretion as to the source of the load data used, so long as the source is clearly specified and they use the data in a consistent manner. Thus, if sellers prefer to use the peak load values embedded in the models, they may, so long as they use these values in Table 1 and explain the source of the data. Sellers may use peak load values sourced from FERC Form No. 714, as specified in *Puget*, but must ensure that these load values are used in the models as well as presented in Table 1.

9. The Commission notes that NorthWestern's models include the Glacier Wind Energy 1 and Glacier Wind Energy 2 generating facilities (Glacier Wind) as part of NorthWestern's balancing authority area. It is the Commission's understanding that these facilities actually operate within NaturEner PowerWatch, LLC, a separate, generation-only balancing authority area.⁷ Because Glacier Wind was dispatched at or near zero megawatts for NorthWestern's SIL study, modeling of these facilities did not have a major impact on the study results. While the Commission accepts NorthWestern's SIL values here, we direct NorthWestern to model Glacier Wind as part of the NaturEner PowerWatch, LLC balancing authority area in future SIL studies.

⁶ *Id.*

⁷ See Glacier Wind Balancing Authority, FERC Form No. 714 (filed May 22, 2012) (annual electric balancing authority area and planning area report for the NaturEner PowerWatch, LLC balancing authority area).

10. The Commission notes that Puget Sound used an outage transfer distribution factor screening threshold of 10 percent in their SIL study, while most other sellers used thresholds of 5 percent or less. We accept Puget Sound's SIL values here, because they did not vary significantly with a lower outage transfer distribution factor threshold from what they would have been using under a 5 percent threshold. However, the Commission may choose to revisit screening thresholds such as that used by Puget Sound in the future.

11. The Commission notes that Avista provided three alternative SIL values for the Avista balancing authority area: 1) SIL values obtained from modeling the Lancaster generating facility as a remote resource external to the Avista balancing authority area; 2) SIL values obtained from modeling the Lancaster facility as a resource internal to the Avista balancing authority area; and 3) SIL values obtained from modeling Lancaster facility as a resource internal to the Avista balancing authority area and including non-affiliated load served by Avista in the net area interchange. Because the Lancaster facility was operated as an external resource during this study period, the Commission is accepting the SIL values corresponding to the first configuration.

12. The Commission will use the Commission-accepted SIL values identified in Appendix A when reviewing the currently pending updated market power analyses submitted by the Northwest Transmission Owners as well as the updated market power analyses filed by the non-transmission owning sellers in the Northwest region for this study period. Future filers submitting screens for the areas and study period identified in Appendix A are encouraged to use these Commission-accepted SIL values. In the alternative, such filers may propose different SIL values provided that their SIL studies comply with Commission directives and they explain why the Commission should consider a different SIL value for a particular balancing authority area or market rather than the Commission-accepted SIL values provided in Appendix A. In the event that the results⁸ for one or more of a particular seller's screens differ if the seller-supplied SIL value is used instead of the Commission-accepted SIL value, the order on that particular filing will examine the seller-supplied SIL study and address whether the seller-supplied SIL value is acceptable. However, when the overall results of the screens would be unchanged, i.e., the seller would pass using either set of SIL values or fail using either set of SIL values, the order would be based on the Commission-accepted SIL values found in Appendix A and would not address the seller-supplied SIL values.

⁸ Results refer to the results of the market share and/or pivotal supplier screens. For example, if a seller fails the market share screen for a particular season in a particular market using either SIL value, we would consider the result unchanged. Similarly, if the seller passes the screen using either value, the result is also unchanged.

The Commission orders:

The specific Commission-accepted SIL values identified in Appendix A to this order are hereby adopted for purposes of analyzing updated market power analyses for the Northwest region, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

Appendix A						
Accepted SIL Values (MW) for the Northwest Region						
Study Period of December 2010 to November 2011						
			Winter	Spring	Summer	Fall
	Abbreviation	Balancing Authority Area	2010	2011	2011	2011
1	AVA	Avista Corporation	1,013	528	829	528
2	BPAT	Bonneville Power Administration	0	0	0	0
3	CHPD	Public Utility District No. 1 of Chelan County	0	0	0	0
4	GCPD	Public Utility District No. 2 of Grant County	0	0	0	0
5	IPCO	Idaho Power Company	975	790	885	974
6	NWMT	NorthWestern Energy	1,326	1,099	1,271	1,099
7	PACE	PacifiCorp - East	3,794	3,762	4,629	4,319
8	PACW	PacifiCorp - West	1,718	1,235	1,410	1,213
9	PGE	Portland General Electric Company	1,727	1,285	1,549	1,575
10	PSCO	Public Service Company of Colorado	263	637	1,806	1,706
11	PSEI	Puget Sound Energy	2,023	2,279	1,544	2,241
12	SCL	Seattle City Light	1,928	1,697	1,456	1,697
13	SPPC	Sierra Pacific Power Company	733	734	551	556
14	TPWR	Tacoma Power	1,362	936	887	936
15	WACM	Western Area Power Administration - Colorado-Missouri	1,283	1,284	0	0
16	WAUW	Western Area Power Administration - Upper Great Plains West	78	72	98	72