

147 FERC ¶ 61,131  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

PacifiCorp

Docket Nos. ER14-778-000  
ER14-778-001  
ER14-778-002

ORDER ACCEPTING REVISED  
UNSCHEDULED FLOW MITIGATION PLAN

(Issued May 16, 2014)

1. In this order, the Commission accepts for filing the revised Western Electricity Coordinating Council (WECC) Unscheduled Flow Mitigation Plan (UFMP), to become effective on the latter of (1) the first day of the first quarter at least 45 days after regulatory approval of revised Regional Reliability Standard IRO-006-WECC-2; or (2) upon complete implementation of applicable changes to WECC's congestion management tool (webSAS) and Commission approval of the UFMP and revised Regional Reliability Standard IRO-006-WECC-2, as requested.

**I. Background**

2. On December 20, 2013, PacifiCorp filed the proposed revisions on behalf of itself and the following jurisdictional entities that are parties to the UFMP: (1) Northwestern Corporation d/b/a NorthWestern Energy (NorthWestern); (2) NV Energy, Inc. (NV Energy); (3) Pacific Gas & Electric Company (PG&E); and (4) Southern California Edison Company (SoCal Edison) (collectively, the Filing Parties).<sup>1</sup>

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<sup>1</sup> The revised UFMP is designated by PacifiCorp as First Revised Rate Schedule No. 439. PacifiCorp states that each of the Filing Parties will submit a certificate of concurrence to adopt the revised UFMP. Transmittal Letter at 1. The Filing Parties state that the UFMP is currently on file with the Commission as a rate schedule for the

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3. The Filing Parties explain that the UFMP, which was first approved by the Commission on November 29, 1995, was developed to address ongoing concerns associated with unscheduled, or off-path, flows for six specific Qualified Transfer Paths within the WECC region.<sup>2</sup> Under the UFMP, WECC members who own facilities that can be used to mitigate the effects of unscheduled flow can have those facilities qualified as Controllable Devices<sup>3</sup> and recover a portion of facility costs through annual dues paid by other WECC members. The UFMP has been modified from time to time, most recently in 2001, but the Filing Parties report that the cost allocation methodology in the UFMP has not been changed since the initial filing.<sup>4</sup> The Filing Parties note that the UFMP works in conjunction with Regional Reliability Standard IRO-006-WECC-2, which the North American Electric Reliability Corporation and WECC filed concurrently with the Commission.<sup>5</sup>

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following WECC members: PacifiCorp; SoCal Edison; NorthWestern (formerly Montana Power Company); Nevada Power Company (now part of NV Energy); PG&E; and Sierra Pacific Power Company (now part of NV Energy). *Id.* at 1 n.2.

<sup>2</sup> *Id.* at 2. *See S. Cal. Edison Co.*, 73 FERC ¶ 61,219 (1995) (*SoCal Edison*).

<sup>3</sup> A Controllable Device is an element (phase shifter, series capacitors, back-to-back DC, etc.) that can be used to mitigate the effects of unscheduled flow.

<sup>4</sup> Transmittal Letter at 2. *See S. Cal. Edison Co.*, Docket No. ER97-4724-000 (Nov. 12, 1997) (letter order accepting revised UFMP); *Western Sys. Coordinating Council*, Docket No. ER00-1670-00 (Mar. 24, 2000) (letter order accepting revised UFMP); *Western Systems Coordinating Council*, Docket No. ER01-3085-000 (Nov. 20, 2001) (letter order accepting revised UFMP).

<sup>5</sup> Regional Reliability Standard IRO-006-WECC-2 was filed on December 20, 2013 in Docket No. RD14-9-000.

4. The Filing Parties explain that the proposed revisions incorporate both substantive changes related to transmission priority, restricted transactions, and certain administrative practices, as well as non-substantive changes.<sup>6</sup> The Filing Parties state that the revised UFMP now consists of the following four sections, consistent with WECC's internal document categorization policy:<sup>7</sup>

- (1) Unscheduled Flow Mitigation Policy: updated to reflect the substantive revisions to the Unscheduled Flow Reduction Guideline.<sup>8</sup>
- (2) Unscheduled Flow Reduction Guideline: substantive revisions of the method and procedural steps for mitigating unscheduled flow, in Attachment 1 (WSCC Unscheduled Flow Reduction Procedure) and a portion of Attachment 3 (WSCC Controllable Devices Compensation Methodology).<sup>9</sup>
- (3) Unscheduled Flow Mitigation Controllable Devices Compensation Guideline: non-substantive revisions to the method for calculating financial compensation for owners of Qualified Controllable Devices in Attachment 3 (WSCC Controllable Devices Compensation Methodology) and Exhibit B (Calculation of Total Compensation Associated with Controllable Devices).<sup>10</sup>

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<sup>6</sup> Transmittal Letter at 2, 7. Additional non-substantive changes have been made to update the document with new terminology and cross references, delete and/or replace outdated language and provisions, and reorganize certain language for purposes of eliminating repetition and improving organization.

<sup>7</sup> The Filing Parties provide: a table describing where each component of the 2001 UFMP is now housed, a summary of the changes to each of the four components of the revised UFMP, a redline of each component against the relevant portion of the 2001 UFMP, and a clean version of the revised UFMP.

<sup>8</sup> Transmittal Letter at 5.

<sup>9</sup> *Id.* at 5-7.

<sup>10</sup> *Id.* at 6.

- (4) Unscheduled Flow Mitigation- Establishing Annual Membership Dues Guideline: non-substantive updates to the allocation of costs of mitigating unscheduled flow in Attachment 4 (WSCC USF Mitigation Plan (Annual Membership Dues)) and Exhibit C (Calculation and Allocation of Dues (WSCC Member's Annual Flow Mitigation Dues)).<sup>11</sup>

5. The Filing Parties assert that the proposed substantive revisions to the Unscheduled Flow Reduction Guideline component of the UFMP have been developed by WECC members through the WECC Operating Committee and constitute “a mutually-acceptable and industry-approved method of operation intended to promote coordination between interconnected utilities in order to ensure that loop flow does not jeopardize reliability or prevent economical use of the transmission system.”<sup>12</sup>

6. The Filing Parties assert that the revised UFMP is just and reasonable because it more effectively relieves unscheduled flow, results in fewer tags and fewer megawatt (MW) curtailments, thereby improving reliability, and has been widely accepted by the Western Interconnection and approved by WECC members.<sup>13</sup> The Filing Parties request that the Commission accept the revised UFMP, with an effective date that coincides with the effective date of revised Regional Reliability Standard IRO-006-WECC-2, but still provides enough time for the changes to be implemented in webSAS.<sup>14</sup> Thus, the Filing Parties request an effective date for the revised UFMP of the latter of: (1) the first day of the first quarter at least 45 days after regulatory approval of Regional Reliability Standard IRO-006-WECC-2; or (2) upon complete implementation of applicable

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<sup>11</sup> *Id.* at 6-7.

<sup>12</sup> *Id.* at 7 (citing *E. Kentucky Power Coop., Inc.*, 112 FERC ¶ 61,160, at P 27 (2005); and *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities*, Order No. 888, FERC Stats. & Regs. ¶ 31,036 (1996), *order on reh'g*, Order No. 888-A, FERC Stats. & Regs. ¶ 31,048, *order on reh'g*, Order No. 888-B, 81 FERC ¶ 61,248 (1997), *order on reh'g*, Order No. 888-C, 82 FERC ¶ 61,046 (1998), *aff'd in relevant part sub nom. Transmission Access Policy Study Group v. FERC*, 225 F.3d 667 (D.C. Cir. 2000), *aff'd sub nom. New York v. FERC*, 535 U.S. 1 (2002)).

<sup>13</sup> *Id.* at 14.

<sup>14</sup> *Id.* at 15.

webSAS changes and Commission approval of the revised UFMP and Regional Reliability Standard IRO-006-WECC-2.

**A. Transmission Priority**

7. The Filing Parties propose to revise the UFMP's relief requirement calculation methodology to use the transmission priority of schedules in coordination with the associated transfer distribution factor (TDF) to determine which schedule(s) will be subject to curtailment.<sup>15</sup> According to the Filing Parties, in order to incorporate the requirements of sections 13.6 and 14.7 of the Commission's *pro forma* open access transmission tariff (OATT), the revised UFMP creates 16 groups of tags. The first distinction among the group of tags is based on transmission priority (i.e., firm or non-firm) and reflects the eight-category priority order set forth in the OATT.<sup>16</sup> The second distinction among the group of tags is based on an on-path (scheduled flow) and off-path (unscheduled flow) classification of scheduled tags where the off-path tags are curtailed prior to the on-path tags.<sup>17</sup>

8. The Filing Parties explain that an off-path tag's priority is based on the lowest priority of any segment whereas an on-path tag's priority is based on the transmission segment which is considered on-path. Additionally, the Filing Parties explain that, within the 16 groups, tags are curtailed consistent with the TDF.<sup>18</sup> The Filing Parties further explain that the revised UFMP will only curtail schedules with TDFs greater than 10 percent in order to minimize curtailment of schedules that have a negligible effect on the path. In addition, the Filing Parties state that webSAS will calculate the total relief requirement and evaluate starting with the lowest priority tags to determine the highest priority level that will need to be curtailed to meet the relief requirement.<sup>19</sup> According to the Filing Parties, the allocation to all schedules within the marginal priority group will

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<sup>15</sup> *Id.* at 7-8.

<sup>16</sup> *Id.* at 8.

<sup>17</sup> An on-path schedule is a schedule that uses transmission service reservations for the line that is experiencing an unscheduled flow mitigation event. An off-path schedule is a schedule that has loop flow but does not use a transmission service reservation for the line that is experiencing an unscheduled flow mitigation event.

<sup>18</sup> Transmittal Letter at 8.

<sup>19</sup> Deficiency Response at 2.

be made on a “TDF Squared” methodology, which curtails the tags *pro rata* according to the square of the TDF.<sup>20</sup> The Filing Parties assert that this process is a non-discriminatory methodology that considers the transactions that can most effectively relieve the constraint.<sup>21</sup>

9. In support of the proposal, the Filing Parties state that the WECC Unscheduled Flow Task Force (UF Task Force) studied unscheduled flow events for five of the six Qualified Transfer Paths to determine the effects of the proposed revisions to the UFMP. The Filing Parties claim that the UF Task Force used the MW relief required under WECC’s current plan as the target relief required for the revised relief requirement calculation methodology. The Filing Parties state that, for the events analyzed, the UF Task Force found that, to obtain the same level of relief under the current UFMP, the revised methodology resulted in: (1) 38 percent fewer tags that were impacted; (2) 47 percent fewer MW that were curtailed; (3) 55 percent fewer firm tags that were curtailed; and (4) 69 percent fewer MW of firm tags that were curtailed to obtain the same level of relief under the current plan.<sup>22</sup> According to the Filing Parties, the study demonstrates that the proposed methodology will both reduce the number and increase the effectiveness of curtailments across the Western Interconnection. Additionally, the Filing Parties state that the revised UFMP was deliberated by WECC’s stakeholders for several years and is a widely accepted approach in the Western Interconnection that has been approved by WECC stakeholders.<sup>23</sup>

10. Additionally, the Filing Parties state that the revised UFMP curtailment methodology fairly curtails transmission providers because such curtailments are of specific energy schedules with physical flow impacts on the applicable Qualified

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<sup>20</sup> Transmittal Letter at 9.

<sup>21</sup> *Id.* We note that, generally, this approach assigns a proportionally greater amount of the relief requirement to transactions with higher TDFs. As a result, all schedules in the group are curtailed to some extent and the total curtailment for all schedules in that group will be less than using a *pro rata* curtailment allocation method.

<sup>22</sup> *Id.*

<sup>23</sup> The Filing Parties state the WECC Operating Committee approved the proposed revision to the UFMP on October 9, 2009 and the WECC Board of Directors approved the proposed changes on March 16, 2012. *Id.* at 14.

Transfer Paths.<sup>24</sup> According to the Filing Parties, transmission providers' relief requirements are based on transmission priority of all transmission providers, not just the transmission service in the sink balancing authority area. Therefore, the Filing Parties contend that it is appropriate that the revised UFMP will assess transactions across multiple systems in order to determine where a particular transaction falls in the curtailment process, rather than have transmission providers determine which curtailments should occur.<sup>25</sup>

### **B. Restricted Transactions**

11. The Filing Parties also propose to revise the UFMP to change the method for addressing Restricted Transactions.<sup>26</sup> Specifically, Restricted Transactions will be approved and curtailed to zero once an event is called, and each hour will be treated as a distinct event. The Filing Parties also state that they have streamlined the steps required before a request for relief requiring tag curtailments can be made.

### **C. Incorporation of Administrative Practices**

12. Finally, the Filing Parties propose to incorporate certain administrative practice documents into the UFMP.<sup>27</sup> The Filing Parties state that these documents, which have been developed over time, clarify various aspects of the current UFMP but have not heretofore been included as part of the revised UFMP.

## **II. Notice of Filings and Responsive Pleadings**

13. Notice of the filing was published in the *Federal Register*, 79 Fed. Reg. 127 (2014) with comments, protests, and interventions due on or before January 10, 2014. On February 18, 2014, Commission staff issued a deficiency letter directing PacifiCorp to provide additional information. On March 19, 2014, PacifiCorp filed a response to the

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<sup>24</sup> *Id.* at 10.

<sup>25</sup> The Filing Parties explain that balancing authority areas may opt to use alternative methods to meet their relief requirements. *Id.*

<sup>26</sup> *Id.* at 12-13. After an unscheduled flow event is declared, a Restricted Transaction is any transaction with greater than a ten percent transfer distribution factor on the Qualified Transfer Path in the qualified direction.

<sup>27</sup> *Id.* at 13-14.

deficiency letter (Deficiency Response). Notice of the Deficiency Response was published in the *Federal Register*, 79 Fed. Reg. 16,785 (2014), with comments, protests, and interventions due on or before April 9, 2014. PacifiCorp submitted an errata to the Deficiency Response on March 27, 2014. Notice of the errata filing was published in the *Federal Register*, 79 Fed. Reg. 18,679 (2014), with comments, protests, and interventions due on or before April 17, 2014.

14. Timely motions to intervene were filed by Transmission Agency of Northern California, Modesto Irrigation District, Western Area Power Administration, Powerex Corp., Imperial Irrigation District, and PG&E. Xcel Energy Services, Inc. (Xcel), on behalf of its utility operating company affiliate Public Service Company of Colorado, and Tri-State Generation & Transmission Association, Inc. (Tri-State) each filed a timely motion to intervene and comments.

15. In its comments, Xcel states that it believes the revised UFMP will improve the unscheduled flow mitigation procedures currently in effect and be more consistent with Commission policies, but asks that the Commission direct that WECC make further changes to the revised UFMP within the next two years.<sup>28</sup> Accordingly, Xcel recommends that the Commission conditionally accept the proposed “16 bucket” methodology on an interim basis, as an improvement over determining curtailment responsibility based solely on TDF impacts, but direct WECC and PacifiCorp to submit a revised UFMP within 18 to 24 months that does not distinguish between on-path and off-path schedules when allocating a relief requirement.<sup>29</sup> Xcel expresses concern that prioritizing tag curtailments based on reservation path rather than where the power actually flows is inconsistent with the principles of open access and may impeded competition and effective grid utilization.<sup>30</sup> In addition, Xcel notes that the current model used to calculate flow impacts uses seasonal information that is only updated approximately every six months, and thus may not accurately represent real-time conditions on the transmission system.<sup>31</sup> Finally, Xcel requests that the Commission

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<sup>28</sup> Xcel Comments at 5, 8.

<sup>29</sup> *Id.* at 5-6.

<sup>30</sup> *Id.* at 6.

<sup>31</sup> *Id.* at 7.

direct WECC to improve the model it uses to calculate flow impacts to allow for a more real-time and granular system view.<sup>32</sup>

16. Tri-State supports the revised UFMP, and urges the Commission to accept the revised UFMP as soon as possible because, unlike the current curtailment processes, it will ensure that transmission providers in WECC follow the curtailment priorities established in sections 13.6 and 14.7 of the *pro forma* OATT.<sup>33</sup> According to Tri-State, from March 9, 2014 through April 8, 2014, it experienced 55 hours of curtailments of 168 tagged transactions under the current UFMP.<sup>34</sup> Tri-State explains that these transactions used firm transmission rights that were intended to service firm load customers. Similarly, Tri-State contends that in 2012 it experienced approximately 230 hours of curtailments under the current UFMP which resulted in, among other things, the uneconomic dispatch of its generation resources, uneconomic market purchases, and uneconomic day ahead scheduling to avoid or minimize further curtailment under the current UFMP.<sup>35</sup> Additionally, Tri-State requests that the Commission approve the revised UFMP as soon as possible because the corresponding changes to the current UFMP must be implemented in webSAS, which will require software changes.<sup>36</sup>

17. Tri-State acknowledges that the proposed revisions to the UFMP may not address all of the concerns with respect to the current UFMP, but believes that it is a significant step in the right direction and is a marked improvement over the current UFMP. Tri-State believes that the revised UFMP, while not perfect, will ensure that all applicable non-firm tagged transactions are curtailed before any applicable firm tagged transactions.<sup>37</sup> Tri-State adds that, to the extent that further modifications are required to resolve issues related to preferences for on-path schedules over off-path schedules and preferences for untagged schedules over tagged schedules, Tri-State requests that any

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<sup>32</sup> Xcel recognizes that WECC is currently working on a tool, the Enhanced Curtailment Calculator, which might ultimately address Xcel's concerns with the model. *Id.* at 7-8.

<sup>33</sup> Tri-State Comments at 6.

<sup>34</sup> *Id.* at 4, 6.

<sup>35</sup> *Id.* at 6.

<sup>36</sup> *Id.* at 8.

<sup>37</sup> *Id.* at 5, 9.

such changes be directed in a future filing, rather than delay approval of the revised UFMP in this proceeding. Tri-State notes that the revised UFMP corrects a long-standing disregard for the OATT curtailment priorities and represents the best, immediate option available until the WECC regional stakeholder process is able to develop a more adequate methodology, which could take several years. As such, Tri-State asserts that the proposed revisions to the current UFMP are the only immediate way to remedy the severity of the situation and provide Tri-State and its customers with much needed relief.<sup>38</sup>

### III. Discussion

#### A. Procedural Matters

18. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2013), the timely, unopposed motions to intervene serve to make the entities that filed them parties to the proceeding.

#### B. Commission Determination

19. Overall, we find the revised UFMP to be an improvement over the current mitigation procedures. We conclude that the proposed revised UFMP continues to be just and reasonable and will therefore accept it.<sup>39</sup> The Filing Parties have demonstrated that the revised UFMP will benefit customers by reducing curtailments while increasing grid reliability. In particular, the WECC UF Task Force's findings regarding the effects of the revised methodology show an increased effectiveness of curtailments, as fewer tags are curtailed to relieve a constraint compared to the previous methodology. We further find that the revised UFMP curtails schedules with higher TDFs to a greater extent than those with lower TDFs just as the current UFMP does, but in a more effective way. Moreover, the revised UFMP is more aligned with the curtailment priorities in the *pro forma* OATT because it accounts for transmission priority and duration.

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<sup>38</sup> *Id.*

<sup>39</sup> See *SoCal Edison*, 73 FERC ¶ 61,219 at 61,608 (finding the current UFMP to be a just and reasonable improvement over the prior procedures, because it "allocates responsibility on the basis of all such contributing factors, not on one alone," can accommodate "transactions that would otherwise have been curtailed," and has the additional benefits of being easy to administer, reducing disputes over assigning cause for loop flow, allowing for revisions as issues arise, and providing an orderly process for utilities providing benefits to the system to seek compensation).

20. However, we recognize that parties have expressed reservations regarding the potential for unintended consequences from prioritizing tag curtailments based on reservation path rather than where the power actually flows. Accordingly, we will direct the Filing Parties to file an informational report within one year of implementation, describing the quantity and effectiveness of, and any operational problems observed with respect to, curtailments under the revised UFMP, assessing whether curtailments under the revised UFMP comport with the results predicted by the UF Task Force, stating whether any firm schedules have been curtailed prior to the curtailment of non-firm schedules under the revised procedures, and updating the Commission on any further WECC activities related to curtailment issues.<sup>40</sup>

21. Finally, we take note of Xcel's request that the Commission direct WECC to make improvements to the current model used to calculate flow impacts within 24 months. We assume that Xcel's request was intended for a potential future proceeding. However, to the extent Xcel seeks action in the current proceeding, we deny Xcel's request as beyond the scope, because the amendments filed in this proceeding do not address WECC's modeling system.

22. We will grant the requested effective date so that the revised UFMP will become effective on the latter of: (1) the first day of the first quarter at least 45 days after regulatory approval of revised Regional Reliability Standard IRO-006-WECC-2; or (2) upon complete implementation of applicable webSAS changes and Commission approval of the UFMP and revised Regional Reliability Standard IRO-006-WECC-2. We direct the Filing Parties to notify us within 10 days after the date on which the revised UFMP becomes effective.

The Commission orders:

(A) The revised UFMP is hereby accepted, to become effective on the latter of (1) the first day of the first quarter at least 45 days after regulatory approval of revised Regional Reliability Standard IRO-006-WECC-2; or (2) upon complete implementation of applicable webSAS changes and Commission approval of the UFMP and revised Regional Reliability Standard IRO-006-WECC-2, as discussed in the body of this order.

(B) The Filing Parties are hereby directed to notify the Commission within 10 days after the date on which the revised UFMP becomes effective.

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<sup>40</sup> The informational filing directed in this order is for informational purposes only and will not be noticed, nor require Commission action.

(C) The Filing Parties are hereby directed to file, within one year of the implementation of the revised UFMP, an informational report, as discussed in the body of the order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.