

147 FERC ¶ 61,199  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Midcontinent Independent System  
Operator, Inc.

Docket Nos. ER14-1724-000  
ER14-1725-000

ORDER ACCEPTING AND SUSPENDING TARIFF FILINGS SUBJECT TO  
REFUND AND FURTHER COMMISSION ORDER

(Issued June 13, 2014)

1. On April 15, 2014, pursuant to section 205 of the Federal Power Act (FPA),<sup>1</sup> Midcontinent Independent System Operator, Inc. (MISO) submitted a proposed System Support Resource (SSR) Agreement between White Pine Electric Power, LLC (White Pine) and MISO, designated as Original Service Agreement No. 6507 (White Pine SSR Agreement) under its Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff).<sup>2</sup> Also on April 15, 2014, pursuant to section 205 of the FPA, MISO submitted proposed Rate Schedule 43H (Allocation of SSR Costs Associated with White Pine Unit No. 1) under its Tariff. In this order, we accept the White Pine SSR Agreement and Rate Schedule 43H, and suspend them for a nominal period, to be effective April 16, 2014, as requested, subject to refund and further Commission order.

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<sup>1</sup> 16 U.S.C. § 824d (2012).

<sup>2</sup> The Tariff defines SSRs as “[g]eneration Resources or Synchronous Condenser Units [(SCUs)] that have been identified in Attachment Y – Notification to this Tariff and are required by the Transmission Provider for reliability purposes, to be operated in accordance with the procedures described in Section 38.2.7 of this Tariff.” MISO, FERC Electric Tariff, Module A, § 1.S “System Support Resource (SSR)” (30.0.0). Unless indicated otherwise, all capitalized terms shall have the same meaning given them in the Tariff.

## I. Background

2. On August 6, 2004, the Commission conditionally accepted MISO's proposed revisions to its Transmission and Energy Markets Tariff<sup>3</sup> regarding the retirement or suspension of generation resources and SCUs, including provisions regarding the designation and treatment of SSRs.<sup>4</sup> On September 21, 2012, the Commission conditionally accepted MISO's amended SSR Tariff provisions.<sup>5</sup>

3. On April 15, 2014, in Docket No. ER14-1724-000, MISO submitted the White Pine SSR Agreement to ensure the continued availability of White Pine Unit No. 1 as an SSR Unit.<sup>6</sup> According to MISO, on October 15, 2013, White Pine submitted its Attachment Y Notice to MISO for retirement of White Pine Unit No. 1, beginning on April 16, 2014.<sup>7</sup> MISO states that it completed the analysis of the Attachment Y Notice and notified White Pine on March 7, 2014 that White Pine Unit No. 1 would be designated as an SSR. MISO states that it determined that the proposed retirement of White Pine Unit No. 1, without curtailment of load by means of demand response or other alternatives, would result in reliability violations.<sup>8</sup> Consequently, MISO designated White Pine Unit No. 1 as an SSR Unit until such time as appropriate alternatives can be implemented to mitigate reliability issues.

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<sup>3</sup> Now referred to as MISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff, as noted above.

<sup>4</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 108 FERC ¶ 61,163, at P 368, *reh'g denied*, 109 FERC ¶ 61,157 (2004).

<sup>5</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 140 FERC ¶ 61,237 (2012).

<sup>6</sup> White Pine Unit No. 1 is a generator turbine located in White Pine, Michigan within the footprint of the American Transmission Company LLC (ATC) with a nameplate capacity of 20 MW.

<sup>7</sup> White Pine SSR Agreement Transmittal Letter, Docket No. ER14-1724-000, at 2.

<sup>8</sup> Specifically, the study performed by MISO showed that the retirement of White Pine Unit No. 1 would cause violations of North American Electric Reliability Corporation reliability standards under Category B (loss of a single element) and Category C (loss of two or more elements) contingencies. *See* White Pine SSR Agreement Exhibit B (Attachment Y Study Report), Docket No. ER14-1724-000, at 16.

4. MISO states that its analysis of the proposed alternatives identified no near term solutions that would fully address the reliability issues that are caused by the retirement of White Pine Unit No. 1.<sup>9</sup> MISO notes that a transmission upgrade currently undergoing study would render SSR designation for White Pine Unit No. 1 unnecessary, but that the upgrade will not be ready until 2019 at the earliest.<sup>10</sup> MISO reports that it worked with White Pine and the MISO Independent Market Monitor to negotiate and develop the White Pine SSR Agreement. According to MISO, White Pine submitted a draft agreement for MISO's consideration, and White Pine agreed to a 12-month term for the period between April 16, 2014 and April 15, 2015. MISO states that White Pine has voluntarily agreed to continue operating White Pine Unit No. 1 on and after April 16, 2014.<sup>11</sup> MISO requests waiver of the prior notice requirement to allow the proposed White Pine SSR Agreement to go into effect on April 16, 2014. MISO states that good cause exists to grant the waiver because the White Pine SSR Agreement could not be negotiated before the proposed retirement of White Pine Unit No. 1, and if the April 16, 2014 effective date is not granted, White Pine will have provided SSR service on an uncompensated basis while the required Tariff process took its course.<sup>12</sup> MISO further states that the White Pine SSR Agreement contains departures from the *pro forma* SSR agreement in Attachment Y-1 of MISO's Tariff due to novel legal issues or other unique factors.<sup>13</sup>

5. In Docket No. ER14-1725-000, MISO submitted a proposed Rate Schedule 43H under its Tariff, which specifies the allocation of the costs associated with the continued operation of White Pine Unit No. 1 as an SSR Unit. As stated in the filing, section 38.2.7.k of MISO's Tariff requires that the costs associated with the White Pine SSR Agreement be allocated to all load-serving entities within the footprint of the ATC on a *pro rata* basis, based upon each entity's contribution to the peak of its Local Balancing Authority.<sup>14</sup> MISO requests waiver of the prior notice requirement to allow Rate Schedule 43H to go into effect on April 16, 2014 to correspond with the effective

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<sup>9</sup> White Pine SSR Agreement Transmittal Letter, Docket No. ER14-1724-000, at 6-7.

<sup>10</sup> *Id.* at 7.

<sup>11</sup> *Id.* at 2.

<sup>12</sup> *Id.* at 8-9.

<sup>13</sup> *Id.* at 3.

<sup>14</sup> White Pine Rate Schedule 43H Filing Transmittal Letter, Docket No. ER14-1725-000, at 3.

date of the White Pine SSR Agreement. MISO states that good cause exists to grant the waiver for the same reasons given in Docket No. ER14-1724-000.<sup>15</sup>

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

6. Notices of MISO's filings in Docket Nos. ER14-1724-000 and ER14-1725-000 were published in the *Federal Register*, 79 Fed. Reg. 22,669 (2014), with interventions and protests due on or before May 6, 2014.

7. Timely motions to intervene in Docket Nos. ER14-1724-000 and ER14-1725-000 were filed by: ATC;<sup>16</sup> Consumers Energy Company; Dairyland Power Cooperative; and the Citizens Utility Board of Wisconsin. The Environmental Law and Policy Center filed a timely motion to intervene in Docket No. ER14-1724-000. The Public Service Commission of Wisconsin (Wisconsin Commission) filed timely motions to intervene Docket Nos. ER14-1724-000 and ER14-1725-000, and a protest in Docket No. ER14-1725-000. Wisconsin Public Service Corporation and Upper Peninsula Power Company (WPSC/UPPCo) filed a timely motion to intervene and a separate protest in both dockets. The following parties filed timely motions to intervene and comments in both dockets: Madison Gas and Electric Company; WPPI Energy; Wisconsin Power and Light Company; and Wisconsin Electric Power Company. The Michigan Public Service Commission, the Wisconsin Industrial Energy Group, and Xcel Energy Services Inc. filed motions to intervene out-of-time in both dockets. Citizens Against Rate Excess filed a motion to intervene out-of-time and comments in both dockets on May 13, 2014. White Pine filed a motion to intervene out-of-time and comments in both dockets on May 21, 2014. MISO filed a motion for leave to answer and answer on May 21, 2014. WPSC/UPPCo filed a motion for leave to answer and answer on May 30, 2014. MISO filed a motion for leave to answer and further answer on June 13, 2014.

8. Commenters raise several concerns, including but not limited to: (1) whether MISO has reviewed all available alternatives to the White Pine SSR Agreement; (2) whether MISO has provided stakeholders with sufficient time to evaluate the proposed White Pine SSR Agreement and suggest alternatives of their own; and (3) whether the allocation of White Pine SSR costs pursuant to section 38.2.7.k of MISO's Tariff is consistent with cost causation principles. Some commenters note that, on April 3, 2014, the Wisconsin Commission filed a complaint with the Commission in Docket No. EL14-34-000 regarding the allocation of SSR costs in the ATC footprint. They request that the White Pine SSR Agreement be subject to the outcome of the complaint. In its answer, MISO states that it properly evaluated all available alternatives and that it properly followed its Tariff provision regarding the assignment of White Pine

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<sup>15</sup> *Id.* at 4-5.

<sup>16</sup> ATC included ATC Management Inc. on its motion to intervene.

SSR costs. WPSC/UPPCo respond that MISO's answer does not adequately explain MISO's consideration of alternatives or its conclusions in the Attachment Y Study Report.

### **III. Discussion**

#### **A. Procedural Matters**

9. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2013), the notices of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to the proceedings in which they were filed. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2013), the Commission will grant all late-filed motions to intervene given the entities' interests in the proceedings, the early stages of the proceedings, and the absence of undue prejudice or delay.

10. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2013), prohibits an answer to a protest or answer unless otherwise ordered by the decisional authority. We will accept MISO's and WPSC/UPPCo's answers because they provided information that assisted us in our decision-making process.

#### **B. Commission Determination**

11. Our preliminary analysis indicates that the White Pine SSR Agreement and Rate Schedule 43H have not been shown to be just and reasonable and may be unjust, unreasonable, and unduly discriminatory or preferential, or otherwise unlawful. Accordingly, we will accept the White Pine SSR Agreement and Rate Schedule 43H, suspend them for a nominal period, to be effective April 16, 2014, as requested,<sup>17</sup> subject to refund and further Commission order.

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<sup>17</sup> We grant waiver of the prior notice requirement to allow the proposed White Pine SSR Agreement and Rate Schedule 43H to be effective April 16, 2014, as requested. See *Midwest Indep. Transmission Sys. Operator, Inc.*, 142 FERC ¶ 61,170, at PP 84-86 (waiver of prior notice rule granted in order accepting an SSR agreement and associated rate schedule), *order on reh'g*, 144 FERC ¶ 61,128 (2013).

The Commission orders:

The White Pine SSR Agreement and Rate Schedule 43H are hereby accepted for filing and suspended for a nominal period, to be effective April 16, 2014, as requested, subject to refund and further Commission order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.