

148 FERC ¶ 61,100
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

August 5, 2014

In Reply Refer To:
Southwest Power Pool, Inc.
Docket No. ER14-866-000

Wright & Talisman, P.C.
Attention: Matthew J. Binette
1200 G Street, NW
Suite 600
Washington, DC 20005

Reference: Order No. 784 Compliance Filing

Dear Mr. Binette:

1. On December 27, 2013, Southwest Power Pool, Inc. (SPP) submitted for filing in the above-referenced proceeding revisions to its Open Access Transmission Tariff (Tariff), in compliance with the directives in Order No. 784.¹ Additionally, SPP requested a limited waiver of the Order No. 784 requirement to post Area Control Error data on its Open Access Same-Time Information System (OASIS) site. SPP also requested waiver to delay implementation of Order No. 784 requirements until it assumed the role and responsibilities of a balancing authority upon commencement of the Integrated Marketplace. SPP requested that its proposed Tariff revisions become effective March 1, 2014. In this order, we accept SPP's proposed Tariff revisions, as

¹ *Third-Party Provision of Ancillary Services; Accounting and Financial Reporting for New Electric Storage Technologies*, Order No. 784, FERC Stats. & Regs., Regulations Preambles ¶ 31,349 (July 30, 2013), 78 FR 46177 (July 18, 2013) (Order No. 784), *order partly granting clarification*, 146 FERC ¶ 61,114 (2014) (Order No. 784-A).

discussed below, effective March 1, 2014, as requested.² Additionally, we grant SPP's waiver requests, for good cause shown.

2. SPP is a Commission-approved Regional Transmission Organization (RTO) based in Little Rock, Arkansas. Prior to the commencement of the Integrated Marketplace, SPP operated a real-time energy imbalance market, and the SPP region contained 16 balancing authority areas operated by SPP transmission owners. On March 1, 2014, SPP transitioned to the Integrated Marketplace and began operating both day-ahead and real-time energy and operating reserve markets. This transition also included consolidation of the 16 balancing authority areas into a single balancing authority area, with SPP assuming the role and responsibilities of Balancing Authority.

3. On July 18, 2013, the Commission issued Order No. 784. Among other things, the goal of Order No. 784 was to "provide greater transparency with regard to reserve requirements for Regulation and Frequency Response."³ To further this goal, the Commission required "each public utility transmission provider to add to its [open access transmission tariff] Schedule 3 a statement that it will take into account the speed and accuracy of regulation resources in its determination of reserve requirements for Regulation and Frequency Response service."⁴ The Commission further required each public utility transmission provider to include a review of "whether a self-supplying customer has made 'alternative comparable arrangements' as required by the Schedule."⁵ Additionally, the Commission required transmission providers to "post historical one-minute and ten-minute [Area Control Error] data on OASIS" for the most recent calendar year and update this posting once per year.⁶

4. On December 27, 2013, SPP submitted its Order No. 784 compliance filing in which it proposes changes to Schedule 3 in its Tariff to clarify the role of resource speed and accuracy in the determination of regulation and frequency response reserve requirements. SPP also proposes posting Area Control Error data on its website and

² Southwest Power Pool, Inc., FERC FPA Electric Tariff, Open Access Transmission Tariff, Sixth Revised Volume No. 1, Schedule 3, Schedule 3 Regulation and Frequency Response Service, 2.0.0.

³ Order No. 784, FERC Stats. & Regs. ¶ 31,349 at P 3.

⁴ *Id.* P 111.

⁵ *Id.*

⁶ *Id.* P 116.

including a link to the data in OASIS. SPP proposes posting this information at the launch of the Integrated Marketplace.⁷ SPP requests waiver of the provisions of Order No. 784 for the period prior to March 1, 2014, at which point it will begin operation of the Integrated Marketplace and assume the responsibilities of a balancing authority. SPP states that good cause exists to grant this waiver because of SPP's lack of authority over the activities subject to Order No. 784 prior to the launch of the Integrated Marketplace and the short remaining time before the launch of the Integrated Marketplace. SPP requests an effective date of March 1, 2014 for all of its proposed Tariff revisions.⁸

5. SPP requests waiver of the Order No. 784 requirement to post historical Area Control Error data on its OASIS site. SPP asserts that good cause exists to grant waiver because the data will be publicly accessible through the proposed link on its OASIS site. SPP also requests waiver of the Order No. 784 requirement to post historical Area Control Error data for the previous calendar year, for the first year of Integrated Marketplace operations. SPP asserts that good cause exists to grant waiver because it will not collect such data until it assumes the role of Balancing Authority.⁹ SPP will begin posting Area Control Error data at market launch and will retain such data on its website to enable interested parties to view past Area Control Error data for the SPP Balancing Authority Area.

6. Notice of SPP's filing was published in the *Federal Register*, 79 Fed. Reg. 652 (2013), with interventions and protests due on or before January 17, 2014. Sunflower Electric Power Corporation (Sunflower) and Mid-Kansas Electric Company, LLC (Mid-Kansas) jointly submitted a timely motion to intervene. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2013), the timely, unopposed motion to intervene serves to make Sunflower and Mid-Kansas parties to the proceeding.

7. We find that SPP's filing complies with the requirements of Order No. 784, as clarified in Order No. 784-A, and we grant SPP's waiver requests, for good cause shown. We find that SPP need only comply with the requirements of Order Nos. 784 and 784-A relating to Schedule 3 revisions and Area Control Error posting requirements once it assumes the role and responsibilities of balancing authority for the SPP region upon

⁷ SPP Transmittal at 10.

⁸ SPP asserts that other aspects of Order No. 784, "such as changes to the Commission's market-based rate analysis and accounting requirements, are not applicable to SPP as an RTO." *Id.* at n.21.

⁹ *Id.* at 10.

commencement of the Integrated Marketplace. Further, we find that posting Area Control Error data on the SPP website and posting a link to the data on its OASIS site meet the Commission's goal of ensuring "a level of transparency adequate to support self-supply decision-making by transmission customers."¹⁰ Finally, we grant waiver of the requirement to post the prior calendar year's Area Control Error data for the first year of operations under the Integrated Marketplace for good cause shown. Accordingly, we accept the proposed Tariff revisions to become effective March 1, 2014, as requested, and grant the requested waivers.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

¹⁰ Order No. 784, FERC Stats. & Regs. ¶ 31,349 at P 116.