

149 FERC ¶ 61,106
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Chairman;
Philip D. Moeller, Tony Clark,
and Norman C. Bay.

Spring Canyon Energy LLC	Docket No	ER14-2816-000
Spring Canyon Energy II LLC	Docket No	ER14-2817-000
Spring Canyon Energy III LLC	Docket No.	ER14-2819-000
Spring Canyon Interconnection LLC	Docket No.	ER14-2818-000

ORDER ACCEPTING SHARED FACILITIES AGREEMENT, GRANTING
REQUESTS FOR WAIVERS AND DENYING REQUEST FOR
BLANKET AUTHORIZATION

(Issued November 7, 2014)

1. In this order, the Commission accepts for filing an Assignment, Co-Tenancy and Shared Facilities Agreement (Shared Facilities Agreement) filed by Spring Canyon Energy LLC (Spring Canyon I), Spring Canyon Energy II LLC (Spring Canyon II), Spring Canyon Energy III LLC (Spring Canyon III), and Spring Canyon Interconnection LLC (Spring Canyon Interconnection) (collectively, SFA Parties)¹ among the SFA Parties and Invenergy Services LLC (Invenergy Services), effective September 15, 2014, as requested.² In addition, the Commission grants the request for waiver of the obligations to file an Open Access Transmission Tariff (OATT), to establish and maintain an Open Access Same-Time Information System (OASIS) and to comply with

¹ The SFA Parties are indirect subsidiaries of Invenergy Wind LLC (Invenergy Wind). Invenergy Investment Company LLC indirectly owns the controlling interests in Invenergy Wind.

² Spring Canyon Energy LLC, [SFA, FERC Electric Rate Schedule No. 1, 1.0.0](#), Spring Canyon Energy II LLC, [SFA, FERC Electric Rate Schedule No. 1, 1.0.0](#), Spring Canyon Energy III LLC, [SFA, FERC Electric Rate Schedule No. 1, 1.0.0](#), Spring Canyon Energy Interconnection, [SFA, FERC Electric Rate Schedule No. 1, 1.0.0](#).

the Commission's Standards of Conduct (Open Access Waivers), grants Spring Canyon Interconnection's request for waiver of the requirements of certain accounting regulations, and denies Spring Canyon Interconnection's request for blanket authorization for issuances of securities and assumption of liabilities.

I. Background

2. On September 10, 2014, the SFA Parties filed the Shared Facilities Agreement pursuant to section 205 of the Federal Power Act (FPA).³ The SFA Parties also request waiver of: (1) the requirements under Order Nos. 888⁴ and 890,⁵ and 18 C.F.R. § 35.28⁶ to file an OATT; (2) the requirements under Order No. 889⁷ and 18 C.F.R. Part 37⁸ to

³ 16 U.S.C. § 824d (2012).

⁴ *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) (Order No. 888).

⁵ *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241, *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009) *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009) (Order No. 890).

⁶ 18 C.F.R. § 35.28 (2014).

⁷ *Open Access Same-Time Information System and Standards of Conduct*, Order No. 889, FERC Stats. & Regs. ¶ 31,035 (1996), *order on reh'g*, Order No. 889-A, FERC Stats. & Regs. ¶ 31,049, *reh'g denied*, Order No. 889-B, 81 FERC ¶ 61,253 (1997) (Order No. 889).

⁸ 18 C.F.R. pt. 37 (2014).

establish an OASIS; and (3) the requirements under Order Nos. 889, 2004,⁹ and 717,¹⁰ and Part 358¹¹ of the Commission's regulations to comply with the Standards of Conduct for transmission providers. In addition, Spring Canyon Interconnection requests:

(1) waiver of the requirements of sections 41.10 through 41.12 and Parts 101 and 141 of the Commission's regulations, with the exception of sections 141.14 and 141.15; and
(2) blanket authorization under Part 34 of the Commission's regulations for all future issuances of securities and assumptions of liability.

3. Spring Canyon I owns and operates a 60 MW wind-powered generation facility located in Logan County, Colorado, together with limited, radial interconnection facilities that are needed for wholesale power sales from the wind-powered generating facility (Spring Canyon I Project). The Spring Canyon I Project is interconnected with the transmission system owned by the Public Service Company of Colorado (PSCo). The SFA Parties state that the Spring Canyon I Project began generating electricity in 2006. Spring Canyon I has been granted market-based rate authority.¹² The interconnection facilities owned by Spring Canyon I consist of 34.5 kV collection lines and related facilities, a collection line substation, transformers and related disconnect switches, and an approximately 200 foot 230 kV generator-tie line and related facilities that connect to the transmission system owned by PSCo.

⁹ *Standards of Conduct for Transmission Providers*, Order No. 2004, FERC Stats. & Regs. ¶ 31,155 (2003), *order on reh'g*, Order No. 2004-A, FERC Stats. & Regs. ¶ 31,161, *order on reh'g*, Order No. 2004-B, FERC Stats. & Regs. ¶ 31,166, *order on reh'g*, Order No. 2004-C, FERC Stats. & Regs. ¶ 31,172 (2004), *order on reh'g*, Order No. 2004-D, 110 FERC ¶ 61,320 (2005), *vacated and remanded as it applies to natural gas pipelines sub nom. National Fuel Gas Supply Corp. v. FERC*, 468 F.3d 831 (D.C. Cir. 2006); *see Standards of Conduct for Transmission Providers*, Order No. 690, FERC Stats. & Regs. ¶ 31,237, *order on reh'g*, Order No. 690-A, FERC Stats. & Regs. ¶ 31,243 (2007) (Order No. 2004).

¹⁰ *Standards of Conduct for Transmission Providers*, Order No. 717, FERC Stats. & Regs. ¶ 31,280 (2008), *order on reh'g*, Order No. 717-A, FERC Stats. & Regs. ¶ 31,297, *order on reh'g*, Order No. 717-B, 129 FERC ¶ 61,123 (2009), *order on reh'g*, Order No. 717-C, 131 FERC ¶ 61,045 (2010), *order on reh'g*, Order No. 717-D, 135 FERC ¶ 61,017 (2011) (Order No. 717).

¹¹ 18 C.F.R. pt. 358 (2014).

¹² *See Spring Canyon Energy LLC, et al.*, Docket Nos. ER05-717-000, *et al.* (May 25, 2005) (delegated letter order).

4. Spring Canyon II and Spring Canyon III are each developing and planning to construct separate wind generation facilities in Logan County, Colorado with generating capacities of up to 32.5 MW (Spring Canyon II Project) and 27.5 MW (Spring Canyon III Project), respectively. The SFA Parties state that both Spring Canyon II and Spring Canyon III will sell electric energy, capacity and/or ancillary services at wholesale pursuant to market-based authority. The Spring Canyon II Project and Spring Canyon III Project will be interconnected to PSCo's transmission facilities at the same point of interconnection as the Spring Canyon I Project. The SFA Parties state that, concurrently with this filing, Spring Canyon II and Spring Canyon III have each filed an application for market-based rate authority.¹³

5. The SFA Parties state that Spring Canyon Interconnection was formed to facilitate the interconnection of the Spring Canyon II Project and the Spring Canyon III Project to PSCo's transmission system.¹⁴ Spring Canyon Interconnection has entered into an interconnection agreement with PSCo for the interconnection of the Spring Canyon II Project and Spring Canyon III Project to PSCo's transmission system (Expansion Interconnection Agreement) to accommodate PSCo's preference to have a single interconnection agreement for the projects and a single counterparty to the contract.¹⁵

6. The SFA Parties state that Spring Canyon Interconnection will not itself own any interests in the interconnection facilities for the Spring Canyon I Project, Spring Canyon II Project, and/or Spring Canyon III Project that will be jointly used and/or owned by Spring Canyon I, Spring Canyon II, and Spring Canyon III (Shared Interconnection Facilities). The SFA Parties further state that Spring Canyon Interconnection will not own any interests in any other transmission facilities or any generation facilities and will not engage in selling power. The SFA Parties explain that Spring Canyon Interconnection is a party to the Shared Facilities Agreement because it will provide coordination services to Spring Canyon II and Spring Canyon III pursuant to Article 7 of the Shared Facilities Agreement to flow through interconnection service to them consistent with the Expansion Interconnection Agreement and, thus, enable power produced by Spring Canyon II and Spring Canyon III to be accepted into PSCo's

¹³ SFA Parties Transmittal Letter at 3.

¹⁴ Spring Canyon Interconnection is directly owned by Spring Canyon II and Spring Canyon III.

¹⁵ SFA Parties Transmittal Letter at 4.

transmission system at the interconnection point established under the Expansion Interconnection Agreement.¹⁶

A. Shared Facilities Agreement

7. The SFA Parties state that Spring Canyon II and Spring Canyon III will need access to certain of the interconnection facilities owned by Spring Canyon I in order to connect to PSCo's transmission system so that Spring Canyon II and Spring Canyon III can sell wholesale power and ancillary services from their respective generation projects. The SFA Parties explain that, accordingly, they have entered into the Shared Facilities Agreement, which sets forth the terms and conditions for the joint use and/or ownership of the Shared Interconnection Facilities, which consist of certain interconnection facilities currently owned by Spring Canyon I as well as additional interconnection facilities that are being constructed to accommodate interconnection of the Spring Canyon II Project and Spring Canyon III Project to the PSCo transmission system. The SFA Parties state that, on or after the operative date of the Shared Facilities Agreement, Spring Canyon II and Spring Canyon III will have the right to acquire an undivided ownership interest in the Shared Interconnection Facilities. According to the SFA Parties, certain of the Shared Interconnection Facilities will be jointly used and/or owned by all of Spring Canyon I, Spring Canyon II, and Spring Canyon III, while other Shared Interconnection Facilities will be jointly owned and/or used by only Spring Canyon II and Spring Canyon III. The SFA Parties state that they are submitting the Shared Facilities Agreement because it sets forth the terms and conditions of Spring Canyon I's, Spring Canyon II's and Spring Canyon III's proposed joint use and/or ownership of Commission-jurisdictional interconnection facilities.¹⁷

8. The Shared Facilities Agreement provides that the actual costs of operating and maintaining the Shared Interconnection Facilities and real property will be shared on the basis of the respective owners' pro rata ownership interests.¹⁸ The SFA Parties state that the cost-sharing arrangements will be implemented, and the pro rata allocation adjusted, as each of Spring Canyon I, Spring Canyon II, and Spring Canyon III acquires its interest

¹⁶ *Id.* at 4-5.

¹⁷ *Id.* at 4.

¹⁸ Shared Facilities Agreement §§ 6.2, 6.1(a).

in the jointly-owned facilities or property.¹⁹ The SFA Parties state that Spring Canyon II and/or Spring Canyon III may acquire their joint ownership interests in applicable real property and Shared Interconnection Facilities at different times and that the Shared Facilities Agreement's pro rata allocation will be reset when each acquisition occurs to reflect the actual ownership interests as they change.²⁰ The SFA Parties assert that, because the Shared Facilities Agreement provides only for the pass-through of actual costs based on each owner's pro rata ownership interests, these terms are consistent with joint ownership or shared facilities agreements previously accepted by the Commission.²¹

9. The Shared Facilities Agreement further establishes a net revenue loss calculation methodology (loss methodology) that will be used as the basis for indemnification and reimbursement of losses suffered by Spring Canyon I, Spring Canyon II, or Spring Canyon III, as applicable, if its facilities are disconnected or its power deliveries are curtailed due to the operation, maintenance or construction of another party's facilities or actions by Spring Canyon Interconnection.²² The SFA Parties assert that the loss methodology provides only for reimbursement of the curtailed party's actual lost revenues, without mark up or other fees.²³ The SFA Parties assert that the loss methodology is consistent with that included in similar shared facilities agreements on file for affiliates of the SFA Parties.²⁴

¹⁹ *Id.* §§ 6.1(a) and (b). In addition, the Shared Facilities Agreement includes terms under which the transfer of ownership interests among Spring Canyon I, Spring Canyon II, and Spring Canyon III in FPA-jurisdictional facilities will occur. *See id.* §§ 6.1(b) and (c).

²⁰ SFA Parties Transmittal Letter at 7-8; Shared Facilities Agreement at § 6.1(b).

²¹ SFA Parties Transmittal Letter at 7.

²² Shared Facilities Agreement §§ 2.4, 2.6, 3.1(b), 3.2, 4.3, 5.5(b), 9.5, and 9.6.

²³ SFA Parties Transmittal Letter at 8.

²⁴ *Id.* The SFA Parties explain that the loss methodology in the Shared Facilities Agreement differs from precedent in that previous applicants included an alternative pricing reference based on the market prices established at an applicable regional transmission organization (RTO) pricing node. The SFA Parties state that the Shared Facilities Agreement does not include such alternative pricing because PSCo is not part of an RTO.

10. The Shared Facilities Agreement also provides that if a SFA Party incurs costs in order to support another SFA Party's compliance with other agreements or to execute and deliver documents required by another SFA Party, the supporting SFA Party will be reimbursed for its actual costs.²⁵ The SFA Parties add that, if either Spring Canyon II or Spring Canyon III requires access to the Shared Interconnection Facilities prior to obtaining their joint ownership interest (e.g., to deliver test energy), access will be provided at no charge up until the time the applicable entity becomes responsible for its pro rata share of costs applicable to its shared facilities.²⁶

11. The SFA Parties state that the Shared Facilities Agreement provides that the parties' rights and obligations thereunder will not become effective until the date that the Commission allows the Shared Facilities Agreement to become effective as a rate schedule under section 205 of the FPA.²⁷ The SFA Parties request that the Commission accept the Shared Facilities Agreement for filing, without modification, to become effective as a Commission rate schedule on September 15, 2014. The SFA Parties request waiver of the Commission's 60-day prior notice requirement²⁸ to permit the Shared Facilities Agreement to become effective as a rate schedule on September 15, 2014. The SFA Parties assert that good cause exists for granting the waiver because the Shared Facilities Agreement provides for a new service and has been filed with the Commission prior to the proposed effective date.²⁹

B. Spring Canyon Interconnection Services

12. The SFA Parties state that, under the Shared Facilities Agreement, Spring Canyon II and Spring Canyon III will grant to Spring Canyon Interconnection the right and license to use and have access to their Shared Interconnection Facilities as needed for Spring Canyon Interconnection to perform its obligations under the Expansion Interconnection Agreement and provide the interconnection coordination services to Spring Canyon II and Spring Canyon III under the Shared Facilities Agreement.³⁰

²⁵ SFA Parties Transmittal Letter at 9; Shared Facilities Agreement §§ 9.6 and 18.10.

²⁶ Shared Facilities Agreement §§ 5.1 and 6.2.

²⁷ SFA Parties Transmittal Letter at 10.

²⁸ *See* 18 C.F.R. § 35.3 (2014).

²⁹ SFA Parties Transmittal Letter at 10-11.

³⁰ *Id.* at 5; Shared Facilities Agreement § 7.1.

The SFA Parties explain that, pursuant to the Shared Facilities Agreement:

(1) Spring Canyon II and Spring Canyon III will have the right to deliver and receive electric energy at the point of interconnection established under the Expansion Interconnection Agreement and Spring Canyon Interconnection will exercise its rights and perform its obligations under the Shared Facilities Agreement in a manner consistent with its obligations under the Expansion Interconnection Agreement;³¹ (2) Spring Canyon II and Spring Canyon III will be required to exercise their rights and perform their obligations under the Shared Facilities Agreement in a manner that facilitates Spring Canyon Interconnection's performance under and compliance with the Expansion Interconnection Agreement;³² and (3) Spring Canyon Interconnection will not charge Spring Canyon II or Spring Canyon III any management or administrative fee for coordination services.³³ The SFA Parties state that, however, if Spring Canyon Interconnection incurs third party expenses or payments in connection with its provision of coordination services, Spring Canyon II and/or Spring Canyon III will pay Spring Canyon Interconnection those amounts to meet such obligations and responsibility for such expenses will be allocated to Spring Canyon II and Spring Canyon III based on their pro rata capacity.³⁴ The SFA Parties assert that the coordination services provided by Spring Canyon Interconnection are consistent with Commission precedent.³⁵

C. Invenergy Services Operation and Maintenance Services

13. The SFA Parties further explain that, under the Shared Facilities Agreement, they will receive certain administrative and operation and maintenance (O&M) services from Invenergy Services. In particular, the SFA Parties state that "Invenergy Services will simply provide O&M services to the SFA Parties for their respective jointly owned property, including Shared Interconnection Facilities, or in the coordination services in the case of [Spring Canyon] Interconnection, subject to the applicable SFA Parties' direction and approval."³⁶ The SFA Parties represent that, although Invenergy Services

³¹ Shared Facilities Agreement § 7.2.

³² *Id.* § 7.3.

³³ *Id.* § 7.4(a).

³⁴ *Id.* 7.4(b). The SFA Parties state that, until such time that Spring Canyon III becomes a co-tenant under the Shared Facilities Agreement, Spring Canyon II will be wholly responsible for such expenses.

³⁵ SFA Parties Transmittal Letter at 9.

³⁶ *Id.* at 6 (citing, e.g., Shared Facilities Agreement, Recital K, §§ 8.3 and 9.3).

is a party to the Shared Facilities Agreement, Invenergy Services will not own or operate jurisdictional facilities or sell power at wholesale and the applicable SFA Parties will retain ultimate control and decision making authority over the Shared Interconnection Facilities or, in the case of Spring Canyon Interconnection matters related to the coordination services.³⁷ The SFA Parties contend that, therefore, the services Invenergy Services will provide are not subject to the Commission's jurisdiction.³⁸

D. SFA Parties' Request for Open Access Waivers

14. In support of their requests for the Open Access Waivers, the SFA Parties assert that the Shared Interconnection Facilities and collection facilities that each of Spring Canyon I, Spring Canyon II, and Spring Canyon III will own to connect to the Shared Interconnection Facilities constitute limited, discrete facilities for the purpose of delivering the output of generation owned by Spring Canyon I, Spring Canyon II, and Spring Canyon III to the PSCo transmission system.³⁹ The SFA Parties state that the coordinating services provided by Spring Canyon Interconnection will be limited to facilitating Spring Canyon II's and Spring Canyon III's use of the Shared Interconnection Facilities to reach the PSCo transmission system under the Expansion Interconnection Agreement.⁴⁰ The SFA Parties state that the Shared Interconnection Facilities and collection facilities do not form an integrated transmission grid. The SFA Parties maintain that the Shared Interconnection Facilities are the type of limited and discrete facilities for which the Commission routinely grants the Open Access Waivers unless and until the owner of such facilities receives a request for transmission service.⁴¹

E. Spring Canyon Interconnection's Requests for Accounting Waivers and Blanket Authorization

15. Spring Canyon Interconnection requests waivers and authorizations that it argues are traditionally granted to applicants that are not providing cost-based service.⁴²

³⁷ SFA Parties Transmittal Letter at 6.

³⁸ *Id.*

³⁹ *Id.* at 11.

⁴⁰ *Id.*

⁴¹ *Id.* at 12.

⁴² *Id.*

Specifically, Spring Canyon Interconnection requests: (1) waiver of the requirements of sections 41.10 through 41.12 and Parts 101 and 141 of the Commission's regulations, with the exception of sections 141.14 and 141.15; and (2) blanket authorization under Part 34 of the Commission's regulations for all future issuances of securities and assumptions of liability.

16. Spring Canyon Interconnection contends that the Commission has granted these waivers and authorizations to owners of limited interconnection facilities, market-based rate sellers, and qualifying facilities selling at avoided cost rates because the primary purpose of such regulations is to assist the Commission in determining a public utility's cost-of-service in order to determine whether its rates are just and reasonable cost-based rates. Spring Canyon Interconnection argues that when an entity is not subject to traditional cost-based rates, these regulations are not applicable.⁴³

17. With respect to the blanket authorization of issuances of securities and assumptions of liability under Part 34 of the Commission's regulations, Spring Canyon Interconnection contends that granting blanket authorization to Spring Canyon interconnection would be consistent with blanket authorizations granted to other interconnection-only companies.⁴⁴ Spring Canyon Interconnection argues that it is unnecessary and would be unduly burdensome to require Spring Canyon Interconnection to obtain prior approval for issuances of securities under Part 34 of the Commission's regulations because, according to Spring Canyon Interconnection, the purpose of section 204 of the FPA⁴⁵ and its implementing regulations in Part 34 is to ensure the financial viability of franchised public utilities obligated to serve captive customers or obligated to provide requirements service at cost-based rates.⁴⁶ Spring Canyon Interconnection asserts that blanket authorization is therefore appropriate because it is not a franchised public utility, and it has no obligation to serve captive customers or to provide requirements service at cost-based rates.⁴⁷

⁴³ *Id.*

⁴⁴ *Id.* at 13 (citing *Bishop Hill Interconnection LLC*, 138 FERC ¶ 61,159 (2012); *Invenergy Wind Development Michigan LLC*, 136 FERC ¶ 61,209 (2011); *Wolverine Creek Goshen Interconnection LLC*, Docket No. ER06-267-000 (Jan. 13, 2006) (delegated letter order).

⁴⁵ 16 U.S.C. § 824c (2012).

⁴⁶ SFA Parties Transmittal Letter at 13.

⁴⁷ *Id.*

II. Notice of Filing

18. Notice of the filing was published in the *Federal Register*, 79 Fed. Reg. 55,784 (2014), with interventions and comments due on or before October 1, 2014. None was filed.

III. Discussion

A. Shared Facilities Agreement

19. The terms and conditions of the Shared Facilities Agreement appear to be just and reasonable and have not been shown to be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. Accordingly, we will accept the Shared Facilities Agreement, to become effective September 15, 2014, as requested.

1. Open Access Waivers for SFA Parties

20. Order Nos. 888 and 890 and section 35.28 of the Commission's regulations require public utilities that own, operate, or control facilities used for the transmission of electric energy in interstate commerce to file an OATT. Order No. 889 and Part 37 of the Commission's regulations require public utilities to establish an OASIS. Order Nos. 889, 2004, and 717 and Part 358 of the Commission's regulations require public utilities to abide by certain Standards of Conduct.⁴⁸ In prior orders, the Commission has enunciated the standards for waiver of, or exemption from, some or all of the requirements of Order Nos. 888, 889, and 890.⁴⁹ The Commission has stated that the criteria for waiver of the requirements of Order Nos. 890 and 2004 have not changed from those used to evaluate requests for waiver under Order Nos. 888 and 889.⁵⁰ Order No. 717 did not change those criteria.⁵¹

⁴⁸ Order No. 889, FERC Stats. & Regs. ¶ 31,035 at 31,590; Order No. 2004, FERC Stats. & Regs. ¶ 31,155 at P 16; Order No. 717, FERC Stats. & Regs. ¶ 31,280 at P 313.

⁴⁹ See, e.g., *Black Creek Hydro, Inc.*, 77 FERC ¶ 61,232, at 61,941 (1996) (*Black Creek*); *Entergy Mississippi, Inc.*, 112 FERC ¶ 61,228, at P 22 (2005) (*Entergy*).

⁵⁰ See *Alcoa Power Generating Inc.*, 120 FERC ¶ 61,035, at P 3 (2007); *Alcoa Power Generating Inc.*, 108 FERC ¶ 61,243, at P 27 (2004).

⁵¹ See Order No. 717, FERC Stats. & Regs. ¶ 31,280 at PP 31-33.

21. The Commission may grant requests for waiver of the obligation to file an OATT to public utilities that can show that they own, operate, or control only limited and discrete transmission facilities (facilities that do not form an integrated transmission grid), until such time as the public utility receives a request for transmission service. Should the public utility receive such a request, the Commission has determined that the public utility must file with the Commission a *pro forma* OATT within 60 days of the date of the request, and must comply with any additional requirements that are effective on the date of the request.⁵²

22. The Commission has determined that waiver of the requirements to establish an OASIS and abide by the Standards of Conduct would be appropriate for a public utility if the applicant: (1) owns, operates, or controls only limited and discrete transmission facilities (other than part of an integrated transmission grid); or (2) is a small public utility that owns, operates, or controls an integrated transmission grid, unless other circumstances are present that indicate that waiver would not be justified.⁵³

23. The Commission has held that waiver of Order No. 889 will remain in effect until the Commission takes action in response to a complaint to the Commission that an entity evaluating its transmission needs could not get the information necessary to complete its evaluation (for OASIS waivers) or an entity complains that the public utility has unfairly used its access to information about transmission to benefit the utility or its affiliate (for Standards of Conduct waivers).⁵⁴

24. Based on the SFA Parties' representations, we find that the Shared Interconnection Facilities qualify as limited and discrete facilities that do not constitute an integrated transmission system. The SFA Parties represent that the Shared Interconnection Facilities and collection facilities that each of Spring Canyon I, Spring Canyon II, and

⁵² *Black Creek*, 77 FERC ¶ 61,232 at 61,941.

⁵³ *Id.* Although the Commission originally precluded waiver of the requirements for OASIS and the Standards of Conduct for a small public utility that is a member of a tight power pool, in *Black Hills Power, Inc.*, 135 FERC ¶ 61,058, at PP 2-3 (2011) (*Black Hills*), the Commission explained that membership in a tight power pool is no longer a factor in the determination for waiver of Standards of Conduct. Moreover, *Black Hills* did not affect waivers based on a public utility disposing of no more than 4 million MWh annually.

⁵⁴ *Entergy*, 112 FERC ¶ 61,228 at P 23 (citing *Central Minnesota Municipal Power Agency*, 79 FERC ¶ 61,260, at 62,127 (1997) (*Central Minnesota*); *Easton Utils. Comm'n*, 83 FERC ¶ 61,334, at 62,343 (1998) (*Easton*)).

Spring Canyon III will own are, or will be, used by the owners of the SFA Parties' power projects to accommodate connection to the transmission grid so that they can effectuate wholesale power sales from the projects. Accordingly, we will grant the SFA Parties' requests for waiver of the requirements under Order Nos. 888 and 890 and section 35.28 of the Commission's regulations to have an OATT on file with respect to those facilities. However, if the SFA Parties receive a request for transmission service, it must file with the Commission a *pro forma* OATT within 60 days of the date of the request.⁵⁵

25. The Commission will also grant the SFA Parties' requests for waiver of the requirements under Order No. 889 and 18 C.F.R. Part 37 to establish an OASIS and the requirements under Order Nos. 889, 2004, and 717, and Part 358 of the Commission's regulations to comply with the Standards of Conduct with respect to the Shared Interconnection Facilities. We note that the waiver of the requirement to establish an OASIS will remain in effect until the Commission takes action in response to a complaint to the Commission that an entity evaluating its transmission needs could not get the information necessary to complete its evaluation.⁵⁶ Likewise, the waiver of the Standards of Conduct will remain in effect unless and until the Commission takes action on a complaint by an entity that an SFA Party has unfairly used its access to information to unfairly benefit itself or its affiliates.⁵⁷

2. Requests for Waiver and Blanket Authorization of Spring Canyon Interconnection

26. Consistent with the Commission's precedent in *Maine GenLead*,⁵⁸ we will grant, in part, and deny, in part, the waivers of Commission regulations and filing requirements and blanket authorization that Spring Canyon Interconnection seeks. These waivers and authorizations are typically granted to sellers authorized to sell electricity at market-based rates, and we find similarities in the circumstances the Commission relied upon to reach its determination in *Maine GenLead* to those presented in this proceeding. Thus, we will

⁵⁵ *Black Creek*, 77 FERC ¶ 61,232 at 61,941.

⁵⁶ *Entergy*, 112 FERC ¶ 61,228 at P 23 (citing *Central Minnesota*, 79 FERC ¶ 61,260 at 62,127; *Easton*, 83 FERC ¶ 61,334 at 62,343).

⁵⁷ *Id.* The SFA Parties must notify the Commission if there is a material change in facts that affect the waiver within 30 days of the date of such change. *Material Changes in Facts Underlying Waiver of Order No. 889 and Part 358 of the Commission's Regulations*, 127 FERC ¶ 61,141, at P 1 (2009).

⁵⁸ *Maine GenLead, LLC*, 146 FERC ¶ 61,223, at PP 17-20 (2014).

grant Spring Canyon Interconnection's request for waiver of Part 141 (except for, as requested, sections 141.14 and 141.15), including the Form No. 1 filing requirement. Likewise, we will also grant waiver of Part 101. However, notwithstanding the waiver of the accounting requirements of Part 101, we expect Spring Canyon Interconnection to keep its accounting records in accordance with accounting principles generally accepted in the United States (U.S. GAAP). We also will grant Spring Canyon Interconnection's request for waiver of sections 41.10 through 41.12, because those sections pertain to Form No. 1 filing requirements in Part 141, as discussed above.

27. The Commission will deny Spring Canyon Interconnection's request for blanket authorization under section 204 of the FPA and Part 34 of the Commission's regulations. This request for blanket authorization is associated with entities that own generation with the authority to sell electric power at market-based rates, and therefore should be included in applications for market-based rate authority under section 205 of the FPA.⁵⁹ We note that Spring Canyon Interconnection's affiliate, Spring Canyon I, has received market-based rate authorization, at which time the Commission allowed Spring Canyon I blanket authorization under section 204 of the FPA and Part 34 of the Commission's regulations for future issuances of securities and assumptions of liability.⁶⁰ We also note that Spring Canyon Interconnection's affiliates, Spring Canyon II and Spring Canyon III have requested authority to sell power at market-based rates, and have included a request for blanket authorization under Part 34 in those filings.⁶¹

The Commission orders:

(A) The SFA Parties' proposed Shared Facilities Agreement is hereby accepted for filing, effective September 15, 2014, as requested, as discussed in the body of this order.

⁵⁹ See, e.g., *Energia Sierra Juarez U.S. Transmission, LLC*, 149 FERC ¶ 61,052, at P 21 (2014); *Maine GenLead*, 146 FERC ¶ 61,223 at P 20.

⁶⁰ See *Spring Canyon Energy LLC, et al.*, Docket Nos. ER05-717-000, *et al.* (May 25, 2005) (delegated letter order).

⁶¹ See *Spring Canyon Energy II LLC*, Application for Market-Based Rate Authorization, Docket No. ER14-2820-000 at 2 (filed Sept. 10, 2014); *Spring Canyon Energy III LLC*, Application for Market-Based Rate Authorization, Docket No. ER14-2821-000 at 2 (filed Sept. 10, 2014).

(B) The SFA Parties' requests for waiver of the Commission's requirements to file an OATT, establish and maintain an OASIS, and comply with the Standards of Conduct are hereby granted, as discussed in the body of this order.

(C) Spring Canyon Interconnection's request for waiver of Part 141 of the Commission's regulations, with the exception of sections 141.14 and 141.15, is hereby granted, as discussed in the body of this order.

(D) Spring Canyon Interconnection's request for waiver of Part 101 and sections 41.10 through 41.12 of the Commission's regulations is hereby granted, as discussed in the body of this order.

(E) Spring Canyon Interconnection's request for blanket authorization under section 204 of the FPA and Part 34 of the Commission's regulations is hereby denied, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.