

151 FERC ¶ 61,142
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Golden Spread Electric Cooperative, Inc.

Docket No. ER15-528-000

ORDER ON COMPLIANCE AND REQUEST FOR WAIVERS

(Issued May 18, 2015)

1. On December 1, 2014, Golden Spread Electric Cooperative, Inc. (Golden Spread) filed a compliance filing and a request for waiver¹ in response to the compliance requirements of Order No. 676-H.² Order No. 676-H revised the Commission's regulations to incorporate by reference, with certain enumerated exceptions, the latest version of the Standards for Business Practices and Communication Protocols for Public Utilities (Business Practice Standards) adopted by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB) as mandatory enforceable requirements. In this order, we conditionally accept the compliance filing, effective May 15, 2015, subject to a compliance filing within 60 days of the date of this order, and grant in part, deny in part, and dismiss as unnecessary in part, Golden Spread's requests for waiver.

I. Background

2. On September 18, 2014, the Commission issued Order No. 676-H, which amends the Commission's regulations under the Federal Power Act (FPA)³ to incorporate by

¹ *Golden Spread Electric Cooperative, Inc.*, Docket No. ER15-528-000 (filed Dec. 1, 2014).

² *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-H, 79 Fed. Reg. 56,939 (Sept. 24, 2014), FERC Stats. & Regs. ¶ 31,359 (2014) (Order No. 676-H), *as modified*, *Errata Notice*, 149 FERC ¶ 61,014 (2014), *order on reh'g*, 151 FERC ¶ 61,046 (2015) (Order No. 676-H Rehearing Order).

³ 16 U.S.C. § 791a (2012).

reference, with certain enumerated exceptions, Version 003 of the Business Practice Standards.⁴ In addition, in Order No. 676-H, the Commission listed, as guidance, NAESB's Smart Grid Standards (Standards WEQ-016, WEQ-017, WEQ-018, WEQ-019 and WEQ-020) in Part 2 of the Commission's Regulations but did not incorporate these standards by reference into its regulations.⁵

3. The Version 003 Business Practice Standards update earlier versions of the WEQ standards that the Commission previously incorporated by reference into its regulations.⁶ These revised standards include modifications to support Order Nos. 890, 890-A, 890-B and 890-C,⁷ including standards to support Network Integration Transmission Service (NITS) on an Open Access Same-Time Information System (OASIS), Service Across Multiple Transmission Systems (SAMTS), standards to support the Commission's policy regarding rollover rights for redirects on a firm basis, standards that incorporate the functionality for Transmission Providers to credit redirect requests with the capacity of the parent reservation, and standards modifications to support consistency across the OASIS-related standards.⁸

4. In Order No. 676-H, the Commission explained that public utilities have a number of options with respect to compliance with Order No. 676-H. The Commission determined that public utilities can incorporate the complete set of NAESB standards into their tariffs without modification by submitting a compliance filing containing a single statement acknowledging their obligation to comply with Version 003 Business Practice Standards as specified in Part 38 of the Commission's regulations as updated and

⁴ The specific NAESB standards that the Commission incorporated by reference in Order No. 676-H are WEQ-000, WEQ-001, WEQ-002, WEQ-003, WEQ-004, WEQ-005, WEQ-006, WEQ-007, WEQ-008, WEQ-011, WEQ-012, WEQ-013, WEQ-015, and WEQ-021. *See* Order No. 676-H, FERC Stats. & Regs. ¶ 31,359 at P 18.

⁵ *See id.* P 1; 676-H Rehearing Order, 151 FERC ¶ 61,046 at P 2 (citations omitted).

⁶ 18 C.F.R. § 38.2 (2014).

⁷ *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (2007), *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 and clarification*, Order No. 890-C, 126 FERC ¶ 61,228 (2009). The Version 002 standards also included revisions made in response to Order No. 890.

⁸ *See* Order No. 676-H, FERC Stats. & Regs. ¶ 31,359 at P 2.

revised.⁹ Alternatively, public utilities could include an alternative set of language regarding the adopted standards, containing more detailed and specific information, if they so choose.¹⁰ The Commission also indicated that a public utility can file a request for waivers of specific provisions, along with its reasons supporting the request.¹¹

5. The Commission required public utilities to make compliance filings by December 1, 2014 in order to achieve compliance with the incorporated Version 003 Business Practice Standards by February 2, 2015.¹² Subsequently, the February 2, 2015 deadline was extended to May 15, 2015.¹³

6. On April 16, 2015, the Commission issued the 676-H Rehearing Order, which addressed various requests for rehearing of Order No. 676-H. With respect to entities seeking waivers of certain NAESB WEQ standards, the Commission clarified that:

[r]equiring a public utility to file (and the Commission to process) a waiver request for standards that on their face specifically state [that they] are only applicable to entity groups that the potential waiver requestor does not belong to is an unnecessary expenditure of time and effort for both the potential waiver requestors and the Commission, since the standard itself makes clear to whom it applies.¹⁴

Thus, the Commission stated that, going forward, any request for waivers of standards that by their terms do not apply to an entity potentially requesting

⁹ *See id.* PP 87-88, 95.

¹⁰ *See id.* P 89.

¹¹ *See id.* P 88.

¹² *See id.* PP 20, 88, 95. The Commission also established a separate 18-month compliance schedule for Standard 002-5.10.3 regarding the implementation of NITS OASIS templates, which are not at issue in this compliance filing.

¹³ *Standards for Business Practices and Communication Protocols for Public Utilities*, Notice Granting Limited Time Extension, Docket No. RM05-5-024 (issued Jan. 15, 2015).

¹⁴ 676-H Rehearing Order, FERC Stats. & Regs. ¶ 61,046 at P 20.

waivers during the time frame the standards are effective would be dismissed as unnecessary¹⁵

II. Golden Spread's Filing

7. Golden Spread states that it is a non-profit electric generation and transmission cooperative organized under the Texas Electric Cooperative Corporation Act and that it supplies wholesale electric power and energy to its 16 member nonprofit distribution cooperatives. Golden Spread's member systems serve over 270,000 retail consumers located in portions of Texas, Oklahoma, Kansas and Colorado.¹⁶ Golden Spread states that it owns limited and discrete facilities that do not form an integrated transmission grid. Golden Spread adds that it does not own all the facilities required to serve its members. Golden Spread states that it takes NITS under the Southwest Power Pool, Inc. (SPP) Regional Open Access Transmission Tariff (OATT) to serve its distribution cooperative member load located within the SPP footprint. Golden Spread explains that it uses the discrete radial transmission facilities (Special Facilities) it owns to supply loads to three of its members, specifically Big Country, Greenbelt and South Plains. According to Golden Spread, its Special Facilities Program is a voluntary program it offers for the benefit of its members. Under the Special Facilities program, participants can transfer ownership of existing radial transmission facilities to Golden Spread and arrange for Golden Spread to construct new facilities. Golden Spread adds that, although it holds title to Special Facilities, each is operated and maintained by the associated member.¹⁷

8. Golden Spread states that, in response to a request for generator interconnection service for an entity proposing to connect to one of the Special Facilities, the

¹⁵ *Id.* P 19.

¹⁶ Golden Spread's 16 distribution cooperative members are: Bailey County Electric Cooperative Association; Concho Valley Electric Cooperative, Inc.; Coleman County Electric Cooperative, Inc.; Deaf Smith Electric Cooperative, Inc.; Greenbelt Electric Cooperative, Inc. (Greenbelt); Lamb County Electric Cooperative, Inc.; Lighthouse Electric Cooperative, Inc.; Lyntegar Electric Cooperative, Inc.; Big Country Electric Cooperative, Inc. (Big Country); North Plains Electric Cooperative, Inc.; Rita Blanca Electric Cooperative, Inc.; South Plains Electric Cooperative, Inc. (South Plains); Southwest Texas Electric Cooperative, Inc.; Swisher Electric Cooperative, Inc.; Taylor Electric Cooperative, Inc.; and Tri-County Electric Cooperative, Inc.

¹⁷ Golden Spread's Transmittal Letter at 2-3.

Commission expressly permitted Golden Spread to retain its waiver of Order No. 889,¹⁸ including all obligations to operate an OASIS, and granted Golden Spread a waiver of Transmission Loading Relief procedures.¹⁹ Golden Spread indicates that there is only one active customer that purchases a nominal amount (20 MW) of OATT service from Golden Spread and that currently there are no generation interconnection or transmission service requests in the queue. The single transmission customer on Golden Spread's transmission system under its OATT, Pleasant Hill Wind Energy, LLC, takes long-term firm point-to-point service; there are no network integration transmission service customers.

9. Golden Spread notes that its transmission function has only one dedicated, full-time employee. Golden Spread further explains that, as its transmission system is fully embedded in other control areas and on the periphery of the footprint of SPP, it does not provide any control area services and it does not operate as a balancing authority area.

10. Golden Spread explains that, in the past, the Commission has consistently granted it waiver of the following Version 003 NAESB standards: (1) WEQ-001, OASIS, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) excluding Standards 001-9.5, 001-10.5, 001-14.1.3, 001-15.1.2, and 001-106.2.5; (2) WEQ-002, OASIS Business Practice Standards and Communications Protocols (S&CP), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013); (3) WEQ-003, OASIS Data Dictionary Business Practice Standards, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec 28, 2012 (with minor corrections applied Nov. 26, 2013); (4) WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection, WEQ Version 003, July 31, 2012 (with minor corrections applied November 28, 2012); and (5) WEQ-013, OASIS Implementation Guide, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013).²⁰ According to Golden Spread, good cause exists to continue waiver of Version 003 of these NAESB standards because the

¹⁸ *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).

¹⁹ Golden Spread's Transmittal Letter at 3 (citing *Golden Spread Electric Cooperative, Inc.*, 139 FERC ¶ 61,067 (2012) (*Golden Spread OATT Order*)).

²⁰ *Id.* at 4 (citing *Black Hills Power, Inc., et al.*, 135 FERC ¶ 61,058, at P 48 (2011) (*Black Hills*) and *Golden Spread OATT Order*, 139 FERC ¶ 61,067 at P 15).

circumstances under which the Commission originally granted the waiver have not changed. Specifically, Golden Spread states that: (1) its transmission facilities remain limited and discrete; (2) those facilities still do not constitute an integrated transmission system; and (3) it still does not operate a balancing authority.²¹

11. Golden Spread also requests waiver of the following Version 003 NAESB standards: (1) WEQ-000, Abbreviations, Acronyms, and Definition of Terms; WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Oct. 4, 2012, Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013); (2) WEQ-004, Coordinate Interchange, WEQ Version 003, July 31, 2012 (as modified by NAESB final actions ratified on December 28, 2012); (3) WEQ-005, Area Control Error (ACE) Equation Special Cases, WEQ Version 003, July 31, 2012); (4) WEQ-006, Manual Time Error Correction, WEQ Version 003, July 31, 2012; (5) WEQ-007, Inadvertent Interchange Payback, WEQ Version 003, July 31, 2012; (6) WEQ-011, Gas / Electric Coordination, WEQ Version 003, July 31, 2012; (7) WEQ-012, Public Key Infrastructure (PKI) WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on October 4, 2012); (8) WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response, WEQ Version 003, July 31, 2012; and (9) WEQ-021, Measurement and Verification of Energy Efficiency Products, WEQ Version 003, July 31, 2012.

12. In support, Golden Spread notes that WEQ-004 sets forth procedures for implementing transactions crossing one or more balancing authority areas. As noted above, Golden Spread states that its limited and discrete transmission facilities are subsumed within another transmission provider's balancing authority area; thus Golden Spread maintains that it has no authority over matters affecting the identification, quantification or approval of net interchange transactions as contemplated by WEQ-004. Golden Spread further states that it does not qualify to be an Approval Entity for purposes of WEQ-004. Additionally, Golden Spread states that SPP is its net interchange authority and Approval Authority. Accordingly, Golden Spread states that waiver of standard WEQ-004 is appropriate.

13. Golden Spread also states that standards WEQ-005, WEQ-006 and WEQ-007 involve obligations specific to balancing authority areas. According to Golden Spread, the Commission has made clear that transmission providers that do not serve as balancing authority areas may obtain a waiver of the WEQ requirements specifically applicable only to that function.²² And, as noted above, Golden Spread states that it continues to not

²¹ *Id.*

²² *Participating Transmission Owners Administrative Committee*, 133 FERC ¶ 61,197, at P 13 (2010).

be a balancing authority area. Accordingly, Golden Spread states that waiver of standards WEQ-005, WEQ-006 and WEQ-007 is appropriate.

14. Golden Spread explains that waiver of standard WEQ-011, which deals with improving coordination and daily operational communications between transportation providers and gas-fired power plants, is appropriate, because Golden Spread does not have any gas-fired generation interconnected to its transmission system. It states that the sole generator connected to its transmission facilities is a 20 MW wind farm.

15. Golden Spread notes that standard WEQ-012 provides uniform standards to enhance security for business transactions taking place over the Internet. Based on the waivers granted to Golden Spread as part of the acceptance of its OATT and the limited nature of those Special Facilities, potential customers that want to request transmission service over Golden Spread's "system" must do so by submitting a paper copy of the request rather than using an OASIS or other Internet means. Thus, it maintains that WEQ-012 is not applicable to Golden Spread, and that waiver of this standard is appropriate.

16. Golden Spread also requests waiver of standards WEQ-015 and WEQ-021. These standards apply to measurement and verification of products and services specific to demand response and energy efficiency in organized independent system operator (ISO)/regional transmission organization (RTO) wholesale markets. Golden Spread argues that, because it is not a transmission-owning member of an ISO or RTO, these NAESB WEQ standards are inapplicable to its transmission system. Accordingly, Golden Spread states that waiver of these standards is appropriate.

17. Golden Spread states that standard WEQ-000 contains the abbreviations, acronyms, and definitions of terms that are referenced in the NAESB WEQ Standards. Because Golden Spread is requesting waiver of all of the other NAESB Standards, Golden Spread states it will not need to have abbreviations, acronyms and definitions in its OATT. Therefore Golden Spread respectfully requests waiver of Standard WEQ-000.

III. Notice and Responsive Pleadings

18. Notice of Golden Spread's filing was published in the Federal Register, 79 Fed. Reg. 73,062 (2014), with interventions and protests due on or before December 22, 2014. None was filed.

IV. Discussion

19. We will grant Golden Spread's request for continued waiver of standards WEQ-001,²³ WEQ-002, WEQ-003, WEQ-008, and WEQ-013. Golden Spread's transmission facilities remain limited and discrete. As Golden Spread notes in its filing, the circumstances under which the Commission originally granted the waivers have not changed. Therefore, consistent with the Commission's determinations in the *Golden Spread OATT Order* and *Black Hills*, we find that continued waiver of standards WEQ-001, WEQ-002, WEQ-003, WEQ-008, and WEQ-013 is reasonable for Golden Spread. In addition, consistent with our granting of this waiver request, we will also grant Golden Spread's request for waiver of WEQ-012, which anticipates the use of OASIS for transactions.

20. In the 676-H Rehearing Order, we clarified that

whenever a standard specifically states on its face that it only applies to certain types of entities, there is no need for any entity outside of that grouping (i.e., those to whom the requirement is not applicable) to obtain a waiver of the standard to be excused from compliance, as those standards clearly do not apply to them. This being the case, we shall hereafter dismiss as unnecessary any requests for waivers of standards that by their terms specifically apply only to entity groups (e.g., balancing authorities or western utilities or RTOs/ISOs) that the potential waiver requestor does not belong to during the time those standards are effective.²⁴

The Commission explained that including such standards in the public utility's tariff will have no adverse effects on the company, since the standards would not impose the compliance obligation prescribed by the standard on that entity.²⁵ The Commission stated that, in each public utility's compliance filing in which it submits a tariff revision incorporating the NAESB standards, the public utility must either incorporate by

²³ Excluding Standards 001-9.5, 001-10.5, 001-14.1.3, 001-15.1.2, and 001-106.2.5.

²⁴ Order No. 676-H Rehearing Order, 151 FERC ¶ 61,046 at P 20.

²⁵ *Id.* P 19.

reference each standard or indicate in its tariff that it has obtained a waiver of that standard.²⁶

21. Thus, consistent with the Commission's clarification in the 676-H Rehearing Order, we dismiss, as unnecessary Golden Spread's requested waivers from standards WEQ-005, WEQ-006, WEQ-007, WEQ-015 and WEQ-021. Each of these NAESB Standards contains language that clearly describes in some manner the entity that is responsible for following that standard. For example, WEQ-005 and WEQ-007 contain applicability sections that clearly limit the application of those standards to balancing authorities. In the same manner, WEQ-015 and WEQ-021 are clearly only applicable to RTO and ISO markets. Both WEQ-015 and WEQ-021 provide in their respective applicability sections that they are only applicable to RTO and ISO administered markets. Furthermore, when the Commission, in Order No. 676-G, amended its regulations to include WEQ-015 and WEQ-021, it made clear that these standards only applied to RTOs and ISOs.²⁷ Based upon Golden Spread's representations and the plain language of the NAESB standards adopted in Order No. 676-H, these standards do not apply to Golden Spread and impose no compliance obligation on Golden Spread. This being the case, we dismiss as unnecessary its request for waiver of standards WEQ-005, WEQ-006, WEQ-007, WEQ-015 and WEQ-021.

22. We deny waiver of WEQ-011. WEQ-011 applies to the Wholesale Electric Quadrant, so it applies to Golden Spread, and Golden Spread is required to implement WEQ-011 once it performs the relevant business practice (even if it currently does not perform that practice). By denying the waiver, we ensure that Golden Spread begins performing the relevant business practice when it becomes applicable, without the administrative burden of being responsible for submitting a filing to amend its tariff.

23. We find that Golden Spread has not shown good cause for waiver of WEQ-000, and therefore denies the request for waiver of that standard. The Commission notes that Golden Spread will still have need for the WEQ-000 Abbreviations, Acronyms and Definitions because it remains potentially subject to certain NAESB standards.

²⁶ *Id.* P 21.

²⁷ *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-G, FERC Stats. & Regs. ¶ 31,343, at PP 1, 37, 69 (2013). *Also see id.* at P 50, where we reiterated that the "standards that we are incorporating by reference are sufficiently clear that the standards apply to organized wholesale electric markets administered by RTOs or ISOs."

24. Consistent with the foregoing determination, we will require Golden Spread to submit a compliance filing, within 60 days of the date of this order, to revise its tariff to: (1) indicate those standards for which the Commission has granted waiver; (2) for each of those standards granted waiver, include a cite to the order granting the waiver request; and (3) incorporate the entire set of standards by reference and, noting the extension of time that was granted, request an effective date of May 15, 2015.²⁸ To the extent that the Commission approves revised NAESB standards in the future and the applicability section of the standards discussed herein change such that Golden Spread becomes subject to those standards, it would then be required to comply with such standards at that time.

The Commission orders:

(A) Golden Spread's compliance filing is hereby conditionally accepted for filing, effective May 15, 2015, as discussed in the body of this order.

(B) Golden Spread's requests for waiver are hereby accepted in part, denied in part, and dismissed as unnecessary in part, as discussed in the body of this order.

(C) Golden Spread is hereby directed to make a compliance filing within 60 days of the date of issuance of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

²⁸ See Order No. 676-H, FERC Stats. & Regs. ¶ 31,359 at P 71 where the Commission stated "[t]his will mean that public utilities may not need to make compliance filings in future years to incorporate the standards so long as they continue to abide by all the newly incorporated standards." *See also* Order No. 676-H, FERC Stats. & Regs. ¶ 31,359 at P 89.