

154 FERC ¶ 61,050
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

January 28, 2016

In Reply Refer To:
Nevada Power Company
Docket No. ER15-1196-003

NV Energy
6226 W. Sahara Avenue
Las Vegas, NV 89146

Attention: Ms. Lauren Rosenblatt, Esq.

Dear Ms. Rosenblatt:

1. On November 30, 2015, Nevada Power Company and Sierra Pacific Power Company (collectively, NV Energy) filed a supplemental compliance filing (Supplemental Compliance Filing) as required by the Commission's May 14, 2015 order¹ approving NV Energy's proposed Open Access Transmission Tariff (OATT) changes to provide for NV Energy's participation in the Energy Imbalance Market (EIM) with the California Independent System Operator Corporation (CAISO). In the May 14 Order, the Commission accepted NV Energy's commitment to submit a compliance filing explaining how its participation in the EIM would work in conjunction with dynamic transfers from the Apex Generating Station (Apex) under the pre-existing dynamic transfer agreement between CAISO and the City of Los Angeles Department of Water and Power (LADWP).² Accordingly, the Commission directed NV Energy to submit a compliance filing within 60 days after the May 14 Order including "any revisions to NV Energy's OATT that NV Energy deems necessary after further discussions on this matter" with LADWP.³

¹ *Nevada Power Co.*, 151 FERC ¶ 61,131, at P 132 (2015) (May 14 Order).

² *Id.*

³ *Id.*

2. In response to the Commission's directives, NV Energy submitted an initial compliance filing on July 13, 2015 (July 13 Compliance Filing). Notice of NV Energy's July 13 Compliance Filing was published in the *Federal Register*, 80 Fed. Reg. 42,797 (2015). On August 3, 2015, LADWP filed a protest to the July 13 Compliance Filing. NV Energy filed an answer to LADWP's protest on August 18, 2015 and LADWP filed an answer to NV Energy's answer on September 17, 2015. On October 22, 2015, NV Energy and LADWP filed a joint motion seeking a deferral of Commission action on the July 13 Compliance Filing for 90 days. The Commission granted the request on October 29, 2015.⁴

3. In its Supplemental Compliance Filing, NV Energy states that itself, LADWP, and CAISO have developed a mutually acceptable protocol that respects the existing arrangements regarding dynamic transfers from Apex. NV Energy states that it is authorized by LADWP to represent that this Supplemental Compliance Filing fully addresses the issues raised by LADWP in its August 3, 2015 protest.⁵

4. NV Energy states that the best means to effectuate the pre-existing arrangement, intended to permit a dynamic transfer of the Apex generation without creating the need for imbalance service, is to create a pseudo-tie from Apex to the LADWP Balancing Authority Area (BAA). According to NV Energy, under a pseudo-tie, the Balancing Authority receiving the new load or generation signal assumes responsibility for ensuring that the load is properly balanced. NV Energy filed a revised Dynamic Scheduling Agreement (now the Dynamic Transfer Agreement) concurrently in Docket No. ER16-434-000 to effectuate this compliance filing.⁶ The revised Dynamic Transfer Agreement removes Apex completely from the NV Energy BAA. As such, NV Energy and LADWP agree that Apex should be excluded from the assignment of uplift charges and that Apex generation should not be included in the allocation of CAISO's administrative charge that NV Energy passes through to its customers under Schedule 1A of its OATT. However, NV Energy and LADWP agree it is appropriate for Apex to be assigned a proportionate share of the Schedule 1 charges for system control, scheduling,

⁴ *Nevada Power Company*, Notice of Deferral of Action, Docket No. ER15-1196-003 (Oct. 29, 2015).

⁵ Supplemental Compliance Filing at 2.

⁶ That filing was addressed separately in a letter order issued on January 14, 2016 in Docket No. ER16-434-000 with an effective date of December 1, 2015. *Nevada Power Company*, Docket No. ER16-434-000 (January 14, 2016) (delegated letter order).

and dispatch, as NV Energy will incur costs to administer this arrangement.⁷ NV Energy proposes no changes to its OATT to address the agreement by the parties.

5. Notice of NV Energy's Supplemental Compliance Filing was published in the *Federal Register*, 80 Fed. Reg. 76,014 (2015), with protests and interventions due on or before December 21, 2015. No protests or adverse comments were received.

6. We find that NV Energy has satisfactorily complied with the directives in the May 14 Order addressing the dynamic scheduling arrangement between NV Energy and LADWP.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁷ Supplemental Compliance Filing at 3-4.