

156 FERC ¶ 61,228  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Tucson Electric Power Company	Docket Nos. ER10-2564-006
UNS Electric, Inc.	ER10-2600-006
UniSource Energy Development Company	ER10-2289-006

ORDER ON SIMULTANEOUS TRANSMISSION IMPORT  
LIMIT VALUES FOR THE TUCSON ELECTRIC POWER COMPANY  
BALANCING AUTHORITY AREA

(Issued September 27, 2016)

1. On December 31, 2015, as amended on April 21, 2016, August 1, 2016, and August 11, 2016, Tucson Electric Power Company (Tucson Electric), UNS Electric, Inc., and UniSource Energy Development Company (collectively, Applicants) submitted an updated market power analysis for the Southwest region in accordance with the regional reporting schedule.<sup>1</sup> Applicants included Simultaneous Transmission Import Limit (SIL) values for the December 2013 – November 2014 study period for the following balancing authority areas in the Southwest region: the Tucson Electric balancing authority area, the Salt River Project balancing authority area, the Western Area Power Administration-Lower Colorado balancing authority area, and the Western Area Power Administration-Colorado Missouri balancing authority area.

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<sup>1</sup> See *Refinements to Policies and Procedures for Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 816, FERC Stats. & Regs. ¶ 31,374, at P 353 (2015), *order on reh'g*, Order No. 816-A, FERC Stats. & Regs. ¶ 31,382 (2016). See also *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs. ¶ 31,252, at PP 882-893, *clarified*, 121 FERC ¶ 61,260 (2007), *order on reh'g*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268, *clarified*, 124 FERC ¶ 61,055, *order on reh'g*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008), *order on reh'g*, Order No. 697-C, FERC Stats. & Regs. ¶ 31,291 (2009), *order on reh'g*, Order No. 697-D, FERC Stats. & Regs. ¶ 31,305 (2010), *aff'd sub nom. Montana Consumer Counsel v. FERC*, 659 F.3d 910 (9th Cir. 2011), *cert. denied*, 133 S. Ct. 26 (2012).

2. In this order, the Commission accepts the SIL values for the Tucson Electric balancing authority area.<sup>2</sup> SIL studies are used as a basis for calculating import capability to serve balancing authority area load when performing market power analyses. SIL values quantify the simultaneous transmission import capability into a market or balancing authority area from its aggregated first-tier area. The Commission-accepted SIL values identified herein will be used by the Commission to analyze updated market power analyses for the Tucson Electric balancing authority area. Applicants' updated market power analyses will be addressed in a separate order.

### **Discussion**

3. In Order No. 697, the Commission adopted a staggered filing approach for filing updated market power analyses. The Commission recognized that the transmission-owning utilities have the information necessary to perform SIL studies and therefore determined that transmission-owning utilities would be required to file their updated market power analyses in advance of other entities in each region.<sup>3</sup>

4. Applicants' analysis of the Tucson Electric balancing authority area relies on SIL values derived by Applicants for the December 2013 – November 2014 study period. We find that Applicants' SIL study of the Tucson Electric balancing authority area, as amended, meets the Commission's requirements for a SIL study.<sup>4</sup> Therefore, we will accept these SIL values for the Tucson Electric balancing authority area for this study period. Specifically, the seasonal SIL values for the Tucson Electric balancing authority area accepted herein are: Winter 881 megawatts (MW); Spring 1,594 MW; Summer 1,388 MW; and Fall 1,767 MW.

5. Future filers submitting screens for the Tucson Electric balancing authority area for the December 2013 – November 2014 study period are encouraged to use these Commission-accepted SIL values. In the alternative, a filer may propose different SIL values provided that the filer's accompanying SIL studies comply with Commission directives and that the filer fully supports the values used and explains why the

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<sup>2</sup> The SIL values for the other three balancing authority areas studied by Applicants, as well as the SIL values for other balancing authority areas in the Southwest region, will be addressed in a future Commission order.

<sup>3</sup> Order No. 697, FERC Stats. & Regs. ¶ 31,252 at P 889.

<sup>4</sup> See *Public Service Company of New Mexico*, 153 FERC ¶ 61,060 (2015); *Puget Sound Energy, Inc.*, 135 FERC ¶ 61,254 (2011); Order No. 697, FERC Stats. & Regs. ¶ 31,252; *AEP Power Marketing, Inc.*, 107 FERC ¶ 61,018, at Appendix E, *order on reh'g*, 108 FERC ¶ 61,026 (2004).

Commission should consider a different SIL value for the Tucson Electric balancing authority area other than the Commission-accepted SIL values approved herein. In the event that the results for one or more of a particular seller's screens differ if the seller-supplied SIL value is used instead of the Commission-accepted SIL value, the order on that particular filing will examine the seller-supplied SIL study and address whether the seller-supplied SIL value is acceptable. However, when the overall results of the screens would be unchanged, i.e., the seller would pass using either set of SIL values or fail using either set of SIL values, the order would be based on the Commission-accepted SIL values and would not address the seller-supplied SIL values.

The Commission orders:

The specific Commission-accepted SIL values identified in this order are hereby accepted for purposes of analyzing updated market power analyses for the Tucson Electric balancing authority area, as discussed in the body of this order.

By the Commission. Commissioner Clark is not participating.

( S E A L )

Kimberly D. Bose,  
Secretary.