

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

Before Commissioners: Neil Chatterjee, Chairman;
Richard Glick and Bernard L. McNamee.

Arizona Public Service Company	Docket Nos. ER10-2437-012
El Paso Electric Company	ER10-2721-008
New Harquahala Generating Company, LLC	ER10-3310-014
CXA La Paloma, LLC	ER18-53-002
Public Service Company of New Mexico	ER10-2302-007
Tucson Electric Power Company	ER10-2564-009
UNS Electric, Inc.	ER10-2600-009
Unisource Energy Development Company	ER10-2289-009

ORDER ACCEPTING SIMULTANEOUS TRANSMISSION IMPORT LIMIT
VALUES FOR THE SOUTHWEST REGION

(Issued September 3, 2019)

1. In December 2018, Arizona Public Service Company, El Paso Electric Company (El Paso), New Harquahala Generating Company, LLC, CXA La Paloma, LLC, Public Service Company of New Mexico, Tucson Electric Power Company, UNS Electric, Inc., and Unisource Energy Development Company (collectively, Southwest Transmission Owners) submitted updated market power analyses¹ for the Southwest region in accordance with the regional reporting schedule.² The Southwest Transmission Owners

¹ We note that some of the Southwest Transmission Owners submitted amendments to their filings.

² 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, 153 FERC ¶ 61,065, at P 353 (2015), *order on reh'g*, Order No. 816-A, 155 FERC ¶ 61,188 (2016); *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, 119 FERC ¶ 61,295, at P 882, *clarified*, 121 FERC ¶ 61,260 (2007), *order on reh'g*, Order No. 697-A, 123 FERC ¶ 61,055, *clarified*, 124 FERC ¶ 61,055, *order on reh'g*, Order No. 697-B, 125 FERC ¶ 61,326 (2008), *order on reh'g*, Order No. 697-C, 127 FERC ¶ 61,284 (2009), *order on reh'g*, Order No. 697-D, 130 FERC ¶ 61,206 (2010), *aff'd sub nom.*

included Simultaneous Transmission Import Limit (SIL) values for the December 2016-November 2017 study period for balancing authority areas in the Southwest region.

2. In this order, the Commission accepts and adopts the SIL values identified in Appendix A (Commission-accepted SIL values). SIL studies are used as a basis for calculating import capability to serve load in the relevant geographic market when performing market power analyses. SIL values quantify a study area's simultaneous import capability from its aggregated first-tier area. The values accepted and adopted herein are based on SIL studies submitted by the Southwest Transmission Owners with their updated market power analyses. The Southwest Transmission Owners' updated market power analyses themselves, including any responsive pleadings, are being addressed in separate orders in the relevant dockets.³

I. Background

3. In Order No. 697, the Commission adopted a regional schedule for filing updated market power analyses.⁴ The Commission explained that the transmission-owning utilities have the information necessary to perform SIL studies and therefore determined that such utilities would be required to file their updated market power analyses in advance of other entities in each region.⁵

4. The Southwest Transmission Owners provided SIL studies for their respective balancing authority areas and/or first-tier balancing authority areas. Specifically, SIL studies were submitted for the following balancing authority areas: Arizona Public Service Company, El Paso, Imperial Irrigation District, Los Angeles Department of Water and Power, Public Service Company of New Mexico, Public Service Company of Colorado, Salt River Project, Tucson Electric Power Company, Western Area Power

Mont. Consumer Counsel v. FERC, 659 F.3d 910 (9th Cir. 2011), *cert. denied sub nom. Public Citizen, Inc. v. FERC*, 567 U.S.934 (2012).

³ We note that other transmission owners in the Southwest region also submitted updated market power analyses. The updated market power analyses for those transmission owners have been or will be addressed in separate orders in the relevant dockets.

⁴ Order No. 697, 119 FERC ¶ 61,295 at P 882. *See also* Order No. 816, 153 FERC ¶ 61,065 at P 353.

⁵ Order No. 697, 119 FERC ¶ 61,295 at P 889.

Administration – Colorado Missouri, and Western Area Power Administration – Lower Colorado.

II. Discussion

5. The SIL values we accept herein are based on calculations by the Southwest Transmission Owners. However, we note that with respect to the SIL values for the El Paso balancing authority area, we have adjusted the SIL values submitted by El Paso to those listed in Appendix A.⁶

6. The Commission has previously stated that, where a first-tier market or balancing authority area is directly interconnected to the study area only by controllable tie lines and is not interconnected to any other first-tier market or balancing authority area, filers should follow their Open Access Same-Time Information System (OASIS) practices for calculation and posting of available transfer capability (ATC) for such areas.⁷ The term “OASIS practices” refers specifically to the seasonal benchmark power flow case modeling assumptions, study solution criteria, and operating practices historically used by the first-tier and study area transmission providers to calculate and post ATC and to evaluate requests for firm transmission service.⁸

7. We have determined that capacity on a specific tie line in the El Paso balancing authority area is available on a non-firm basis only. This capacity was incorrectly included in El Paso’s SIL calculation, and we have removed this capacity from the SIL calculations. The recalculated SIL values accurately reflect the available competing imports from first-tier markets to the El Paso balancing authority area.

8. The Commission will use the Commission-accepted SIL values identified in Appendix A when reviewing the pending updated market power analyses submitted by transmission owners in the Southwest region as well as any updated market power analyses filed by non-transmission owning sellers in the Southwest region for this study period. Future filers submitting screens for the balancing authority areas and study

⁶ The SIL values El Paso submitted for its balancing authority area are as follows: Winter 413 megawatts (MW); Spring 428 MW; Summer 360 MW; and Fall 359 MW. The Commission-adjusted SIL values for the El Paso balancing authority area, as reflected in Appendix A of this order, are as follows: Winter 243 MW; Spring 258 MW; Summer 325 MW; and Fall 274 MW.

⁷ Order No. 816, 153 FERC ¶ 61,065 at P 172.

⁸ *Id.* P 154.

period identified in Appendix A are encouraged to use these Commission-accepted SIL values.

9. 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 Commission should consider a different SIL value for a particular study area other than the Commission-accepted SIL values provided in Appendix A.

10. In the event that the results⁹ 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 Commission-accepted SIL values found in Appendix A will be used and the order will not address the seller-supplied SIL values.

The Commission orders:

The SIL values identified in Appendix A of this order are hereby accepted and adopted for purposes of analyzing updated market power analyses for the Southwest region, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁹ Results refer to the results of the market share and/or pivotal supplier screens. For example, if a seller fails the market share screen for a particular season in a particular market using either SIL value, we would consider the result unchanged. Similarly, if the seller passes the screen using either value, the result is also unchanged.

Appendix ACommission-Accepted SIL Values (MW) for the Southwest Region
Study Period of December 2016 to November 2017

			Winter	Spring	Summer	Fall
	Abbreviation	Study Area	2016	2017	2017	2017
1	APS	Arizona Public Service Company	90	438	1,223	1,072
2	EPE	El Paso Electric Company	243	258	325	274
3	IID	Imperial Irrigation District	0	166	312	119
4	LADWP	Los Angeles Department of Water and Power	987	0	0	109
5	PNM	Public Service Company of New Mexico	905	699	1,359	1,014
6	PSCO	Public Service Company of Colorado	1,087	2,138	1,848	2,364
7	SRP	Salt River Project	463	2,089	1,653	1,934
8	TEP	Tucson Electric Power	611	1,017	1,759	1,432
9	WACM	Western Area Power Administration - Colorado Missouri	0	379	0	747
10	WALC	Western Area Power Administration - Lower Colorado	0	0	0	0