

UNITED STATES OF AMERICA 111 FERC ¶ 61, 124
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeen G. Kelly.

Midwest Independent Transmission
System Operator, Inc.

Docket No. ER05-656-000

ORDER ACCEPTING REDISPATCH AGREEMENT

(Issued April 27, 2005)

1. On February 28, 2005, the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) filed an Agreement for Compensation of Generator-Supplied Services (Redispatch Agreement) with White Pine Electric Power, LLC (White Pine),¹ and American Transmission Company, LLC (ATCLLC). The proposed Redispatch Agreement establishes the rates, terms and conditions under which White Pine may provide generator-supplied services to support the operation and reliability of the Midwest ISO transmission system.²
2. As discussed below, we will accept for filing the Midwest ISO's proposed Redispatch Agreement, to become effective March 1, 2005. This order benefits customers by helping to ensure that electric power service is provided to customers without the threat of interruption.

Background

3. ATCLLC is a standalone transmission company with transmission facilities located in contiguous portions of Wisconsin, Michigan, and Illinois. ATCLLC transferred operation of its facilities to the Midwest ISO. White Pine owns generation facilities at White Pine, Michigan. Although, previously interconnected to ATCLLC's transmission system, White Pine's generating facilities have not been in general operation during the several years that ATCLLC has been the owner of the transmission system.

¹ Formerly White Pine Copper Refinery, Inc.

² The Redispatch Agreement is designated as Service Agreement No. 1521 under the FERC Electric Tariff, Second Revised Vol. No. 1.

4. On April 23, 2004, ATCLLC submitted for filing an executed three-party Interconnection and Operating Agreement (Interconnection Agreement) between ATCLLC, White Pine, and the Midwest ISO to provide interconnection service to White Pine to address a shortage of electric power in the area.³

Proposed Redispatch Agreement

5. In the instant proceeding, the Midwest ISO submitted for filing a proposed Redispatch Agreement evidencing the parties' agreement to compensate White Pine for providing generation services pursuant to the Interconnection Agreement entered into by the Midwest ISO, ATCLLC, and White Pine Copper Refinery, Inc.⁴ In the event that the Midwest ISO requests White Pine to supply certain services, the Midwest ISO will compensate White Pine for such services according to the terms set forth in the proposed Redispatch Agreement.

6. The Midwest ISO requests that the Commission waive its sixty 60-day prior notice requirement and make the proposed Redispatch Agreement effective as of March 1, 2005.

Notice of Filing, Comments, Protests and Answers

7. Notice of the Midwest ISO's filing was published in the *Federal Register*, 70 Fed. Reg. 12,673 (2005), with comments, interventions and protests due on or before March 21, 2005. Wisconsin Public Service Corporation, Upper Peninsula Power Company, WPS Energy Services, Inc., and WPS Power Development LLC filed a motion to intervene. Wisconsin Electric Power Company (Wisconsin Electric) filed a motion to intervene and comments. The Midwest ISO filed an answer to Wisconsin Electric's comments.

Discussion

A. Procedural Matters

8. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2004), the notice of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

³ The Interconnection Agreement was accepted for filing in *American Transmission Company LLC*, Docket Nos. ER04-422-000 and ER04-422-001 (June 10, 2004) (unpublished letter order).

⁴ White Pine Copper Refinery, Inc. is the predecessor in interest to White Pine.

9. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 384.213 (2004), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept the Midwest ISO's answer because it provided information that assisted us in our decision-making process.

B. Analysis

10. Our preliminary analysis of the Midwest ISO's filing indicates that the proposed Redispatch Agreement appears to be just and reasonable and has not been shown to be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. Accordingly, we will accept the proposed Redispatch Agreement for filing, without hearing or suspension, with the effective date described below.

11. The proposed Redispatch Agreement is the next step, following the filing and acceptance of the Interconnection Agreement that would allow White Pine to be compensated for certain generator-supplied services. Specifically, the proposed Redispatch Agreement establishes the rates, terms and conditions under which White Pine may provide generator-supplied services to support the operation and reliability of the Midwest ISO transmission system and under what circumstances White Pine will be compensated for providing such services. The proposed Redispatch Agreement is limited to the generator-supplied services that White Pine may be requested to provide under the Interconnection Agreement.

12. Wisconsin Electric requests that the Commission require the Midwest ISO to clarify certain aspects in the proposed Redispatch Agreement. Specifically, Wisconsin Electric states that Article 2.C of the agreement is unclear and that the phrase "generator-supplied services" should be defined in the agreement. Article 2.C provides that:

Compensation for generator-supplied services provided after the effective date of the EMT [Energy Markets Tariff] shall be governed solely by the provisions of that tariff; provided, however, that if generator-supplied services are requested or directed outside the LMP [locational marginal pricing] provisions of the EMT after the effective date thereof, compensation for such services shall be governed by this [Redispatch]Agreement.

Wisconsin Electric states that the phrase "outside the LMP provisions" is unclear and concludes that parties potentially affected by the proposed Redispatch Agreement, including itself, are unable to determine the extent to which they may be impacted by the Redispatch Agreement.

13. The Midwest ISO clarifies Article 2.C in its answer. It states that after April 1, 2005, the compensation provisions of the EMT apply to services provided by White Pine as set forth in the proposed Redispatch Agreement unless and until the LMP markets become dysfunctional and the Midwest ISO is required to take steps under its FERC-approved Reversion Plan.⁵

14. Regarding the definition of “generator-supplied services,” the Midwest ISO states that although it is true that the proposed Redispatch Agreement does not contain an explicit definition, the Commission-filed Interconnection Agreement, to which the proposed Redispatch Agreement expressly refers, does in fact define such services. Specifically, the Interconnection Agreement includes provisions that involve services that White Pine may be called upon to supply under the proposed Redispatch Agreement. The Midwest ISO clarifies that Article 4.3 of the Interconnection Agreement provides that the specific directions issued by the Midwest ISO or ATCLLC to White Pine will be consistent with the Interconnection Agreement, Good Utility Practice, applicable operational and/or reliability criteria, protocols, and directives, including those of the North American Electric Reliability Council, the applicable Reliability Council and Applicable Laws and Regulations. The Midwest ISO explains that under Article 4.7.1, the Midwest ISO may request White Pine to increase or decrease its reactive power output. It further states that Article 7.6.1 provides that White Pine shall be compensated for real and reactive power and any unavoidable costs related to changes in maintenance and outage schedules directed by the Midwest ISO or ATCLLC for certain emergency conditions and services.

15. We find that the Midwest ISO has adequately clarified the proposed Redispatch Agreement. Accordingly, we will accept the proposed Redispatch Agreement for filing, to become effective March 1, 2005.⁶

⁵ The Commission accepted the Reversion Plan, subject to modifications, in *Midwest Independent Transmission System Operator, Inc.*, 110 FERC ¶ 61,049 (2005). The Reversion Plan defines the process for operating the Midwest ISO’s generation and transmission system during a loss of market operations due to failure of the unit dispatch system. The Reversion Plan outlines how reliable operations will be maintained through suspension of LMP.

⁶ See *Central Hudson Gas and Electric Company*, 60 FERC ¶ 61,106, *reh’g denied*, 61 FERC ¶ 61,089, and *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, clarified, 65 FERC ¶ 61,081 (1993).

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The Commission orders:

The Midwest ISO's proposed Redispatch Agreement is hereby accepted for filing, effective March 1, 2005.

By the Commission.

(S E A L)

Linda Mitry,
Deputy Secretary.