

126 FERC ¶ 61,012  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
Philip D. Moeller, and Jon Wellinghoff.

Southwest Power Pool, Inc.

Docket No. ER09-262-000

ORDER ON PETITION FOR TARIFF WAIVER

(Issued January 9, 2009)

1. On November 10, 2008, in Docket No. ER09-262-000, Southwest Power Pool, Inc. (SPP) petitioned the Commission to grant waiver of certain provisions of its large generator interconnection procedures (Interconnection Procedures) set forth in Attachment V of its open access transmission tariff (Tariff). SPP requests Commission approval to waive certain sections of the Tariff for a limited time to enable SPP to manage and respond to a backlog of pending interconnection requests. Specifically, SPP requests a one-time waiver of certain provisions of the Interconnection Procedures to waive notice requirements and change time periods for completing studies and other actions applicable to processing pending interconnection requests.
2. In this order, we grant SPP's request in part, subject to the conditions set forth herein.

**I. Background**

3. SPP processes generator interconnection requests pursuant to the Interconnection Procedures set forth in Attachment V of its Tariff. Consistent with Commission policy set forth in Order No. 2003,<sup>1</sup> SPP conducts a series of studies<sup>2</sup> that evaluate system

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<sup>1</sup> *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, FERC Stats. & Regs. ¶ 31,146 (2003), *order on reh'g*, Order No. 2003-A, FERC Stats. & Regs. ¶ 31,160, *order on reh'g*, Order No. 2003-B, FERC Stats. & Regs. ¶ 31,171 (2004), *order on reh'g*, Order No. 2003-C, FERC Stats. & Regs. ¶ 31,190 (2005), *aff'd sub nom. Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007).

<sup>2</sup> These studies are the interconnection feasibility study, the interconnection system impact study, and the interconnection facility study. At the end of the interconnection feasibility study process and before proceeding to each subsequent study phase, an agreement must be executed between SPP and the interconnection customer.

(continued...)

impacts of generator interconnection requests, estimate additional facility or other system upgrades needed to accommodate these requests, and assign costs for such facilities or system upgrades. SPP's Interconnection Procedures permit SPP, at its option, to study interconnection requests serially or in clusters.<sup>3</sup> In its Tariff, SPP has opted to study interconnection requests serially.

4. Over the past two years, SPP has received a substantial number of interconnection requests, largely due to many proposed wind generation projects.<sup>4</sup> SPP states that the serial study process has become inefficient, resulting in a significant backlog in the SPP interconnection queue. SPP also states that it has begun developing Tariff revisions to its Interconnection Procedures through its stakeholder process and plans to file these revisions by March 1, 2009.<sup>5</sup>

5. SPP wishes to address its current queue backlog as soon as possible in order to enable efficient processing of pending requests in its interconnection queue and to provide a smoother transition to the queue reform it plans to file by March 1, 2009.

## **II. SPP's Petition**

6. SPP requests that the Commission temporarily waive Tariff provisions that require that, for projects to be included in an interconnection cluster, SPP must group them based upon a 180 calendar-day submission window.<sup>6</sup> Instead, for a temporary period, SPP seeks to group interconnection requests into two clusters totaling 15,000 megawatts (MW) each. SPP proposes to include the following interconnection requests in the first cluster: (1) interconnection requests for which a feasibility study has been posted but for which no system impact study agreement has been executed, queued between February 5, 2007 and October 2, 2007;<sup>7</sup> (2) requests for which a system impact study has been posted

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That is, after an interconnection feasibility study is completed and posted on the transmission provider's Open Access Same Time Information System (OASIS), an interconnection system impact study agreement must be executed before the transmission provider begins the interconnection system impact study. The word "interconnection" will be dropped from these study and agreement titles for the remainder of this order.

<sup>3</sup> SPP Tariff, Attachment V § 4.2.

<sup>4</sup> SPP November 10, 2008 Petition at 3-4 (noting that wind projects accounted for 176 of 196 generator interconnection requests received in the last two years).

<sup>5</sup> *Id.* at 1.

<sup>6</sup> SPP Tariff, Attachment V § 4.2.

<sup>7</sup> SPP states it included these requests in the first cluster because it has not yet assigned upgrades to mitigate constraints at this phase in the study process. SPP also asserts that one of these requests may require upgrades exceeding \$150 million, which

but for which no facility study agreement has been executed, although SPP proposes to allow these customers to opt out of the cluster;<sup>8</sup> and (3) unstudied requests that have been in the interconnection queue the longest, queued between October 2, 2007 and March 17, 2008. The second cluster will consist of pending, unstudied requests that were queued between March 18, 2008 and June 17, 2008.<sup>9</sup> To ease the transition to SPP's new queue procedures and to keep the transition clusters at a manageable level, SPP proposes that requests queued after June 17, 2008 that have no posted studies, and any requests for which there is no executed facility study agreement as of SPP's planned March 1, 2009 filing, be subject to the new queue reform procedures.<sup>10</sup>

7. SPP also requests waiver of the prescribed time frames during which feasibility, system impact, and facility studies must be performed.<sup>11</sup> SPP states it will use its best efforts to complete interconnection studies in a timely manner.

8. SPP also requests waiver of parameters for restudies.<sup>12</sup> To streamline the megawatt clustering process, if an interconnection project drops out of the queue during a feasibility study, SPP plans to move forward and conduct a system impact study without conducting a restudy of the other projects included in the clustered feasibility study. SPP states that eliminating restudies at the feasibility study stage will not harm interconnection customers, because customers will have the preliminary information garnered from the feasibility study and would gain little additional information from restudy.

9. For those interconnection projects for which a feasibility study was posted prior to the date of SPP's petition, but for which no system impact study agreement has been executed, SPP plans to include the requests in the new clustered feasibility study. SPP

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would be assigned solely to this request if studied serially. SPP November 10, 2008 Petition at 11-12.

<sup>8</sup> SPP states it is including these requests in the first cluster to provide customers the option of a restudy that may lower their costs. Customers that choose to opt out will be taken out of the cluster, and SPP will study their requests serially under the existing Interconnection Procedures. *Id.* at 12.

<sup>9</sup> *Id.* at 11-13.

<sup>10</sup> SPP states this would include requests included in the transitional clusters that have no executed facility study agreement as of March 1, 2009. SPP states that while it intends to study these clusters as efficiently as possible, their complexity may prevent SPP from processing the second cluster before the planned queue reform filing. *Id.* at 14.

<sup>11</sup> SPP Tariff, Attachment V § 6.3, 7.4, and 8.3.

<sup>12</sup> SPP Tariff, Attachment V § 6.4, 7.6, and 8.5.

claims that this will hasten the process for such projects because they can join the cluster before the cluster feasibility study is complete. In addition, SPP claims this will generate more accurate cluster feasibility study results because these results will be based more precisely on the projects that will be studied in the cluster system impact study. At the system impact study stage, if a project drops out of the queue, SPP plans to restudy that cluster. SPP explains that restudy during this stage is necessary to ensure an accurate assessment of the needed upgrades and the proper cost allocation among the remaining projects in the cluster.

10. SPP requests an effective date of November 11, 2008, and that the waiver remain in place until the date specified by the Commission in its order on SPP's interconnection reform Tariff filing, or until March 1, 2009, if SPP has not made such a filing. SPP also requests that the Commission take expedited action and issue an order within 45 days from the date of filing. Finally, SPP requests that this waiver petition be granted without prejudice to the Commission's action on its future planned queue reform filing.

### **III. Notice of Filings and Responsive Pleadings**

11. Notice of SPP's filing was published in the *Federal Register*, 73 Fed. Reg. 70,993 (2008), with interventions and protests due on or before December 1, 2008. Dogwood Energy, LLC filed a motion to intervene. Sunflower Electric Power Corporation and Mid-Kansas Electric Company, LLC filed a joint motion to intervene. Western Farmers Electric Cooperative (Western Farmers) and Golden Spread Electric Cooperative (Golden Spread) filed motions to intervene and protest. CPV Renewable Energy Company, LLC (CPV) filed a motion to intervene and comments. Oklahoma Gas and Electric Company (Oklahoma G&E) filed a late motion to intervene, comments, and conditional protest. SPP filed an answer. CPV and Oklahoma G&E filed answers to SPP's answer. Golden Spread filed a motion for leave to answer and answer. Western Farmers filed a request for leave to reply and reply. SPP filed a second answer.

#### **A. Timeline for Proposed Clusters**

12. According to Western Farmers, its Orme Generating Facility (Orme Facility) has already undergone a feasibility study. However, no system impact study agreement has been executed as of the date of SPP's petition. Accordingly, the Orme Facility would be included with the first cluster group, and another feasibility study would be undertaken. Western Farmers states that it generally supports the objective of SPP's filing but objects to being included in the first cluster. Western Farmers argues that this will adversely affect its project since it will undergo a second feasibility study with the first cluster, causing unreasonable delay. In addition, Western Farmers also expresses concern that SPP provided no time estimates for the additional time it may need to complete the cluster studies.

13. Western Farmers notes that in *California ISO*, the Commission stated, "Where good cause for a waiver of limited scope exists, there are no undesirable consequences, and the resultant benefits to customers are evident, the Commission has found that a one-

time waiver [of tariff provisions] is appropriate.”<sup>13</sup> Western Farmers claims it will suffer undesirable consequences within the meaning established in *California ISO* if the Commission grants SPP’s petition in its current form. Western Farmers also notes that in the order on the December 11, 2007 technical conference on interconnection queuing practices, the Commission noted, “Reforms affecting late-stage [interconnection requests] require careful consideration due to the potential disruptive effects on customers who may have taken action in reliance on the existing process.”<sup>14</sup> Western Farmers asserts that the Orme Facility will be subject to substantial delay if SPP’s proposal is approved.

14. As an alternative to SPP’s approach, Western Farmers proposes that an interconnection customer who lacks an executed system impact study agreement but has a posted feasibility study be given the option of opting out of SPP’s proposed transition cluster procedure. Those projects that opt out would be studied and processed under the current Interconnection Procedures and study time frames. Western Farmers asserts this alternative approach would require minimal modification of the waiver petition and would help SPP avoid “undesirable consequences” as required by Commission precedent.<sup>15</sup>

15. CPV also asserts that SPP should be directed to include a clear timeline for the completion of pending interconnection requests. CPV notes that both California Independent System Operator Corp. (Cal ISO)<sup>16</sup> and Midwest Independent Transmission System Operator, Inc. (Midwest ISO)<sup>17</sup> submitted queue reform proposals with specific timelines. Cal ISO and Midwest ISO both proposed specific timelines for processing their existing interconnection requests: Cal ISO’s proposal would apply to its limited, transitional waiver, while Midwest ISO’s proposal would incorporate new interconnection procedures into its tariff. CPV states that these deadlines were critical to ensuring that Cal ISO and Midwest ISO remained committed to a study schedule and to providing customers with reasonable confidence that their projects would not be unduly delayed. CPV states that eliminating existing time frames in the current Interconnection Procedures without replacing them with revised milestones, deposit requirements, and procedures to streamline the processing of such studies does not provide an assurance that SPP will process its current backlog in an expeditious manner. Accordingly, CPV

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<sup>13</sup> *California Independent System Operator Corp.*, 124 FERC ¶ 61,031, at P 19 (2008), *reh’g denied*, 124 FERC ¶ 61,293 (2008) (*California ISO*).

<sup>14</sup> *Interconnection Queuing Practices*, 122 FERC ¶ 61,252, at P 19 (2008).

<sup>15</sup> Western Farmers December 1, 2008 Protest at 7-8.

<sup>16</sup> *California ISO*, 124 FERC ¶ 61,031, *reh’g denied*, 124 FERC ¶ 61,293.

<sup>17</sup> *Midwest Independent Transmission System Operator, Inc.*, 124 FERC ¶ 61,183 (2008).

requests that the Commission direct SPP to incorporate processing timelines in a compliance filing while still permitting SPP to use its “best efforts” to meet those timelines. CPV proposes March 1, 2010, as a deadline for completion of all studies associated with the backlog of existing requests.

16. Oklahoma G&E states that it submitted a generation interconnection request for the OU Spirit Wind Farm in January 2008, which SPP accepted as a completed interconnection request on February 5, 2008.<sup>18</sup> Oklahoma G&E claims that the interconnection feasibility study for the OU Spirit Wind Farm should have been completed by March 21, 2008, based on the time frames specified in the current Interconnection Procedures. Oklahoma G&E states that SPP has delayed processing this request eight months beyond the current Tariff deadline. Oklahoma G&E asserts that if SPP completes processing its interconnection request any later than August 1, 2009, Oklahoma G&E will be unable to complete the testing required to bring its wind farm on-line before the end of 2009. Oklahoma G&E states that this will be detrimental to Oklahoma G&E and its customers.

17. Oklahoma G&E states that the Commission should not allow SPP’s waiver process to delay projects such as the OU Spirit Wind Farm that are ready to come on-line in 2009. Noting that the Commission has found merit in a first-ready, first-served approach to reform the interconnection process, Oklahoma G&E states that SPP’s proposal is consistent with such principles of interconnection queue reform only if the requested waivers enable SPP to move quickly to process the transitional cluster and the first-ready projects such as the OU Spirit Wind Farm that are in that cluster. Accordingly, Oklahoma G&E requests that the Commission require SPP to complete the cluster one feasibility study no later than December 31, 2008. Oklahoma G&E also asserts that the Commission should require SPP to complete the first cluster’s system impact study no later than April 1, 2009.

18. In its answer, SPP asserts that Western Farmers’ request that interconnection customers that have a posted interconnection feasibility study but no system impact study be permitted to opt out of the requested interim interconnection procedures would undermine SPP’s entire effort to clear the backlog in its interconnection queue. Specifically, SPP states that 23 projects consisting of a total of 5,400 MW would fall into this proposed opt-out group. If all these projects were studied serially, SPP’s queue would remain clogged. SPP states that under its interim proposal, Western Farmers’ Orme project will be studied sooner than it would be under SPP’s existing serial study procedures.

19. SPP responds to CPV and Oklahoma G&E that “hard and fast deadlines” for completing studies will not advance the interconnection study process. SPP states that it wishes to address the SPP interconnection queue backlog before implementing a

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<sup>18</sup> Oklahoma G&E December 3, 2008 Comments and Conditional Protest at 3-8.

reformed interconnection queue procedure, and thus has an interest in clearing the backlog as soon as possible. SPP states that specifically proposed deadlines are unrealistic or unworkable. Moreover, according to SPP, there are several interconnection requests ahead of Oklahoma G&E's OU Spirit Wind Farm project that would need to be studied prior to Oklahoma G&E's OU Spirit Wind Farm project. By including the OU Spirit Wind Farm project in the first transition cluster with the earlier queued projects, it will be studied simultaneously with the earlier queued requests, resulting in expedition rather than further delay of studies relating to the OU Spirit Wind Farm project. However, SPP clarifies that it anticipates completing all of the interconnection studies for the first cluster by March 1, 2010.

20. CPV reiterates its concern regarding SPP's lack of target deadlines or milestones and an overall timeline for processing its backlog. CPV states its proposed deadline of March 1, 2010, for completion of all requests currently in the queue is based on the timeline proposed by Cal ISO in its waiver request, further noting that Cal ISO's backlog was more than twice the size of SPP's backlog. CPV maintains that March 1, 2010, is a reasonable deadline. CPV also notes that Midwest ISO increased its staffing and resources to process its backlog before implementing its interconnection queue reform.

21. Oklahoma G&E continues to request that the Commission establish a deadline of April 1, 2009, for the completion of the first cluster system impact study.<sup>19</sup> Oklahoma G&E states that if SPP continues to delay processing the interconnection request for its OU Spirit Wind Farm, SPP will (1) cause Oklahoma G&E to forego fuel savings and emissions reductions; (2) jeopardize Oklahoma G&E's ability to qualify for Federal Production Tax Credits, which could be worth \$70 million over ten years; and (3) undermine the immediate value of Oklahoma G&E's capital commitments to purchase the project's turbines in 2009.<sup>20</sup>

22. Oklahoma G&E requests that the Commission require SPP to establish a new "expedited cluster" in addition to the process SPP has proposed. Oklahoma G&E states that interconnection requests pending in the first cluster could move to the expedited cluster if the interconnection customer (1) agrees to pay, in addition to any required study costs, a non-refundable fee of \$100,000 (or such fee as the Commission deems reasonable) which would be used to supplement the resources currently assigned to process interconnection requests; and (2) demonstrates that it is otherwise ready to go into commercial operation by the end of 2009.<sup>21</sup> Oklahoma G&E states that in *California ISO*, the Commission noted that expediting projects that had "reached a significant developmental milestone" and that therefore were "likely to be among the projects first-

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<sup>19</sup> Oklahoma G&E December 23, 2008 Answer at 1.

<sup>20</sup> *Id.* at 5.

<sup>21</sup> *Id.* at 2-3.

ready to come on line” struck an appropriate balance between customer expectations and the expeditious processing of interconnection requests.<sup>22</sup>

23. Oklahoma G&E says its expedited cluster provides four benefits. It will (1) identify projects that are truly ready to go into service that are delayed solely because of SPP’s backlog; (2) enable SPP to hire additional resources to process its queue; (3) treat entities requesting interconnection equally because anyone meeting the two proposed criteria will be included in the expedited cluster; and (4) retain the position of any entity that does not qualify for the expedited cluster in the transitional clusters that SPP contends will enable it to expedite the processing of its backlog.<sup>23</sup> Western Farmers supports Oklahoma G&E’s expedited cluster proposal but requests that, if accepted by the Commission, any costs for additional resources (i.e., the non-refundable fee) be refunded to the extent study costs are less than \$100,000.<sup>24</sup> SPP does not support Oklahoma G&E’s proposal. SPP states that adding another large cluster could further delay the proposed interim studies because 22 of 57 projects in the first cluster could qualify for placement in Oklahoma G&E’s expedited cluster.<sup>25</sup>

**B. Exemption for Requests Queued After June 17, 2008**

24. Golden Spread requests that if the Commission grants the petition request regarding generation queued after June 17, 2008, it should exempt requests by load-serving entities for designation of new designated network resources, or additions to the capacity of existing designated network resources. Golden Spread states that the impact of SPP’s proposal on projects that have been queued since June 17, 2008, and that will be queued before SPP can put into effect new interconnection processing procedures, will make it impossible to interconnect any generation in the SPP footprint for an indefinite period of time.<sup>26</sup> Golden Spread claims that an exemption will ensure that load-serving entities will continue to have the ability to add generation that is needed to maintain reliability while still allowing SPP to address its backlog.

25. In its answer, SPP characterizes as unnecessary Golden Spread’s request that interconnection requests made after June 17, 2008, by load-serving entities be exempt. SPP states that this is unnecessary because these requests are not encompassed by the waiver request and therefore need not be exempted from the transition study process. Golden Spread seeks clarification of SPP’s answer regarding requests queued after

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<sup>22</sup> *Id.* at 3-4; *California ISO*, 124 FERC ¶ 61,031 at P 51.

<sup>23</sup> Oklahoma G&E December 23, 2008 Answer at 3.

<sup>24</sup> Western Farmers January 5, 2009 Answer at 4.

<sup>25</sup> SPP January 7, 2009 Answer at 2.

<sup>26</sup> Golden Spread December 1, 2008 Protest at 3.

June 17, 2008. Golden Spread states that if the Commission interprets SPP's answer as saying that all requests queued after June 17, 2008, are not subject to the waiver request and will not be affected, then Golden Spread withdraws its exemption request. If, however, the Commission understands that these interconnection requests will not be studied until SPP submits its reform filing, then Golden Spread renews its exemption request for load-serving entities for designation of new designated network resources.<sup>27</sup> In its second answer, SPP repeats that requests queued after June 17, 2008, are not subject to the waiver request.<sup>28</sup>

### **C. Interconnection Requests Included in First Cluster**

26. CPV asserts that the Commission should require SPP to include CPV's Cimarron interconnection request in its first queue cluster. CPV states its Cimarron project has both a posted feasibility study agreement dated October 5, 2007 and a completed feasibility study. However, CPV has been waiting for SPP to complete a system impact study since June 2008. Based on how SPP proposes to define its first cluster, CPV alleges that the status of its Cimarron project is unclear. CPV requests that the Commission direct SPP to clarify that its proposal will include the Cimarron project and similarly situated interconnection requests in the first queue cluster.

27. In its answer, SPP explains that because CPV's Cimarron project was queued between February 5, 2007 and October 2, 2007, and has a feasibility study posted but no executed system impact study agreement, it will be included in the first transition cluster, as will all other similarly situated requests.

### **D. Geographic Versus MW Clusters**

28. CPV also expresses concern that the proposed transitional clustering departs significantly from recommendations made by SPP's generation queue task force in stakeholder proceedings. In these proceedings, CPV asserts that SPP and its stakeholders agreed upon a geographic clustering approach as opposed to a system-wide, megawatt clustering approach. CPV raises concern that these two larger clusters may prove unmanageable and result in further delay in processing the queue backlog. CPV asserts that if SPP is unable to complete its interconnection studies in a timely manner, SPP should either adopt or explain why it changed its original geographic clustering proposal agreed upon with stakeholders. In addition, CPV asserts that, if a timely date of completion for studies of pending requests is not set, the Commission should require that SPP adopt a geographic clustering approach or state in a compliance filing why the two proposed megawatt-based clusters will not exacerbate the backlog.

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<sup>27</sup> Golden Spread December 31, 2008 Answer at 4.

<sup>28</sup> SPP January 7, 2009 Answer at 5.

29. SPP states that CPV's suggestion that it cluster interconnection requests geographically is unsound, because system impacts are an electrical, not geographical, matter. The current Tariff provides for cost allocation for upgrades related to interconnection requests on an electrical impact basis. Geography-based clusters, moreover, would not follow queue position, possibly unfairly placing earlier requests behind later ones.

#### **E. Transition Process**

30. CPV asserts that the Commission should require SPP to articulate how its transition process will affect the reformed interconnection process to be implemented in 2009. Specifically, CPV requests that the Commission require SPP to articulate (1) how and when during stage two it will address those existing projects which do not fall into one of the transition queue clusters; and (2) a clear path forward for studying all interconnection requests.

31. CPV also requests that all projects in the queue as of November 10, 2008, be included in a transition cluster, even if a third cluster must be studied. CPV also requests the Commission to encourage SPP to accelerate its process for finalizing and submitting its long-term queue reforms, noting that Midwest ISO's reform process has proceeded much more quickly than SPP's process to date.

32. SPP responds to CPV's request for additional detail regarding the transition to new interconnection study procedures in March 2009 by stating that those details are being developed in a stakeholder process in which CPV may participate.

#### **IV. Discussion**

##### **A. Procedural Matters**

33. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2008), the notices of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C. F.R. § 385.214 (2008), the Commission will grant Oklahoma G&E's late-filed motion to intervene, comments, and conditional protest given its interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

34. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 285.213(a)(2) (2008), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept SPP's answer because it has provided information that assisted us in our decision-making process.

35. Rule 213(a)(2) also prohibits answers to answers. We will accept CPV, Oklahoma G&E, Golden Spread and SPP's answers and Western Farmers' reply because they have provided information that assisted us in our decision-making process.

## B. Commission Determination

36. The Commission has granted waiver requests where an emergency situation or an unintentional error was involved.<sup>29</sup> In addition, where good cause for a waiver of limited scope exists, there are no undesirable consequences, and the resultant benefits to customers are evident, the Commission has held that a one-time waiver may be appropriate.<sup>30</sup>

37. Based on the standard set forth in *California ISO*, we conditionally grant SPP's petition in part and permit SPP to temporarily waive section 4.2 of its Interconnection Procedures, which provides for clustering for study purposes based on a 180 calendar-day submission window. We grant permission to cluster pending interconnection requests into the two transitional 15,000 MW clusters as described by SPP. We find that clearing the current interconnection queue backlog will promote a more efficient and timely interconnection study process in the future, and use of this transitional clustering mechanism will allow SPP to accomplish this objective more quickly than use of the current serial study process. The waiver, moreover, is limited and short-term in nature.<sup>31</sup> We also grant SPP's proposed effective date of November 11, 2008. This limited waiver will be in effect until a date specified by the Commission in an order on SPP's planned interconnection reform Tariff filing, or March 1, 2009, if SPP has not made such a filing by that date.

38. However, we decline to waive the prescribed time frames for studies in sections 6.3, 7.4, and 8.3 of the Interconnection Procedures. While we acknowledge that studying the proposed transition clusters may be complex, we agree with CPV that including appropriate time frames for completion of studies is important to ensure that SPP processes its backlog in an expeditious manner. We find that a good faith effort to complete interconnection studies in a timely manner has not alleviated customer concerns, as evidenced in protests to SPP's petition. While SPP indicates that it anticipates completing all of the interconnection studies for the first transition cluster by

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<sup>29</sup> See, e.g., *ISO New England, Inc.*, 117 FERC ¶ 61,171, at P 21 (2006) (using reasoning typically applied to waivers to allow limited and temporary change to a tariff to correct an error); *Great Lakes Transmission LP.*, 102 FERC ¶ 61,331, at P 16 (2003) (granting emergency waiver involving *force majeure* event granted for good cause shown); and *TransColorado Gas Transmission Co.*, 102 FERC ¶ 61,330, at P 5 (2003) (granting waiver for good cause shown to address calculation in variance adjustment).

<sup>30</sup> *California ISO*, 124 FERC ¶ 61,031 at P 19.

<sup>31</sup> The Commission grants the instant waivers without prejudice to SPP's planned interconnection queue reform filing in spring of 2009.

March 1, 2010, it has not provided a timeline for each milestone for that cluster, and has not indicated its anticipated timing for any milestones for the second transition cluster. Accordingly, we direct SPP to submit to the Commission a timeline for the completion of pending interconnection requests in the two proposed clusters in a compliance filing, within 30 days of the date of this order. This timeline should adhere to the greatest extent practical to the existing time frames in the current Interconnection Procedures and should be viewed as a best case scenario, assuming the need for no re-studies and SPP's best efforts to process its queue as expeditiously as possible. To the extent that SPP's proposed timeline extends beyond the existing time frames in the current Interconnection Procedures, SPP must justify such extension by explaining what difficulties presented by the cluster studies prevents SPP from meeting the existing time frames. If SPP fails to meet the target deadlines for studies and other milestones specified within the timeline adopted on compliance, it must submit a report to the Commission within 15 days of such event explaining what circumstances caused it to miss the target deadline and indicating when it expects to complete the study or meet the milestone.

39. We also grant waiver of sections 6.4, 7.6, and 8.5, which set forth parameters for restudies. We agree that, for the purposes of these transition clusters, little would be gained from restudy at the feasibility study stage of the study process. Further, we find this limited waiver reasonable in light of the need to clear the current interconnection queue backlog.

40. We deny Western Farmers' request to allow interconnection customers who lack an executed system impact study agreement but that have a posted feasibility study to opt out of SPP's proposed first cluster. We agree with SPP that Western Farmers' interconnection request for the Orme Facility would be processed more quickly if included in the first cluster than if processed in a serial fashion under existing procedures.<sup>32</sup> Further, we agree with SPP that the number of requests to which the proposed opt-out would apply would disrupt the main objective of SPP's petition, namely, to clear the backlog of interconnection requests as expeditiously as practicable.<sup>33</sup>

41. We will deny Oklahoma G&E's request to require SPP to complete the first cluster feasibility study by December 31, 2008 and the system impact study by April 1, 2009. We also deny CPV's proposal that SPP be required to complete all studies associated with the backlog of existing requests by March 1, 2010. We have ordered SPP to submit its timelines for completing studies in a compliance filing.

42. We are unable to determine the reasonableness of Oklahoma G&E's proposal to create an "expedited cluster" for those interconnection requests that agree to pay additional funds for studies and demonstrate readiness for commercial operation in 2009.

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<sup>32</sup> SPP December 16, 2008 Answer at 11.

<sup>33</sup> *Id.* at 10.

While the proposal may have merit, without additional information from SPP on whether the proposed actions would indeed assist SPP in processing its backlog, the effect of such actions on existing interconnection requests in SPP's serial queue which may be ready for commercial operation in 2009, and the effect on SPP's clustering proposal, it is impossible to make a reasoned judgment.<sup>34</sup> Moreover, Oklahoma G&E does not argue that its proposed expedited cluster is necessary to mitigate any disadvantage that SPP's proposed waiver would bestow on Oklahoma G&E's OU Spirit Wind Farm project, and we note that SPP indicates that Oklahoma G&E's OU Spirit Wind Farm project will be studied more expeditiously under SPP's proposal than if it were studied serially.<sup>35</sup> Accordingly, we decline to order SPP to institute the proposal as a condition to approving the requested waivers.

43. We deny Golden Spread's request for exemption of projects queued after June 17, 2008. We clarify that interconnection requests received after June 17, 2008, are not included in the limited waiver provided in this order. Thus, SPP must process them according to the terms of the existing Interconnection Procedures. SPP states that it intends to make a filing with the Commission to change such Interconnection Procedures, but until it does and the Commission issues an order regarding any changes, all interconnection requests not included in the limited waiver provided in this order are subject to the Interconnection Procedures.<sup>36</sup> Accordingly, we disagree with Golden Spread's assertion that it will be impossible to interconnect any generation in the SPP footprint for an indefinite period of time.<sup>37</sup>

44. We find that SPP's answer addresses CPV's concerns about the status of CPV's Cimarron project in the first transition cluster. Specifically, SPP clarifies that CPV's Cimarron project will be included in the first cluster.<sup>38</sup>

45. We deny CPV's request to require SPP to adopt a geographic clustering approach. We defer to SPP's judgment that it can manage and process the pending interconnection requests more quickly in the proposed megawatt clusters. We are persuaded by SPP's explanation for the purposes of this proceeding and will not require further clarification at this time.

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<sup>34</sup> We note that SPP indicated in its January 7, 2009 answer that Oklahoma G&E's proposal to add an additional expedited cluster would not ensure faster processing of the interconnection queue backlog.

<sup>35</sup> *Id.* at 6.

<sup>36</sup> *Id.*

<sup>37</sup> Golden Spread December 1, 2008 Protest at 3.

<sup>38</sup> SPP December 16, 2008 Answer at 4, n. 8.

46. We deny CPV's request to require that all projects in the queue as of November 10, 2008, be included in a transition cluster, even if a third cluster must be studied. We will accept SPP's proposal to form only two transition clusters. Likewise, we will deny CPV's request to encourage SPP to accelerate its process for finalizing and submitting its long-term queue reforms. SPP has provided a target deadline to the Commission for this submission, and we assume this deadline is based on SPP's best estimate of when it may be able to submit new interconnection procedures.

The Commission orders:

(A) For good cause shown, SPP's Petition for Waiver is conditionally granted in part and denied in part, as discussed in the body of this order.

(B) SPP is directed to submit a compliance filing within 30 days of the date of this order identifying its timeline for completing the cluster interconnection studies as discussed in the body of this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.