

May 2010 Meeting Summaries

These are summaries of orders voted on by the Federal Energy Regulatory Commission at its May 20, 2010, public meeting. They are produced by the FERC Office of External Affairs and are intended to provide only a general synopsis of the orders. They are not intended as a substitute for the Commission's orders. To determine the specific actions and the Commission's reasoning, please consult the individual orders when they are posted to FERC's eLibrary.

E-1, News Release

FERC denies rehearing

E-6, *Midwest Indep. Transmission Sys. Operator, Inc.*, Docket Nos. ER09-1581-001 and ER09-1581-003. This order denies requests for rehearing of the Commission's initial order in this proceeding. In that order, the Commission accepted an unexecuted Amended and Restated Generator Interconnection Agreement (Amended GIA) among Midwest ISO, Northern States Power Company, as transmission owner, and Community Wind North LLC, as interconnection customer. The Commission conditioned its acceptance on Midwest ISO revising the Amended GIA to remove language relating to Community Wind's cost responsibility for the Brookings County-Twin Cities 345 kV transmission line (Brookings Line) on the basis that Midwest ISO had not provided any evidence that the Brookings Line would not have been constructed but for the interconnection of Community Wind and others in the same study group. Today's order clarifies that the "but for" standard is a cost allocation principle that limits the cost responsibility of an interconnection customer or group of interconnection customers to the cost of upgrades that would not be necessary but for the interconnection of the customer or reasonably constituted group of customers.

E-7, News Release

FERC accepts import limit values for the Southwest Power Pool Region

E-8, *AEP Service Corporation*, Docket No. ER97-4143-021, *et al.* This order accepts certain Simultaneous Transmission Import Limit (SIL) values to be used when examining updated market power analyses for the Southwest Power Pool (SPP) region.

FERC Accepts revised ISO-New England tariff

E-9, *ISO New England Inc.*, Docket No. ER10-902-000. This order accepts the revised tariff sheets filed by ISO New England Inc. and the NEPOOL Participants Committee to require capacity importers to submit energy offers at competitive prices and to subject capacity importers to penalties for failing to comply with certain Forward Capacity Market participation requirements. The Commission also reiterated the tariff's directions to ISO New England Inc. and its Internal Market Monitor to conduct periodic reviews of the offer requirements and market operations, respectively.

FERC approves NYISO market mitigation measures

E-10, *New York Independent System Operator, Inc.*, Docket Nos. ER09-1682-000, ER09-1682-004, and ER09-1682-005. NYISO proposed mitigation measures in a new Rate Schedule M-1 to apply to three specified generators whose conduct NYISO identified as having exhibited market power when needed for reliability and triggering the requirements of section 3.2.3 of the market mitigation provisions of Attachment H of its tariff. The order finds the proposed market mitigation measures, as modified, are just and reasonable. The Commission also encourages NYISO's efforts in its continuing stakeholder process to develop a generally applicable market mitigation measure to address the circumstances when generators are needed for reliability and have market power. NYISO must submit a progress report within 90 days if it has not already filed a generally applicable market mitigation measure with the Commission.

FERC clarifies New York City ICAP mitigation plan

E-11, *New York Independent System Operator, Inc.*, Docket Nos. EL07-39-004, EL07-39-005, and ER08-695-002. This order grants in part, and denies in part, clarification and rehearing of an order approving the New York Independent System Operator's (NYISO's) proposals to strengthen market mitigation in the New York City Installed Capacity market. It also accepts, subject to conditions,

NYISO's compliance filing. The order grants rehearing with regard to the definition of offer floor and directs NYISO to calculate the offer floor based on the cost of adding an LMS 100 peaking unit. The order also grants rehearing on penalty provisions to the extent that it directs NYISO to revise its tariff to provide equivalent penalties for two different types of withholding: withholding through a failure to offer uncommitted ICAP and withholding through uneconomic exports. With regard to the compliance filing, the order finds that NYISO's definition of "new entry" of Special Case Resources (SCRs) into the market should be limited to the initial participation of an SCR in the market, and it finds that mitigation of SCRs should terminate when ICAP offered by a new SCR at or above its offer floor has been accepted in the market for a total of 12 monthly auctions.

FERC accepts CAISO standard capacity product compliance filing

E-12, *California Independent System Operator Corporation*, Docket Nos. ER09-1064-003 and ER09-1064-004. This order addresses CAISO's protested compliance filing, filed in response to the directives of the Commission's June 26, 2009, order that accepted in part, and rejected in part, CAISO's proposal to implement a Standard Capacity Product program and Ancillary Services Must-Offer Obligation. With respect to the protested matters, the order accepts the CAISO's proposed temporary availability standards applicable to non-resource specific imports, and rejects one of CAISO's proposed formulas for determining the percentage of resource adequacy capacity subject to non-availability charges.

FERC denies rehearing requests related to CAISO's standard capacity product

E-13, *California Independent System Operator Corporation*, Docket No. ER09-1064-001. The order denies requests for rehearing of the Commission's June 26, 2009, order on CAISO's proposal to implement a Standard Capacity Product and Ancillary Services Must-Offer Obligation. The draft order reaffirms the following: (1) the self-provision of ancillary services does not count towards satisfying a resource's must-offer obligation; and (2) the CAISO's proposal to require outage reporting by resources supplying between 1 and 10 MWs is just and reasonable.

FERC accepts PJM compliance filing

E-14, *PJM Interconnection, L.L.C.*, Docket No. ER05-1410-015, *et al.* The Commission largely accepts a compliance filing by PJM Interconnection LLC

(PJM) regarding the prices at which it will sell and purchase capacity in the incremental auctions that are part of PJM's Reliability Pricing Model (RPM) program, denies rehearing of an earlier order and requires a further compliance filing.

FERC denies rehearing in MISO OATT case

E-16, *Midwest Indep. Transmission Sys. Operator, Inc.*, Docket Nos. EL10-9-001, ER10-73-001, ER10-74-001, ER10-73-002, and ER10-74-002. Dairyland Power Cooperative (Dairyland) and Great River Energy sought clarification or rehearing of the Commission's December 15, 2009 order, which accepted in part and rejected in part Midwest Independent Transmission System Operator, Inc.'s (Midwest ISO) proposed revisions to its Open Access Transmission, Energy, and Operating Reserve Markets Tariff to limit the eligibility of certain grandfathered agreements to be carved out of Midwest ISO's markets. This order denies rehearing, and accepts Midwest ISO's compliance filings.

G-1, News Release

G-2, News Release

FERC denies rehearing in Exelon case

H-1, *Exelon Generation Company, LLC*, Project Nos. 405-096 and 2355-012. This order denies the rehearing request filed by the Susquehanna River Basin Commission of the Director's dismissal of its notice of study dispute in the integrated licensing process for the Conowingo Project No. 405 and the Muddy Run Pumped Storage Project No. 2355, located on the Susquehanna River.

FERC grants rehearing in Exelon case

H-2, *Exelon Generation Company, LLC*, Project No. 405-097. This order grants the rehearing request filed by Maryland Department of Natural Resources, Power Plant Research Program, and Maryland Department of the Environment, of the Director's dismissal of their notice of study dispute in the integrated licensing process for the Conowingo Project No. 405, located on the Susquehanna River.

FERC denies rehearing in Northeast case

H-3, *Northeast Hydrodevelopment, LLC*, Project Nos. 13388-001, 13389-001, 13397-001 and 13413-001. This order denies Northeast Hydrodevelopment LLC's request for rehearing of Commission staff's order canceling four preliminary permits for failure to file progress reports.

FERC acts on Texas Eastern rehearing request

C-1, *Texas Eastern Transmission, LP*, Docket No. CP09-68-001. Texas Eastern seeks rehearing of the certificate order's denial of its request to begin accruing Allowance for Funds Used during Construction (AFUDC) on expenses it incurred during the pre-filing process. The draft order applies the recently-revised AFUDC policy and grants rehearing.

Emerald/Freeport, affiliated coal interests, seek rehearing of the certificate order's denial of their request that the certificate be conditioned on Texas Eastern's filing a coal-subsidence mitigation plan. The draft order denies this rehearing request.

FERC amends MoBay certificate

C-2, *MoBay Storage Hub, LLC*, Docket No. CP06-398-002 This order grants a request by MoBay Storage Hub, LLC to amend its certificate issued December 12, 2006, for its MoBay Gas Storage Project to add nine injection/withdrawal wells and to increase the total capacity and the working gas capacity for the project. The order affirms that the prior approval for market-based rates will continue for the amended project.

FERC clarifies position on Gulf South rates

C-3, *Gulf South Pipeline Company, LP*, Docket No. CP09-420-001. The Commission authorized Gulf South to construct the proposed Haynesville/Perryville Expansion, approving incremental rates for the expansion but rejecting Gulf South's request to charge incremental-plus rates for shippers that use both the Haynesville/Perryville Expansion and Gulf South's existing system. Gulf South sought clarification or, in the alternative, rehearing that the incremental rate approved will be substituted for the current maximum rate for Zone 2 in Gulf South's zone rate matrix when shippers who have contracted solely for transportation utilizing the Haynesville/Perryville Expansion project engage in

inter-zone transportation hauls utilizing other receipt or delivery points on the Gulf South system. This order grants Gulf South's request for clarification.

FERC issues certificate for Southern Star project

C-4, *Southern Star central Gas Pipeline, Inc.*, Docket No. CP10-2-000. This order grants Southern Star Central Gas Pipeline, Inc. (Southern Star) certificate authority to expand storage capabilities at its Elk City storage field in Elk, Chautauqua, and Montgomery counties, Kansas. The order also grants Southern Star authority to provide storage service through the expanded facilities at market-based rates under NGA section 4(f).

FERC issues declaratory order on Southern LNG

C-6, *Southern LNG Inc.*, Docket No. RP10-173-000. Southern LNG Inc. asked the Commission to find that if it reactivates dormant LNG truck loading facilities at its Elba Island terminal, and then leases the truck facilities' capacity to an affiliate: (1) the Commission would not regulate the terms of the lease agreement or the affiliate's LNG sales; and (2) the affiliate's LNG sales would not invoke the Commission's Part 358 Standards of Conduct and thereby place restrictions on interactions between Southern LNG and its affiliate and their employees. The order grants Southern LNG's request in part, finding that there would be no reason to regulate the terms of the lease agreement and that Southern LNG and its affiliate would not be subject to the Part 358 Standards of Conduct. But the order denies part of Southern LNG's request, finding that the affiliate's sales for resale in interstate commerce would be subject to Commission jurisdiction. (In this regard, the order notes that companies that are not themselves interstate pipelines are automatically authorized by Subpart L of the Commission's regulations to make NGA-jurisdictional sales for resale.)