

132 FERC ¶ 61,127
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Marc Spitzer, Philip D. Moeller,
John R. Norris, and Cheryl A. LaFleur.

Southwest Power Pool, Inc.

Docket Nos. ER10-1014-000
ER10-1014-001

ORDER ACCEPTING TARIFF REVISIONS

(Issued August 13, 2010)

1. On April 5, 2010, as amended on May 19, 2010, Southwest Power Pool, Inc. (SPP) submitted for filing revisions to its Open Access Transmission Tariff (SPP Tariff). In its filing, SPP proposes to revise some of the transmission loading relief (TLR) provisions of its energy imbalance service market to ensure consistency with SPP's market protocols.¹ As discussed below, the Commission accepts SPP's filing, effective August 15, 2010.

I. Background

2. SPP's market protocols currently require SPP to declare a TLR event when a constraint is observed in the energy imbalance service market.² On October 28, 2008, SPP submitted a filing in Docket No. ER09-149-000 proposing to incorporate an exception from SPP's energy imbalance service market TLR procedures for a flowgate between SPP and Southwestern Public Service Company (SPPSPSTies Flowgate). SPP proposed to activate the SPPSPSTies Flowgate without declaring a TLR event when the

¹ SPP Tariff, section 1.18c, defines market protocols as those protocols implementing Attachment AE [Energy Imbalance Service Market]. Market protocols are comparable to business practices, and are not part of SPP's Tariff.

² The North American Electric Reliability Corporation (NERC) TLR Procedure is an Eastern Interconnection-wide process that allows reliability coordinators to mitigate potential or actual operating security limit violations while respecting transmission service reservation priorities. *See* NERC reliability standard IRO-006-4 - Reliability Coordination - Transmission Loading Relief.

SPPSPSTies Flowgate became constrained.³ SPP proposed to declare a TLR event at the SPPSPSTies Flowgate only when schedules were at or above the five percent threshold of NERC's Interchange Distribution Calculator.⁴ The Commission accepted SPP's proposal on December 18, 2008.⁵

II. SPP's Filing

3. SPP has recently modified its Market Protocols to remove the general requirement to call a TLR every time it activates a flowgate.⁶ To conform its tariff to these modified Market Protocols, on April 5, 2010, SPP submitted for filing revisions to the SPP Tariff (April 5 Filing). In this filing, SPP proposes to remove the SPPSPSTies Flowgate exception from the SPP Tariff because, now that the Market Protocols are consistent with the exception, the exception is no longer necessary. SPP explains that under the modified Market Protocols, all SPP flowgates will be treated in a manner similar to how the SPPSPSTies Flowgate is currently treated under the exception, i.e., SPP will not declare a TLR event if there are no tags or schedules in the NERC Interchange Distribution Calculator that have a transfer distribution factor of five percent or greater for that particular hour of activation.⁷ SPP has also replaced certain references to TLR with "congestion management" to conform to the modified Market Protocols.

4. SPP asserts that it has analyzed its activation of the SPPSPSTies Flowgate during the time the exception has been in place. SPP found that for the first 17 months of its

³ Once a flowgate is "activated" SPP will either redispatch or curtail service in order to reduce flows and relieve the constraint.

⁴ SPP Tariff, Attachment AE, section 1.1.19a defines the NERC Interchange Distribution Calculator as the mechanism used by reliability coordinators in the Eastern Interconnection to calculate the distribution of interchange transactions over specific flowgates.

⁵ *Southwest Power Pool, Inc.*, 125 FERC ¶ 61,314 (2008), *order denying Clarification*, 126 FERC ¶ 61,135 (2009).

⁶ SPP has not included the Market Protocols revisions in this filing pursuant to the Commission's rule of reason, which provides that only those practices that significantly affect rates, terms, and conditions must be filed. *See* Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 1649.

⁷ NERC defines transfer distribution factor as the portion of an interchange transaction, typically expressed in per unit that flows across a transmission facility (Flowgate). *See* Glossary of Terms Used in NERC Reliability Standards: http://www.nerc.com/docs/standards/rs/Glossary_of_Terms_2010April20.pdf.

energy imbalance service market, the SPPSPSTies Flowgate was activated 75 percent more often than required under NERC rules. Based on these data, SPP concludes that when it encounters a constraint in the energy imbalance service market, it has been declaring a TLR event much more often than necessary. SPP contends that its energy imbalance service market would benefit from the removal of the requirement that a TLR event be declared for reasons other than those required by NERC.

5. SPP states that its proposal has multiple benefits. Primarily, SPP's flowgate loading mitigation will be more expedient because SPP will no longer be required to declare a TLR event every time it activates a flowgate in response to a constraint. SPP will be able to redispatch resources faster to address a constraint, which will result in fewer flowgate breaches. SPP adds that its proposal will make its congestion management procedures more like those of other Regional Transmission Organizations. Finally, SPP states that because declaring a TLR event increases SPP's workload, the proposed SPP Tariff modification, which will reduce the number of TLR events, will allow SPP's resources to be used more efficiently.

6. On May 19, 2010, SPP amended the April 5 Filing to request that the Commission defer the effective date of the proposed SPP Tariff revisions to August 15, 2010.

III. Notice of Filing and Responsive Pleadings

7. Notice of the April 5 Filing was published in the *Federal Register*, 75 Fed. Reg. 18,827 (2010) with interventions or protests due on or before April 26, 2010. Notice of SPP's May 19, 2010 filing was published in the *Federal Register*, 75 Fed. Reg. 30,391 (2010) with interventions or protests due on or before June 9, 2010. Xcel Energy Services, Inc. and Golden Spread Electric Cooperative, Inc. filed timely motions to intervene. Westar Energy, Inc. (Westar) filed a timely motion to intervene and comments. On June 24, 2010, SPP filed an answer.

IV. Discussion

A. Procedural Matters

8. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2010), the notices of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

9. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2010), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept the answer filed by SPP because it has provided information that assisted us in our decision-making process.

B. Analysis**1. Comments**

10. Westar notes that the NERC TLR process is a tiered approach, while SPP's proposed process is not. In NERC's TLR process, at TLR levels 3 and 3a, only relevant non-firm tags and schedules are curtailed or adjusted.⁸ However, during TLR levels 5 and 5a, both relevant firm point-to-point and network service tags and schedules are subject to curtailment, adjustment, redispatch, and load shedding. Thus, Westar explains that the level of declared TLR is indicative of the severity of constraints within the grid, and of the economic impacts of the resulting curtailments. In contrast, Westar contends that SPP's proposal does not provide similar indications. Westar urges the Commission to require SPP to develop congestion management event levels, similar to the NERC TLR levels.⁹

11. Westar states that presently, when SPP declares a TLR event and curtails tags and/or schedules as prescribed by the NERC Interchange Distribution Calculator, the entities that are identified by such calculator receive adjustment notifications.¹⁰ Westar adds that at the same time, the declaration of a TLR event advises market participants and transmission customers of near real-time constraints on the grid and allows them to take responsive actions. In addition, SPP is required by existing Commission rules, 18 C.F.R. § 37.6(e)(3), to post on its Open Access Same-Time Information System (OASIS) when a transaction is curtailed or interrupted thus allowing a customer to receive notice of an interruption through both the tagging process and the OASIS posting. While Westar notes that the April 5 Filing states that SPP will notify market participants of a congestion management event by posting a list of flowgates affected on SPP's OASIS,¹¹ the SPP Tariff revisions themselves state that SPP will use either an OASIS posting or an Extensible Markup Language notice to provide notification of the congestion management event.

12. Westar concludes that OASIS posting of a congestion management event will not be effective unless all market participants continually and actively monitor the SPP OASIS.¹² Westar contends that, to ensure that affected parties receive timely notice of

⁸ Westar Comments at 3.

⁹ *Id.* at 3-4.

¹⁰ *Id.* at 4.

¹¹ *Id.*

¹² *Id.*

congestion management events, SPP should be required to send automatic notification using Extensible Markup Language or a similar method to all market participants as a substitute for OASIS notification.¹³

13. Westar further asserts that SPP Tariff business practice section 1.8.4 requires SPP to refund to affected transmission customers all charges associated with a confirmed and scheduled point-to-point transmission transaction when it is curtailed due to a TLR event.¹⁴ Westar also urges the Commission to require SPP to adopt the same refund practice for all charges for point-to-point confirmed and scheduled transmission requests that will be subject to curtailments during a congestion management event.¹⁵

2. Answer

14. SPP explains that the sole issue in this proceeding is whether revisions to the SPP Tariff removing the exemption for the SPPSPSTies Flowgate are just and reasonable.¹⁶ SPP states that Westar does not object to the proposed revisions or claim that they are unjust and unreasonable. Rather, Westar requests that the Commission require SPP to make additional changes to SPP's energy imbalance service market protocols and business practices that are not at issue here.¹⁷ SPP asserts that Westar's suggestions do not have any direct bearing on whether the SPP Tariff revisions proposed in SPP's April 5 Filing are just and reasonable. Thus, they provide no basis for rejection or modification of the SPP Tariff revisions proposed in the April 5 Filing and are outside the scope of this proceeding.

15. SPP further explains that the SPP Tariff revisions filed in this proceeding and the modifications to the SPP energy imbalance service market protocols were developed through an extensive stakeholder process.¹⁸ SPP notes that Westar concedes that it "supported the proposed [energy imbalance service] [m]arket protocol revisions" during the stakeholder process.¹⁹ SPP states that the appropriate forum in which to raise

¹³ *Id.* at 4-5.

¹⁴ *Id.* at 5.

¹⁵ *Id.*

¹⁶ SPP Answer at 3-4.

¹⁷ *Id.*

¹⁸ *Id.* at 4.

¹⁹ *Id.* citing Westar Comments at 3.

Westar's concerns is SPP's stakeholder process, where they can be addressed by SPP and all other interested parties. SPP contends that this is consistent with the Commission's preference for addressing and resolving issues through the stakeholder process rather than at the Commission after the submission of a filing.²⁰ SPP requests the Commission to disregard Westar's comments as beyond the scope of this proceeding and accept SPP's proposed SPP Tariff revisions as just and reasonable.

3. Commission Determination

16. The Commission finds that the proposed SPP Tariff revisions are just and reasonable and not unduly discriminatory or preferential, and we will therefore accept them. We also find that Westar's comments are beyond the scope of this proceeding. The issue before us is whether the SPP Tariff revisions: (1) removing the exemption for the SPPSPSTies Flowgate from the energy imbalance service market procedures; and (2) referencing "congestion management," are just and reasonable. We find that they are. First, SPP has modified its market protocols to remove the TLR requirement, and this SPP Tariff revision is necessary to ensure consistency between the market protocols and the SPP Tariff. Second, SPP is not required to declare a TLR event in circumstances beyond what is required by NERC. Third, SPP's analysis shows that SPP has been declaring TLR events more often than necessary, which results in the inefficient use of SPP's resources. For these reasons, we find SPP's proposal to be just and reasonable. Moreover, we agree with SPP that the stakeholder process, where Westar's comments can be vetted by SPP and interested parties, is the appropriate forum for Westar to raise its concerns, and reject Westar's comments as outside the scope of this proceeding.

The Commission orders:

SPP's proposed revisions are hereby accepted effective August 15, 2010, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

²⁰ SPP Answer at 4-5.