

October 2012 Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its October 18, 2012 public meeting. The summaries are produced by FERC's Office of External Affairs and are intended to provide only a general synopsis of the orders. These summaries are not intended as a substitute for the Commission's official orders. To determine the specific actions and the Commission's reasoning, please consult the individual orders when they are posted to FERC's eLibrary found at www.ferc.gov.

E-2, E-3, Press Release

G-2, G-3, G-4, Press Release

FERC affirms, with clarifications, Order No. 1000 transmission planning reforms

E-1, *Transmission Planning and Cost Allocation by Transmission Owning and Operating Utilities Rehearing*, Docket No. RM10-23-002. The order affirms, with clarifications, the Order No. 1000 transmission planning reforms that (1) require that each public utility transmission provider participate in a regional transmission planning process that produces a regional transmission plan; (2) provide that local and regional transmission planning processes must provide an opportunity to identify and evaluate transmission needs driven by public policy requirements established by state or federal laws or regulations; (3) improve coordination between neighboring transmission planning regions for new interregional transmission facilities; and (4) remove from Commission-approved tariffs and agreements a federal right of first refusal. The order also affirms the Order No. 1000 requirements that each public utility transmission provider must participate in a regional transmission planning process that has (1) a regional cost allocation method for the cost of new transmission facilities selected in a regional transmission plan for purposes of cost allocation and (2) an interregional cost allocation method for the cost of new transmission facilities that are located in two neighboring transmission planning regions and are jointly evaluated by the two regions in the interregional transmission coordination process required by this Final Rule. Additionally, the order affirms the Order No. 1000 requirement that each cost allocation method must satisfy six cost allocation principles.

FERC conditionally accepts Southwest Power Pool Inc.'s proposal to implement an Integrated Marketplace

E-4, *Southwest Power Pool, Inc.*, Docket Nos. ER12-1179-000 and ER12-1179-001. The order conditionally accepts Southwest Power Pool Inc.'s (SPP) proposal to revise its Open Access Transmission Tariff to implement an Integrated Marketplace. Features of the Integrated Marketplace include a market-based congestion management program and energy markets, including day-ahead and real-time energy and operating reserve markets with locational marginal pricing; allocation of auction revenue rights and a market for the auction of transmission congestion rights; virtual transactions; and a revised market mitigation plan. The order finds SPP's proposal to be just and reasonable, as modified, subject to conditions established in the order. The order requires SPP to make compliance filings to revise the Tariff or provide additional information as necessary. The order also requires SPP to submit plans, including readiness and reversion plans, before market start-up to ensure a timely start to the new market. The order also directs SPP to make an informational filing 15 months after the start of the Integrated Marketplace.

E-5, *Southwest Power Pool, Inc.*, Docket No. ER12-550-000. The order addresses an SPP compliance filing in response to the directives in an October 4, 2011 Commission order. This order is part of SPP's compliance with the requirements of Order Nos. 719 and 719-A on demand response and pricing during periods of operating reserve shortages, in particular the requirements involving ARC aggregation and demand response measurement and verification standards. The order conditionally accepts SPP's compliance filing, but directs SPP to make a further compliance filing to correct remaining deficiencies.

FERC conditionally accepts an executed Small Generator Interconnection Agreement between Southern California Edison Company and TA-Acacia, LLC

E-7, *Southern California Edison Company*, Docket No. ER12-2506-000. The order conditionally accepts an executed Small Generator Interconnection Agreement between Southern California Edison Company (SoCal Edison) and TA-Acacia, LLC (a 20 MW solar generating facility) effective August 24, 2012 subject to revisions on compliance that would remove: (1) duplicative text and (2) a non-conforming provision that describes what would happen should certain facilities be reclassified from transmission network upgrades to distribution upgrades.

FERC declines to initiate an enforcement action

E-8, *Benjamin Riggs v. Rhode Island Public Utilities Commission*, Docket No. EL12-100-000. The order declines to initiate an enforcement action against the Rhode Island Public Utilities Commission under section 210(h)(2) of the Public Utility Regulatory

Policies Act of 1978. The decision means that Mr. Riggs may bring his own enforcement action against the Rhode Island Commission in the appropriate court.

FERC grants petition for waiver of affiliate pricing rules under Order Nos. 707 and 707-A

E-11, *Pepco Holdings, Inc.*, Docket No. EL12-75-000. The order grants a petition for waiver of the Commission's affiliate pricing rules under Order Nos. 707 and 707-A. The petition asks the Commission to waive the requirement in Order Nos. 707 and 707-A that franchised public utilities price non-power services sold to market-regulated power sales affiliates and non-utility affiliates at the higher of cost or market price. The petition seeks permission to price three different categories of such transactions at cost rather than the higher of cost or market price. The order finds that pricing these transactions at cost rather than the higher of cost or market price would not lead to inappropriate cross-subsidization and grants the requested waiver.

FERC adopts revised regulations for filing privileged documents

M-1, *Filing of Privileged Materials and Answers to Motions*, Docket No. RM12-2-000. The Final Rule adopts, in section 388.112 of the Commission's regulations, revised regulations governing the filing of privileged documents. The revised regulations are modeled after the treatment of privileged documents filed with complaints. The revised regulations also permit electronic filing of privileged material and CEII and, in proceedings subject to a right to intervene, permit access to privileged material via a protective agreement. In addition, the Final Rule revises Rule 213(d) of the Commission's Rules of Practice and Procedure (governing answers) to provide that answers to motions requesting an extension of time or a shortened time for action be filed in 5 days (instead of 15 days as previously allowed), unless otherwise ordered.

FERC denies rehearing

H-1, *Valley Affordable Housing Corporation*, Project No. P-13944-002. The order denies a rehearing request of a July 18, 2012 Commission notice rejecting the Upper Blackstone Water Pollution Abatement District's (District) late motion to intervene and request to reopen the proceeding involving Valley Affordable Housing Corporation's (Valley) preliminary permit application for its proposed Manville Hydroelectric Project No. 13944. The order notes that the District filed its motion 14 months after the preliminary permit was issued, when the proceeding was final and unreviewable, and explains that the District will have ample opportunity to participate in Valley's preparation of any development application.

FERC denies rehearing

H-2, *Alabama Power Company*, Project No. P-82-026. The order denies Pat Kelleher's request for rehearing of an August 10, 2012 Secretary's notice dismissing his motion to intervene and rejecting his request for rehearing of a July 16, 2012 order modifying and approving Alabama Power's compliance plan. The order finds that there was no material change to the license terms that would permit intervention and rehearing in a post-licensing proceeding. Additionally, the order finds that Mr. Kelleher did not show why his participation would be in the public interest.

FERC grants rehearing and dismisses motion for stay

H-3, *Cottonwood Hydro, LLC*, Docket No. DI11-13-001. The order grants Cottonwood Hydro's request for rehearing of a staff order and finds that licensing is not required for a hydropower project on Little Cottonwood Creek in Salt Lake County, Utah, because the project does not occupy federal lands.

FERC denies requests for rehearing, reconsideration, stay and late intervention

C-1, *Texas Eastern Transmission, LP and Algonquin Gas Transmission, LLC*, Docket No. CP11-56-001. The order on rehearing denies requests for rehearing as well as requests for reconsideration, stay, and late intervention. The Commission denies allegations that its original order in the proceeding failed to give adequate consideration to (1) the cumulative effects of developing shale gas reserves, (2) the impact on end users of burning Marcellus gas with elevated levels of radon, (3) risks associated with a deliberate attack on the project's facilities, (4) economic and health impacts on affected communities, (5) the disposal of PCB-contaminated pipe, (6) contingency plans in the event a horizontal directional drill fails, and (7) the environmental impacts of project-related nonjurisdictional facilities. The order also denies allegations that alleged affected landowners did not receive proper notice, that the order authorizing the project was improperly issued prior to receipt of a Clean Water Act section 401 water quality certificate, and that the Commission cannot serve as a neutral arbiter because of the manner in which it is funded.