

143 FERC ¶ 61,030
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 9, 2013

In Reply Refer To:
Southwest Power Pool, Inc.
Docket No. ER13-912-000

Southwest Power Pool, Inc.
Attn: Tessie Kentner,
Attorney for Southwest Power Pool, Inc.
201 Worthern Drive
Little Rock, AR 72223

Reference: Interconnection Agreement

Dear Ms. Kentner:

1. On February 8, 2013, pursuant to section 205 of the Federal Power Act (FPA),¹ Southwest Power Pool, Inc. (SPP) submitted an executed interconnection agreement (Agreement) between Tres Amigas LLC (Tres Amigas) and Southwestern Public Service Company (SPS), with SPP as a signatory in order to interconnect the Tres Amigas Superstation to the SPS transmission system.² SPP states that the Tres Amigas Superstation is a facility that, when completed, will consist of transmission lines that tie together three alternating current to direct current converter stations at one location. SPP states that if constructed as planned, the Tres Amigas project will provide new interconnections among and between the Western Interconnection, the Eastern Interconnection, and the Electric Reliability Council of Texas. SPP explains the first phase of the Tres Amigas project, which is the subject of the Agreement, is planned to be a 750 MW two-node intertie between the Western and Eastern Interconnections through the transmission systems of the Public Service Company of New Mexico and SPS. SPP notes that under the Agreement, SPS will expand its existing Eddy County substation at

¹ 16 U.S.C. § 824d (2006).

² Southwest Power Pool, Inc., FERC FPA Electric Tariff, Service Agreements Tariff, [2522 Tres Amigas IA, 2522 Tres Amigas Interconnection Agreement, 0.0.0.](#)

Tres Amigas' expense and Tres Amigas will construct at its expense a 73 mile 345 kV tie line and other equipment in order to provide a 750 MW intertie with SPS.³

2. SPP explains that the Agreement is similar in scope and application to other utility-to-utility transmission interconnection agreements, as well as the *pro forma* generator interconnection agreement in the SPP Open Access Transmission Tariff (Tariff). However, Article 1.1.2(b) of the Agreement specifically provides that the Agreement does not create any rights between Tres Amigas and SPS or SPP for any purposes other than providing for the interconnection of Tres Amigas to SPS at the point(s) of interconnection set forth in the Agreement. Moreover, as indicated in Article 2.1.2, the Agreement does not provide Tres Amigas or any customer of Tres Amigas with any transmission, ancillary, or other services under the SPP Tariff. Article 2.1.2 further provides that transmission studies relating to the Tres Amigas project have not been performed. Article 2.1.2 also states that Tres Amigas or any customer of Tres Amigas will be solely responsible for obtaining transmission service and obtaining and providing ancillary services needed for participation in any market under the SPP Tariff.

3. Exhibit B of the Agreement identifies the interconnection facilities and modifications necessary for the transmission-to-transmission interconnection between Tres Amigas and SPS, as well as the cost allocation for those facilities. SPP notes that network upgrades that would be necessary for a 750 MW injection from Tres Amigas into the SPP transmission system have been identified. SPP explains that, because the system impact, powerflow, and stability studies performed for the interconnection assumed zero MW injection, as requested, network upgrades are not specified in the Agreement. SPP notes that Exhibit B, section III details the information needed and additional studies to be performed prior to the commercial operation date of the Tres Amigas project, which may indicate the need for additional upgrades.

4. SPP requests an effective date of January 25, 2013 for the Agreement. Additionally, SPP requests waiver of the Commission's 60-day prior notice requirement because it filed the Agreement within 30 days of the requested effective date.

5. Notice of the February 8, 2013 filing was published in the *Federal Register*, 78 Fed. Reg. 11,636 (2013), with interventions and protests due on or before March 1, 2013. Xcel Energy Services, Inc. (Xcel), on behalf of its utility operating company affiliate SPS, and Tres Amigas filed timely motions to intervene and comments. SPP and Xcel, on behalf of SPS, both filed answers to Tres Amigas. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2012), the timely,

³ The Commission previously accepted the transmission construction and interconnection agreement between Public Service Company of New Mexico and Tres Amigas. See *Public Service Company of New Mexico*, Docket No. ER12-2424-000 (Sept. 20, 2012) (unpublished letter order).

unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2012), prohibits an answer to a protest or to an answer unless otherwise ordered by the decisional authority. We will accept the answers by SPP and Xcel because they aided us in our decision-making.

6. Xcel supports acceptance of the Agreement and offers explanations for the need for the additional studies detailed in Exhibit B, section III. Xcel notes that the Tres Amigas project is novel because it will utilize technologies on a scale larger than in the past. Xcel asserts that this creates uncertainties regarding the overall impact on the SPS transmission system until the final design details of the Tres Amigas project are known. Thus, Xcel asserts, the additional studies must be performed before Tres Amigas receives interconnection capacity under the Agreement.

7. Tres Amigas also supports acceptance of the filing and believes the parties have negotiated a just and reasonable interconnection agreement. Tres Amigas notes that a key factor in negotiations was that the Agreement would not provide future users of the Tres Amigas project with any guaranteed level of transmission service over the SPP-controlled transmission system and that transmission customers would need to seek transmission service under SPP's Tariff. Tres Amigas states that it agreed to this principle, although it finds the additional studies (described in Exhibit B, section III) to evaluate flow impacts of schedules into SPP over the interconnection somewhat unnecessary, given SPP's impending move to a "day two" market structure and the potential use of new technologies. Nevertheless, Tres Amigas asserts that it supports the Agreement in its current form. Additionally, Tres Amigas notes that it considers the Agreement to be analogous to Energy Resource Interconnection Service (ERIS) under the Commission's *pro forma* Tariff.

8. In its answer, SPP objects to Tres Amigas' comparison of the Agreement to ERIS. To obtain ERIS, SPP explains that an interconnection customer must follow the Generator Interconnection Procedures in the SPP Tariff. SPP states that Tres Amigas is not a generator interconnection customer of SPP and has not been subject to the same queue process required for generator interconnection service. SPP also states that it did not perform the stability and steady state studies for the Agreement pursuant to its Generator Interconnection Procedures. Additionally, SPP states that Tres Amigas requested that the interconnection be studied as a transmission-to-transmission interconnection based on zero MW of injection rather than on 750 MW of injection. SPP reiterates that the Agreement does not convey any interchange rights or rights of injection to Tres Amigas.

9. In its answer, Xcel expresses concern that Tres Amigas misunderstands the relevance of the powerflow and stability studies performed by SPP and SPS, as well as the significance of the additional studies specified in Exhibit B, section III. Xcel explains that the additional studies will establish whether additional facilities and upgrades will be required to allow Tres Amigas' transmission-to-transmission interconnection request to

be reliably accommodated. Xcel also notes that from its perspective, the studies are critical to ensure the SPS transmission system operates reliably for SPS customers.

10. We accept the Agreement among SPP, Tres Amigas, and SPS, effective January 25, 2013, as requested. We grant waiver of the Commission's 60-day prior notice requirement.⁴ We agree with SPP's characterization of the Agreement in its filing and by SPP and Xcel in their answers. Tres Amigas has not requested generator interconnection service under the SPP OATT and SPP has not performed the requisite interconnection studies. As such, the Agreement does not convey any interchange rights or rights of injection to Tres Amigas, nor is it analogous to ERIS. We also recognize the importance of the additional studies specified in Exhibit B, section III of the Agreement, which may establish the need for additional network upgrades prior to the commercial operation date of the Tres Amigas project.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁴ See *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, at 61,983-84, *order on reh'g*, 65 FERC ¶ 61,081 (1993); *Amer. Elec. Power Service Corp.*, 96 FERC ¶ 61,136, at 61,570 (2001).