

143 FERC ¶ 61,077
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

AEP Energy Partners, Inc.	Docket Nos. ER11-46-005
BlueStar Energy Services, Inc.	ER12-30-002
CSW Energy Services, Inc.	ER10-2975-005
AEP Retail Energy Partners LLC	ER11-41-002
AEP Texas Central Company	ER10-2981-002
Appalachian Power Company	ER11-47-002
Cleco Power LLC	ER10-1827-002
Cleco Evangeline LLC	ER10-1825-002
Empire District Electric Company	ER10-2738-002
Kansas City Power and Light Company	ER10-2074-002
KCP&L Greater Missouri Operations Company	ER10-2097-004
Oklahoma Gas and Electric Company	ER12-2194-000
Southwestern Public Service Company	ER10-1817-003
Public Service Company of Colorado	ER10-1818-002
Northern States Power Company, a Wisconsin corporation	ER10-1820-005
Northern States Power Company, a Minnesota corporation	ER10-1819-003
Westar Energy, Inc.	ER12-2124-000

ORDER ON SIMULTANEOUS TRANSMISSION IMPORT
LIMIT VALUES FOR THE SOUTHWEST POWER POOL REGION

(Issued April 29, 2013)

1. In June and July of 2012, American Electric Power Service Corporation (AEPSC), on behalf of itself and AEP Energy Partners, Inc., BlueStar Energy Services, Inc., CSW Energy Services, Inc., AEP Retail Energy Partners, LLC, the CSW Operating

Companies,¹ and the AEP Operating Companies;² Cleco Power LLC and Cleco Evangeline LLC; the Empire District Electric Company; Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company; Oklahoma Gas and Electric Company; Xcel Energy Services, Inc., on behalf of Southwestern Public Service Company; and Westar Energy, Inc., on behalf of itself and Kansas Gas and Electric Company (collectively, the Southwest Power Pool (SPP) Transmission Owners) submitted updated market power analyses for the SPP region³ in accordance with the regional reporting schedule adopted in Order No. 697.⁴ The SPP Transmission Owners included Simultaneous Transmission Import Limit (SIL) values for the December 2009 – November 2010 study period for the balancing authority areas in the SPP region.

2. In this order, the Commission accepts the SIL values identified in Appendix A (Commission-accepted SIL values). These Commission-accepted SIL values will be used by the Commission to analyze updated market-based rate market power analyses submitted for the SPP region. SIL studies are used as a basis for calculating import capability to serve load in the relevant geographic market when performing market power analyses. SIL values quantify a study area's simultaneous import capability from its aggregated first-tier area. The values accepted herein are based on SIL studies submitted by the SPP Transmission Owners with their updated market power analyses. The SPP Transmission Owners' updated market power analyses themselves, including any responsive pleadings, will be addressed in separate orders in the relevant dockets.

¹ The CSW Operating Companies include AEP Texas Central Company, AEP Texas North Company, Public Service Company of Oklahoma, and Southwestern Electric Power Company.

² The AEP Operating Companies include Appalachian Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, and Wheeling Power Company.

³ We note that some of the SPP Transmission Owners submitted amendments to their filings in January 2013, February 2013, and March 2013.

⁴ *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs. ¶ 31,252, at P 850, *clarified*, 121 FERC ¶ 61,260 (2007), *order on reh'g*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268, *clarified*, 124 FERC ¶ 61,055, *order on reh'g*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008), *order on reh'g*, Order No. 697-C, FERC Stats. & Regs. ¶ 31,291 (2009), *order on reh'g*, Order No. 697-D, FERC Stats. & Regs. ¶ 31,305 (2010), *aff'd sub nom. Montana Consumer Counsel v. FERC*, 659 F.3d 910 (9th Cir. 2011), *cert. denied sub nom. Pub. Citizen, Inc. v. FERC*, 133 S. Ct. 26 (2012).

I. Background

3. In Order No. 697, the Commission adopted a regional filing schedule for filing updated market power analyses.⁵ The Commission explained that the transmission-owning utilities have the information necessary to perform SIL studies and therefore determined that such utilities would be required to file their updated market power analyses in advance of other entities in each region.

4. The SPP Transmission Owners, with the assistance of SPP,⁶ prepared SIL studies both for their respective balancing authority areas and for their respective first-tier balancing authority areas, including balancing authority areas that are not operated by public utilities as defined under Part II of the Federal Power Act.⁷ Specifically, SIL studies were submitted for the following balancing authority areas that, collectively, were first-tier to the SPP Transmission Owners at the time of filing: Associated Electric Cooperative, Inc.,⁸ Entergy Services, Inc., Grand River Dam Authority, City of Independence (MI), Kansas City Board of Public Utilities, City of Lafayette (LA), Louisiana Energy & Power Authority, Midwest Energy, Mid-Kansas Electric Company, Nebraska Public Power District, Oklahoma Municipal Power Authority, Omaha Public Power District, Sunflower Electric Cooperative, Southwestern Power Administration, City of Springfield (MI), and Western Farmers Electric Cooperative.

II. Discussion

5. We begin by commending SPP and the SPP Transmission Owners for coordinating on the preparation of their SIL studies. Such coordination leads to more accurate and consistent SIL study results.

6. We note that, initially, the SPP Transmission Owners submitted SIL studies for several balancing authority areas that included negative first contingency incremental transfer capability (FCITC) values for one or more seasons. Areas with negative FCITC

⁵ Order No. 697, FERC Stats. & Regs. ¶ 31,252 at PP 850, 882.

⁶ Cleco Power prepared SIL studies for its balancing authority area and first-tier areas independent of SPP. All other SPP Transmission Owners prepared their SIL studies in conjunction with SPP.

⁷ 16 U.S.C. § 824 (2006).

⁸ This order does not address SIL values for the Associated Electric Cooperative, Inc. balancing authority area because it is located in the Southeast region and the Commission accepted SIL values for this balancing authority area in *Duke Energy Carolinas, LLC*, 138 FERC ¶ 61,134 (2012).

values typically had zero or very low SIL values. The Commission considers negative FCITCs⁹ to be problematic and indicative of potential modeling errors.¹⁰ After discussions with Commission staff, the SPP Transmission Owners revised their SIL studies to reflect load values included in the seasonal benchmark models and addressed all negative FCITC values by providing operating guides or correcting line ratings. The SIL values accepted here by the Commission in Appendix A reflect these SIL study revisions.

7. The Commission will use the Commission-accepted SIL values identified in Appendix A when reviewing the pending updated market power analyses submitted by transmission owners in the SPP region as well as any updated market power analyses filed by non-transmission owning sellers in the SPP region for this study period. Future filers submitting screens for the balancing authority areas and study period identified in Appendix A are encouraged to use these Commission-accepted SIL values. In the alternative, a filer may propose different SIL values provided that the filer's accompanying SIL studies comply with Commission directives and that the filer fully supports the values used and explains why the Commission should consider a different SIL value for a particular study area other than the Commission-accepted SIL values provided in Appendix A. In the event that the results¹¹ for one or more of a particular seller's screens differ if the seller-supplied SIL value is used instead of the Commission-accepted SIL value, the order on that particular filing will examine the seller-supplied SIL study and address whether the seller-supplied SIL value is acceptable. However, when the overall results of the screens would be unchanged, i.e., the seller would pass using either set of SIL values or fail using either set of SIL values, the order would be based on the Commission-accepted SIL values found in Appendix A and would not address the seller-supplied SIL values.¹²

⁹ A negative FCITC leads to the counter-intuitive result of a net outflow of power from the study area when generation is scaled down in the study area and scaled up in the first-tier.

¹⁰ See *Puget Sound Energy, Inc.*, 135 FERC ¶ 61,254, at Appendix B n.i (2011) (“A negative FCITC or incremental SIL value may indicate a serious modeling error such as an N-0 or N-1 base case overload and must be addressed or explained”).

¹¹ Results refer to the results of the market share and/or pivotal supplier screens. For example, if a seller fails the market share screen for a particular season in a particular market using either SIL value, we would consider the result unchanged. Similarly, if the seller passes the screen using either value, the result is also unchanged.

¹² See *Duke Energy Carolinas, LLC*, 138 FERC ¶ 61,134, at P 8 (2012); *Puget Sound Energy, Inc.*, 135 FERC ¶ 61,254, at P 11 (2011); *Atlantic Renewables Projects II*, 135 FERC ¶ 61,227, at P 15 (2011).

The Commission orders:

The specific Commission-accepted SIL values identified in Appendix A to this order are hereby accepted for purposes of analyzing updated market power analyses for the SPP region, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

Appendix A						
Accepted SIL Values (MW) for the Southwest Power Pool						
Study Period of December 2009 to November 2010						
			Winter	Spring	Summer	Fall
	Abbrev.	Balancing Authority Area	2009	2010	2010	2010
1	AEPW	American Electric Power - West	0	1,577	251	129
2	CLEC	Cleco Power	1,289	1,309	809	1,338
3	EDE	Empire District Electric Company	0	32	0	0
4	GRDA	Grand River Dam Authority	299	503	713	0
5	INDN	City of Independence, MI	29	85	105	83
6	KACP	Kansas City Power & Light	1,743	2,008	1,708	1,524
7	KACY	Kansas City Board of Public Utilities	291	253	0	273
8	Lafa	City of Lafayette, LA	74	146	234	135
9	LEPA	Louisiana Energy & Power Authority	46	34	63	34
10	MIDW	Midwest Energy	0	0	0	0
11	MIPU	KCP&L Greater Missouri Operations	475	571	337	861
12	MKEC	Mid-Kansas Electric Company	0	0	51	0
13	NPPD	Nebraska Public Power District	2,070	1,659	835	1,774
14	OKGE	Oklahoma Gas and Electric Company	0	466	0	0
15	OMPA	Oklahoma Municipal Power Authority	0	0	0	0
16	OPPD	Omaha Public Power District	512	614	446	643
17	SECI	Sunflower Electric Cooperative	272	0	337	325
18	SPA	Southwestern Power Administration	0	0	0	0
19	SPRM	City of Springfield, MI	367	409	0	102
20	SPS	Southwestern Public Service	322	450	46	275
21	WERE	Westar Energy, Inc.	157	622	0	993
22	WFEC	Western Farmers Electric Cooperative	563	430	455	579