



FEDERAL ENERGY REGULATORY COMMISSION

NEWS

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Docket Nos. EL10-22-000 and ER10-396-000

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FERC Approves Negotiated Rates for Tres Amigas Transmission Project

The Federal Energy Regulatory Commission (FERC) today granted Tres Amigas LLC's (Tres Amigas) request for authorization to sell transmission services at negotiated rates for service on the company's proposed project, a three-way transmission station in New Mexico intended to link the nation's three transmission grids and to provide consumers with greater access to renewable resources.

In a separate order, FERC declined to disclaim jurisdiction over prospective transmission facilities to interconnect the station and the Electric Reliability Council of Texas (ERCOT), saying it did not have the information necessary to grant Tres Amigas' request. Nevertheless, the Commission stated that upon receipt of a valid application under Federal Power Act sections 210 and 211, the Commission could issue orders pursuant to those sections to allow Tres Amigas to proceed and interconnect with ERCOT without conferring FERC jurisdiction over ERCOT utilities.

"Tres Amigas is a prime example of the creativity and pioneering thinking that our country needs to expand the ability of the transmission grid to reliably accommodate all sources of electricity generation, including renewable energy," FERC Chairman Jon Wellinghoff said.

FERC emphasized that it supports the development of new transmission infrastructure, especially projects that provide location-constrained resources with access to markets and that help meet the nation's current and future energy needs. In approving Tres Amigas' negotiated rates application, the Commission recognized the unique characteristics of the project while placing conditions on it to protect consumers and the goals of open access. Specifically, FERC granted Tres Amigas' request for authorization to enter into bilateral agreements with "anchor" customers, but prevents Tres Amigas from artificially limiting the amount of capacity that it offers to the market during the open season.

Tres Amigas is planning a three-way alternating current/direct current transmission interconnection superstation in Clovis, N.M., which would link the Eastern Interconnection, ERCOT and the Western Electricity Coordinating Council, and which could allow transmission of significant amounts of power between the regions. Tres Amigas asked FERC to disclaim jurisdiction over potential transmission facilities that would cross the Texas/New Mexico state line and interconnect with ERCOT facilities. ERCOT facilities historically have been exempt from FERC jurisdiction.

Based on the information filed, FERC said the proposed interconnection could result in ERCOT and its facilities coming under federal jurisdiction. Although Tres Amigas asked for an exemption, the Commission said the information in the application is incomplete and does not provide a sufficient basis to grant the requested exemption.

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