UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Southwest Power Pool, Inc.	)))	**Docket No. ER12-2292-000**

ANSWER OF SOUTHWEST POWER POOL, INC.

Pursuant to Rule 213 of the Federal Energy Regulatory Commission's ("Commission's") Rules of Practice and Procedure, 18 C.F.R. § 385.213, Southwest Power Pool, Inc. ("SPP") submits this answer to address certain issues raised in protests of SPP's July 23 Filing[1] proposing amendments to Attachment AE of its Open Access Transmission Tariff.[2]

I. BACKGROUND

On July 23, 2012, SPP filed amendments to Attachment AE of the Tariff to enable systematic curtailments of Non-Dispatchable Resources[3] in the SPP Energy Imbalance Market ("EIS Market"), along with all other resources, during periods of congestion. SPP provides an extensive background and justification for the Tariff amendments in the July 23 Filing. In short, SPP intends to modify its MOS

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1 Amendment to Attachment AE of the Tariff of Southwest Power Pool, Inc., Docket No. ER12-2292-000 (July 23, 2012) ("July 23 Filing").

2 Southwest Power Pool, Inc., FERC Electric Tariff, Sixth Revised Volume No. 1 ("Tariff").

3 A Non-Dispatchable Resource is a resource (a) operating in Shut-down Mode; (b) operating in Start-up Mode; (c) operating in Testing Mode; (d) operating under Exigent Conditions; (e) is an Intermittent Resource; or (f) is a Qualifying Facility ("QF"). *See* July 23 Filing, Tariff at Attachment AE § 1.1, proposed Definitions N.

and CAT[4] software tools to enable automated and systematic curtailment instructions to be sent to Non-Dispatchable Resources during periods of congestion.[5] During SPP Congestion Management events, Non-Dispatchable Resources may be directed to operate at or below an adjusted maximum output level ("curtailment level").[6] Non-Dispatchable Resources will be curtailed in accordance with their existing transmission service priority, which is based on whether the resource is: (i) scheduling against a transmission reservation; (ii) a QF exercising its rights under the Public Utility Regulatory Policies Act ("PURPA") to deliver its net output to its host utilities; or (iii) using unscheduled service.[7] Except for QFs exercising their PURPA rights to sell to their host utility, Non-Dispatchable Resources that do not comply with the curtailment instruction may be subject to Uninstructed Deviation Charges ("UDC").[8]

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4 MOS refers to Market Operating System and CAT refers to Curtailment Adjustment Tool.

5 July 23 Filing at 7.

6 *Id*. at 8 (SPP provides an explanation for how it will determine curtailment levels in the July 23 Filing).

7 *Id.* at 8-9.

8 *Id*. at 10. An "Uninstructed Deviation Charge" is defined in the Tariff as "[a] Market Participant's charge associated with a Resource that is determined to have operated outside an acceptable operating tolerance relative to dispatch instructions in accordance with procedures set forth in this Tariff." Tariff at Attachment AE § 1.1, Definitions U.

Several parties filed protests and comments on the July 23 Filing.[9] While several protesters express support for systematic curtailment of Non-Dispatchable Resources,[10] some also seek clarification of, or object to, aspects of SPP's proposal. SPP files this answer to address certain issues raised by the protesters so as to clarify the record and assist the Commission in its decision-making process.[11]

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[9] Limited Protest of Westar Energy, Inc., Docket No. ER12-2292-000 (Aug. 10, 2012) ("Westar Protest"); Motion to Intervene and Protest of Acciona Wind Energy USA LLC, Docket No. ER12-2292-000 (Aug. 13, 2012) ("Acciona Protest"); Motion to Intervene and Comments of Xcel Energy Services Inc., Docket No. ER12-2292-000 (Aug. 13, 2012) ("Xcel Comments"); Comments and Limited Protest of Exelon Generation Company, LLC, Docket No. ER12-2292-000 (Aug. 13, 2012) ("Exelon Protest"); Motion to Intervene and Comments of Western Farmers Electric Cooperative, Docket No. ER12-2292-000 (Aug. 13, 2012) ("WFEC Comments"); Motion to Intervene and Protest of the American Wind Energy Association and The Wind Coalition, Docket No. ER12-2292-000 (Aug. 13, 2012) ("AWEA Protest"). All parties are collectively referred to as "protesters" in this answer.

[10] *See, e.g.,* Exelon Protest at 2 ("Exelon supports SPP's proposal regarding curtailment priority and deviation charges for QFs selling their output under PURPA."); Westar Protest at 1 ("Westar does not object to SPP's proposal to begin systematically curtailing Non-Dispatchable Resources rather than manually curtailing those resources."); WFEC Comments at 3 ("[T]he proposed revisions will facilitate more efficient and reliable dispatch of non-dispatchable resources and ensure a more equitable allocation of curtailment responsibilities among entities that cause or contribute to constraints on the SPP transmission system.").

[11] SPP seeks leave to answer the protests filed in this case in order to assist the Commission's decision-making process and clarify the issues. The Commission regularly allows answers for such purposes. *See, e.g.*, *Sw. Power Pool, Inc.*, 131 FERC ¶ 61,252, at P 19 (2010) ("June 17 Order") (accepting answer that "provided information that assisted us in our decision-making process."), *reh'g denied*, 137 FERC ¶ 61,075 (2011); *Sw. Power Pool, Inc.*, 113 FERC ¶ 61,014, at P 7 (2005) (same); *Sw. Power Pool, Inc.*, 112 FERC ¶ 61,319, at P 56 (2005) (same).

II. ANSWER

A. SPP's Proposal Is Needed To Address Adverse Economic And Reliability Impacts Occurring *Today* In The SPP Region And Must Be Applied To All Non-Dispatchable Resources To Be Effective.

SPP's new Non-Dispatchable curtailment rules are necessary to address adverse impacts occurring today in the SPP Region. As demonstrated in the July 23 Filing, the SPP Region has seen a significant increase in Non-Dispatchable Resources in the last five years, a trend which SPP expects to continue.[12] Contrary to AWEA's implications otherwise, the increase in Non-Dispatchable Resources illustrated in Table 1 of Richard Dillon's testimony[13] is supported by the facts, as it is based on executed Generator Interconnection Agreements for Non-Dispatchable Resources, which provides a realistic, probable depiction of the amount of Non-Dispatchables SPP expects to locate in its region in the coming years.[14]

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12 July 23 Filing at 4-5; *see also* excerpt from SPP Market Monitoring Unit July 2012 State of the Market Report (Exhibit 1 attached), which shows the average monthly capacity of wind resources in 2008 as 1,950 MW and in the last twelve months as 5,061 MW.

13 July 23 Filing, Exhibit A, Prepared Direct Testimony of Richard Dillon ("Dillon Testimony").

14 In a footnote, AWEA suggests that the level of Non-Dispatchable Resources reflected in Mr. Dillon's testimony "appears" to be inconsistent with "SPP's assumptions in its Integrated Transmission Expansion Plan, which appears to "assume a far slower increase in NDRs." AWEA Protest at 6 n.9. Here, SPP used the number of Generation Interconnection Agreements actually executed by Non-Dispatchable Resources, which (continued . . .)

The bottom line is that the level of Non-Dispatchable Resource capacity is increasing in the SPP Region and must be dispatched in a way to ensure efficient, reliable operations in the SPP Region during congested periods. SPP's proposed new curtailment rules would achieve that goal.

The purpose of the new curtailment rules would not be adequately achieved if SPP were to grandfather certain existing Non-Dispatchable Resources[15] or to provide a transition period for compliance,[16] as some protesters desire. While protesters propose grandfathering of certain older units, they provide no concrete evidence that grandfathering is necessary beyond general allegations that for some units curtailment would not be automatic[17] or the cost to modify older units "to

(. . . continued)
reflects commitments by resources to build, and therefore presents the most accurate expectation of future resources.

15 *See, e.g.,* Exelon Protest at 3-4; AWEA Protest at 8; WFEC Comments at 4-6.

16 *See* Exelon Protest at 6; AWEA Protest at 9-10.

17 *See* AWEA Protest at 10 ("[I]t is our *understanding* that for many this [curtailment] would not be automatic." (emphasis added)). AWEA's further assertion that "not all NDRs are asked to curtail manually," AWEA Protest at 11, reflects a misunderstanding of Mr. Dillon's testimony. Under the current curtailment rules, *all* Non-Dispatchable Resources are manually dispatched via phone call when asked to curtail. The point Mr. Dillon was making in his testimony to which AWEA refers is that under the current rules, Non-Dispatchable Resources are not always asked to curtail to relieve a constraint, not that some Non-Dispatchable Resources are curtailed other than by manual dispatch.

allow automatic (but not incremental) curtailment is extremely high."[18] In fact, grandfathering is not warranted and, more importantly, would diminish the benefit of the new curtailment rules. As SPP explained in the July 23 Filing, Non-Dispatchable Resources "already receive the type of automated dispatch instructions that will be used to implement the new rules."[19] All curtailment instructions are communicated to the applicable Market Participants in the EIS Market portal, free of charge. Market Participants will not have to add any functionality to receive the curtailment instructions. Under the new curtailment rules, the only difference will be that the instruction now will include a *direction* to curtail. Notably, Non-Dispatchable Resources today already have demonstrated they are able to curtail when directed to do so, as they have been responding to manual dispatch instructions. Under the new curtailment rules, they will not be required to curtail in a different manner than today, except that they will need to respond to the systematic dispatch instruction rather than a phone call from SPP, and may be subject to UDCs if they fail to curtail at least to the level in the dispatch instruction. If they cannot incrementally curtail to the exact level in the instruction, a complaint of some,[20] as long as they curtail to any level below the

[18] Exelon Protest at 3.

[19] July 23 Filing at 12.

[20] Exelon Protest at 4-5.

requested curtailment level, they will be in compliance.[21] Therefore, there is no reason for grandfathering any existing Non-Dispatchable Resources. All should be able to comply with the new rules.

Furthermore, as Mr. Dillon testified, because of the amount of Non-Dispatchable Resources already installed in the SPP Region and the amount that is anticipated in the near future, it is essential that all Non-Dispatchable Resources be subject to the new curtailment rules on the effective date of the rules to ensure efficient, reliable dispatch during congested periods.[22]

Exelon suggests an alternative to grandfathering three of its Non-Dispatchable Resources, that would enable it "to substitute curtailment from its Exelon Wind 4, facility, a nearby Exelon facility of a new vintage" or, if Exelon Wind 4 could not satisfy the curtailment, shutting down each of its other three nearby units one at a time, rather than following the dispatch instructions for each unit, until the curtailment is satisfied for all units.[23] SPP clarifies that if several Non-Dispatchable Units are electrically equivalent then the owner of such units may curtail one unit to achieve the amount of curtailment required of all of the resources. The units that do not respond to curtailment may be subject to UDCs for a few intervals until the CAT re-calculates; however, this arrangement may be

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[21] Dillon Testimony at 13:11-15.

[22] Dillon Testimony at 16:12-15.

[23] Exelon Protest at 5.

more economic for the Non-Dispatchable Resource owner than curtailing each resource that was directed to curtail.

B. The Proposed Non-Dispatchable Resource Curtailment Protocols Are Consistent With PURPA And Commission Precedent; The July 23 Filing Does Not Discriminate Against Any Particular QFs Or Any Other Generators.

Protesters' arguments that the July 23 Filing's Tariff amendments discriminate against certain Non-Dispatchable Resources or other generators is wide of the mark.[24] Acciona asserts that the new curtailment rules discriminate against QFs in areas where a waiver of the PURPA obligation has been granted (a class of QFs that Acciona refers to as "QFs in Waiver Service Areas").[25] Acciona maintains that these units should be curtailed at the same priority as QFs exercising their PURPA rights to sell to their host utility and also should be exempt from UDCs like those QFs.[26] This argument fails on several grounds.

First, Acciona ignores that QFs in service areas where the Commission has granted a waiver from PURPA purchase obligation are *not* similarly situated to QFs in areas where the PURPA obligation has been waived. The host utility in these areas has obtained a waiver of its PURPA purchase obligation because the obligation is no longer justified. The associated QFs are now situated in these

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[24] *See* Acciona Protest at 6-8; AWEA Protest at 12.

[25] Acciona Protest at 5.

[26] *Id*. at 5-6.

areas like all other generators and therefore there is no discrimination against them.

In SPP, several host utilities have obtained these waivers.[27] The Commission grants these waivers to the host utility if the Commission finds that QFs have non-discriminatory access to markets, which would allow QFs to sell to non-interconnected, third party buyers. In *Xcel I*, the Commission found that OG&E, PSO, and SWEPCO met the statutory standard for such a waiver.[28] In other words, the QFs in these utilities' areas have non-discriminatory access to markets, i.e., SPP's EIS Market. The Commission has not made this determination for all areas of SPP.[29] Therefore, the Commission determined that "QFs in Waiver Service Areas" and QFs located in areas that did not obtain a waiver are not similarly situated. Acciona's further argument that "QFs in Waiver Service Areas are not really voluntarily participating in the EIS Market, because the PURPA Waiver has deprived them of their ability to obligate utilities to

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[27] *See Xcel Energy Servs., Inc.*, 122 FERC ¶ 61,048 ("*Xcel I"*), *reh'g denied*, 124 FERC ¶ 61,073 (2008) ("*Xcel II*") (Granting Oklahoma Gas and Electric Company ("OG&E") and American Electric Power Service Corporation, on behalf of Public Service Company of Oklahoma ("PSO") and Southwestern Electric Power Company ("SWEPCO"), waiver of the requirement to purchase from a QF.).

[28] *Xcel I* at P 22.

[29] *See id*. (Denying Xcel Energy Services, Inc.'s, on behalf of Southwestern Public Service Company ("SPS"), request for waiver of the PURPA purchase obligation within SPS.).

purchase their output"[30] should be rejected as inconsistent with PURPA, as it has been amended, and as a collateral attack on *Xcel I* and *II*.

Second, Acciona's argument fails because it ignores both Commission precedent and the Tariff. In a previous order, the Commission held that SPP could not "compel [QFs'] participation in the Energy Imbalance Market by, or otherwise trigger deviation charges for, QFs exercising their PURPA rights to deliver power to their host utilities."[31] Consequently, Section 1.2.2(g) of Attachment AE exempts such QFs from EIS Market charges. Neither the Commission nor the Tariff exempts QFs that are participating in the EIS Market from such charges. Simply stated, "QFs in Waiver Service Areas" are not similarly situated to the QFs that are exempt from EIS Market charges, including UDCs, and thus there is no discrimination.

Third, there is no basis for curtailing QFs participating in the EIS Market at the same priority level as QFs selling their output to their host utility pursuant to a PURPA purchase obligation, as Acciona advocates.[32] As SPP explained in the July 23 Filing, in areas where host utilities have a PURPA obligation, the obligation is relieved only under limited circumstances, which includes a "system emergency," if the purchases from the QF "would contribute to such

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30 Acciona Protest at 6.

31 *See Sw. Power Pool, Inc.*, 125 FERC ¶ 61,314, at P 38 (2008), *modified*, 127 FERC ¶ 61,008 (2009).

32 *See* Acciona Protest at 8.

emergency."[33] Curtailing QFs that exercise their PURPA rights commensurate with curtailments of firm service is consistent with the PURPA regulations. Moreover, there is no similar statutory or regulatory protection for QFs that are not selling to their host utility pursuant to PURPA purchase obligation. Nor should there be, as those QFs have non-discriminatory access to markets, are participating in the EIS Market, and thus should be treated like all other similarly situated generators.[34]

AWEA's argument that the new curtailment rules discriminate against "the class of NDRs that are selling their power directly to the energy imbalance market" is similarly flawed.[35] AWEA argues that such Non-Dispatchable Resources "do not have PPAs with utilities that would result in their being designated network resources with network firm transmission rights" and they are "not selling their power to utilities under PURPA arrangements that would allow

33 18 C.F.R. § 292.307(b).

34 Acciona further seeks clarification that "Non-Dispatchable Resource, real-time Market Participants may only be curtailed equivalent to a proportionately to Non-Firm Network Service." Acciona Protest at 9 n.14. As Richard Dillon testified, under the new curtailment rules, Non-Dispatchable Resources will be dispatched according to their scheduled transmission priority. Dillon Testimony at 8:7-14. Therefore, if the resource has NN6 level service and schedules NN6 service, it would be curtailed based on that priority. If the Non-Dispatchable Resource has firm service but is not scheduled, it essentially would be supplying imbalance to the market and would be treated like any other resource that has no transmission service and is supplying imbalance energy.

35 AWEA Protest at 8.

them to be curtailed at the same priority as other firm transmission holders," therefore they "will be exposed to a higher risk of curtailment under the new modifications proposed by SPP."[36] AWEA further asserts that SPP's proposal "may discriminate in favor of utility owned or contracted generation over merchant generation" because it is AWEA's understanding that "merchant generators would typically have all their generation unscheduled."[37] These arguments all fail for the same reason. The issue is not whether all Non-Dispatchable Resources are treated similarly, but whether all similarly situated Non-Dispatchable Resources and all similarly situated generators are treated similarly. Non-Dispatchable Resources that are selling directly into the market are not similarly situated to QFs selling to their host utilities under PURPA or pursuant to PPAs. Thus, that some Non-Dispatchable Resources "are not selling their power to utilities under PURPA arrangements that would allow them to be curtailed at the same priority as other firm transmission holders"[38] or that, like other generators selling directly into the imbalance market, "will not have an opportunity to reduce their transmission risk by purchasing transmission service"[39] thereby offsetting the risk, is not discrimination. Rather, under the new

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36 AWEA Protest at 8.

37 *Id.* at 12.

38 *Id.* at 8.

39 *Id.*

curtailment rules, such Non-Dispatchable Resources are similarly situated to other unscheduled generation selling into the market and are treated comparably to them with regard to curtailment priorities. Therefore, SPP's proposal is not "discriminatory to a certain class of generators"[40] as AWEA contends.

C. Protesters' Further Requests For Clarification Or Modifications Provide No Basis To Modify The New Curtailment Rules.

1. SCED Solutions

Acciona requests that SPP clarify that "SCED solutions will be implemented before curtailment."[41] This request not only is beyond the scope of this proceeding as the SCED and CAT logic previously was approved by the Commission as part of SPP's EIS Market[42] and is not being amended here, but it demonstrates a misunderstanding regarding the current use of SCED and CAT in determining curtailments. SCED and CAT work together. SPP Reliability Coordinator places a MW limitation on the system and the SCED algorithm utilizes all market dispatchable resources to handle the constraint.[43] At the same time, CAT runs and calculates the amount of energy imbalance, Market Flow, and schedules impacting the constraint. If there are schedules that no longer are

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40 AWEA Protest at 8.

41 Acciona Protest at 10.

42 *See Southwest Power Pool, Inc.*, 118 FERC ¶ 61,055, *reh 'g denied,* 120 FERC ¶ 61,018 (2007); Tariff at Attachment AE § 4.1(a)(i).

43 Because Non-Dispatchable Resources are not dispatchable, by definition they are not available for SCED.

feasible when the resources have been dispatched by SCED, CAT will curtail schedules in transmission priority to gain additional relief. Because of the operation of SCED and CAT together, there is no basis for the Commission to direct that "SCED precludes curtailment" as Acciona suggests.[44]

2. Scheduling Rule Changes

Acciona also requests that the new dispatch rules not go into effect until SPP adopts 15-minute scheduling increments for Point-To-Point Transmission Service and Network Integration Transmission Service to accommodate Non-Dispatchable Resources.[45] AWEA similarly requests that the Commission "require SPP to implement a methodology for NDRs to adjust their schedules closer to real time."[46] These requests are beyond the scope of this proceeding as SPP is not proposing any changes to the sections of the Tariff which set forth the scheduling increments;[47] in any event, such changes are unnecessary. There is more scheduling flexibility than Acciona implicates; specifically, Market

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44 Acciona Protest at 10. Acciona further contends that "URD charges should only apply for failure to follow ramp down instructions." *Id.* To clarify, under the new curtailment rules, Non-Dispatchable Resources only will be subject to URD charges only when they fail to comply with an instruction to curtail (i.e., to ramp down). Non-Dispatchable Resources will not be required to comply with instructions to ramp up.

45 *See* Acciona Protest at 12-13.

46 AWEA Protest at 12.

47 *See, e.g.,* Tariff at Attachment AE § 3 – Hour-Ahead Period Activities, § 3.1- Modifying Resource Plans, Ancillary Service Plans, and Offer Curves.

Participants can update schedules at any time, which will become effective 30 minutes later, upon approval by the SPP Reliability Coordinator. There also are no restrictions on the length of the schedules.

Westar asserts that the new curtailment rules create an incentive to over schedule Non-Dispatchable Resources.[48] Westar specifically is concerned that entities that have a PPA with a Non-Dispatchable Resource will over schedule the resource to avoid having to pay for generation that cannot be delivered because of curtailments.[49] Parties to PPAs have the obligation to address scheduling requirements in their contracts; it is not for SPP to address their bilateral contract requirements in market rules.[50] Moreover, the new curtailment rules do not provide an incentive for over scheduling. The North American Electric Reliability Corporation ("NERC") Interchange Distribution Calculator ("IDC") curtailment-logic eliminates the incentive for a Market Participant to over schedule. If a Market Participant over schedules its resource to try to reduce curtailments, the Market Participant will introduce additional curtailments to its larger scheduled amounts.

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48 *See* Westar Protest at 2-3.

49 *Id*.

50 Similarly, WFEC "seeks clarification on how SPP will implement the proposed revisions if the generator off-taker – rather than the non-dispatchable resource itself – is responsible for scheduling and related charges." WFEC Comments at 6. While charges associated with a Market Participant may be passed along to another by contract, as in the case described by WFEC, this is beyond what SPP's market rules must facilitate.

To illustrate, consider the following example: a resource has 100 MW of firm service and is generating 100 MW. Suppose this resource is the only resource impacting a flowgate, and the impact is at 50%. Suppose further that CAT requires a curtailment of 10 MW impacts on the flowgate. Whether the resource schedules the firm service or does not, CAT will curtail the resource from 100 MW to 80 MW in order to get the 20 MW (.5) = 10 MW of relief on the flowgate.

Finally, Westar's alternative proposal would substantially change how SPP proposes to determine curtailments of Non-Dispatchable Resources. SPP's proposal is just and reasonable. That is all that is required. SPP's proposal does not need to be *the only* reasonable proposal or even the most reasonable, but only *a* just and reasonable one.[51]

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[51] *See Midwest Indep. Transmission Sys. Operator, Inc.*, 137 FERC ¶ 61,074, at P 210 n.427 (2011); *see also Oxy USA, Inc. v. FERC*, 64 F.3d 679, 692 (D.C. Cir. 1995) (finding that under the Federal Power Act ("FPA"), as long as the Commission finds a methodology to be just and reasonable, that methodology "need not be the only reasonable methodology, or even the most accurate"); *cf. City of Bethany v. FERC*, 727 F.2d 1131, 1136 (D.C. Cir. 1984) (when determining whether a proposed rate was just and reasonable, the Commission properly did not consider "whether a proposed rate schedule is more or less reasonable than alternative rate designs"). *See also*, *e.g.*, June 17, 2010 Order at P 124 & n.154 ("[H]aving found SPP's proposal just and reasonable, we need not address the merits of the alternative proposal."); *Cal. Indep. Sys. Operator Corp.*, 128 FERC ¶ 61,282, at P 31 (2009) (same); *Louisville Gas & Elec. Co.*, 114 FERC ¶ 61,282, at P 29 (2006) (finding that "the just and reasonable standard under the FPA is not so rigid as to limit rates to a 'best rate' or 'most efficient rate' standard. Rather, a range of alternative approaches often may be just and reasonable.").

3. Make-Whole Payments

Acciona further requests clarification as to whether make "whole payments apply to curtailment of Non-Dispatchable Resources."[52] Under the new curtailment rules, Non-Dispatchable Resources will not receive make-whole payments when they curtail. The Tariff provides revenue credits when SPP issues a reliability directive to any on-line resource to resolve an Emergency Condition (referred to in the system as "OOME" or out of merit energy) for the duration of the reliability directive.[53] The purpose of make-whole payments is to reimburse resources that submit offer curves and are dispatched and expected to run, but then are directed by SPP to back down (i.e., are dispatched out of merit) to address reliability issues. Non-Dispatchable Resources do not qualify for these payments. SPP currently does not use offer curves of Non-Dispatchable Resources to determine the offer stack. Consequently, Non-Dispatchable Resources are never dispatched "out of merit order." Furthermore, because of the uncontrollable nature of a Non-Dispatchable Resource's fuel source, the resource may increase or reduce output based on the condition of the resource (e.g., whether the wind is blowing) rather than pursuant to a specific dispatch instruction. Therefore, there is no way to verify how much the Non-Dispatchable Resource would have produced

[52] Acciona Protest at 12.

[53] Tariff at Attachment AE § 4.4.

had it not been curtailed and, therefore, no way to accurately determine a make-whole payment.[54]

III. CONCLUSION

For the reasons stated herein, SPP respectfully requests that the Commission accept this answer, reject the protests, and accept the July 23 Filing without modification.

Respectfully submitted,

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[54] AWEA quotes the July 23 Filing to say that the proposal "will avoid the use of higher cost fully dispatchable resources to relieve congestion to which they may or may not have contributed, but to which Non-Dispatchable Resources did contribute," and questions "why the curtailment of high cost resources to relieve congestion is problematic." AWEA Protest at 14. SPP clarifies that the reference to the phrase "use of higher cost fully dispatchable resources" refers to dispatching, not curtailing, these higher cost units to relieve congestion. In other words, one goal of the July 23 Filing is to avoid redispatching (i.e., running) higher cost dispatchable resources to relieve congestion that otherwise might have to be run if Non-Dispatchable Resources continue to be manually curtailed.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

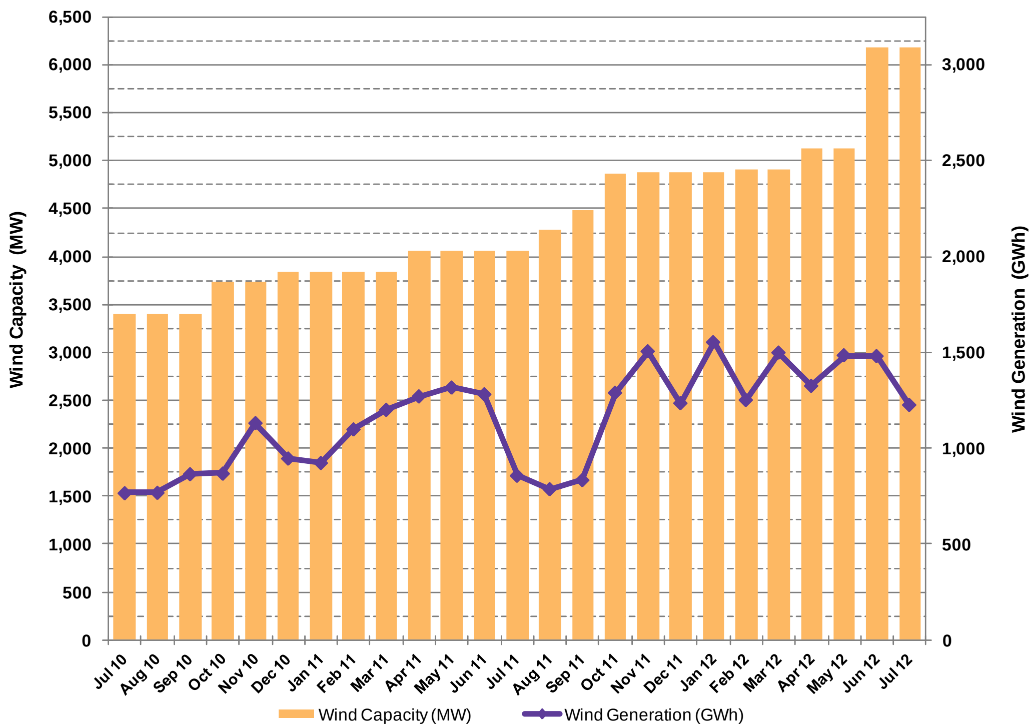
Dated at Washington, DC, this 30th day of August 2012.

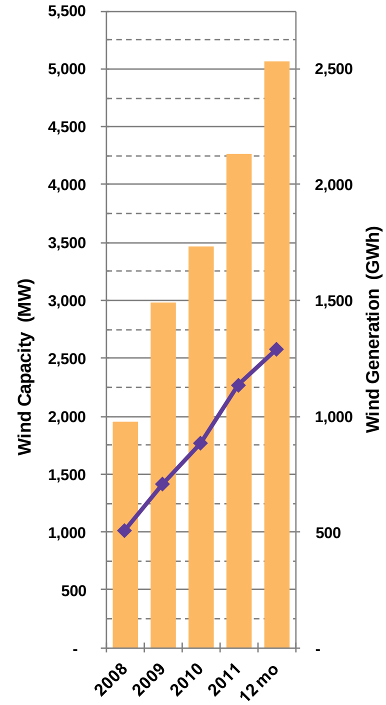
/s/ Tyler R. Brown
Tyler Brown

Attorney for
Southwest Power Pool, Inc.

Exhibit I

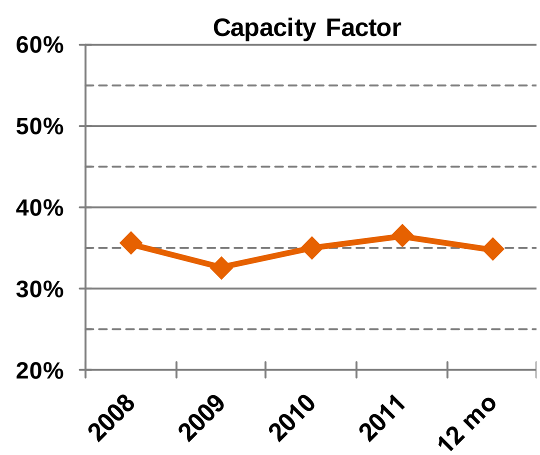
Figure 10 – Wind Generation & Capacity





	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12
Capacity (MW)	4,055	4,285	4,485	4,858	4,887	4,887	4,887	4,907	4,907	5,122	5,122	6,190	6,190
Generation (GWh)	859	789	836	1,290	1,505	1,236	1,552	1,252	1,498	1,325	1,484	1,480	1,226
Capacity Factor	28%	25%	26%	36%	43%	34%	43%	37%	41%	36%	39%	33%	27%
# of Resources	61	63	64	68	70	70	70	71	71	73	73	81	81

	2008	2009	2010	2011	last 12 months
Average Monthly Capacity (MW)	1,950	2,985	3,468	4,263	5,061
Capacity Factor	35.5%	32.5%	34.9%	36.4%	34.8%



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