

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Southwest Power Pool, Inc.            )            Docket No. ER12-2292-003

**REPLY TO COMMENTS OF ACCIONA WIND ENERGY USA LLC**

In accordance with Rule 213 of the Federal Energy Regulatory Commission’s (“Commission’s”) Rules of Practice and Procedure,<sup>1</sup> Southwest Power Pool, Inc., (“SPP”) submits this reply to the Comments of Acciona Wind Energy USA LLC filed on March 22, 2013, in this docket,<sup>2</sup> in which Acciona Wind Energy LLC (“Acciona”) seeks certain clarifications.<sup>3</sup>

**I. BACKGROUND**

On July 23, 2012, SPP submitted Tariff revisions to amend Attachment AE of the Tariff<sup>4</sup> to permit the systematic curtailment of Non-Dispatchable Resources

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<sup>1</sup> 18 CFR § 385.213.

<sup>2</sup> Comments of Acciona Wind Energy USA LLC, Docket Nos. ER12-2292-003 *et al.*, (Mar. 22, 2013) (“Acciona Comments”).

<sup>3</sup> SPP seeks leave to submit this response 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) (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) *order on reh’g*, 114 FERC ¶ 61,273 (2006); *Sw. Power Pool, Inc.*, 112 FERC ¶ 61,319, at P 56 (2005) (same).

<sup>4</sup> Southwest Power Pool, Inc. Open Access Transmission Tariff, Sixth Revised Volume No. 1 (“Tariff”).

in the SPP Energy Imbalance Market (“EIS Market”) during periods of congestion. On September 20, 2012, the Commission conditionally accepted the Tariff revisions subject to a compliance filing.<sup>5</sup> Specifically, the Commission directed SPP to include in the compliance filing:

- Revisions to the Tariff “to specify that automated curtailment applies only prospectively to Non-Dispatchable Resources that become commercially operable on or after October 15, 2012.”<sup>6</sup>
- Revisions to the Tariff to apply automated curtailment to existing Non-Dispatchable Resources (i.e., Resources commercially operable prior to October 15, 2012) to be effective October 15, 2013, and reflecting the results of a stakeholder process established to address “the issues raised by the existing Non-Dispatchable Resources” relating to automating the curtailment of existing Non-Dispatchable Resources.<sup>7</sup>
- Revisions to proposed Sections 4.3(i) and 5.5(f) to delete the reference to “all of” in the phrase “Qualifying Facility exercising its rights under PURPA to deliver all of its net output to its host utility” to be consistent with section 292.304(d)(1) of the Commission’s regulations.<sup>8</sup>
- Revisions to Tariff that provide that: (i) for point-to-point service, a Non-Dispatchable Resource will receive TLR level 5 priority, up to the amount of firm transmission service that has been reserved for the Non-Dispatchable Resource, regardless of whether the output is scheduled or unscheduled; and (ii) to the extent that a Non-Dispatchable Resource is a designated Network Resource, it will be assigned TLR level 5 curtailment priority, on an equivalent basis with other firm designated network Resources, up to the level of

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<sup>5</sup> *Sw. Power Pool, Inc.*, 140 FERC ¶ 61,225 (2012) (“September 20 Order”). On January 2, 2013, the Commission granted SPP’s motion for an extension of time until March 1, 2013, to submit the compliance filing. *Sw. Power Pool, Inc.*, Notice of Extension of Time, Docket No. ER12-2292-000 (Jan. 2, 2013).

<sup>6</sup> September 20 Order at P 47.

<sup>7</sup> *Id.* at PP 47–49.

<sup>8</sup> *Id.* at P 50.

output designated for that Resource (provided that the aggregate generation from designated Network Resources for a particular network load does not exceed the associated network losses). In the alternative, SPP can explain the reasons why it cannot operationally satisfy these requirements.<sup>9</sup>

- An explanation of how the treatment of Non-Dispatchable Resources, including the transition process resulting from the September-20-Order-required stakeholder process, will work within the proposed Integrated Marketplace.<sup>10</sup>

Consistent with the directives in the September 20 Order, SPP and its stakeholders conducted a stakeholder process and developed a proposal to address the issues relating to the systematic curtailment of existing Non-Dispatchable Resources,<sup>11</sup> as well as a mechanism to determine curtailment priorities for Non-Dispatchable Resources with firm transmission service that would be based on transmission service reservations rather than schedules. As part of that proposal, SPP and the stakeholders determined to exempt entirely from the systematic curtailment rules Non-Dispatchable Resources that are Intermittent Resources (e.g., wind-powered) with interconnection agreements executed prior to May 21, 2011, and that commenced Commercial Operation prior to October 15, 2012.<sup>12</sup> On March 1, 2013, SPP filed the compliance filing required by the September 20 Order, including the exemption proposal.<sup>13</sup>

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<sup>9</sup> *Id.* at P 53.

<sup>10</sup> *Id.* at P 59.

<sup>11</sup> *See* September 20 Order at PP 47–49.

<sup>12</sup> Compliance Filing, Docket No. ER12-2292-003, at 8 (Mar. 1, 2013) (“SPP Compliance Filing”).

<sup>13</sup> *See* SPP Compliance Filing.

On March 22, 2013, only one party, Acciona, filed comments. Notably, Acciona “generally supports the revisions stated in the SPP Compliance Filing.”<sup>14</sup> However, Acciona seeks clarification on “when and how manual curtailment will be utilized.”<sup>15</sup> Specifically, Acciona asserts that “SPP should clarify (either in its Tariff or in controlling procedures) that systematic curtailment, including solutions based on SCED analysis, will be used rather than manual curtailment under normal circumstances, and that systematic curtailment will also be used prior to falling back on manual curtailment when systematic curtailment cannot resolve identified Emergency Conditions or reliability issues.”<sup>16</sup> SPP files this reply in response to Acciona’s request for clarification.

## II. CLARIFICATION

As SPP staff explained to Acciona and Acciona states, “SPP intends that market solutions, including those resulting from economic analysis using SCED, will be run to attempt to resolve system congestion systematically prior to manual curtailment of Non-Dispatchable Resources via phone calls.”<sup>17</sup> However there

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<sup>14</sup> Acciona Comments at 3.

<sup>15</sup> Acciona Comments at 5.

<sup>16</sup> Acciona Comments at 8; *see also id.* at 11 (“SPP should provide clarifications stating that the manual curtailment of Non-Dispatchable Resources . . . will occur (i) only when market solutions and systematic curtailment are unable to resolve an Emergency Condition or reliability issue; and (ii) that aside from those specific situations where manual curtailment is needed to address Emergency Conditions or reliability issues that systematic curtailment cannot resolve, market solutions implemented by systematic curtailment will be utilized rather than manual curtailment.”).

<sup>17</sup> Acciona Comments at 7.

may be times when SPP, as the Reliability Coordinator (“RC”), must take action to address an emergency condition or reliability issue more quickly than a market solution can solve the problem or where a market solution is unavailable to resolve the issue. In such instances, manual curtailment may be necessary before or instead of systematic curtailment.

For example, if a transmission element becomes overloaded, SPP as the RC, has 30 minutes, per NERC standards, to alleviate the overload.<sup>18</sup> The market system takes a snapshot of the system every five minutes and creates a market solution 10 minutes in the future. As a result, even if the snapshot took place at the exact time the overload occurred, the market system would not be able to ameliorate the situation for at least 10 minutes. If the overload occurred

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<sup>18</sup> See, e.g., NERC Standard IRO-001-1, 1-R31 (Oct. 29, 2008), [www.nerc.com/files/IRO-001-1\\_1.pdf](http://www.nerc.com/files/IRO-001-1_1.pdf).

The Reliability Coordinator shall have clear decision-making authority to act and to direct actions to be taken by Transmission Operators, Balancing Authorities, Generator Operators, Transmission Service Providers, Load Serving Entities, and Purchasing Selling Entities within its Reliability Coordinator Area to preserve the integrity and reliability of the Bulk Electric System. *These actions shall be taken without delay, but no longer than 30 minutes.*

(Emphasis added.)

NERC Standard TOP-007-0-R2, 1 (Feb. 8, 2005) [www.nerc.com/files/TOP-007-0.pdf](http://www.nerc.com/files/TOP-007-0.pdf).

Following a Contingency or other event that results in an IROL violation, the Transmission Operator shall return its transmission system to within IROL as soon as possible, *but not longer than 30 minutes.*

(Emphasis added.)

inbetween snapshots, the market solution would be even later, pushing closer to the 30 minute NERC standard. In addition, there are other limiting inputs into the market system that may prevent the systematic processes from relieving the overload within 30 minutes, even if the snapshots occurred at the beginning of the problem. The market system uses generation to load impact factors and resource parameters such as ramp rate, capacity limits, and resource statuses, submitted by the Market Participants to determine which resources can be dispatched to solve a reliability issue or emergency. Based on these parameters, the market system may not be able to systematically move the resource fast enough to meet the needs of the overload within the requisite 30 minutes. Without the flexibility for SPP, as the RC, to manually intervene in the process, SPP would be at risk at violating NERC reliability standards, and more importantly, the preservation of the electricity grid.

While SPP uses systematic processes like the market solution, which includes security-constrained economic dispatch (“SCED”), the Curtailment Adjustment Tool, and the Non-Dispatchable Resource logic, to resolve reliability problems, the use of manual curtailment may be necessary before (or instead of) systematic curtailment to protect the Bulk Electric System. It is imperative that SPP, as the RC, has the flexibility to address these situations to preserve the reliability of the transmission grid. Therefore, it would be imprudent to hardwire into the Tariff (or market protocol) that market solutions *always* will be used prior to manually curtailing Non-Dispatchable Resources or to try or define all of the

“specific situations where manual curtailment is needed to address Emergency Conditions or reliability issues that systematic curtailment cannot resolve.”<sup>19</sup> Moreover, SPP has fully complied with the directives in the September 20 Order and no further Tariff revisions are required for compliance.

Acciona further asserts that, absent an express commitment that “when manual curtailment must be utilized to address an Emergency Condition or reliability issue that systematic curtailment solutions cannot resolve, SPP shall displace the manual curtailment with a systematic market solution as soon as possible consistent with system safety and reliability,”<sup>20</sup> it is possible that a Non-Dispatchable Resource that is manually curtailed “might remain curtailed longer than necessary.”<sup>21</sup> It is SPP’s responsibility, as the RC, to ensure the safety and reliability of the Bulk Electric System under dynamic circumstances. SCED runs every five minutes, which in many cases will precipitate a market solution to an emergency or reliability issue within a reasonable period of time. However, in cases where market solutions will not timely address the issue, SPP must have the

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<sup>19</sup> Acciona Comments at 11. Notably, in the SPP Compliance Filing, SPP did not revise its Tariff to clarify that “systematic curtailment will also be used prior to falling back on manual curtailment when systematic curtailment cannot resolve identified Emergency Conditions or reliability issues,” as Acciona requests here, *id.* at 8; rather SPP clarified the procedures during times “*when it is necessary to issue a Manual Dispatch Instruction to a Non-Dispatchable Variable Energy Resource to resolve an Emergency Condition or reliability issue*” *id.* at 10. (emphasis added) (citing SPP Compliance Filing at Tariff Redline, Attachment AE, Section 4.1.2.5). In other words, even in the Integrated Marketplace, SPP did not make a hard and fast rule that market solutions *always* will be implemented prior to manual dispatch.

<sup>20</sup> Acciona Comments at 15.

<sup>21</sup> Acciona Comments at 14.

flexibility to continue manual dispatch when necessary to protect the grid. Once SPP is satisfied that the manual intervention is no longer necessary to avoid an emergency condition or resolve a reliability issue, SPP will return to using market solutions, and the manually curtailed Non-Dispatchable Resource will be notified and the manual curtailment will cease.

While SPP has fully complied with the September 20 Order, if the stakeholders or the Commission believe that more information in the market protocols for the EIS Market or Tariff would be helpful, this issue is best addressed in the stakeholder process, which is SPP's normal procedure for revising its market protocols and Tariff. By addressing this issue in the stakeholder process, the stakeholders most affected by SPP's curtailment practices can participate and ensure that the description of the process is clear and transparent.

### **III. Communications**

Correspondence and communications with respect to this filing should be sent to, and SPP requests that the Commission include on the official service list for this proceeding, the following individuals:

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#### IV. CONCLUSION

For the reasons stated above and in the SPP Compliance Filing, the Commission should accept without modification the SPP Compliance Filing, and reject Acciona's request that SPP be required to amend its Tariff or market protocols.

Respectfully submitted,

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**Attorneys for  
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April 10, 2013

## 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, D.C., this 10th day of April, 2013.

/s/ Carrie L. Bumgarner  
Carrie L. Bumgarner

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