

February 6, 2015

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: *Southwest Power Pool, Inc.*, Docket No. ER12-1179-____
(errata filing)**

Dear Ms. Bose:

On January 20, 2015,¹ Southwest Power Pool, Inc. (“SPP”) filed with the Federal Energy Regulatory Commission (“Commission”) revisions to SPP’s Open Access Transmission Tariff² to comply with the Commission’s December 18, 2014 order in Docket Nos. ER12-1179-019 and ER13-1173-002.³ SPP requested an effective date of March 1, 2014, for the January 20 Filing.

SPP has since determined that it inadvertently omitted language that should have been included in Section 8.6.7 of Attachment AE of the proposed Tariff submitted with the January 20 Filing. Specifically, the first sentence of Section 8.6.7 as revised to comply with the December 18 Order should have read:

An RTBM system-wide and local charge will be calculated at each Settlement Location for each Asset Owner for each hour in order to fund the payments made under Section 8.6.5 and payments made under Section 8.5.9 of this Attachment AE to Resources committed to address a Local Reliability Issue *or a Local Emergency Condition*.

¹ Compliance Filing Revising Tariff to Address Cost Allocation for Manual Commitments Related to Local Reliability Issues, Docket No. ER12-1179-021 (Jan. 20, 2015) (“January 20 Filing”).

² Southwest Power Pool Open Access Transmission Tariff, Sixth Revised Volume No. 1 (“Tariff”).

³ *Sw. Power Pool, Inc.*, 149 FERC ¶ 61,253, at P 8 (2014) (directing SPP to revise the Tariff to provide that all manual Resource commitments implemented to address local issues should be allocated locally, including manual commitments arising in the Day-Ahead Market) (“December 18 Order”).

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Including Local Emergency Conditions is necessary because, under Section 8.5.9 of Attachment AE, a Resource could be eligible for a Day-Ahead Market make whole payment if it was previously committed by a local transmission operator to address a Local Emergency Condition.⁴

SPP is re-submitting Section 8.6.7 of Attachment AE to the Tariff to reflect this correction. As such, this errata filing does not materially impact the substance of the January 20 Filing, and is consistent with the Commission's directive in the December 18 Order to revise the Tariff to allocate locally the costs of any manual Resource commitment implemented to address a local issue. SPP requests an effective date of March 1, 2014 for this errata filing, consistent with the effective date requested in the January 20 Filing and the effective date of SPP's Integrated Marketplace.

Please contact the undersigned if you have any questions.

Respectfully submitted,

/s/ Matthew J. Binette

Matthew J. Binette

Brett K. White

WRIGHT & TALISMAN, P.C.

1200 G Street, N.W., Suite 600

Washington, D.C. 20005-3802

Telephone: (202) 393-1200

Fax: (202) 393-1240

binette@wrightlaw.com

white@wrightlaw.com

Attorneys for

Southwest Power Pool, Inc.

cc. Penny Murrell
Michael Donnini
John Rogers
Patrick Clarey
Laura Vallance

⁴ See January 20 Filing, proposed Tariff, Attachment AE § 8.5.9 (stating that "Asset Owners of Resources previously committed by a local transmission operator to address a Local Emergency Condition are eligible to receive a Day-Ahead Market make whole payment if such commitment is included in the Day-Ahead Market").

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 Docket Nos. ER12-1179 and ER13-1173.

Dated at Washington, D.C., this 6th day of February, 2015.

/s/ Brett K. White

Brett K. White

WRIGHT & TALISMAN, P.C.

1200 G Street, N.W., Suite 600

Washington, D.C., 20005

(202) 393-1200

Attorney for

Southwest Power Pool, Inc.

8.6.7 Reliability Unit Commitment Make Whole Payment Distribution Amount

An RTBM system-wide and local charge will be calculated at each Settlement Location for each Asset Owner for each hour in order to fund the payments made under Section 8.6.5 and payments made under Section 8.5.9 of this Attachment AE to Resources committed to address a Local Reliability Issue or a Local Emergency Condition. The system-wide amount will be determined by multiplying an Asset Owner's system-wide distribution volume by a daily system-wide RUC make whole payment rate as described in Section 8.6.7(A) of this Attachment AE. The local amount for each Settlement Area impacted by a Local Reliability Issue will be determined by multiplying an Asset Owner's local Settlement Area distribution volume by a daily local Settlement Area make whole payment rate as described in Section 8.6.7(B) of this Attachment AE.

- A. The RUC System-Wide Make Whole Payment Distribution Amount shall be calculated as follows:

$$\begin{aligned} &\text{The RUC System-Wide Make Whole Payment Distribution Amount} = \\ &[(\text{RUC System-Wide Make Whole Payment Distribution Rate}) * \\ &(\text{RUC System-Wide Make Whole Payment Distribution Volume})] \end{aligned}$$

- (1) The RUC System-Wide Make Whole Payment Distribution Rate is the sum of all make whole payments for the Operating Day as calculated under Section 8.6.5 excluding make whole payments made to Resources committed to address a Local Reliability Issue by the Transmission Provider at the request of a local transmission operator or committed by a local transmission operator to address a Local Emergency Condition, divided by the sum of Asset Owners' RUC System-Wide Make Whole Payment Distribution Volumes for all Settlement Locations for the entire Operating Day.
- (2) An Asset Owner's RUC System-Wide Make Whole Payment Distribution Volume at a Settlement Location for an hour is equal to the sum of following values that are calculated for each Dispatch Interval within the hour:

- (a) The absolute value of the sum of actual Real-Time Settlement Location deviations from Day-Ahead Market cleared amounts for load, virtual offer transactions and interchange transactions except that, during any Dispatch Interval in which the Transmission Provider has declared an Emergency Condition due to a capacity shortage, Real-Time actual load deviations from Day-Ahead Market cleared amounts shall be limited to deviations associated with actual Real-Time load in excess of amounts cleared in the Day-Ahead Market;
- (b) For Resources cleared in the Day-Ahead Market, (a) the positive difference between the RTBM Resource applicable minimum limits and Day-Ahead Market Resource cleared Energy quantity; or (b) if the Resource has cleared regulation in the RTBM and has not cleared regulation in the Day-Ahead Market, the positive difference between (1) the RTBM Resource regulation minimum limit and (2) the greater of the Day-Ahead Market Resource cleared Energy quantity or the Resource's Day-Ahead Market regulation minimum limit, provided that:
 - (i) The applicable RTBM Resource minimum limit is greater than the comparable Day-Ahead Market Resource minimum limit by more than the Resource's Operating Tolerance; and
 - (ii) The applicable RTBM Resource minimum limit is greater than the Day-Ahead Market cleared Energy amount; and
 - (iii) The Resource received a Dispatch Instruction less than or equal to the RTBM applicable minimum limit for at least one Dispatch Interval in the hour.
- (c) For Resources cleared in the Day-Ahead Market, (a) the positive difference between the Resource Day-Ahead Market cleared Energy quantity and the RTBM Resource applicable maximum limit or (b) if the Resource has cleared regulation in the RTBM and

has not cleared regulation in the Day-Ahead Market, the positive difference between (1) the lesser of the Resource's RTBM regulation maximum limit or the Resource's Day-Ahead Market Resource cleared Energy quantity and (2) the Resource's RTBM regulation maximum limit, provided that:

- (i) The applicable RTBM Resource maximum limit is less than the comparable Resource maximum limit submitted for use in the Day-Ahead Market by more than the Resource's Operating Tolerance; and
 - (ii) The applicable RTBM Resource maximum limit is less than the Day-Ahead Market cleared Energy amount; and
 - (iii) The Resource received a Dispatch Instruction greater than or equal to the RTBM applicable maximum limit for at least one Dispatch Interval in the hour.
- (d) For Resources cleared in the Day-Ahead Market, the Resource's Day-Ahead Market cleared amount if that Resource is off-line in the RTBM and if the Resource has not been de-committed by the Transmission Provider;
- (e) For Resources that cleared in the Day-Ahead Market that are not able to follow Dispatch Instructions, the absolute value of the difference between a Resource's actual output and the Resource's economic operating point. The Resource's economic operating point is calculated as described under Section 8.6.5(4)(d);
- (f) For Resources that were not offered in the Day-Ahead Market and that self-committed following the close of the Day-Ahead Market, and for Resources that were offered and not cleared in the Day-Ahead Market and that self-committed following the close of the Day-Ahead RUC, the actual Resource output if the Resource received a Dispatch Instruction less than or equal to the RTBM applicable minimum limit for at least one Dispatch Interval in the hour;

- (g) A Resource's economic operating point, as calculated as described under Section 8.6.5(4)(d), for Resources that were committed following the close of the Day-Ahead Market if that Resource is off-line in the RTBM and that Resource was not de-committed by the Transmission Provider; and
- (h) The absolute value of a Resource's URD if that Resource operated outside of its Operating Tolerance and the Resource has not been exempted from URD as described under Section 6.4.1.1 of this Attachment AE.

B. Local Settlement Area Make Whole Payment Distribution Amount shall be calculated as follows:

Local Settlement Area Make Whole Payment Distribution Amount =
[(Local Settlement Area Make Whole Payment Distribution Rate) * (Local Settlement Area Make Whole Payment Distribution Volume)]

- (1) The Local Settlement Area Make Whole Payment Distribution Rate is the sum of all make whole payments for the Operating Day for a Settlement Area as calculated under Sections 8.6.5, 8.6.6, and 8.5.9 of this Attachment AE for Resources committed by the Transmission Provider at the request of a local transmission operator or by a local transmission operator to address a Local Reliability Issue in the Settlement Area, divided by the sum of Asset Owners' Local Settlement Area Make Whole Payment Distribution Volumes within the impacted Settlement Area for the entire Operating Day.
- (2) An Asset Owner's Local Settlement Area Make Whole Payment Distribution Volume for the impacted Settlement Area for an hour is equal to that Asset Owner's Reported Load in that Settlement Area for that hour.

8.6.7 Reliability Unit Commitment Make Whole Payment Distribution Amount

An RTBM system-wide and local charge will be calculated at each Settlement Location for each Asset Owner for each hour in order to fund the payments made under Section 8.6.5 and payments made under Section 8.5.9 of this Attachment AE to Resources committed to address a Local Reliability Issue or a Local Emergency Condition. The system-wide amount will be determined by multiplying an Asset Owner's system-wide distribution volume by a daily system-wide RUC make whole payment rate as described in Section 8.6.7(A) of this Attachment AE. The local amount for each Settlement Area impacted by a Local Reliability Issue will be determined by multiplying an Asset Owner's local Settlement Area distribution volume by a daily local Settlement Area ~~RUC~~-make whole payment rate as described in Section 8.6.7(B) of this Attachment AE.

- A. The RUC System-Wide Make Whole Payment Distribution Amount shall be calculated as follows:

$$\begin{aligned} &\text{The RUC System-Wide Make Whole Payment Distribution Amount} = \\ &[(\text{RUC System-Wide Make Whole Payment Distribution Rate}) * \\ &(\text{RUC System-Wide Make Whole Payment Distribution Volume})] \end{aligned}$$

- (1) The RUC System-Wide Make Whole Payment Distribution Rate is the sum of all make whole payments for the Operating Day as calculated under Section 8.6.5 excluding make whole payments made to Resources committed to address a Local Reliability Issue by the Transmission Provider at the request of a local transmission operator or committed by a local transmission operator to address a Local Emergency Condition, divided by the sum of Asset Owners' RUC System-Wide Make Whole Payment Distribution Volumes for all Settlement Locations for the entire Operating Day.
- (2) An Asset Owner's RUC System-Wide Make Whole Payment Distribution Volume at a Settlement Location for an hour is equal to the sum of following values that are calculated for each Dispatch Interval within the hour:

- (a) The absolute value of the sum of actual Real-Time Settlement Location deviations from Day-Ahead Market cleared amounts for load, virtual offer transactions and interchange transactions except that, during any Dispatch Interval in which the Transmission Provider has declared an Emergency Condition due to a capacity shortage, Real-Time actual load deviations from Day-Ahead Market cleared amounts shall be limited to deviations associated with actual Real-Time load in excess of amounts cleared in the Day-Ahead Market;
- (b) For Resources cleared in the Day-Ahead Market, (a) the positive difference between the RTBM Resource applicable minimum limits and Day-Ahead Market Resource cleared Energy quantity; or (b) if the Resource has cleared regulation in the RTBM and has not cleared regulation in the Day-Ahead Market, the positive difference between (1) the RTBM Resource regulation minimum limit and (2) the greater of the Day-Ahead Market Resource cleared Energy quantity or the Resource's Day-Ahead Market regulation minimum limit, provided that:
 - (i) The applicable RTBM Resource minimum limit is greater than the comparable Day-Ahead Market Resource minimum limit by more than the Resource's Operating Tolerance; and
 - (ii) The applicable RTBM Resource minimum limit is greater than the Day-Ahead Market cleared Energy amount; and
 - (iii) The Resource received a Dispatch Instruction less than or equal to the RTBM applicable minimum limit for at least one Dispatch Interval in the hour.
- (c) For Resources cleared in the Day-Ahead Market, (a) the positive difference between the Resource Day-Ahead Market cleared Energy quantity and the RTBM Resource applicable maximum limit or (b) if the Resource has cleared regulation in the RTBM and

has not cleared regulation in the Day-Ahead Market, the positive difference between (1) the lesser of the Resource's RTBM regulation maximum limit or the Resource's Day-Ahead Market Resource cleared Energy quantity and (2) the Resource's RTBM regulation maximum limit, provided that:

- (i) The applicable RTBM Resource maximum limit is less than the comparable Resource maximum limit submitted for use in the Day-Ahead Market by more than the Resource's Operating Tolerance; and
 - (ii) The applicable RTBM Resource maximum limit is less than the Day-Ahead Market cleared Energy amount; and
 - (iii) The Resource received a Dispatch Instruction greater than or equal to the RTBM applicable maximum limit for at least one Dispatch Interval in the hour.
- (d) For Resources cleared in the Day-Ahead Market, the Resource's Day-Ahead Market cleared amount if that Resource is off-line in the RTBM and if the Resource has not been de-committed by the Transmission Provider;
- (e) For Resources that cleared in the Day-Ahead Market that are not able to follow Dispatch Instructions, the absolute value of the difference between a Resource's actual output and the Resource's economic operating point. The Resource's economic operating point is calculated as described under Section 8.6.5(4)(d);
- (f) For Resources that were not offered in the Day-Ahead Market and that self-committed following the close of the Day-Ahead Market, and for Resources that were offered and not cleared in the Day-Ahead Market and that self-committed following the close of the Day-Ahead RUC, the actual Resource output if the Resource received a Dispatch Instruction less than or equal to the RTBM applicable minimum limit for at least one Dispatch Interval in the hour;

- (g) A Resource's economic operating point, as calculated as described under Section 8.6.5(4)(d), for Resources that were committed following the close of the Day-Ahead Market if that Resource is off-line in the RTBM and that Resource was not de-committed by the Transmission Provider; and
- (h) The absolute value of a Resource's URD if that Resource operated outside of its Operating Tolerance and the Resource has not been exempted from URD as described under Section 6.4.1.1 of this Attachment AE.

B. ~~RUC~~ Local Settlement Area Make Whole Payment Distribution Amount shall be calculated as follows:

$$\text{Local Settlement Area Make Whole Payment Distribution Amount} = [\text{Local Settlement Area Make Whole Payment Distribution Rate}] * (\text{Local Settlement Area Make Whole Payment Distribution Volume})$$

- (1) The ~~RUC~~ Local Settlement Area Make Whole Payment Distribution Rate is the sum of all make whole payments for the Operating Day for a Settlement Area as calculated under Sections 8.6.5, ~~and~~ 8.6.6, and 8.5.9 of this Attachment AE for Resources committed by the Transmission Provider at the request of a local transmission operator or by a local transmission operator to address a Local Reliability Issue in the Settlement Area, divided by the sum of Asset Owners' ~~RUC~~ Local Settlement Area Make Whole Payment Distribution Volumes within the impacted Settlement Area for the entire Operating Day.
- (2) An Asset Owner's ~~RUC~~ Local Settlement Area Make Whole Payment Distribution Volume for the impacted Settlement Area for an hour is equal to that Asset Owner's Reported Load in that Settlement Area for that hour.