

154 FERC ¶ 61,076  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;  
Cheryl A. LaFleur, Tony Clark,  
and Colette D. Honorable.

Southwest Power Pool, Inc.

Docket No. ER13-1939-002

ORDER CONDITIONALLY ACCEPTING COMPLIANCE FILING

(Issued February 2, 2016)

1. On August 31, 2015, the Commission issued an order<sup>1</sup> conditionally accepting, subject to an additional compliance filing, the filings made by Southwest Power Pool, Inc. (SPP); Duke Energy Carolinas, LLC and Duke Energy Progress, Inc.; Louisville Gas and Electric Company and Kentucky Utilities Company; Southern Company Services, Inc., acting as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, and Mississippi Power Company; and Ohio Valley Electric Corporation (collectively, SERTP Filing Parties) to comply with the interregional transmission coordination and cost allocation requirements of Order No. 1000<sup>2</sup> and to comply with the directives in the First Compliance Order.<sup>3</sup>
2. On October 1, 2015, SPP submitted, pursuant to section 206 of the Federal Power Act (FPA),<sup>4</sup> revisions to SPP's Open Access Transmission Tariff (Tariff) to comply with the Second Compliance Order (Third Compliance Filing).<sup>5</sup>

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<sup>1</sup> *Sw. Power Pool, Inc.*, 152 FERC ¶ 61,172 (2015) (Second Compliance Order).

<sup>2</sup> *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, FERC Stats. & Regs. ¶ 31,323 (2011), *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh'g and clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom. S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

<sup>3</sup> *Sw. Power Pool, Inc.*, 150 FERC ¶ 61,210 (2015) (First Compliance Order).

<sup>4</sup> 16 U.S.C. § 824e (2012).

<sup>5</sup> Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, [Attachment O Addendum 4, Attachment O Addendum 4, 0.3.0](#), § 1.3.4.1

3. For the reasons discussed below, we require SPP to submit an additional compliance filing within 30 days of the date of issuance of this order.

**I. Notice of Filing and Responsive Pleadings**

4. Notice of SPP's October 1, 2015 compliance filing was published in the *Federal Register*, 80 Fed. Reg. 60,666 (2015), with interventions and protests due on or before October 22, 2015. None was filed.

**II. Discussion**

5. We find that SPP's Third Compliance Filing does not comply with the directives in the Second Compliance Order and thus we require SPP to make an additional compliance filing within 30 days of the date of issuance of this order.

**A. Second Compliance Order**

6. In the Second Compliance Order, the Commission found that SPP's Tariff provisions that SPP proposed to cross-reference did not indicate the type of transmission studies that SPP would conduct to evaluate conditions on neighboring transmission systems for the purpose of determining whether interregional transmission facilities are more efficient or cost-effective than regional transmission facilities. The Commission found that, instead, the portions of the SPP Tariff that SPP referenced stated only that the types of studies SPP performs to evaluate a proposed interregional transmission project will be revealed in a report after the studies are complete. Therefore, the Commission directed SPP "to submit . . . a further compliance filing that lists either the particular type of transmission studies that will be conducted or cross-references the specific provisions in the SPP [T]ariff that indicate the type of transmission studies SPP will conduct to evaluate interregional transmission facilities."<sup>6</sup>

**B. Third Compliance Filing**

7. SPP proposes to make the following revision to section 1.3.4.1 of Addendum 4 to Attachment O of its Tariff: "[SPP] will evaluate potential interregional transmission projects in accordance with Section IV.6.b and IV.6.d of Attachment O of this Tariff."<sup>7</sup> According to SPP, this change complies with the Commission's directive because it references section IV.6 of Attachment O, which will, in turn, direct an interested entity to a publicly available planning document that lists the type of transmission studies SPP will

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<sup>6</sup> Second Compliance Order, 152 FERC ¶ 61,172 at P 21.

<sup>7</sup> SPP, OATT, Attachment O, Addendum 4 (0.3.0), § 1.3.4.1.

perform to determine whether a proposed interregional transmission project is more efficient or cost-effective than regional transmission facilities. Specifically, SPP states that section IV.6 of Attachment O states that “[SPP] shall, in consultation with stakeholders, develop the regional review methodology which shall be posted on the [SPP] website;”<sup>8</sup> and further states the method will contain, at a minimum, the specific procedures to determine assumptions and criteria to complete the regional review of the proposed Interregional Project.<sup>9</sup>

8. SPP states that the study process in section IV.6 of Attachment O was accepted by the Commission in the First Compliance Order. SPP asserts that because the Commission has accepted this study process (which includes the reference to the regional review method), SPP’s proposal to refer to such study process is consistent with principles of transparency and previous Commission orders regarding the evaluation of proposed interregional transmission projects within SPP’s regional transmission planning process. SPP contends that pointing to section IV.6 of Attachment O within section 1.3.4.1 of Addendum 4 of Attachment O is a reasonable means to comply with the Commission’s directive to cross-reference the specific provisions in the Tariff that indicate the type of transmission studies SPP will conduct to evaluate interregional transmission facilities during coordinated evaluation with SERTP participants.<sup>10</sup>

9. SPP requests an effective date of January 1, 2015 for the proposed Tariff revision.<sup>11</sup>

### C. Commission Determination

10. We find that SPP has not complied with the Commission’s directive in the Second Compliance Order. The Commission directed SPP to revise its Tariff to list either the particular type of transmission studies that will be conducted or cross-reference the specific provisions in the SPP Tariff that indicate the type of transmission studies SPP will conduct to evaluate interregional transmission facilities. SPP proposes to revise its Tariff to reference section IV.6 of Attachment O, but that section does not indicate the type of transmission studies SPP will conduct to evaluate interregional transmission facilities. Section IV.6 of Attachment O merely states that the regional review method

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<sup>8</sup> Transmittal at 3 (citing SPP, OATT, Attachment O, Addendum 4 (0.1.0), § IV.6(c)).

<sup>9</sup> *Id.* at 3-4.

<sup>10</sup> *Id.* at 4.

<sup>11</sup> *Id.*

shall be posted on the SPP website. This does not comply with the requirement in Order No. 1000 to include in the Tariff a description of the type of transmission studies that will be conducted to evaluate conditions on their neighboring systems for the purpose of determining whether interregional transmission facilities are more efficient or cost-effective than regional facilities.<sup>12</sup>

11. We find, however, that the information regarding studies SPP will conduct that is listed in the Regional Review Methodology document on the SPP website would, with one change, comply with the Commission's directive in the Second Compliance Order and the requirements of Order No. 1000 if it were included in the SPP Tariff.<sup>13</sup>

Therefore, we direct SPP to submit, within 30 days of the date of issuance of this order, a further compliance filing to add the following language from the Regional Review Methodology document into its Tariff (with the one addition, underlined and bolded below), or provide other revisions to the Tariff to comply with this order:

Projects Addressing Reliability Issues Description of Analyses: The study scope will determine what types of analyses will be performed. These analyses will be based on the issue that is being addressed by the interregional transmission project. At a minimum a steady state N-1 analysis will be performed. If needed, the scope will also include directives to perform stability and/or dynamic analyses. Additional analyses can be performed if needed and directed by the Transmission Working Group (TWG).

Projects Addressing Economic Issues Description of Analyses: The analyses that will be performed will be based on the benefit metrics that will be used as determined by the Economic Studies Working Group (ESWG). At a minimum a security constrained unit commitment /security constrained economic dispatch analysis will be utilized for the calculation of APC. Additional analyses will be included in the scope based on the ESWG's decision on what metrics to utilize.

Projects Addressing Public Policy Issues Description of Analyses: Public policy projects will be evaluated to

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<sup>12</sup> Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 398, *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 493.

<sup>13</sup> See SPP Regional Review Methodology (Aug. 2014), <http://www.spp.org/documents/22991/spp%20regional%20review%20methodology.pdf>

determine whether or not the transmission project will aid in meeting the applicable public policy requirement, and if so, is it more **efficient or** cost effective than regional solutions. The analysis will use a security constrained economic dispatch and unit commitment model to perform a curtailment and dispatch study. Additional analyses performed in the latest ITP10 may also be utilized as determined by the ESWG and TWG.

12. Although it is not sufficient to comply, we accept SPP's proposed change to section 1.3.4.1 of Addendum 4 to Attachment O of its Tariff because it deletes the incorrect reference the Commission identified in the Second Compliance Order.

The Commission orders:

SPP's compliance filing is accepted, subject to a further compliance filing, as discussed in the body of this order, effective January 1, 2015.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.