

February 28, 2019

VIA ELECTRONIC FILING

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. ER19-460-____
Request for Deferral of Effective Date for Order No. 841 Compliance Filing

Dear Secretary Bose:

Southwest Power Pool, Inc. (“SPP”) hereby notifies the Federal Energy Regulatory Commission (“Commission”) of the need to delay the effective date for the provisions filed in this proceeding. SPP also respectfully requests that the Commission issue an order no later than July 1, 2019 accepting SPP’s compliance filings in this proceeding.

I. BACKGROUND

On December 3, 2018, SPP submitted revisions to modify its Open Access Transmission Tariff (“Tariff”)¹ to comply with Order No. 841’s² requirements to remove barriers to the participation of electric storage resources in the capacity, energy, and ancillary markets operated by Regional Transmission Organizations (“RTO”) and Independent System Operators (“ISO”).³ SPP requested a final order from the

¹ Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1.

² *Electric Storage Participation in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Order No. 841, 162 FERC ¶ 61,127 (2018) (“Order No. 841”).

³ Order No. 841 Compliance Filing of Southwest Power Pool, Inc., Docket No. ER19-460-000 (December 3, 2018) (“December Filing”).

Commission by March 1, 2019 and an effective date of December 1, 2019 for the December Filing.⁴

SPP submitted the December Filing to incorporate language into the Tariff to comply with the requirements of the Commission's Order No. 841. The revisions removed barriers to the participation of electric storage resources in SPP's Integrated Marketplace, as required by Order No. 841.⁵ The Tariff revisions necessary to comply with Order No. 841 included changes to numerous sections of the Tariff.

The changes ordered by the Commission required "each RTO/ISO to have tariff provisions providing a participation model for electric storage resources that accounts for the physical and operational characteristics of electric storage resources through bidding parameters or other means."⁶ "[E]ach RTO/ISO must demonstrate how its proposed or existing tariff provisions account for the specific physical and operational characteristics of electric storage resources"⁷

The Commission provided the "flexibility to each RTO/ISO to determine whether it is mandatory for resources using the participation model for electric storage resources to submit information regarding their physical and operational characteristics, or whether resources using the participation model for electric storage resources should be allowed to submit such information at their discretion."⁸ Each RTO/ISO "must permit a resource using the participation model for electric storage resources to submit those bidding parameters in both the day-ahead and the real-time markets."⁹

On December 4, 2018, Advanced Energy Economy, American Wind Energy Association, Solar Energy Industries Association, Solar RTO Coalition, and The Wind Coalition filed a motion requesting a 45-day extension of the comment period.¹⁰ Also

⁴ This nine month lead time between the final order and the effective date is necessary to accommodate software design, testing, and implementation as well as internal and external training.

⁵ Order No. 841 at P 19.

⁶ Order No. 841 at P 191.

⁷ Order No. 841 at P 191.

⁸ Order No. 841 at P 192.

⁹ Order No. 841 at P 193.

¹⁰ Motion to Extend Comment Deadlines and to Shorten Answer Period of Advanced Energy Economy, et al., Docket Nos. ER19-460-000, et al. (December 4, 2018).

on December 4, 2018, the Energy Storage Association filed a motion requesting a 45-day extension of the comment period.¹¹ On December 7, 2018, SPP filed an answer in opposition to the motions for a 45-day extension of the comment period.¹² In the SPP Answer, SPP explained it had asked that the Commission issue an order on the December Filing by March 1, 2019.¹³ Therefore, SPP requested that the motions for a 45-day extension of the comment period be denied. On December 14, 2018, the Commission issued a Notice of Extension of Time, extending the comment period to February 7, 2019.¹⁴

SPP filed an Amended Order No. 841 Compliance Filing on February 6, 2019 to modify several sections of the Tariff that were inadvertently left out of the December Filing.¹⁵

II. REQUEST FOR DEFERRAL OF EFFECTIVE DATE AND ORDER

Subsequent to the submission of the February Filing, SPP learned that the new Settlement Management System (“SMS”), upon which Order No. 841 changes must be built, will not go live on May 1, 2019 as had been expected.¹⁶ The SMS is now expected

¹¹ Motion by the Energy Storage Association to Extend Comment Deadlines and to Shorten Answer Period, Docket No. ER19-460-000 (December 4, 2018).

¹² Southwest Power Pool, Inc.’s Opposition to Motions for 45-Day Extension, Docket No. ER19-460-000 (December 7, 2018) (“SPP Answer”).

¹³ SPP Answer at 2.

¹⁴ *Southwest Power Pool, Inc., et al.*, Notice of Extension of Time, Docket Nos. ER19-460-000, et al. (December 14, 2018).

¹⁵ Amended Order No. 841 Compliance Filing of Southwest Power Pool, Inc., Docket No. ER19-460-001 (February 6, 2019) (“February Filing”).

¹⁶ The current Settlement System solution includes two separate GE systems, ETSE 3.0.9 Market Settlement System (implemented in 2014), and ETS 2.5 Transmission Settlement System (implemented in 2009). These systems, operating independently of each other, have experienced performance and stability issues.

The SMS will replace the current systems with a single, high performance, scalable system which will provide greater flexibility to respond to SPP initiatives and member requests. The new SMS solution will be brought in house and supported by internal SPP staff which will improve the response time for enhancements and reduce costs to the region for settlement activities.

to go live in the fourth quarter of 2019. SPP cannot begin work on much of the underlying software necessary to effectuate the changes required by Order No. 841 until after the SMS goes live.

These changes will take a number of months to complete once the SMS has gone live. At this point, SPP expects that the software changes will be completed between six and twelve months after the new settlement system goes live. Shortly after the SMS goes live, SPP will have a much clearer picture of when the software will be completed.

SPP is submitting this filing to request a deferral of the effective date and to request a new order date. SPP requests that the Commission issue an order on SPP's compliance filing as soon as practicable but not later than July 1, 2019. In light of the facts that the exact date of Commission action on this filing is unclear at this time and that SPP will need a number of months to build, test, and implement the necessary software on top of the SMS, SPP is requesting an effective date of "12/31/9998"¹⁷ for the Tariff Records submitted in Docket Nos. ER19-460-000 and ER19-460-001.¹⁸ SPP commits to submit a filing with the Commission specifying a precise effective date at a later time. Upon Commission acceptance of SPP's compliance filing and the completion of the SMS, SPP will work as quickly as practicable to technologically implement the necessary revisions.

III. SERVICE

SPP has served a copy of this filing on all individuals listed on the service list compiled by the Commission's secretary in this proceeding, as well as SPP Members, Transmission Customers, and Market Participants and all affected state commissions. A complete copy of this filing will be posted on the SPP web site, www.spp.org.

Due to the complexity of migrating two settlements systems into a single fully automated system, the SMS has encountered development delays. These delays have negatively affected the testing required to ensure complete functionality of the new system. Current expectation is that the SMS will go live on December 11, 2019.

¹⁷ See, e.g., Implementation Guide for Electronic Filing of Parts 35, 154, 284, 300, and 341 Tariff Filings at 10 (Nov. 14, 2016) ("If the effective date is not known at the time of the filing, such as the effective date is contingent on FERC approval . . . the date of 12/31/9998 must be used.").

¹⁸ A list of Tariff Records is included as Attachment A to this filing.

The Honorable Kimberly D. Bose

February 28, 2019

Page 5

IV. CONCLUSION

SPP respectfully requests that the Commission issue a final order by July 1, 2019 accepting the December Filing and February Filing. SPP commits to submit a filing specifying a precise effective date as soon as practicable, but not later than 60 days before the actual effective date of the Tariff provisions.

Respectfully submitted,

/s/ Christopher M. Nolen

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Attachment A

Tariff Records Submitted in ER19-460

Southwest Power Pool, Inc., - Open Access Transmission Tariff, Sixth Revised Volume
No. 1

Tariff Record Title	Docket No.
1 Definitions E	ER19-460-000
1 Definitions M	ER19-460-000
13.7 Classification of Firm Transmission Service	ER19-460-000
14.5 Classification of Non-Firm Point-To-Point Trans...	ER19-460-000
Attachment AE Integrated Marketplace	ER19-460-000
Attachment AE (MPL) Section 1.1 A	ER19-460-000
Attachment AE (MPL) Section 1.1 C	ER19-460-000
Attachment AE (MPL) Section 1.1 D	ER19-460-000
Attachment AE (MPL) Section 1.1 E	ER19-460-000
Attachment AE (MPL) Section 1.1 M	ER19-460-000
Attachment AE (MPL) Section 1.1 N	ER19-460-000
Attachment AE (MPL) Section 1.1 R	ER19-460-000
Attachment AE (MPL) Section 1.1 S	ER19-460-000
Attachment AE (MPL) Section 1.1 T	ER19-460-000
Attachment AE (MPL) Section 2.2	ER19-460-000
Attachment AE (MPL) Section 2.8	ER19-460-000

Tariff Record Title	Docket No.
Attachment AE (MPL) Section 2.8.1	ER19-460-000
Attachment AE (MPL) Section 2.8.2	ER19-460-000
Attachment AE (MPL) Section 2.8.3	ER19-460-000
Attachment AE (MPL) Section 2.11.1	ER19-460-001
Attachment AE (MPL) Section 2.11.2 ¹⁹	ER19-460-000 and ER19-460-001
Attachment AE (MPL) Section 2.12	ER19-460-000
Attachment AE (MPL) Section 2.17	ER19-460-000
Attachment AE (MPL) Section 4.1	ER19-460-000
Attachment AE (MPL) Section 4.5.2	ER19-460-001
Attachment AE (MPL) Section 5.1.2	ER19-460-000 and ER19-460-001
Attachment AE (MPL) Section 5.2.2	ER19-460-000
Attachment AE (MPL) Section 5.2.3	ER19-460-000
Attachment AE (MPL) Section 6.1.2	ER19-460-000 and ER19-460-001
Attachment AE (MPL) Section 6.1.3	ER19-460-001
Attachment AE (MPL) Section 6.2.1	ER19-460-000 and ER19-460-001

¹⁹ Due to an administrative error, this Tariff Record was mistakenly changed from Attachment AE (MPL) Section 2.11.2 to Attachment AE (MPL) Section 2.11.1 in Docket No. ER19-460-000. SPP submitted a correction to the metadata in Docket No. ER19-460-001 to correct this Tariff Record to reflect the title as Attachment AE (MPL) Section 2.11.2.

Tariff Record Title	Docket No.
Attachment AE (MPL) Section 6.2.2	ER19-460-001
Attachment AE (MPL) Section 6.4.1	ER19-460-000
Attachment AE (MPL) Section 8.1	ER19-460-000
Attachment AE (MPL) Section 8.3.4	ER19-460-001
Attachment AE (MPL) Section 8.5.1	ER19-460-000
Attachment AE (MPL) Section 8.5.9	ER19-460-000
Attachment AE (MPL) Section 8.5.10	ER19-460-000
Attachment AE (MPL) Section 8.5.21	ER19-460-000
Attachment AE (MPL) Section 8.5.22	ER19-460-000
Attachment AE (MPL) Section 8.5.23	ER19-460-000
Attachment AE (MPL) Section 8.5.25	ER19-460-000
Attachment AE (MPL) Section 8.6.1	ER19-460-000
Attachment AE (MPL) Section 8.6.5	ER19-460-000
Attachment AE (MPL) Section 8.6.6	ER19-460-000
Attachment AE (MPL) Section 8.6.7	ER19-460-000
Attachment AE (MPL) Section 8.6.15	ER19-460-000
Attachment AE (MPL) Section 8.6.16	ER19-460-000
Attachment AE (MPL) Section 8.6.22	ER19-460-000
Attachment AF Section 3	ER19-460-000

Tariff Record Title	Docket No.
Attachment AG Section 4	ER19-460-000

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 Little Rock, Arkansas, this 28th day of February, 2019.

/s/ Michelle Harris
Michelle Harris