

166 FERC ¶ 61,209
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;
Cheryl A. LaFleur, Richard Glick,
and Bernard L. McNamee.

Southwest Power Pool, Inc.

Docket Nos. ER18-2318-000
ER18-2318-001

ORDER ON COMPLIANCE

(Issued March 21, 2019)

1. On August 27, 2018, as amended December 10, 2018, Southwest Power Pool, Inc. (SPP) submitted, in response to the Commission's directive issued pursuant to section 206 of the Federal Power Act (FPA),¹ revisions to its Open Access Transmission Tariff (Tariff)² to comply with the requirements of Order No. 844.³ In this order, we accept in part and reject in part SPP's compliance filing, effective January 1, 2019,⁴ and direct SPP to submit a further compliance filing within 30 days of the date of this order, as discussed below.

I. Background

2. Order No. 844 is a component of the Commission's effort to improve price formation in regional transmission organizations (RTO) and independent system operators (ISO). In Order No. 844, the Commission concluded that the existing

¹ 16 U.S.C. 824e (2012).

² Southwest Power Pool, Inc., FERC Electric Tariff, Open Access Transmission Tariff, Sixth Revised Volume No. 1.

³ *Uplift Cost Allocation and Transparency in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Order No. 844, 163 FERC ¶ 61,041 (2018).

⁴ SPP requested a January 1, 2019 effective date for all of Order No. 844's requirements. In light of the revisions required in this order on compliance, if SPP is unable to meet a given requirement as of January 1, 2019 it may propose a new effective date for that requirement on further compliance.

RTO/ISO practices of reporting uplift, operator-initiated commitments, and transmission constraint penalty factors are insufficiently transparent, resulting in rates that are unjust and unreasonable. In Order No. 844, the Commission found that no RTO/ISO currently reports uplift on a resource-specific basis, some do not report uplift by zone, and some do not report in a machine-readable format. Additionally, the Commission found reporting on operator-initiated commitments is insufficient because some RTOs/ISOs do not report the reasons for these commitments, the zones in which the commitments are made, or information about the size of the system needs for which resources are committed. The Commission also found that some RTOs/ISOs do not include transmission constraint penalty factor values in their tariffs, and most do not include practices related to the use of transmission constraint penalty factors and the procedures for their modification in their tariffs. Order No. 844 was issued to remedy these deficiencies.⁵

3. In Order No. 844, the Commission directed each RTO/ISO to establish in its tariff the following three requirements related to uplift and operator-initiated commitment reporting and one requirement related to transmission constraint penalty factors, which are described in more detail below. First, each RTO/ISO must post a monthly Zonal Uplift Report of all uplift, paid in dollars, and categorized by transmission zone, day, and uplift category. Second, each RTO/ISO must post a monthly Resource-Specific Uplift Report containing the resource name and total amount of uplift paid in dollars, aggregated across the month, to each resource that received uplift payments. Third, each RTO/ISO must post a monthly Operator-Initiated Commitment Report listing the commitment size, transmission zone, commitment reason, and commitment start time of each operator-initiated commitment.⁶ Further, each RTO/ISO must follow the Transmission Constraint Penalty Factor requirements to include, in its tariff, its transmission constraint penalty factor values; the circumstances, if any, under which the transmission constraint penalty factors can set locational marginal prices (LMP); and the procedures, if any, for temporarily changing the transmission constraint penalty factor values. Any procedures for temporarily changing transmission constraint penalty factor values must provide for notice of the change to market participants as soon as practicable.⁷

II. Notice of Filing and Responsive Pleadings

4. Notice of SPP's filing was published in the *Federal Register*, 83 Fed. Reg. 44,617 (2018), with interventions and protests due on or before September 17, 2018. Timely

⁵ *Id.* PP 21-22, 27.

⁶ *Id.* PP 30-33.

⁷ *Id.* P 34.

motions to intervene were filed by Mid-Kansas Electric Company, Inc., Sunflower Electric Power Corporation, and Western Farmers Electric Cooperative.

5. On November 9, 2018, Commission staff issued a deficiency letter advising SPP that its August 27, 2018 filing was deficient. On December 10, 2018, in Docket No. ER18-2318-001, SPP submitted a response to the deficiency letter. Notice of the deficiency response was published in the *Federal Register*, 83 Fed. Reg. 64,572 (2018), with interventions and protests due on or before December 31, 2018. None was filed.

III. Discussion

A. Procedural Matters

6. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2018), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

B. Substantive Matters

7. As discussed below, we accept in part and reject in part SPP's compliance filing and direct SPP to make a further compliance filing within 30 days of the date of this order.

1. Zonal Uplift Report

8. In Order No. 844, the Commission required that each RTO/ISO post reports on the total daily uplift payments in dollars paid to the resources in each transmission zone by category, day, and transmission zone within 20 calendar days of each month on a publicly-accessible portion of its website in a machine-readable format.⁸

9. The transmission zone, for the purposes of the Zonal Uplift Report, should be defined as a geographic area that is used for the local allocation of charges, such as a load zone that is used to settle charges for energy.⁹ The Commission stated that RTOs/ISOs can aggregate transmission zones containing fewer than four resources with one or more neighboring zones in such a manner that all aggregated zones have at least four resources.¹⁰ The Commission clarified that any aggregation of zones should be based on

⁸ *Id.* PP 31, 36, 50, 60-62.

⁹ *Id.* P 52.

¹⁰ The Commission acknowledged that RTOs/ISOs may have multiple existing types of zones that could meet the definition. *Id.* P 58.

the number of resources located in the zone rather than the number of resources in the zone that receive uplift payments in a given reporting period.¹¹ The Commission also clarified that, for the purpose of zonal aggregation, the term “resource” refers to an entire generating facility and not each individual unit within a plant.¹²

10. The Commission required that, on compliance, each RTO/ISO include in its tariff the type of zone that it proposes to use in its Zonal Uplift Report and explain how the chosen type of zone meets the definition of transmission zone provided in the Final Rule, as well as explain any proposal to aggregate transmission zones.¹³ The Commission emphasized that each RTO/ISO should propose transmission zones that provide an appropriate level of geographic granularity.¹⁴ The Commission reiterated that it expected uplift categories to be based on uplift charge codes, and clarified that the term “charge codes” refers to individual charges for settlement purposes.¹⁵ The Commission also stated it would consider compliance proposals with longer timelines if an RTO/ISO demonstrates that the 20-day deadline provides insufficient time for an RTO/ISO to compile the report given its existing uplift settlement and reporting timelines.¹⁶

a. Compliance Filing

11. SPP proposes a new section 3.11.1 to Attachment AE, which specifies that within 20 days of the end of each a month it will compile and post a report of make whole payments, paid in dollars, and categorized by Settlement Area¹⁷ and make whole payment category.¹⁸ SPP states that if a Settlement Area has fewer than four resources, it may be aggregated with one or more neighboring Settlement Areas and reported

¹¹ *Id.* P 56.

¹² *Id.* P 57.

¹³ *Id.* P 59.

¹⁴ *Id.*

¹⁵ *Id.* P 60.

¹⁶ *Id.* P 61.

¹⁷ SPP defines “Settlement Area” as “[a] geographic area within an SPP BA Participant Area, as defined under Att. AN, for which transmission interval metering can account for the net area load.” *See* SPP Tariff, Attachment AE.

¹⁸ SPP Transmittal at 4.

collectively. In its transmittal letter, SPP explains that the Zonal Uplift Report will be broken out by day.¹⁹

b. Deficiency Letter and Response

12. In its deficiency letter, Commission staff asked SPP to provide a list of the uplift payment categories SPP intends to report.²⁰ In its deficiency response, SPP states that it intends to report the following: Day-Ahead Make Whole Payment Amount;²¹ Reliability Unit Commitment Make Whole Payment Amount;²² Real-Time Out-of-Merit Amount;²³ Real-Time Regulation Service Deployment Adjustment Amount;²⁴ Unused Regulation-Up Mileage Make Whole Payment Amount;²⁵ Unused Regulation-Down Mileage Make Whole Payment Amount;²⁶ and Real-Time Reserve Sharing Group Amount.²⁷ SPP also confirms that it will report each of these settlement types by charge code. In addition, Commission staff asked SPP to confirm that it will include in its Zonal Uplift Report all charge codes that fall under the Commission's definition of uplift.²⁸ SPP states that it does not plan to exclude any out-of-market charge codes from its Zonal Uplift Report.²⁹ SPP further notes that the phrase "make whole payment category" may not encompass

¹⁹ *Id.*

²⁰ Deficiency Letter at 2.

²¹ Deficiency Response at 5 (citing Proposed SPP Tariff, Attachment AE, section 8.5.9).

²² *Id.* (citing Proposed SPP Tariff, Attachment AE, section 8.6.5).

²³ *Id.* (citing Proposed SPP Tariff, Attachment AE, section 8.6.6).

²⁴ *Id.* (citing Proposed SPP Tariff, Attachment AE, section 8.6.15).

²⁵ *Id.* (citing Proposed SPP Tariff, Attachment AE, section 8.6.19).

²⁶ *Id.* (citing Proposed SPP Tariff, Attachment AE, section 8.6.20).

²⁷ *Id.* (citing Proposed SPP Tariff, Attachment AE, section 8.6.17).

²⁸ Deficiency Letter at 2-3.

²⁹ Deficiency Response at 6.

the universe of uplift payments included in the Zonal Uplift Report, and states it will not use that term.³⁰

13. Commission staff also asked SPP to clarify how reporting by Settlement Area in the Zonal Uplift Report meets the definition of transmission zone and provides an appropriate level of geographic granularity, as required by Order No. 844. SPP explains that its 18 proposed Settlement Areas generally correspond to the original Balancing Authorities in the SPP footprint prior to SPP becoming the Balancing Authority for the entire SPP footprint at the start of the SPP Integrated Marketplace³¹ in 2014.

c. Determination on Zonal Uplift Report

14. We find that SPP's proposed Tariff revisions related to the Zonal Uplift Report partially comply with the requirements of Order No. 844. Specifically, proposed section 3.11.1 to Attachment AE specifies that within 20 days of the end of each month SPP will compile and post a report of make whole payments, paid in dollars, and categorized by Settlement Area and make whole payment category. We further accept SPP's proposal to divide the Zonal Uplift Report by Settlement Area, as we find that Settlement Area conforms to the Commission's definition of "transmission zone" and provides an appropriate level of geographic granularity.

15. However, although in its deficiency response SPP lists the uplift categories it plans to report, SPP's proposed Tariff language does not specify what uplift categories it will report, and thus does not reflect all the uplift that SPP intends to report in compliance with Order No. 844. Nor does SPP's proposed Tariff language state that the report will be broken out by day, despite SPP's statement in its transmittal letter. Accordingly, we direct SPP to make a compliance filing within 30 days of the date of this order to revise its Tariff language to include the types of uplift that it will report, and to state that the report will be broken out by day.

2. Resource-Specific Uplift Report

16. In Order No. 844, the Commission required that each RTO/ISO post a monthly report containing the resource name and total amount of uplift paid in dollars, aggregated across the month, to each resource that received uplift payments, 90 calendar days

³⁰ *Id.* at 5.

³¹ SPP administers the Integrated Marketplace, which is a centralized day-ahead and real-time energy and operating reserve market with locational marginal pricing and market-based congestion management. The terms and conditions of the Integrated Marketplace are set forth in Attachment AE of the Tariff.

following the end of the reporting month on a publicly-accessible portion of its website in a machine-readable format.³² The Commission stated that each RTO/ISO must indicate on compliance if it chooses to include uplift categories or other information in the Resource-Specific Uplift Report.³³ Finally, the Commission stated that an RTO/ISO may propose on compliance more timely reporting than 90 days if it can demonstrate that doing so will not risk revealing resources' cost or offer information.³⁴

a. Compliance Filing

17. SPP proposes a new section 3.11.2 to Attachment AE, which specifies that within 90 days of the end of the month, it will compile and post a report of the total amount of make whole payments in dollars aggregated across the month by resource.³⁵

b. Deficiency Letter and Response

18. In its deficiency letter, Commission staff requested information on what types of uplift SPP plans to include in the Resource-Specific Uplift Report.³⁶ In its deficiency response, SPP responds that it intends to include the same uplift payment types that it will include in the Zonal Uplift Report.³⁷

c. Determination on Resource-Specific Uplift Report

19. We find that SPP's proposed Tariff revisions related to the Resource-Specific Uplift Report partially comply with the requirements of Order No. 844. However, SPP's proposed Tariff language does not specify what uplift categories will be included in the report, and thus does not reflect all the uplift that SPP intends to report in compliance with Order No. 844. Accordingly, we direct SPP to make a compliance filing within 30 days of the date of this order to revise its Tariff to include the uplift categories that will be included in the Resource-Specific Uplift Report.

³² Order No. 844, 163 FERC ¶ 61,041 at PP 32, 74, 79.

³³ *Id.* P 82.

³⁴ *Id.* PP 76-77.

³⁵ SPP Transmittal at 4.

³⁶ Deficiency Letter at 2.

³⁷ Deficiency Response at 6.

3. Operator-Initiated Commitment Report

20. In Order No. 844, the Commission required that each RTO/ISO post on a publicly-accessible part of its website in machine-readable format all operator-initiated commitments, including the commitment size, transmission zone, commitment reason, and commitment start time, no later than 30 days after the end of the month.³⁸

21. The definition of an operator-initiated commitment is a commitment after the day-ahead market, whether manual or automated, for a reason other than minimizing the total production costs of serving load.³⁹ The Commission required that, on compliance, each RTO/ISO indicate, for each commitment process (whether automated or manual) that it executes after the day-ahead market, whether the definition of operator-initiated commitments implicates some or all commitments from the process and justify any commitments that it does not plan to report.⁴⁰

22. The Commission stated that RTOs/ISOs should report commitment size using the upper economic operating limit (i.e., economic maximum) of the committed resource, but noted that, on compliance, RTOs/ISOs may propose an alternative metric and must demonstrate that it provides transparency into the size of the system need associated with the operator-initiated commitment that is consistent with or superior to that provided by the economic maximum of each committed resource.⁴¹ For the purposes of the Operator-Initiated Commitment Report, the Commission defined transmission zone as a geographic area that is used for the local allocation of charges.⁴² The Commission also stated that, on compliance, each RTO/ISO must include in its tariff the type of zone that it proposes to use in its Operator-Initiated Commitment Report, explain how the chosen type of zone meets the definition of transmission zone, and provide justification for any differences between the sets of zones used for the Zonal Uplift Report and the Operator-Initiated Commitment Report.⁴³ The Commission also required that commitment reasons include, at a minimum, system-wide capacity, constraint management, and voltage

³⁸ Order No. 844, 163 FERC ¶ 61,041 at PP 33, 99, 102, 105.

³⁹ *Id.* P 100.

⁴⁰ *Id.* P 101.

⁴¹ *Id.* P 103.

⁴² *Id.* P 104.

⁴³ *Id.*

support, but also allowed RTOs/ISOs to include additional or more detailed commitment reasons.⁴⁴

23. The Commission clarified that resource names or specific constraints are not required for the Operator-Initiated Commitment Report, but that each RTO/ISO may report more information about operator-initiated commitments or other operator actions.⁴⁵ The Commission also clarified that, on compliance, each RTO/ISO may propose modifications to the report to avoid disclosing information that could be used to harm system security.⁴⁶

a. Compliance Filing

24. SPP proposes a new section 3.11.3 to Attachment AE, which specifies that within 30 days of the end of each a month, it will compile and post a report of each operator-initiated commitment, listing the size of the commitment, Settlement Area, commitment reason, and commitment start time.⁴⁷

25. SPP states that it has nine commitment processes that execute after the Day-Ahead Market.⁴⁸ Of those, SPP states that it plans to report the following: Manual Extension/Early Start; Transmission Purposes; Local Reasons; and Quick-Start Tool commitments. SPP states that commitments made by the Day-Ahead Market, Day-Ahead Reliability Unit Commitment, Short-Term Reliability Unit Commitment, and Intra-Day Reliability Unit Commitment processes will not be reported, and contends these commitments are made by an economic clearing engine that is evaluating resource commitments for the purpose of lowering the overall production cost in the SPP Integrated Marketplace. SPP further states it does not intend to report Staggering Unit Offline/Online commitments, contending these commitments are short extensions, generally between 10 and 15 minutes, made to the original commitment to minimize the impacts to the Transmission System of large quantities of generation ramping on or off at the same time.⁴⁹

⁴⁴ *Id.* P 105.

⁴⁵ *Id.* PP 106, 108.

⁴⁶ *Id.* P 107.

⁴⁷ SPP Transmittal at 4-5.

⁴⁸ *Id.* at 5.

⁴⁹ *Id.* at 5-6.

b. Deficiency Letter and Response

26. In its deficiency letter, Commission staff requested information from SPP on how it intended to report the size of the commitments in its report.⁵⁰ In its deficiency response, SPP states that it intends to use the economic minimum of the committed resource, averaged over the commitment period to account for potential hour-to-hour differences between the resource's economic minimums.⁵¹ SPP notes that the majority of the commitments that it plans to include in its report are made at the economic minimum.

27. SPP further clarifies that, for external consumption, it intends to report each of its commitments as system-wide capacity, constraint management, or voltage support, the three commitment reasons specified in Order No. 844.⁵²

c. Determination on Operator-Initiated Commitment Report

28. We find that SPP's proposed Tariff revisions related to the Operator-Initiated Commitment Report partially comply with the requirements of Order No. 844, and direct SPP to submit a compliance filing as detailed below.

29. We find that SPP's proposal to include Manual Extension/Early Start, Transmission Purposes, Local Reasons, and Quick-Start Tool commitments in its Operator-Initiated Commitment Report complies with the directives of Order No. 844, and therefore accept it. We further accept SPP's proposal to not include Staggering Unit Offline/Online commitments. Excluding this type of commitment is reasonable given the incongruence between day-ahead scheduling, which occurs on an hourly basis, and real-time reliability decisions made by operators to address short-term reliability issues.

30. However, we find that SPP's proposal does not comply with the requirements in Order No. 844 that directed RTOs/ISOs to include in their Operator-Initiated Commitment Report all commitments made for a reason other than to "minimize the total production cost of serving load."⁵³ SPP contends that the Reliability Unit Commitment processes minimize total production costs, but has not shown that to be the case. Instead, the SPP Tariff and Market Protocols (Protocols) make clear that the Reliability Unit

⁵⁰ Deficiency Letter at 3-4.

⁵¹ Deficiency Response at 7-8.

⁵² *Id.* at 8.

⁵³ Order No. 844, 163 FERC ¶ 61,041 at P 100.

Commitment processes minimize total commitment costs,⁵⁴ which are only a subset of total system production costs. In other words, these processes result in commitments made for reasons other than to minimize total system production costs. Thus, commitments made under these processes must be included in the report in order to comply with Order No. 844. Accordingly, we direct SPP to make a compliance filing within 30 days of the date of this order to revise its Tariff to include commitments made under its Day-Ahead Reliability Unit Commitment, Short-Term Reliability Unit Commitment, and Intra-Day Reliability Unit Commitment processes in its Operator-Initiated Commitment Report.

31. Further, SPP proposes to use a committed resource's economic minimum as an alternative measure to report the size of the commitment rather than the economic maximum of the committed resource. SPP reasons that this more accurately reflects the size of the commitment, because it is likely that the operator-initiated commitments that SPP proposes to report will be committed at or near their economic minimums. However, as noted above, we are directing SPP to also include in its Operator-Initiated Commitment Report commitments made under its Day-Ahead Reliability Unit Commitment, Short-Term Reliability Unit Commitment, and Intra-Day Reliability Unit Commitment processes. Given that the set of commitments SPP must report differs from SPP's proposal on compliance, we direct SPP to explain how the use of economic minimum provides transparency into the size of the system need associated with the operator-initiated commitment that is consistent with or superior to that provided by the economic maximum of each committed resource,⁵⁵ or propose and justify an alternative metric. Regardless of the metric, we clarify that SPP should use only one type of metric in the report. Doing so should avoid any potential confusion that may result from listing some commitments by economic minimum and other commitments by some other metric, such as economic maximum. Finally, we find that SPP's proposal to average the economic minimum across the commitment period does not comply with the requirements of Order No. 844. We find that averaging the commitment size obscures the capacity that the system operator concluded was required to address a system need at the time of the commitment. Therefore, this provides less transparency into the size and timing of a system need, reducing market participants' ability to understand the connection between system needs and operator-initiated commitments.

⁵⁴ See SPP Tariff, Attachment AE, sections 5.2.2, 6.1.2. See also Protocols, sections 4.3.2.2, 4.4.1.2.

⁵⁵ Order No. 844, 163 FERC ¶ 61,041 at P 103.

4. Transmission Constraint Penalty Factors

32. In Order No. 844, the Commission required that each RTO/ISO include in its tariff on an on-going basis: (1) the transmission constraint penalty factor values used in its market software;⁵⁶ (2) the circumstances, if any, under which the transmission constraint penalty factors can set LMPs;⁵⁷ and (3) the procedures, if any, for temporarily changing transmission constraint penalty factor values. Any procedures for temporarily changing transmission constraint penalty factor values must provide for notice of the change to market participants as soon as practicable.⁵⁸

33. The Commission clarified that RTOs/ISOs are not required to have procedures to temporarily change their transmission constraint penalty factor values, but rather, if an RTO/ISO currently can temporarily override transmission constraint penalty factor values, the circumstances under which the factors may be changed and any procedures for doing so must be included in the RTO/ISO tariff.⁵⁹ The Commission stated that RTOs/ISOs may propose any changes they deem appropriate to their current transmission constraint penalty factor practices in a separate filing pursuant to section 205 of the FPA.

a. Compliance Filing

34. SPP states that it currently complies with the Commission's requirement to report the transmission constraint penalty factors used in its market software, and points to Addendum 1 to Attachment AE, a table that lists the constraint types, descriptions, and values in \$/MW.⁶⁰ To comply with the requirement that its Tariff include the circumstances under which transmission constraint penalty factors can be changed, SPP

⁵⁶ If the RTO/ISO includes different transmission constraint penalty factors for different purposes (e.g., unit commitment and economic dispatch, day-ahead versus real-time), the Commission required that all sets of transmission constraint penalty factors be included in the tariff. *Id.* n.250.

⁵⁷ "RTOs/ISOs should provide explanations in their tariffs if they have different processes for allowing transmission constraint penalty factors to set LMPs in different circumstances, as well as any specific restrictions or conditions under which transmission constraint penalty factors are allowed to set LMPs." *See id.* n.251.

⁵⁸ *Id.* P 121.

⁵⁹ *Id.* P 122.

⁶⁰ SPP Transmittal at 6.

points to section 8.3.2 of Attachment AE, which outlines when the values can determine LMPs.

35. To comply with the requirement that its Tariff include any procedures for temporarily changing transmission constraint penalty factor values, SPP proposes to add section 8.3.3.1 to Attachment AE.⁶¹ This proposed section specifies that by August 1 of each year, SPP will produce a report with supporting documentation that will analyze the effectiveness of its transmission constraint penalty factors and associated values on reliability and price. Further, the proposed Tariff language specifies that by November 1 of each year, any changes to the transmission constraint penalty factors or their associated values must be approved for filing by the SPP Board of Directors and then filed with the Commission.⁶² In addition, the most recent Commission-approved transmission constraint penalty factors and their associated values will be posted to SPP's OASIS website in addition to their place in the Tariff.⁶³

b. Determination on Transmission Constraint Penalty Factor Revisions

36. We find that SPP's proposed Tariff revisions related to Transmission Constraint Penalty Factors partially comply with the requirements of Order No. 844. We find that SPP's Tariff already complies with the first two of the Commission's directives regarding transmission constraint penalty factors. Namely, SPP already includes the transmission constraint penalty factors and the conditions by which they set LMPs in its Tariff. We also find that SPP's addition of section 8.3.3.1 to Attachment AE complies with the requirements of Order No. 844.⁶⁴ We note that SPP already prepares a report on its transmission constraint penalty factors each year, which includes recommendations for whether or not they should be changed; thus its addition to the Tariff merely codifies an existing practice.

⁶¹ *Id.*

⁶² *Id.* at 6-7.

⁶³ *Id.* at 7 (citing Proposed SPP Tariff, Attachment AE, section 8.3.3.1).

⁶⁴ Order No. 844 requires changes to current transmission penalty factor practices to be filed under a separate section 205 filing, but does not preclude a RTO/ISO from filing current transmission constraint penalty factors and associated current practices in its Tariff beyond those explicitly required. *See* Order No. 844, 163 FERC ¶ 61,041 at PP 121-22.

37. However, we find that SPP's proposed Tariff revisions do not comply with the requirement of Order No. 844 that the Tariff enumerate the procedures, if any, by which transmission constraint penalty factors may be *temporarily* changed. While SPP conducts an annual review to consider changes to its transmission constraint penalty factor values, that annual process does not address the temporary, potentially intraday changes, to those values which this element of the rule addresses. Accordingly, we direct SPP to make a compliance filing within 30 days of the date of this order to clarify whether it temporarily changes its transmission constraint penalty factors⁶⁵ and, if so, to revise its Tariff to include the procedures for temporarily changing those values and SPP's intention to provide notice to market participants as soon as practicable, thus ensuring compliance with Order No. 844.

The Commission orders:

(A) SPP's compliance filing is hereby accepted in part and rejected in part, as discussed in the body of this order.

(B) SPP is hereby directed to submit a further compliance filing within 30 days of the date of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁶⁵ In Order No. 844, the Commission did not require RTOs/ISOs to have procedures to temporarily change their transmission constraint penalty factors. *Id.* P 122.