

169 FERC ¶ 61,111
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Southwest Power Pool, Inc.

Docket No. ER19-2681-000

ORDER ACCEPTING TARIFF REVISIONS

(Issued November 21, 2019)

1. On August 26, 2019, Southwest Power Pool, Inc. (SPP) submitted, pursuant to section 205 of the Federal Power Act (FPA)¹ and section 35.13 of the Commission's regulations,² revisions to Attachment AE (Integrated Marketplace) of its Open Access Transmission Tariff (Tariff) to modify the time it posts the Day-Ahead Market results and the time when it begins the Day-Ahead Reliability Unit Commitment (RUC) process. SPP requests a placeholder effective date to allow it time to develop the software changes necessary to implement the proposed Tariff revisions. We accept the proposed Tariff revisions, as requested. We also direct SPP to submit an informational filing no less than 30 days prior to the date the proposed Tariff revisions are implemented in its software, as discussed below.

I. Background

2. On March 20, 2014, the Commission instituted proceedings under section 206 of the FPA³ to ensure that Regional Transmission Organization's (RTO) and Independent System Operator's (ISO) day-ahead scheduling practices correlated with revisions to the natural gas scheduling practices that the Commission ultimately adopted in Order No. 809.⁴ Specifically, in the Show Cause Order, the Commission required each

¹ 16 U.S.C. § 824d (2018).

² 18 C.F.R. § 35.13 (2019).

³ 16 U.S.C. § 824e. *See Cal. Indep. Sys. Operator Corp.*, 146 FERC ¶ 61,202 (2014) (Show Cause Order).

⁴ *Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities*, Order No. 809, 151 FERC ¶ 61,049 (2015), *order on clarification*, 152 FERC ¶ 61,095, *order on reh'g*, 152 FERC ¶ 61,212 (2015).

RTO/ISO to: (1) make a filing that proposes tariff changes to adjust the time at which the results of its day-ahead energy market and RUC process are posted to a time that is sufficiently in advance of the Timely and Evening Nomination Cycles, respectively; or (2) show cause why such changes were not necessary.⁵ Subsequently, on April 15, 2015, the Commission issued Order No. 809, which changed the nationwide Timely Nomination Cycle nomination deadline for scheduling natural gas transportation from 11:30 a.m. Central Clock Time (CCT) to 1:00 p.m. CCT.

3. On August 4, 2015, SPP submitted its filing in response to the Show Cause Order and to comply with Order No. 809. On December 17, 2015, the Commission accepted SPP's proposed Tariff revisions in its compliance filing and found that SPP had shown cause why it need not post its Day-Ahead Market results in advance of the Timely Nomination Cycle.⁶ The Commission found that SPP's system was characterized by extensive wind resources and that moving the Day-Ahead schedule earlier may result in SPP relying on stale forecast data which could reduce the accuracy of the Day-Ahead Market results.⁷ In addition, the Commission found that, because much of SPP's territory was located in a natural gas production area where pipeline infrastructure is robust, SPP had less risk of pipeline constraints.⁸

4. Although the Commission accepted SPP's compliance filing, the Commission stated that it is important for SPP continue its efforts to improve the coordination of gas and electric scheduling practices. The Commission directed SPP to submit annual informational reports in 2016, 2017, and 2018 on SPP's efforts to further improve gas-electric coordination, including efforts to improve Day-Ahead Market solve times, identifying whether any natural gas fired generators within SPP experienced operational challenges related to gas-electric coordination issues, and detailing any actions SPP undertook to mitigate such events.⁹ SPP submitted reports in each of those years.

⁵ *Id.* P 19.

⁶ *Sw. Power Pool, Inc.* 153 FERC ¶ 61,316, at PP 48-49 (2015) (2015 Compliance Order).

⁷ *Id.* PP 48-49.

⁸ *Id.* P 49.

⁹ *Id.* P 53.

II. SPP's Filing

5. In its current filing, SPP proposes to revise Attachment AE of its Tariff to modify: (1) the time it posts the Day-Ahead Market results from 2:00 p.m. to 1:00 p.m. CCT; and (2) the time it begins the Day-Ahead RUC process from approximately 2:45 p.m. CCT to the later of 1:45 p.m. CCT or 45 minutes following the posting of the Day-Ahead Market results.

6. Regarding the first proposed change, SPP states that, since the start of the Integrated Marketplace, it has identified and implemented enhancements to improve the Day-Ahead Market processing times. As a result, SPP explains, the total monthly average Day-Ahead Market processing time has recently decreased from four hours and thirty minutes to three hours and thirty minutes. Therefore, SPP states that it is now possible to move the Day-Ahead Market results posting to 1:00 p.m. CCT, which moves SPP closer to posting prior to the Timely Nomination Cycle.¹⁰

7. SPP notes that the Commission found, in the 2015 Compliance Order, that SPP had shown cause why its Day-Ahead Market results need not be posted before the Timely Nomination Cycle. SPP asserts that its footprint continues to have a robust natural gas pipeline infrastructure, along with a diverse resource mix on which SPP may rely on during rare occasions when gas supply issues arise. SPP explains that the proposed Tariff revisions will allow it to meet the varying lead times and methods of gas procurement in its footprint. SPP also states that its proposal will allow it to continue to benefit from the increased certainty in load and wind forecasts that comes with posting its Day-Ahead Market results later in the day. In addition, SPP states that, by posting the Day-Ahead Market results earlier, natural-gas fired generation resources will have additional time to procure natural gas and nominate transportation during the Evening Nomination Cycle in order to meet their obligations for the next gas day. SPP notes that, on days when its software solve time is shorter, the proposed Tariff revisions will allow it to post the Day-Ahead Market results prior to the Timely Nomination Cycle (i.e., prior to 1:00 p.m. CCT).¹¹ SPP states that its proposal is an incremental step forward and it expects that this effort will continue to be discussed in its stakeholder process in the future.¹²

8. With regard to the second proposed change, modifying the time when SPP begins the Day-Ahead RUC process, SPP states that its proposal will add clarity to the process by setting a static time for the process to begin, but will still allow SPP the flexibility to

¹⁰ SPP Transmittal at 4-5.

¹¹ *Id.* at 5-6.

¹² *Id.* at n.14.

begin the process later in case the availability of the Day-Ahead Market results is delayed.

9. SPP requests an effective date of “12/31/9998” for its proposed Tariff revisions and requests waiver of the notice requirements of section 35.3(a)(1) of the Commission’s regulations¹³ to allow its proposed Tariff revisions to be effective more than 120 days after the date of the filing. SPP states that good cause exists for the proposed revisions to be effective in the first quarter of 2020 because SPP will need a number of months to develop, test, and implement the software system changes for the proposed Tariff revisions. SPP states that implementation is targeted for the first quarter of 2020 and commits to submitting a filing with the Commission specifying a precise effective date prior to implementation.¹⁴

III. Notice of Filing and Responsive Pleadings

10. Notice of SPP’s filing was published in the *Federal Register*, 84 Fed. Reg. 45,746 (2019) with interventions and protests due on or before September 16, 2019.

11. Timely motions to intervene were filed by Xcel Energy Services Inc. and Oklahoma Gas and Electric Company. American Electric Power Service Corporation (AEPSC), on behalf of its affiliates Southwestern Electric Power Company and Public Service Company of Oklahoma, filed a timely motion to intervene and protest. On October 4, 2019, SPP filed an answer to the protest.

A. Protest and Answer

12. AEPSC contends that the Commission should reject SPP’s proposed modifications to the Day-Ahead Market timelines because they fall short of compliance with Order No. 809 and the 2015 Compliance Order.¹⁵ AEPSC argues that SPP should not rely on current circumstances to postpone full compliance with the objectives of Order No. 809 and the 2015 Compliance Order. AEPSC contends that the circumstances affecting the natural gas supply can change quickly, and that a potential future natural gas system constraint could occur at a time when critical gas-fired resources are needed to maintain the reliability of SPP’s transmission system.¹⁶ AEPSC asserts that SPP also ignores other

¹³ 18 C.F.R. § 35.3(a)(1).

¹⁴ SPP Transmittal at 1.

¹⁵ AEPSC Protest at 7.

¹⁶ *Id.* at 5-6.

benefits of full compliance, such as more efficient energy market outcomes and lower costs to wholesale and retail electric customers.¹⁷ AEPSC claims that it believes that it could reduce costs if it were made aware of Day-Ahead Market results in advance of the Timely Nomination Cycle.¹⁸ AEPSC also notes that it and others presented to the SPP stakeholders proposed tariff modifications that would have been fully compliant with Order No. 809, but the stakeholders approved the instant filing.¹⁹

13. In its answer, SPP reiterates that it has realized incremental reductions in Day-Ahead Market solve times that have made it possible to move the Day-Ahead Market results posting to 1:00 p.m. CCT. However, SPP argues that there are two proceedings pending at the Commission that could negatively impact Day-Ahead Market solve times, making a more extreme move regarding the posting of Day-Ahead Market results ill-advised at this time.²⁰ SPP also contends that, although the proposal AEPSC references in its protest may have been just and reasonable, that has no bearing on whether the proposed Tariff revisions that SPP submitted in this section 205 proceeding are just and reasonable.²¹

IV. Discussion

A. Procedural Matters

14. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2019), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

15. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2019), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept the answer of SPP because it provided information that assisted us in our decision-making process.

¹⁷ *Id.* at 6.

¹⁸ *Id.*

¹⁹ *Id.* at 5.

²⁰ SPP Answer at 4-5 (citing Docket Nos. ER19-460-000 and EL18-35-000).

²¹ *Id.* at 5.

B. Determination

16. We accept the proposed revisions to Section 5.1 of Attachment AE to modify the time for posting the Day-Ahead Market results from 2:00 p.m. to 1:00 p.m. CCT. We find that, as when the Commission issued the 2015 Compliance Order, SPP's system continues to be characterized by extensive wind resources, which require SPP to make accurate wind forecasts, and a robust gas production and pipeline infrastructure, which reduces the risk of constrained pipeline transportation.²² While system conditions appear on the whole unchanged, market processing times have shortened, allowing the Day-Ahead Market results to be posted one hour earlier. We agree that the proposed Tariff revisions are an incremental step closer to the objectives set forth in Order No. 809. In addition, we recognize that SPP and its stakeholders have discussed and considered a number of solutions to address the objectives set forth in Order No. 809 and expect to continue such efforts in the future.²³ We encourage SPP to propose such changes should system conditions or further technological advancements make it feasible.

17. AEPSC argues that SPP should not rely on current circumstances to avoid moving the Day-Ahead Market results ahead of the Timely Nomination Cycle and that SPP fails to acknowledge the benefits of more efficient energy market outcomes and lower costs to wholesale and retail electric customers that would result. We agree that there may be additional benefits to moving the Day-Ahead Market results before the start of the Timely Nomination Cycle, but, in light of the system characteristics discussed above, we find that SPP's proposal is a reasonable incremental step toward the objectives set forth in Order No. 809.

18. We also accept the proposed revisions to Section 5.2 of Attachment AE modifying the time when SPP begins the Day-Ahead RUC process to be the later of 1:45 p.m. CCT or 45 minutes following the posting of the Day-Ahead Market results. We agree with SPP that these revisions will add more clarity to the Day-Ahead RUC process by setting a deadline by which the Day-Ahead RUC process must begin, while still allowing SPP the flexibility to begin the process later if the Day-Ahead Market results are delayed past 1:00 p.m. CCT due to unforeseen circumstances.²⁴

²² 2015 Compliance Order, 153 FERC ¶ 61,316 at P 48.

²³ SPP Transmittal at n.14.

²⁴ SPP may extend the time of the Day-Ahead Market results posting to account for unforeseen circumstances, provided SPP notifies Market Participants of any such timing delay. Southwest Power Pool, Inc., FERC FPA Electric Tariff, Open Access

19. Further, for good cause shown, we grant SPP's request for waiver of the Commission's notice requirements²⁵ and accept the proposed Tariff revisions, subject to SPP making an informational filing with the exact effective date no less than 30 days prior to the date the proposed Tariff revisions are implemented in its software. SPP should use the following eTariff Type of Filing Code: 150 Data Response/Supplement the Record.

The Commission orders:

(A) The Tariff revisions are hereby accepted, as discussed in the body of this order.

(B) SPP is hereby ordered to submit an informational filing, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

Transmission Tariff, Sixth Revised Volume No. 1, Att. AE (MPL) 5.1, Attachment AE (MPL) Section 5.1, 1.0.0.

²⁵ 18 C.F.R. § 35.3(a)(1).