

161 FERC ¶ 61,261  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Kevin J. McIntyre, Chairman;  
Cheryl A. LaFleur, Neil Chatterjee,  
Robert F. Powelson, and Richard Glick.

Southwest Power Pool, Inc.

Docket Nos. ER17-2027-000  
ER17-2027-001

ORDER ACCEPTING TARIFF REVISIONS

(Issued December 21, 2017)

1. On June 30, 2017, Southwest Power Pool, Inc. (SPP) filed, pursuant to section 205 of the Federal Power Act (FPA),<sup>1</sup> proposed revisions to SPP's Integrated Transmission Planning (ITP) process in SPP's Open Access Transmission Tariff (Tariff). In this order, we accept the proposed revisions to be effective October 1, 2017.

**I. Background**

2. SPP states that under its existing Tariff, the ITP process is an iterative three-year transmission planning process that includes three assessments, the 20-Year, 10-Year, and Near Term Assessments, designed to identify transmission solutions that address both near-term and long-term transmission needs.<sup>2</sup> SPP states that in January 2015, it created the Transmission Planning Improvement Task Force (Task Force) to review the transmission planning process and determine if any improvements were necessary.<sup>3</sup> SPP

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<sup>1</sup> 16 U.S.C. § 824d (2012).

<sup>2</sup> Transmittal Letter at 2.

<sup>3</sup> *Id.* at 3.

states that the Task Force developed specific recommendations to improve the ITP process by revising parts of the Tariff and the ITP Manual.<sup>4</sup>

3. First, SPP states, the Task Force determined that the current three-year planning cycle is too long and is inflexible in quickly addressing system needs. Second, SPP states the Task Force recommended that SPP standardize the study scope that it uses for all of its planning studies because, under the current process, stakeholders spend a significant amount of time reviewing and approving study scope assumptions that have historically remained consistent across each study.<sup>5</sup> Third, SPP states, the Task Force recommended that, to reduce the burden on SPP's members, SPP establish a common base reliability planning model for use across the various SPP planning processes, as the models currently used in the ITP process, aggregate transmission service study process, and generator interconnection process are not constructed in a consistent manner.<sup>6</sup> Fourth, SPP states that the Task Force recommended that SPP utilize a holistic approach to planning. Finally, SPP states that the Task Force recommended that SPP create an accountability program for the ITP process to promote timely data exchanges, reviews, and approvals within the transmission planning process.<sup>7</sup> SPP is submitting the instant Tariff revisions to implement these recommendations.

## II. SPP's Filing

4. In the instant filing, SPP proposes tariff revisions to move from a three-year transmission planning cycle to a one-year transmission planning cycle.<sup>8</sup> To implement this change, SPP proposes to combine its Near Term and 10-Year Assessments into a

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<sup>4</sup> The ITP Manual is a business practice manual that sets forth details regarding the planning methodology, criteria, assumptions, and data for the ITP process. The ITP Manual is not included in SPP's Tariff or otherwise on file with the Commission.  
*Id.* at 6.

<sup>5</sup> *Id.* at 5.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* at 6.

<sup>8</sup> SPP also notes that the Task Force recommended a number of other improvements to the ITP process that do not require Tariff revisions to implement, and that SPP will therefore incorporate into the ITP Manual. SPP states that the changes to the ITP Manual were developed with stakeholders and are posted on SPP's website.  
*Id.* at 16.

single Integrated Transmission Planning Assessment (ITP Assessment) that it will perform annually. In addition, SPP proposes to revise the Tariff such that it will perform its 20-Year Assessment at least once every five years, instead of once every three-year transmission planning cycle, as currently provided under the Tariff.

5. Specifically, SPP proposes to revise Attachment O of the Tariff, which describes the ITP process, to reflect the combination of the Near-Term Assessment and 10-Year Assessment into a single study, the ITP Assessment.<sup>9</sup> SPP states that, consistent with the current ITP process, these revisions provide that SPP will develop the ITP Assessment study scope with input from stakeholders, in accordance with the parameters of the ITP Manual. SPP states that its proposed revisions also provide that the study scope will also include an “explanation of which Public Policy Requirements will be evaluated for potential solutions.”<sup>10</sup> SPP explains that the ITP Assessment will identify solutions to meet the policy, reliability, and economic requirements set forth in Attachment O, section III.3, which are consistent with the requirements for which SPP plans under its current ITP process with minor revisions and additions, and assess the cost effectiveness of proposed solutions. SPP states that under its proposed revisions, at the conclusion of the study process SPP will prepare the annual ITP Assessment report, which will include a list of the proposed projects for review and approval and an “explanation of which Public Policy Requirements were evaluated for potential solutions” and an “explanation of why other transmission need[s] driven by Public Policy Requirements were not evaluated.”<sup>11</sup> SPP also states that it replaced references to the three-year transmission planning cycle, 20-Year Assessment, 10-Year Assessment, and Near-Term Assessment with corresponding references to the ITP Assessment.

6. SPP also proposes to revise Attachment O of the Tariff to require that the 20-Year Assessment take place at least once every five years.<sup>12</sup> SPP states that the 20-Year Assessment will continue to address transmission facilities that will operate at or above 300 kV needed in year 20. SPP explains that the 20-Year Assessment will be developed

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<sup>9</sup> *Id.* at 10.

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

<sup>11</sup> *Id.* at 10-11.

<sup>12</sup> *Id.* at 9. SPP states that in revising the Tariff, it retained and reorganized existing Commission-approved Tariff language to the extent possible, and modified existing provisions only as necessary to implement the improvements that the Task Force recommended. *Id.* at 8.

in consultation with stakeholders and posted on the SPP website, and that SPP will publish a report summarizing the findings of the 20-Year Assessment.

7. In addition, SPP proposes to make changes to Attachment O, section II to define roles and responsibilities in the transmission planning process, including consolidating provisions defining SPP's responsibilities with respect to the ITP Manual in a single section and relocating a requirement that SPP conduct an annual survey of stakeholders to identify public policy requirements.<sup>13</sup> Additionally, SPP states that it added a requirement that it develop the models used in its planning process in accordance with the ITP Manual and using the data provided in accordance with the information exchange provisions of the Tariff in Attachment O, section VII. SPP also specified that the schedule for model development will be posted on the SPP website.

8. SPP states that its revisions also include re-numbering subsections, adding subsections, and relocating provisions in order to improve the clarity and readability of Attachment O.<sup>14</sup> Specifically, SPP proposes to (1) add a new subsection 4 to section III to include language relocated from section II that specifies when generation and demand resources are incorporated in the transmission planning process; (2) modify the title of subsection 5 of section III and add new provisions to specify how SPP incorporates long-term transmission service requests and the interconnections of Generation Interconnection customers, and associated upgrades, into the ITP Assessment;<sup>15</sup> (3) add a new subsection 6 to section III to specify that after the study scope is finalized, SPP will identify potential transmission needs, which include any needs driven by Public Policy Requirements, in accordance with the study scope and the ITP Manual;<sup>16</sup> (4) add a new subsection 7 to section III to include existing language that is being relocated and that provides the process that SPP uses to "analyze [transmission] solutions that will be considered and the process for consideration of alternative proposals;"<sup>17</sup> (5) move the

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<sup>13</sup> *Id.* at 11.

<sup>14</sup> *Id.*

<sup>15</sup> Proposed Attachment O, sections III.5(d-e).

<sup>16</sup> SPP notes that this subsection retains provisions regarding the Detailed Project Proposal process, which is a process through which SPP notifies stakeholders of identified transmission needs. SPP proposes to revise this language to reflect a change in time period due to the consolidated timeframe of the new ITP Assessment. Transmittal Letter at 12.

<sup>17</sup> *Id.* at 13.

provisions regarding planning summits, as well as modify those provisions to reduce the number of planning summits to one per year, with the option for additional summits, to reflect the proposed change from a three-year to an annual planning process; and (6) remove the requirement for sub-regional meetings because SPP's experience has shown the meetings add little value, as the issues discussed at these meetings are also discussed as needed at regular stakeholder meetings and transmission summits.

9. Additionally, SPP proposes to update references, definitions, and transmission planning cycle timing to correspond to its proposed changes to the ITP process. First, SPP proposes to add, revise, or correct definitions for terms used throughout Attachment O to Part I, section I of the Tariff to ensure consistency.<sup>18</sup> Second, SPP proposes to revise Attachment J, section III.D, which provides the requirements for the review of regional cost allocation, to reflect that SPP will no longer have a three-year transmission planning cycle.<sup>19</sup> Third, SPP proposes to update references to Attachment O and the ITP process in Attachment Y, section III.2f(iv), which describes the transmission owner selection process for competitive transmission upgrades.<sup>20</sup> Fourth, SPP proposes to update the procedures by which SPP distributes revenue received from a previous settlement described in Attachment AU, sections III.A.1 and III.A.2 to reflect the use of the single ITP reliability assessment model rather than the Near-Term Assessment.<sup>21</sup> Finally, SPP proposes to make revisions throughout Attachment O to update and add section references.<sup>22</sup>

10. SPP states that in January 2017, it completed its current three-year transmission planning cycle with the issuance of its 2017 10-Year Assessment.<sup>23</sup> Given its ongoing efforts to revise the ITP Process, SPP states that it determined that it should not initiate the 20-Year Assessment as required by the Tariff. Therefore, SPP sought, and the Commission granted, waiver of the requirement to commence its next 20-Year

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<sup>18</sup> *Id.* at 8.

<sup>19</sup> *Id.* at 9.

<sup>20</sup> *Id.* at 13.

<sup>21</sup> *Id.* at 14.

<sup>22</sup> *Id.* at 13.

<sup>23</sup> *Id.* at 14.

Assessment.<sup>24</sup> SPP states that since being granted waiver, SPP has also concluded the 2017 Near-Term Assessment and has commenced a 2018 Near-Term Assessment, which will conclude in April 2018. SPP proposes to transition to the new process by beginning to develop reliability models in August 2017, with a new ITP Assessment commencing in October 2018 and concluding in October 2019.<sup>25</sup>

11. SPP asserts that its proposed changes to the Tariff are just and reasonable. SPP explains that the Tariff changes will facilitate the transition to a regional transmission planning process built to leverage knowledge of the transmission system's reliability, public policy, compliance, and economic needs, as well as generator interconnection and transmission service request impacts, in order to develop a more cost-effective transmission portfolio for a ten-year planning horizon.<sup>26</sup> SPP states that the ITP process continues to meet the transmission planning requirements of Order No. 890.<sup>27</sup> SPP states that in Order No. 890, the Commission "required each public utility transmission provider to have a coordinated, open, and transparent regional transmission planning process that addresses the following nine principles: (1) coordination[;] (2) openness; (3) transparency; (4) information exchange; (5) comparability; (6) dispute resolution; (7) regional participation; (8) economic planning studies; and (9) cost allocation for new projects."<sup>28</sup>

12. First, SPP states that the ITP process meets the coordination principle because its proposed revisions do not alter the Attachment O provisions that the Commission accepted in the ITP Order, the order in which the Commission initially accepted SPP's

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<sup>24</sup> See *Sw. Power Pool, Inc.*, 157 FERC ¶ 61,244 (2016).

<sup>25</sup> Transmittal Letter at 15.

<sup>26</sup> *Id.*

<sup>27</sup> *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241, *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228, *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

<sup>28</sup> Transmittal Letter at 15 (quoting *Sw. Power Pool, Inc.*, 132 FERC ¶ 61,042, at P 53 (2010) (ITP Order), *order denying reh'g and granting clarification*, 136 FERC ¶ 61,050 (2011) (ITP Rehearing)).

ITP process.<sup>29</sup> SPP explains that stakeholder working groups will continue to provide technical advice, assistance, and oversight for all aspects of the SPP transmission expansion plan,<sup>30</sup> including the ITP.

13. Second, SPP states that the revised ITP process will continue to comply with the openness principle because all stakeholder working groups, planning summit meetings, and sub-regional planning meetings will continue to be open to all entities.<sup>31</sup> Furthermore, SPP notes that notice of stakeholder working group meetings and planning summit meetings will continue to be posted on SPP's website.

14. Third, SPP states that the revised ITP process complies with the transparency principle.<sup>32</sup> SPP states that it will continue to develop the ITP Assessment study scope and ITP Manual with input from stakeholders and continue to post the ITP Manual on its website. SPP also explains that Attachment O, section V.2(b) provides that the related study results, criteria, assumptions, cost-effectiveness analysis results, and underlying data used to develop the proposed upgrades will be posted on the SPP website.

15. Fourth, SPP states that the revisions to the ITP process continue to comply with the information exchange principle because Attachment O, section VII provides detailed data requirements and procedures for all entities to submit and/or exchange data in order to conduct their annual transmission planning processes.<sup>33</sup>

16. SPP also states that the revised ITP process continues to comply with the comparability principle because the ITP Assessment will continue to evaluate a variety of types of proposed alternative solutions, and details how SPP will select from among competing proposed alternatives.<sup>34</sup>

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<sup>29</sup> Transmittal Letter at 15.

<sup>30</sup> The SPP transmission expansion plan describes the transmission expansion projects being considered over the planning period and developed through the stakeholder process in accordance with this Tariff and approved by the SPP Board. SPP Tariff, section 1, definition S (3.0.0).

<sup>31</sup> Transmittal Letter at 16.

<sup>32</sup> *Id.*

<sup>33</sup> *Id.*

<sup>34</sup> *Id.*

17. Next, SPP states that the revisions to the ITP process continue to comply with the regional participation principle because SPP will coordinate any studies required to assure the reliable, efficient, and effective operation of its transmission system with, at a minimum, first-tier adjacent interconnected systems.<sup>35</sup> SPP states it will also participate in interregional transmission planning in accordance with Attachment O, section VIII.

18. SPP states that its revisions to the ITP process continue to comply with the principle of economic planning studies as well.<sup>36</sup> SPP explains that the ITP Assessment will continue to incorporate upgrades that provide economic benefits to its members and customers. Specifically, SPP states that (1) Attachment O, section II.1(c) provides that SPP will perform transmission planning studies to assess both reliability and economic operations of its transmission system and (2) Attachment O, section III.6 specifies the economic input requirements that SPP will incorporate into the ITP planning studies.

19. Finally, SPP states that it continues to comply with the dispute resolution and cost allocation principles because it does not propose any changes to the dispute resolution provisions or to the current cost allocation method contained in the Tariff.<sup>37</sup>

### **III. Notice and Responsive Pleadings**

20. Notice of SPP's filing was published in the *Federal Register*, 82 *Fed. Reg.* 31,775 (2017) with interventions or protests due on or before July 21, 2017. EDF Renewable Energy, Inc. (EDF); EDP Renewables North America LLC (EDP); Enel Green Power North America, Inc. (Enel); E.ON Climate & Renewables North America, LLC (E.ON); ITC Great Plains, LLC (ITC Great Plains); Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company; Mid-Kansas Electric Company, LLC; South Central MCN LLC; Sunflower Electric Power Corporation; and Westar Energy, Inc. filed timely motions to intervene. The American Wind Energy Association and the Wind Coalition (collectively, Wind Parties) filed a timely motion to intervene and protest. EDF, EDP, E.ON, and Enel (collectively Wind Generation Developers) filed a protest. American Electric Power Service Corporation (AEP) and Xcel Energy Services Inc. (Xcel) filed motions to intervene out-of-time. On August 7, 2017, ITC Great Plains filed an answer to Wind Parties' protest and on August 18, 2017, SPP filed an answer to the protests filed by Wind Parties and Wind Generation Developers. On August 25, 2017, Wind Generation Developers filed an answer to SPP's answer.

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<sup>35</sup> *Id.*

<sup>36</sup> *Id.*

<sup>37</sup> *Id.*

21. On September 21, 2017, Commission staff issued a deficiency letter requesting further information regarding SPP's filing. On October 23, 2017, SPP submitted its response to the deficiency letter (Deficiency Response).

22. Notice of SPP's Deficiency Response was published in the *Federal Register*, 82 *Fed. Reg.* 50,125 (2017) with interventions or protests due on or before November 13, 2017. None was filed.

**A. Protests**

23. Wind Parties claim that SPP's filing lacks sufficient detail to ensure a transparent, just, and reasonable ITP process. Wind Parties argue that SPP provides no description of how SPP will create a standardized study scope, establish a common planning model, utilize a holistic approach to planning, or create an SPP and stakeholder accountability program. Wind Parties attest that although SPP proposes to address these details in SPP's ITP Manual, the ITP Manual will not be filed for Commission review. Therefore, Wind Parties request that the Commission require SPP to submit: (1) a compliance filing to add details that will clarify important aspects of SPP's ITP and (2) an annual informational filing that includes any revisions SPP adopts to the ITP Manual related to this proceeding.<sup>38</sup>

24. Specifically, Wind Parties argue that SPP's filing contains insufficient detail to comply with the standards the Commission adopted in Order No. 890.<sup>39</sup> Wind Parties claim that SPP's Tariff must: (1) specify in Attachment O, section III that the ITP process applies to all transmission elements and voltage levels under SPP's operational authority and control; (2) provide stakeholders with clear opportunities for input on economic transmission needs; (3) include additional details on the inputs SPP plans to incorporate into its planning studies and how SPP will determine which inputs to use; (4) explain how SPP's aggregate transmission study, generation interconnection, and ITP processes will be coordinated; (5) require SPP to offer to hold two planning summits each transmission planning cycle; and (6) retain the requirement that SPP post the SPP Criteria to its website.<sup>40</sup>

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<sup>38</sup> Wind Parties Protest at 1.

<sup>39</sup> *Id.* at 5.

<sup>40</sup> *Id.* at 5-9. The SPP Criteria are composed of the SPP Planning Criteria and SPP Operating Criteria collectively, as approved by the Board of Directors in accordance with the SPP Bylaws, and posted on the SPP website. SPP, Tariff, section 1, definitions S (3.0.0). The SPP Planning Criteria are developed by SPP to provide background

25. Wind Generation Developers<sup>41</sup> contend that the transmission planning process filed in this docket is inadequate to address the amount of transmission necessary to accommodate the wind generation in SPP's interconnection queue, which will lead to congestion and curtailment of wind generation. Therefore, Wind Generation Developers argue, the Commission should condition any acceptance on SPP adding certain details to SPP's Tariff that reside in the ITP Manual.<sup>42</sup>

26. First, Wind Generation Developers request that the Commission direct SPP to revise SPP's Tariff to include a realistic variable operating and maintenance cost, which SPP uses as a modeling assumption in the ITP process. Wind Generation Developers state that SPP is proposing to use power purchase agreement (PPA) prices as a proxy for variable operating and maintenance cost for wind and solar generation that have a PPA, while SPP intends to use \$8/MWh for VOM cost for utility-owned wind and solar generation in its models (and not PPA prices).<sup>43</sup> Wind Generation Developers explain that use of unreasonable variable operating and maintenance costs will skew model results, under-valuing the benefits from SPP's adjusted production cost analysis that a proposed transmission solution will provide. Wind Generation Developers argue that they brought this issue before SPP through the stakeholder process, to no avail. Wind Generation Developers thus request that the Commission require SPP to include details about how it will determine the variable operating and maintenance cost for wind and solar resources in SPP's Tariff so that the Commission can determine whether its approach to doing so is just and reasonable.<sup>44</sup>

27. Wind Generation Developers also request that the Commission direct SPP to revise the Tariff to include reasonable, objective standards to identify the amount of wind generation that it will use in its planning models. Wind Generation Developers argue that unless SPP revises the Tariff to include these standards, they will never be subject to Commission review, "leaving SPP (and its transmission owner-dominated stakeholder

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information, guidelines, business rules, and processes for the operation and administration of the SPP planning process. SPP Planning Criteria, version 1.4, section 2.1.

<sup>41</sup> Wind Generation Developers note that they are all members of Wind Parties, and express their support for Wind Parties' comments.

<sup>42</sup> Wind Generation Developers Protest at 3-4.

<sup>43</sup> *Id.* at 5.

<sup>44</sup> *Id.* at 6.

process) to impose whatever they want, which may or may not be in the best interest of all SPP's market participants."<sup>45</sup>

28. Moreover, Wind Generation Developers argue, SPP's ITP proposal lacks specific economic market condition triggers to identify the need for new transmission infrastructure, citing to a recently-approved construct in the Midcontinent Independent

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<sup>45</sup> *Id.* at 7-8.

System Operator, Inc. and PJM Interconnection, L.L.C. regions.<sup>46</sup> Wind Generation Developers argue that the lack of economic upgrade planning triggers in SPP's Tariff is contrary to the transparency principles of Order Nos. 890 and 1000<sup>47</sup> and allows for the continuation of potential unnecessary cost to consumers and market participants.<sup>48</sup>

29. Finally, Wind Generation Developers argue that SPP's ITP process should include a requirement that SPP assess its operating guides.<sup>49</sup> Wind Generation Developers support SPP's plan to identify persistent operational issues as part of each ITP Assessment, but request that SPP clarify that these persistent operational issues include, but are not limited to, existing operating guides. Wind Generation Developers further request that SPP clarify what "persistent" means in this case, and state that at a minimum, "persistent" should include operating guides that have been in place for more than a year.<sup>50</sup>

## **B. Answers**

30. ITC Great Plains supports Wind Parties' call for additional clarity on how the SPP aggregate transmission service study, generation interconnection, and ITP processes will be coordinated.<sup>51</sup> ITC Great Plains asserts that de-facto transmission planning is being conducted in many transmission planning regions via transmission service and generator

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<sup>46</sup> *Id.* at 10 (citing *PJM Interconnection, L.L.C.*, Docket No. ER17-718-000, *et al.*, (June 26, 2017) (delegated letter order); Midcontinent Independent System Operator, Inc., Informational Correspondence, Docket No. ER17-718-000, *et al.*, at 9 (filed June 14, 2017) (discussing \$1 million trigger)).

<sup>47</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>48</sup> Wind Generation Developers Protest at 10.

<sup>49</sup> Operating guides dictate dispatch limits when dispatch is made outside of security constrained economic dispatch to address known and recurring or persistent reliability needs. *Id.* at 11.

<sup>50</sup> *Id.* at 12.

<sup>51</sup> ITC Great Plains Answer at 1.

interconnection processes, resulting in inefficient and shortsighted just-in-time approaches based primarily on piecemeal upgrades identified to accommodate individual transmission service or interconnection requests.<sup>52</sup> ITC Great Plains generally supports Wind Parties' comments urging expanded opportunities for SPP members to identify economic transmission needs, stating that existing Order No. 1000 processes are insufficient and that SPP and its members would benefit from consideration of an expanded pool of potential economic transmission projects that its membership could provide.<sup>53</sup> ITC Great Plains also supports Wind Parties' call for a requirement that SPP submit the ITP Manual to the Commission via an annual informational filing. ITC Great Plains states that such filings will aid the Commission in resolving future disputes where compliance with the SPP Tariff's various requirements to utilize the ITP Manual-specified transmission planning requirements are at issue. In addition, ITC Great Plains states, such filings will better allow the Commission to monitor that the ITP Manual continues to comply with the "rule of reason" with respect to rules and practices which must be incorporated in the SPP Tariff.<sup>54</sup>

31. ITC Great Plains supports Wind Parties' contention that the SPP Criteria should be posted to the SPP website. ITC Great Plains agrees with Wind Parties that the SPP Criteria are broadly applicable to SPP members, including specific compliance obligations imposed by the SPP Tariff. ITC Great Plains states that the SPP Criteria are therefore sufficiently analogous to the ITP Manual, and that the Commission should require that they be publicly posted on the SPP website if the Commission accepts their codification outside of the SPP Tariff.<sup>55</sup>

32. SPP argues that, contrary to Wind Parties' and Wind Generation Developers' claims, the ITP Manual does not need to be submitted for review and that Commission<sup>56</sup> and judicial<sup>57</sup> precedent support the proposed division of detail between the SPP Tariff

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<sup>52</sup> *Id.* at 2.

<sup>53</sup> *Id.* at 2-3.

<sup>54</sup> *Id.* at 3.

<sup>55</sup> *Id.* at 4.

<sup>56</sup> SPP Answer at 4 (citing Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 1649).

<sup>57</sup> *Id.* at 3-4 (citing *City of Cleveland v. FERC*, 773 F.2d 1368, 1376 (D.C. Cir. 1985) (*City of Cleveland*)).

and ITP Manual. SPP states that Attachment O of the Tariff describes the ITP process, while the implementation and operational details of the ITP process are appropriately included in the ITP Manual. SPP contends that this arrangement provides it and its stakeholders flexibility to quickly modify those implementation and operational details as circumstances warrant.<sup>58</sup> SPP notes that, in the ITP Order, the Commission declined to require SPP to incorporate the ITP Manual into the SPP Tariff.<sup>59</sup> SPP states that the Commission also found the use of the ITP Manual to be reasonable because the ITP Manual would be developed by SPP in consultation with its stakeholders, approved by SPP's Markets and Operations Policy Committee, and posted on SPP's website. SPP contends that the proposed revisions in the instant filing continue to provide detail sufficient to comply with the Commission's rule of reason and, as a result, the ITP Manual does not need to be submitted to the Commission for review or incorporated into the SPP Tariff.<sup>60</sup>

33. In response to Wind Parties' request for more specificity about which transmission elements are subject to the provisions of the ITP process, SPP states that, consistent with the current ITP process, the ITP Assessment will continue to evaluate transmission facilities that will operate at voltage levels of 69 kV and above and that the facilities subject to the ITP Assessment are already specified in Attachment O of the SPP Tariff.<sup>61</sup> SPP clarifies in response to Wind Parties' question of whether language in Attachment O, section III.7.d.ii of the SPP Tariff applies to all proposed transmission solutions or only to certain ones, that SPP did not propose to modify this language in the instant filing and that section VII of Attachment O describes the process SPP will use to analyze proposed transmission solutions.<sup>62</sup>

34. SPP also states that, while it proposes to establish a common planning model across its planning processes, it did not propose any Tariff changes to the aggregate transmission service study or generator interconnection processes.<sup>63</sup>

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<sup>58</sup> *Id.* at 3, 5.

<sup>59</sup> *Id.* at 5 (citing ITP Order, 132 FERC ¶ 61,042 at P 57).

<sup>60</sup> *Id.* at 5-6.

<sup>61</sup> *Id.* at 2-3.

<sup>62</sup> *Id.* at 10.

<sup>63</sup> *Id.* at 11-12.

35. SPP states that its experience with planning summits has shown that the majority of stakeholders are primarily interested in the planning summit held near the end of the study process where the results of the study are being discussed; therefore, stakeholders, the Markets and Operations Policy Committee, and the SPP Board of Directors determined that only one required planning summit was necessary for future ITP Assessments. SPP also notes that the proposed Tariff changes do not preclude SPP from scheduling additional planning summits as needed. SPP argues that reducing the number of summits will not affect stakeholders' ability to provide input as stakeholders may participate at the working group level and throughout the transmission planning process.<sup>64</sup> SPP also clarifies that the SPP Criteria are posted on the SPP website, and that SPP struck the requirement in section II.4.iii of Attachment O to post the SPP Criteria on the SPP website because it was duplicative of language in the definition of the SPP Criteria.<sup>65</sup>

36. Regarding Wind Generation Developers' concerns with the variable operating and maintenance cost assumptions, SPP states that the process related to variable operating and maintenance costs is specifically addressed in the ITP Manual and approved through the SPP stakeholder process. SPP asserts that, contrary to Wind Generation Developers' claims, the ITP Manual makes no distinction between merchant or utility-owned generators.<sup>66</sup> SPP argues that modeling assumptions, such as the variable operating and maintenance cost for wind generation, are the exact type of details that should be specified in the ITP Manual, not the SPP Tariff, to allow for flexibility as circumstances change. SPP states that, if Wind Generation Developers disagree with the current approach used in the ITP Manual, they may participate in the stakeholder process and that such a discussion is currently taking place at the working group level.<sup>67</sup>

37. Responding to Wind Generation Developers' request for the Commission to require an objective standard in the SPP Tariff for the amount of wind generation that will be included in the ITP models, SPP argues that the proposed Tariff changes already address how generation in the interconnection queue will be included in the ITP process. Accordingly, SPP argues, no additional changes are necessary.<sup>68</sup> SPP also argues that

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<sup>64</sup> *Id.* at 13-14.

<sup>65</sup> *Id.* at 14-15.

<sup>66</sup> *Id.* at 6-7.

<sup>67</sup> *Id.* at 6-8.

<sup>68</sup> *Id.* at 8.

further changes to Attachment O to provide for stakeholder input on economic transmission needs are unnecessary. SPP states that the proposed revisions provide that stakeholders may notify SPP of any transmission needs upon commencement of the ITP process and that the ITP Manual specifies the process used to identify transmission needs. SPP asserts that, as a result, the ITP process is and continues to be transparent and provide ample opportunity to provide input.<sup>69</sup> SPP contends that, similarly, Wind Parties' and Wind Generation Developers' concerns regarding economic triggers are unwarranted as the ITP Manual specifies details related to those triggers.<sup>70</sup> SPP additionally clarifies that the ITP Manual provides details on persistent operational needs and operating guides.<sup>71</sup>

38. In response to SPP's answer, Wind Generation Developers contend that SPP has neither refuted assertions of the steady decline in transmission approvals in SPP nor stated how the proposed Tariff revisions will address this decline.<sup>72</sup> Wind Generation Developers argue that, contrary to SPP's assertions, SPP has not satisfied "rule of reason" precedent for omitting the details contained in the ITP manual from the Tariff because SPP has not demonstrated that those details are incapable of being incorporated into SPP's Tariff.<sup>73</sup> Wind Generation Developers assert that each point raised in the protests is a "practice[] that affects rates and service significantly," rather than, as characterized by SPP, a "process detail," and thus should be standardized.<sup>74</sup>

39. For example, Wind Generation Developers contend that SPP has failed to respond to their assertions that there is no basis for SPP using a variable operating and maintenance cost of \$8/MWh as the proxy for wind generation dispatch. Wind Generation Developers reject SPP's assertion that Wind Generation Developers were free to address this issue in the stakeholder process, contending that they did so without effect.<sup>75</sup> Wind Generation Developers dispute SPP's assertion that section 2.2.1.10 of the

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<sup>69</sup> *Id.* at 9.

<sup>70</sup> *Id.* at 9-10.

<sup>71</sup> *Id.* at 10-11.

<sup>72</sup> Wind Generation Developers Answer at 2.

<sup>73</sup> *Id.* at 3.

<sup>74</sup> *Id.* at 3-4 (citing *City of Cleveland*, 773 F.2d at 1376).

<sup>75</sup> *Id.* at 7.

ITP Manual “makes no distinction between merchant or utility owned generation.” Wind Generation Developers assert that there is no certainty that SPP will receive information about PPAs because transmission owners and load-serving entities may provide that information or not at their discretion. Furthermore, Wind Generation Developers assert that even if the information is provided, PPAs generally list market-based rates rather than variable operating and maintenance cost, which they assert would impose an unreasonably high fixed-price contract value as a proxy for all new wind generation in the SPP queue.<sup>76</sup> Wind Generation Developers also argue that section 2.2.1.10 discusses details of renewable pricing and how wind resources are curtailed, but not other resources, which “appears unjust and unreasonable and unduly discriminatory.”<sup>77</sup>

40. Wind Generation Developers also argue that SPP does not explain how the proposed Tariff revisions and ITP Manual will result in proper estimates of future generation, contend that section 2.1.1 of the ITP Manual, which describes how generation resources will be included in transmission planning models, lacks adequate detail, and maintain that SPP should be required to list the specific criteria it will use to identify expected levels of generation.<sup>78</sup> Further, Wind Generation Developers dispute SPP’s assertion that section 4.1 of the ITP Manual specifies economic triggers for when SPP will assess whether an economic upgrade is needed to relieve a binding constraint, maintaining that the \$50,000/MW cutoff to determine whether a transmission element is binding contained in section 4.1 is not a realistic trigger and is unjust and unreasonable.<sup>79</sup> Wind Generation Developers state that they appreciate SPP’s acknowledgement that the ITP Assessment will evaluate transmission down to the 69 kV voltage level, but argue that this language should be added to the Tariff. Moreover, Wind Generation Developers contend that SPP’s Tariff should explicitly state that the ITP Assessment will apply down to the 69 kV voltage level for all transmission needs and that the language and criteria for the selection of 69 kV facilities should be clear, especially for reliability needs purposes.<sup>80</sup> Wind Generation Developers assert that SPP’s proposed Tariff revisions continue to provide no information explaining what SPP will do to ensure that the common planning model is applied in all the various SPP planning processes, including

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<sup>76</sup> *Id.* at 8.

<sup>77</sup> *Id.* at 9.

<sup>78</sup> *Id.* at 9-10.

<sup>79</sup> *Id.* at 11.

<sup>80</sup> *Id.* at 12-13.

its aggregated transmission service study process, generation interconnection process, and interregional transmission planning processes.<sup>81</sup>

### **C. Deficiency Letter and Response**

41. Commission staff issued a deficiency letter requesting additional information on how SPP's proposed Tariff revisions continue to comply with the requirements of Order No. 1000 with respect to transmission needs driven by public policy requirements.<sup>82</sup> In response, SPP provided additional information on how it incorporates transmission needs driven by public policy requirements into its transmission planning process.<sup>83</sup> In addition, SPP provided additional information to explain how the Tariff will continue to comply with the requirements of Order No. 1000.<sup>84</sup> Specifically, SPP explained how public policy requirements are addressed in each phase of the ITP process.<sup>85</sup>

## **IV. Discussion**

### **A. Procedural Matters**

42. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2017), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

43. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2017), the Commission will grant AEP's and Xcel's late-filed motions to intervene given their interest in this proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

44. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2017), prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We will accept ITC Great Plains', SPP's, and Wind Generation Developers' answers because they have provided information that assisted us in our decision-making process.

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<sup>81</sup> *Id.* at 14-15.

<sup>82</sup> Deficiency Letter at 3.

<sup>83</sup> Deficiency Response at 4-5.

<sup>84</sup> *Id.* at 5-6.

<sup>85</sup> *Id.* at 4-5.

## **B. Substantive Matters**

45. We find that SPP's proposed Tariff revisions to the ITP process are just and reasonable and remain consistent with the Commission's transmission planning-related requirements under Order Nos. 890 and 1000. Accordingly, we will accept SPP's proposed Tariff revisions to be effective October 1, 2017.

46. While protesters raise concerns with a few specific aspects of the proposed Tariff revisions (as discussed below) the majority of protesters' arguments address matters that do not relate to the specific Tariff revisions that SPP proposes in the instant proceeding. Specifically, protestors contend that, in order for SPP's ITP process to be just and reasonable and consistent with Order No. 890's transparency transmission planning principle, SPP must revise the Tariff to include additional details about elements of the ITP process that are currently set forth in the ITP Manual.<sup>86</sup> For example, Wind Parties argue that SPP must provide further detail in the Tariff about how it will create a standardized study scope, establish a common planning model, utilize a holistic approach to planning, and create an SPP and stakeholder accountability program. Wind Parties also contend that SPP's Tariff should specify the transmission elements and voltage levels to which the ITP Assessment applies, more clearly provide opportunities for stakeholder input on economic transmission needs, include additional details on the inputs SPP plans to incorporate into its planning studies and how SPP will determine the inputs to use, and explain how SPP will coordinate its aggregate transmission study, generation interconnection, and ITP processes. Similarly, Wind Generation Developers assert that SPP's Tariff, rather than the ITP Manual, should detail how SPP determines the variable operations and maintenance cost for wind and solar resources, incorporate reasonable, objective standards to identify the amount of wind generation that SPP will use in its planning models, include triggers to address economic market conditions, and specify the criteria for identifying persistent operational issues. ITC Great Plains alleges that de-facto transmission planning is being conducted in SPP via transmission service and generator interconnection processes.

47. We find that these concerns are beyond the scope of this proceeding. In its filing, SPP proposes to move from a three-year transmission planning cycle to an annual transmission planning cycle, combining its Near-Term and 10-Year Assessments into a single annual ITP Assessment and modifying the timing of its 20-Year Assessment so that SPP will perform this study at least once every five years instead of once every three years. SPP's proposed Tariff revisions implement this proposal without otherwise modifying the existing ITP process. Protestors' aforementioned concerns relate to elements of the ITP process that SPP does not propose to change, and thus are beyond the scope of this FPA section 205 proceeding. To the extent a party is concerned that a

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<sup>86</sup> See Wind Generation Developers Protest at 10; Wind Parties Protest at 5.

specific element of the ITP process outside of the revisions that SPP proposes here is unjust and unreasonable or unduly discriminatory or preferential, it may file a complaint under section 206 of the FPA.

48. In any case, we disagree with protestors that SPP must include additional detail concerning elements of the ITP process in the Tariff for the ITP process to be just and reasonable and consistent with Order No. 890's transparency transmission planning principle. The ITP process is set forth in both Attachment O of the Tariff, which describes the process, and the ITP Manual, which documents details regarding the planning methodology, criteria, assumptions, and data. The Commission previously accepted this structure and found that SPP did not need to file the ITP Manual with the Commission.<sup>87</sup> In the instant filing, SPP does not propose to change that structure and has proposed revisions to the Tariff to implement the Task Force recommendations, while noting that the majority of the recommendations are addressed more thoroughly in the ITP Manual. Accordingly, SPP's revised Tariff continues to outline the steps that SPP and its stakeholders will undertake during the ITP Assessments, while the ITP Manual specifies the implementation and operational details.

49. We therefore deny protestors' requests that the Commission require SPP to include additional details from the ITP Manual in the Tariff or file the ITP Manual with the Commission as an informational filing. As the Commission noted when it accepted the current ITP process, transmission providers can use a combination of tariff language in their Open Access Transmission Tariffs and references to planning manuals to implement their transmission planning processes.<sup>88</sup> This practice continues to be sufficient and SPP will continue to post the ITP Manual on its website as required by section II.1(g) of Attachment O. While protestors assert that the transparency principle of Order No. 890 requires this additional information to be placed in the Tariff, their reading misstates the requirements of Order No. 890. According to Order No. 890, the transparency principle requires transmission providers to reduce to writing and make available the basic methodology, criteria, and process used to develop transmission plans in order to ensure that standards are consistently applied.<sup>89</sup> The transparency principle does not require that all rules and practices related to transmission planning be included in SPP's Tariff or filed with the Commission. The Commission requires transmission providers to include in their tariffs only the information necessary to ensure transparency

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<sup>87</sup> See ITP Order, 132 FERC ¶ 61,042 at P 57.

<sup>88</sup> *Id.* P 56.

<sup>89</sup> *Id.* P 54 (citing Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 471).

and comparability without causing the Commission to manage the transmission planning process.<sup>90</sup>

50. Moreover, as noted by SPP and protestors, in determining that not all rules and practices related to Order No. 890 need to be filed in a transmission provider's Open Access Transmission Tariff, the Commission pointed to the "rule of reason," which the Commission has traditionally used to determine the level of detail and types of documents that must be filed with the Commission for approval—i.e., those practices that significantly affect rates, terms, and conditions—and those that are not required to be part of a transmission provider's tariff.<sup>91</sup> We find that SPP's proposed Tariff revisions are consistent with the "rule of reason" because SPP has defined in the Tariff the ITP process, including the basic methodology, criteria, and process used to develop transmission plans. Furthermore, SPP has described in the Tariff how the ITP Manual will be used in the ITP process, as well as how the ITP Manual will be developed and revised by SPP in consultation with its stakeholders, approved by SPP's Markets and Operations Policy Committee, and posted on SPP's website.<sup>92</sup> We find this approach, which continues to allow SPP and its stakeholders the flexibility needed in the context of a proactive, dynamic transmission planning process, to be reasonable.<sup>93</sup> Therefore, we will not require SPP to include these details from the ITP Manual in the Tariff or file the ITP Manual with the Commission.

51. Protestors also express concern with two specific aspects of the proposed Tariff revisions. First, Wind Parties state that SPP proposes to delete a tariff provision in Attachment O that requires SPP to post the SPP Criteria to its website. While we agree with Wind Parties that the SPP Criteria should be posted to SPP's website, we note that the definition of SPP Criteria in section 1 of the Tariff requires that the SPP Criteria be posted on SPP's website. Thus, we accept SPP's proposed revision, as we find that it is unnecessary to repeat the requirement that SPP post the SPP Criteria on its website in Attachment O when it already appears in section 1 of the Tariff.

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<sup>90</sup> *Id.* (citing Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 483).

<sup>91</sup> *Id.* P 57 (citing Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 1694).

<sup>92</sup> ITP Rehearing, 136 FERC ¶ 61,050 at P 37 (finding that further detail related to cost and planning parameters are not "realistically susceptible of specification" and study assumptions and parameters are likely to change over time).

<sup>93</sup> ITP Order, 132 FERC ¶ 61,042 at P 57.

52. Second, protestors argue that SPP should hold two planning summits per transmission planning cycle rather than the single annual planning summit that SPP proposes. We disagree and find that SPP has adequately explained why one planning summit per annual transmission planning cycle is just and reasonable under its revised ITP process. In Order No. 890, the Commission declined to establish a minimum number of transmission planning meetings, and instead focused on flexibility and opening appropriate lines of communication between stakeholders.<sup>94</sup> As SPP notes, reducing the number of required planning summits from at least semi-annually over the current three-year planning cycle to one, at a minimum, over the proposed annual planning cycle, will not affect stakeholders' ability to provide input, as stakeholders may participate at the working group level and throughout the transmission planning process. In addition, the proposed Tariff revisions do not preclude SPP from scheduling additional planning summits as needed. Accordingly, we will accept SPP's proposed tariff revisions to be effective October 1, 2017.

The Commission orders:

SPP's proposed Tariff revisions are hereby accepted, effective October 1, 2017, as discussed in the body of this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

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<sup>94</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at PP 451-452.