

171 FERC ¶ 61,065
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Southwest Power Pool, Inc.

Docket Nos. ER20-572-000
EL19-101-000

ORDER ON COMPLIANCE

(Issued April 22, 2020)

1. On December 12, 2019, pursuant to section 206 of the Federal Power Act (FPA),¹ Southwest Power Pool, Inc. (SPP) submitted revisions to Attachment AA (Resource Adequacy) of the SPP Open Access Transmission Tariff (Tariff) to comply with the Commission's directives in the October 17, 2019 order on SPP's Order No. 841² compliance filing.³ As discussed below, we accept SPP's compliance filing, effective October 28, 2019, subject to a further compliance filing.

I. Background

2. Attachment AA (Resource Adequacy) of the SPP Tariff requires that each load responsible entity in the SPP Balancing Authority Area maintain sufficient capacity and planning reserves to serve its forecasted load. Attachment AA specifies all the terms and conditions relevant to the establishment, compliance, and enforcement of this requirement; however, the details regarding operational and performance requirements are located in the SPP Planning Criteria.

3. The SPP Planning Criteria specify three resource adequacy qualification requirements: (1) the resource's seasonal net capability rating must be available for a

¹ 18 U.S.C. § 824e (2018).

² *Electric Storage Participation in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Order No. 841, 162 FERC ¶ 61,127 (2018), *order on reh'g*, Order No. 841-A, 167 FERC ¶ 61,154 (2019).

³ *Sw. Power Pool, Inc.*, 169 FERC ¶ 61,048 (2019) (October 2019 Order).

continuous minimum run-time of four hours;⁴ (2) successful completion of the Capability Test, which requires the resource to generate at its rated net capability for a minimum of one hour;⁵ and (3) successful completion of the Operational Test, which requires the resource to generate at a minimum of 90% of its claimed peak season capability⁶ for a minimum of one hour.⁷ Resources external to the SPP Balancing Authority Area must satisfy the Capability and Operational Test requirements by submitting operational test results per the requirements of the external balancing authority.⁸

4. In the October 2019 Order, the Commission found that SPP failed to include the continuous run-time requirement in its Tariff and that such a requirement significantly affected rates, terms, and conditions of service.⁹ Therefore, the Commission initiated a separate FPA section 206 proceeding in Docket No. EL19-101-000 and directed SPP to include the minimum run-time requirement in its Tariff.¹⁰

II. SPP's Compliance Filing

5. SPP proposes to insert a new section between current Sections 7.5 and 7.6 of Attachment AA of its Tariff. The proposed new Section 7.6 states, "A resource qualified in accordance with Section 7.1, 7.2, or 7.4 of this Attachment AA shall be capable of supplying its accredited capacity, as determined in accordance with SPP Planning Criteria, for a minimum of four continuous hours." SPP states that it proposes to use the term "accredited capacity" because this is the general term used in Attachment AA to

⁴ SPP Planning Criteria, § 7.1.6(2). SPP states that run-of-the-river hydroelectric, wind, and solar resources are not currently subject to this continuous minimum run-time requirement. *See* SPP Answer at 9.

⁵ SPP Planning Criteria, § 7.1.1. Run-of-the-river hydroelectric, wind, and solar resources are excluded from the Capability Test requirement.

⁶ We note that the terms "seasonal net capability rating," "net capability," and "peak season capability" are not defined terms in the SPP Planning Criteria but appear to be used interchangeably in the SPP Planning Criteria.

⁷ SPP Planning Criteria, § 7.1.2.

⁸ Although the SPP Planning Criteria do not specify whether external resources are subject to the continuous minimum run-time requirement, SPP proposes to apply this requirement to internal resources only. *See infra* P 5.

⁹ October 2019 Order, 169 FERC ¶ 61,048 at P 62.

¹⁰ *Id.*

refer to the concept that, as SPP acknowledges, is described by various terms in the SPP Planning Criteria. SPP states that the proposed language specifies sections 7.1, 7.2, and 7.4 because those sections contain qualification requirements for resources that are internal to the SPP Balancing Authority and are thus subject to the existing continuous minimum run-time specified in the SPP Planning Criteria, in contrast to external resources whose requirements are specified in sections 7.3 and 7.5 and that are not subject to the continuous minimum run-time requirement.

6. SPP requests an effective date of October 28, 2019, the date that the Commission's notice of this proceeding was published in the Federal Register.

III. Notice and Responsive Pleadings

7. Notice of SPP's filing was published in the *Federal Register*, 84 Fed. Reg. 69,368 (Dec. 18, 2019), with interventions and protests due on or before January 2, 2020. On December 20, 2019, NextEra Energy Resources, LLC (NextEra) filed a motion requesting that the Commission extend the time for submitting comments in response to SPP's filing to January 10, 2020. On December 27, 2019, the Commission's Secretary issued a notice extending the deadline to and including January 10, 2020.¹¹

8. American Electric Power Service Corporation and NextEra filed timely motions to intervene. On January 10, 2020, NextEra filed a protest, and Western Farmers Electric Cooperative (Western Farmers) and Energy Storage Association filed motions to intervene and protests. On January 28, 2020, SPP filed an answer.

IV. Discussion

A. Procedural Matters

9. 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.

10. 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 accept SPP's answer because it has provided information that assisted us in our decision-making process.

B. Substantive Matters

11. As discussed below, we accept SPP's compliance filing, effective October 28, 2019. In addition, we direct SPP to submit a further compliance filing, within 45 days of the date

¹¹ Notice of Extension of Time, Docket No. ER20-572-000 (Dec. 27, 2019).

of this order, to revise its Tariff to specifically exempt all resources not subject to the continuous minimum run-time requirement.

1. Applicability to Renewable Resources

a. Protests

12. NextEra and Western Farmers assert that SPP's proposed Tariff revisions fail to recognize that variable energy resources (e.g., wind and solar) are exempt from the four-hour continuous minimum run-time requirement under the SPP Planning Criteria.¹² NextEra and Western Farmers state that they believe that SPP's proposal reflects an inadvertent drafting error.

b. SPP Answer

13. In its answer, SPP states that it agrees with NextEra that certain renewable resources should be specifically excluded from the existing run-time requirement because these resources may not be able to guarantee a specific period of continuous run-time and such an exclusion better reflects the existing requirement in the SPP Planning Criteria.¹³ SPP proposes to revise section 7.6 in a future compliance filing to read (new text in underline):

A resource qualified in accordance with Section 7.1, 7.2, or 7.4 of this Attachment AA shall be capable of supplying its accredited capacity, as determined in accordance with SPP Planning Criteria, for a minimum of four (4) continuous hours. The requirement set forth in this Section 7.6 shall not apply to run-of-the-river hydroelectric, wind, or solar resources.

c. Commission Determination

14. We direct SPP to submit a further compliance filing, within 45 days of the date of this order, that includes the Tariff language exempting run-of-the-river hydroelectric, wind, and solar resources from the continuous minimum run-time requirement, as SPP proposes in its answer.

¹² NextEra Protest at 3; Western Farmers Protest at 3.

¹³ SPP Answer at 9-10.

2. Use of Defined Tariff Terms

a. Protests

15. NextEra, Energy Storage Association, and Western Farmers contend that SPP's proposed revisions to Section 7.6 of Attachment AA of its Tariff should use defined Tariff terms where possible.¹⁴ NextEra and Energy Storage Association argue that SPP should formally define the term "accredited capacity" in its Tariff, while NextEra notes that SPP also proposes to use the undefined term "resource." NextEra further asserts that the term "Resource" is used inconsistently in Attachment AA and that continuation of this apparent mistake makes little sense.

b. SPP Answer

16. SPP asserts that the protests and arguments for other changes to SPP's compliance filing are beyond the scope of this compliance proceeding. SPP states that it would be premature to define a new Tariff term to replace the existing Attachment AA term "accredited capacity" because SPP is in the early stages of stakeholder efforts to review and revise the resource adequacy accreditation requirements contained in the SPP Planning Criteria. SPP asserts that use of this "general but ascertainable" term is reasonable at present.¹⁵ SPP also argues that its proposed use of the lower-case term "resource" is deliberate and comports with the term's usage in other parts of Attachment AA to generally refer to both a "Resource" that is registered in SPP's Integrated Marketplace and a resource that is listed as a Designated Resource¹⁶ in a Network Integration Transmission Service Agreement. SPP therefore states that for the general requirement of a continuous run-time, the general term "resource" is more appropriate than the specific defined term "Resource."¹⁷

c. Commission Determination

17. We find that SPP's proposed continued usage of the undefined term "resource" in Attachment AA is reasonable in the context of the continuous minimum run-time requirement because the term "resource" encompasses multiple defined terms regarding firm capacity and firm power (e.g., Designated Resource and Resource), whereas the

¹⁴ NextEra Protest at 3-4; Energy Storage Association Protest at 3; Western Farmers Protest at 3.

¹⁵ SPP Answer at 6-7.

¹⁶ See SPP Tariff, attach. AA, § 1.1 D.

¹⁷ SPP Answer at 8.

capitalized term “Resource” is limited to those resources that are registered in the SPP Integrated Marketplace. We agree with SPP that adopting NextEra’s proposal would inappropriately limit the set of resources subject to the SPP’s continuous minimum run-time requirement, and accordingly decline to require SPP to make a further filing on this issue.

18. We also decline to direct SPP to define the term “accredited capacity,” as requested by NextEra and Energy Storage Association. We find that this request is beyond the scope of the instant proceeding, in which the Commission only directed SPP to include the continuous minimum run-time for resource adequacy in its Tariff.

3. Accredited Capability Test Results

a. Protest

19. NextEra states that SPP is currently undertaking an effective load carrying capability study of electric storage resources for the purpose of determining the amount of incremental load such resources could serve while providing resource adequacy. NextEra argues that an effective load carrying capability approach could cause SPP to derate the firm capacity of electric storage resources or to increase their continuous minimum run-time requirement. NextEra asserts that any changes to the SPP Planning Criteria that affect how a resource’s accredited capacity is measured ought to be filed with the Commission under the rule of reason policy.¹⁸ NextEra requests that the Commission direct SPP to revise Section 7.6 of Attachment AA to link the seasonal peak capability used for resource adequacy accreditation with the results of the Accredited Capability Test by replacing Section 7.6 with the following:

[A Load Responsible Entity] or Generator may utilize the rated net capability determined in a Resource’s most recent Accredited Capability Test, as performed in accordance with the SPP Planning Criteria, in the annual Workbook submission if the following criteria are met: (i) a Resource is qualified in accordance with Section 7.1, 7.2, or 7.4 of this Attachment AA; and (ii) a Resource is capable [of] supplying the rated net capability for a minimum of four (4) continuous hours, provided that this requirement (ii) shall not apply to Variable Energy Resources.

¹⁸ NextEra Protest at 4.

20. NextEra also requests that the Commission require SPP to revise Attachment AA if in the future any changes to the SPP Planning Criteria adversely impact the capacity accreditation of electric storage resources.¹⁹

b. SPP Answer

21. SPP states that it is inappropriate to use specific terminology (i.e., “Accredited Capability Test”) to tie Tariff language to sections of the SPP Planning Criteria that are currently under review by SPP’s stakeholder groups.²⁰ In addition, SPP asserts that it has not been determined that such a one-hour accreditation test is sufficient for determining the long-term capacity value of electric storage resources. SPP argues that, given the potential for changing system conditions and the flexibility needed to address such changes, accreditation details for electric storage resources are more appropriately captured in the SPP Planning Criteria than in the Tariff.

c. Commission Determination

22. We find that NextEra’s proposed Tariff language linking a resource’s accredited capacity to the results of the Accredited Capability Test is beyond the scope of the instant proceeding, in which the Commission only directed SPP to include the continuous minimum run-time for resource adequacy in its Tariff. We agree with SPP that the technical details regarding SPP’s method for calculating a resource’s capability rating are more appropriately captured in the SPP Planning Criteria.

The Commission orders:

(A) SPP’s compliance filing is hereby accepted, effective October 28, 2019, subject to a further compliance filing, as discussed in the body of this order.

(B) SPP is hereby directed to submit a further compliance filing within 45 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.

¹⁹ *Id.* at 5.

²⁰ SPP Answer at 7.