

171 FERC ¶ 61,068
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. ER19-2747-000
ER19-2747-001
ER19-2747-002
ER19-2748-000
ER19-2748-001
ER19-2748-002
ER19-2773-000
ER19-2773-001
ER19-2773-002
ER19-2813-000
ER19-2813-001
ER19-2813-002
(not consolidated)

ORDER REJECTING UNEXECUTED GENERATOR INTERCONNECTION
AGREEMENTS

(Issued April 23, 2020)

1. Southwest Power Pool, Inc. (SPP) filed four unexecuted generator interconnection agreements (GIAs) pursuant to section 205 of the Federal Power Act¹ and section 35.13 of the Commission's regulations.² The GIAs are between SPP as the transmission provider and Frontier Windpower II, LLC (Frontier), Skeleton Creek Wind, LLC (Skeleton Creek), Wheatbelt Wind, LLC (Wheatbelt), and Chilocco Wind Farm, LLC

¹ 18 U.S.C. § 824d (2018).

² 18 C.F.R. § 35.13 (2019).

(Chilocco) as interconnection customers (collectively, Group 8 Interconnection Customers).³ In this order, we reject the unexecuted GIAs without prejudice.

I. Background

A. SPP Generator Interconnection Procedures (GIP)

2. Attachment V of the SPP Open Access Transmission Tariff (Tariff) contains the interconnection procedures that apply to generator interconnection requests.⁴ Under the GIP, an interconnection customer submits an interconnection request to SPP, which SPP assigns an initial queue position. All interconnection requests within the same Definitive Interconnection System Impact Study (DISIS) queue cluster have equal priority and are evaluated together to determine whether network upgrades are required to accommodate those requests.⁵ If network upgrades are required, SPP determines the allocation of the costs of those network upgrades and assigns costs to each interconnection customer that contributed to the need for a specific network upgrade on a *pro rata* basis.⁶

3. During the course of the interconnection studies, either SPP or the interconnection customer may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the interconnection request.⁷ To the extent that such changes are acceptable to SPP and the interconnection customer, SPP may proceed with any restudies in accordance with GIP section 8.8 (Re-Study).

4. Pursuant to GIP section 8.8, a restudy of the DISIS is required in the event of a higher queued or equal priority queued project dropping out of the queue, a modification of a higher queued project subject to GIP section 4.4 (Modifications), a re-designation of the point of interconnection pursuant to GIP section 8.2 (Execution of Generation Interconnection Study Agreement), or more than one interconnection customer

³ Oklahoma Gas and Electric Company (OG&E) is the transmission owner under the Frontier, Skeleton Creek, and Chilocco GIAs and Evergy Kansas Central, Inc. (Evergy) is the transmission owner under the Wheatbelt GIA.

⁴ SPP Tariff, Attachment V, GIP (1.0.0). This version of SPP's Tariff was effective from March 1, 2014, until July 1, 2019.

⁵ *Id.*, §§ 4.1 (Queue Position) and 4.2.2 (Study Costs and Network Upgrade Cost Allocation).

⁶ *Id.*, § 4.2.2 (Study Costs and Network Upgrade Cost Allocation).

⁷ *Id.*, § 4.4 (Modifications).

(with similar electrical impacts as determined by SPP) meeting all requirements of the interconnection facilities study agreement.⁸

B. Group 8 Interconnection Customers' Queue Cluster

5. Each Group 8 Interconnection Customer submitted a generator interconnection request to SPP in time for the DISIS queue cluster window that closed on March 31, 2016. SPP studied the Group 8 Interconnection Customers' requests in a group as part of the DISIS 2016-001 queue cluster. Following the initial DISIS, SPP performed five restudies. Of relevance here, the fourth restudy identified the Wolf Creek-Emporia Upgrade (Emporia Upgrade) as a shared network upgrade needed to accommodate the Group 8 Interconnection Customers' interconnection requests.⁹ The fifth restudy concluded that the Emporia Upgrade was no longer needed for the interconnections of the Group 8 Interconnection Customers due to the approval of the Wolf Creek-Blackberry Project (Blackberry Project), which is a transmission line that was identified in SPP's 2019 Integrated Transmission Plan (ITP) to provide economic benefits to the SPP region.¹⁰

II. SPP Filings

6. On September 4, 2019, SPP filed the Frontier and Skeleton Creek GIAs in Docket Nos. ER19-2747-000 and ER19-2748-000, respectively. On September 9, 2019, SPP filed the Wheatbelt GIA in Docket No. ER19-2773-000. On September 16, 2019, SPP filed the Chilocco GIA in Docket No. ER19-2813-000 (collectively, SPP September 2019 Filings).

7. SPP states that the Group 8 Interconnection Customers plan to construct certain wind projects and that the GIAs facilitate the interconnections of those projects to the transmission owners' systems.¹¹ SPP states that the GIAs conform to the *pro forma* GIA

⁸ *Id.*, § 8.8 (Re-Study).

⁹ The Emporia Upgrade is a 35-mile, 345 kilovolt (kV) transmission line that is estimated to cost \$62 million.

¹⁰ The Blackberry Project is a 100-mile, 345 kV transmission line that is estimated to cost \$163 million.

¹¹ According to SPP, Frontier plans to construct 32 Nordex N149 wind turbines, totaling 151.8 megawatts (MW) of generating capacity; Skeleton Creek plans to construct 125 GE 2.0 MW wind turbines, totaling 250 MW of generating capacity; Wheatbelt plans to construct 110 GE 2.0 MW wind turbines, totaling 220 MW of generating capacity; and

in SPP's Tariff in effect prior to July 1, 2019, and document the results of SPP's fourth restudy of the Group 8 Interconnection Customers.¹²

8. According to SPP, the Group 8 Interconnection Customers requested that SPP file the GIAs unexecuted because they disagree with the proposed cost allocation provisions under the GIAs, which allocate the costs of the Emporia Upgrade on a *pro rata* basis to each Group 8 Interconnection Customer. The allocation of costs is set forth in Appendix A of the unexecuted GIAs. SPP asserts that Frontier opposes the curtailment provisions that will be used on its project until the Emporia Upgrade is complete, and that Skeleton Creek and Wheatbelt object to other provisions, including the payment obligations.¹³

9. SPP requests an effective date of August 23, 2019, for the Frontier, Skeleton Creek, and Wheatbelt GIAs, and September 6, 2019, for the Chilocco GIA. According to SPP, these are the dates that each Group 8 Interconnection Customer requested SPP to file the GIAs with the Commission. To permit such effective dates, SPP requests waiver of the Commission's 60-day prior notice requirement.¹⁴ SPP asserts that waiver is appropriate because the unexecuted GIAs were filed no later than 30 days after the effective dates of the agreements.¹⁵

III. Notice and Responsive Pleadings

10. Notice of SPP's September 2019 Frontier Filing in Docket No. ER19-2747-000 was published in the *Federal Register*, 84 Fed. Reg. 47,502 (2019), with interventions and protests due on or before September 25, 2019. Frontier filed a timely motion to intervene and protest. American Electric Power Service Corporation (AEP), Evergy, OG&E, and The Empire District Electric Company (Empire) filed out-of-time motions to intervene. On October 16, 2019, SPP filed an answer to Frontier's protest. On November 5, 2019, Frontier filed an answer to SPP's answer.

Chilocco plans to construct 87 GE 2.3 MW wind turbines, totaling 200.1 MW of generating capacity.

¹² SPP September 2019 Filings at 1-2.

¹³ SPP September 2019 Frontier Filing at 2; SPP September 2019 Skeleton Creek Filing at 2; SPP September 2019 Wheatbelt Filing at 2.

¹⁴ See 18 C.F.R. § 35.3 (2019).

¹⁵ SPP September 2019 Filings at 2.

11. Notice of SPP's September 2019 Skeleton Creek Filing in Docket No. ER19-2748-000 was published in the *Federal Register*, 84 Fed. Reg. 47,502 (2019), with interventions and protests due on or before September 25, 2019. Skeleton Creek filed a timely motion to intervene and protest. NextEra Energy Resources, LLC filed a timely motion to intervene. AEP, Evergy, OG&E, Empire, and Western Farmers Electric Cooperative (Western Farmers) filed out-of-time motions to intervene. On October 16, 2019, SPP and Evergy each filed an answer to Skeleton Creek's protest.

12. Notice of SPP's September 2019 Wheatbelt Filing in Docket No. ER19-2773-000 was published in the *Federal Register*, 84 Fed. Reg. 48,350 (2019), with interventions and protests due on or before September 30, 2019. Wheatbelt filed a timely motion to intervene and protest. Evergy filed a timely motion to intervene. AEP, OG&E, and Empire filed out-of-time motions to intervene. On October 16 and 17, 2019, Evergy and SPP, respectively, each filed an answer to Wheatbelt's protest.

13. Notice of SPP's September 2019 Chilocco Filing in Docket No. ER19-2813-000 was published in the *Federal Register*, 84 Fed. Reg. 49,518 (2019), with interventions and protests due on or before October 7, 2019. Chilocco filed a timely motion to intervene and protest. AEP, Evergy, OG&E, and Empire filed out-of-time motions to intervene. On October 29, 2019, SPP filed an answer to Chilocco's protest.

14. On October 29, 2019, Commission staff issued a letter informing SPP that its September 2019 Filings were deficient and requested additional information (October 2019 Deficiency Letter). On November 25, 2019, SPP submitted responses to the deficiency letter in Docket Nos. ER19-2747-001, ER19-2748-001, ER19-2773-001, and ER19-2813-001 (SPP November 2019 Deficiency Response).

15. Notice of SPP's November 2019 Deficiency Response was published in the *Federal Register*, 84 Fed. Reg. 66,180 (2019), with interventions and protests due on or before December 16, 2019. Frontier filed a protest in Docket No. ER19-2747-001. Evergy filed a protest in Docket Nos. ER19-2747-001, ER19-2748-001, ER19-2773-001, and ER19-2813-001. On January 7, 2020, SPP filed an answer to Evergy's and Frontier's protests in Docket Nos. ER19-2747-001, ER19-2748-001, ER19-2773-001, and ER19-2813-001.

16. On January 23, 2020, Commission staff issued a letter informing SPP that its November 2019 Deficiency Response was deficient and requested additional information (January 2020 Deficiency Letter). On February 24, 2020, SPP submitted responses to the deficiency letter in Docket Nos. ER19-2747-002, ER19-2748-002, ER19-2773-002, and ER19-2813-002 (SPP February 2020 Deficiency Response).

17. Notice of SPP's February 2020 Deficiency Response was published in the *Federal Register*, 85 Fed. Reg. 11,982 (2020), with interventions and protests due on or before March 16, 2020. OG&E filed a protest in Docket No. ER19-2747-002. On

March 30, 2020, Frontier filed an answer to OG&E's protest. On April 7, 2020, OG&E filed an answer to Frontier's answer. On April 14, 2020, SPP filed an answer to OG&E's protest and answer. On April 15, 2020, Frontier filed an answer to OG&E's answer.

IV. Discussion

A. Procedural Matters

18. 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 the proceedings in which they were filed.

19. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2019), the Commission will grant AEP's, Evergy's, OG&E's, Empire's, and Western Farmers' late-filed motions to intervene given their interest in these proceedings, the early stage of these proceedings, and the absence of undue prejudice or delay.

20. 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 or answer unless otherwise ordered by the decisional authority. We accept the answers to the protests and answers because they have provided information that assisted us in the decision-making process.

B. Substantive Matters

21. As a preliminary matter, SPP asserts that the four unexecuted GIAs are related and a Commission order in one docket will have a direct effect on the pending GIAs in the other dockets. SPP therefore requests that the Commission take into consideration all the GIAs and arguments presented below when issuing an order.¹⁶ We agree and address all the GIAs accordingly.

1. SPP September 2019 Filings

a. Group 8 Interconnection Customers' Protests

22. The Group 8 Interconnection Customers protested the unexecuted GIAs, arguing, among other things, that the Emporia Upgrade is not necessary to accommodate their

¹⁶ SPP October 2019 Frontier Answer at 11-12; SPP October 2019 Skeleton Creek Answer at 13; SPP October 2019 Wheatbelt Answer at 13; SPP October 2019 Chilocco Answer at 10-11. The Group 8 Interconnection Customers, Evergy, and OG&E also acknowledge in their pleadings that the GIAs are related.

projects.¹⁷ Frontier argues, among other things, that under Order No. 2003,¹⁸ an interconnection customer should only pay for the cost of interconnection facilities and network upgrades that would not be needed but for the interconnection customer's interconnection with the transmission provider's transmission system. Frontier, Skeleton Creek, and Wheatbelt contend that the Blackberry Project being considered in SPP's 2019 ITP would address the pre-existing issues at Wolf Creek and resolve the violations in the fourth restudy requiring the Emporia Upgrade, thus causing the Emporia Upgrade to fail the Commission's "but for" standard.¹⁹ Frontier, Skeleton Creek, and Wheatbelt request, among other things, that the Commission require SPP to restudy the Group 8 Interconnection Customers to determine if the Emporia Upgrade is necessary.²⁰

b. Answers

23. SPP and Evergy argue, among other things, that the Emporia Upgrade is required for the interconnection of the Group 8 Interconnection Customers' projects based upon the restudies conducted to date, which they argue SPP performed in accordance with its Tariff.²¹ SPP contends that the Blackberry Project was not a viable solution at the time the GIAs were tendered, as the Tariff did not permit placing the restudy process and

¹⁷ Frontier September 2019 Protest at 10-17; Skeleton Creek September 2019 Protest at 8-12; Wheatbelt September 2019 Protest at 8-12; Chilocco September 2019 Protest at 4-6.

¹⁸ *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 104 FERC ¶ 61,103, at P 694 (2003), *order on reh'g*, Order No. 2003-A, 106 FERC ¶ 61,220, *order on reh'g*, Order No. 2003-B, 109 FERC ¶ 61,287 (2004), *order on reh'g*, Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff'd sub nom. Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007), *cert. denied*, 552 U.S. 1230 (2008).

¹⁹ Frontier September 2019 Protest at 10-13; Skeleton Creek September 2019 Protest at 7-8; Wheatbelt September 2019 Protest at 7-8.

²⁰ Frontier September 2019 Protest at 19; Skeleton Creek September 2019 Protest at 9; Wheatbelt September 2019 Protest at 9.

²¹ SPP October 2019 Frontier Answer at 2-6; SPP October 2019 Skeleton Creek Answer at 3-5; SPP October 2019 Wheatbelt Answer at 3-5; SPP October 2019 Chilocco Answer at 3-5; Evergy October 2019 Skeleton Creek Answer at 4-10; Evergy October 2019 Wheatbelt Answer at 4-10.

GIA on hold until the Blackberry Project is approved or rejected.²² SPP asserts that in accordance with its GIP, if withdrawals occur in the future,²³ SPP will determine whether a fifth restudy is needed and, if so, will conduct a restudy at that time.²⁴

24. Frontier contends, in response to SPP's argument that the Tariff did not permit placing the restudy process and GIAs on hold, that GIP section 11.2 (Negotiation) allows the parties to the GIA to extend the deadline for filing the GIA at the Commission if they mutually agree and that Frontier was willing to do so.²⁵

2. October 2019 Deficiency Letter and SPP November 2019 Deficiency Response

25. Commission staff requested, among other things, that SPP describe the Blackberry Project. In response, SPP states that the Blackberry Project was identified in the 2019 ITP as providing economic benefits in excess of its costs as well as addressing reliability concerns.²⁶ SPP asserts that the Blackberry Project will relieve congestion in the Wolf Creek area by allowing system bulk power transfers to flow east to major SPP load centers and will address multiple reliability concerns, whereas the Emporia Upgrade will mitigate overloads in the Wolf Creek area.²⁷

26. Commission staff also requested that SPP describe the status of the Blackberry Project and the process SPP would use in re-evaluating the need for the Emporia Upgrade for the Group 8 Interconnection Customers. In response, SPP states that SPP's Board of Directors approved the Blackberry Project on October 29, 2019 as part of the 2019 ITP. SPP states that as a result of the approval of the Blackberry Project, SPP has already

²² SPP October 2019 Frontier Answer at 6-7; SPP October 2019 Skeleton Creek Answer at 5-7; SPP October 2019 Wheatbelt Answer at 5-7; SPP October 2019 Chilocco Answer at 4-5.

²³ According to SPP, as of October 16, 2019, no withdrawals or other changes occurred since the fourth restudy to warrant a fifth restudy. SPP October 2019 Frontier Answer at 11.

²⁴ *Id.* See also SPP October 2019 Skeleton Creek Answer at 6-7, 9; SPP October 2019 Wheatbelt Answer at 6-7, 9.

²⁵ Frontier November 2019 Answer at 2-6.

²⁶ SPP November 2019 Deficiency Response, Attachment A at 1.

²⁷ *Id.* at 1-2.

commenced a restudy of the Group 8 Interconnection Customers in accordance with GIP section 8.8 (Re-Study) to evaluate the need for the Emporia Upgrade.²⁸

27. In response to Commission staff's request to explain SPP's upcoming ITP process for 2020, SPP explains that in accordance with Attachment O of the Tariff, the ITP Manual describes the ITP process and defines how new generators and their associated upgrades are incorporated into SPP's transmission system planning models. SPP states that the deadline for submission of new data into the models for the 2020 ITP assessment occurred in the first quarter of 2019. SPP states that the deadline for the 2021 ITP assessment was December 13, 2019, but that an interconnection customer may request waiver of the deadline pursuant to section 2.1.1.1 of the ITP Manual.²⁹

a. Protests

28. Frontier argues that if a restudy of the Group 8 Interconnection Customers shows that the Blackberry Project eliminates the need for the Emporia Upgrade, SPP should be required to confirm that none of the costs of the Blackberry Project will be allocated to Frontier.³⁰ Additionally, according to Frontier, SPP should be required to confirm that the Group 8 Interconnection Customers will be accounted for in SPP's 2020 ITP and explain how inclusion in this process will affect the network upgrades required for those projects going forward.³¹

29. Evergy asserts that SPP issued the results of the restudy December 12, 2019, which concluded that the Emporia Upgrade was no longer needed. Evergy argues that the Group 8 Interconnection Customers benefit from the approval of the Blackberry Project without having to pay their commensurate portion of the cost of the project as there is no mechanism in the Tariff to share costs between the GIP and ITP processes. Evergy argues that the Group 8 Interconnection Customers that benefit from the approval of the Blackberry Project should share in cost responsibility for it.³²

²⁸ *Id.* at 2-3.

²⁹ *Id.* at 3.

³⁰ Frontier December 2019 Protest at 1-5.

³¹ *Id.* at 5-6.

³² Evergy December 2019 Protest at 1-4.

30. In addition, Evergy contends that SPP's restudy of the Emporia Upgrade does not appear to meet the criteria for restudy under GIP section 8.8 and requests that SPP clarify the basis for and the process used in the restudy.³³

b. Answer

31. SPP confirms that it completed the restudy of the Group 8 Interconnection Customers, which concluded that the Emporia Upgrade is no longer needed to accommodate the Group 8 Interconnection Customers.³⁴

32. According to SPP, a new generator must meet the criteria provided in the ITP Manual to be included in the models for the ITP assessment. SPP reiterates that the deadlines for the 2020 and 2021 ITP assessments already occurred, but a Group 8 Interconnection Customer can request waiver of the December 31, 2019 deadline to be included in the 2021 ITP assessment. SPP contends that the ITP assessment does not evaluate the upgrades necessary to interconnect a generator, and that, therefore, an ITP assessment would not change the upgrades required for interconnection of a generator. SPP asserts, however, that future ITP assessments could result in restudies of an interconnection request.³⁵

33. In response to Evergy's protest, SPP agrees that its Tariff does not provide any mechanism to allocate the costs of an ITP upgrade to interconnection customers. According to SPP, the Blackberry Project was approved in the ITP due to the economic benefits that it provides to SPP, the costs of which are allocated across the SPP region on a postage stamp basis to network customers (not generator interconnection customers).³⁶

34. SPP also argues that, contrary to Evergy's position, SPP conducted the restudy of the Group 8 Interconnection Customers in accordance with its Tariff. According to SPP, GIP section 4.4 gives SPP and the interconnection customer flexibility to consider changes to the planned interconnection that may occur during the study process. SPP argues that the approval of the Blackberry Project as an ITP upgrade is a change that affected the planned interconnection of the Group 8 Interconnection Customers. SPP contends that the Blackberry Project has a direct and material effect on the primary constraint limiting the availability of interconnection service for the Group 8 Interconnection Customers. SPP continues that, as a result, SPP found it necessary to

³³ *Id.* at 5.

³⁴ SPP January 2020 Answer at 1-5.

³⁵ *Id.* at 5-7.

³⁶ *Id.* at 7-9.

conduct a restudy to evaluate the effect of the Blackberry Project on the Group 8 Interconnection Customers.³⁷

3. January 2020 Deficiency Letter and SPP February 2020 Deficiency Response

35. Commission staff requested that, given the fifth restudy that concluded that the Emporia Upgrade is no longer needed to accommodate the Group 8 Interconnection Customers, SPP describe any proposed revisions needed to the GIAs. In response, SPP asserts that it sent revised GIAs that reflect the results of the fifth restudy to the Group 8 Interconnection Customers, but none of the GIAs were executed as of February 24, 2020 (the date SPP submitted the SPP February 2020 Deficiency Response).³⁸

36. Specifically, SPP asserts that in Appendix A, it added language to clarify that its revision is the first amendment to the GIAs. Further, SPP explains that it removed the Emporia Upgrade as a Shared Network Upgrade and added the Blackberry Project as a Previous Network Upgrade. According to SPP, the cost assignment for the Blackberry Project is \$0. SPP states that it made changes to the milestones in Appendix B, removing those associated with the Emporia Upgrade and revising others to reflect the in-service date for the Blackberry Project.³⁹

37. In addition, SPP asserts that it revised the Frontier GIA “to remove a withdrawn higher queued interconnection customer.”⁴⁰

a. Protest

38. OG&E argues that SPP’s decision to perform the fifth restudy violates the Tariff. OG&E contends that GIP section 8.8 allows SPP to perform a restudy only in limited circumstances. OG&E also contends that GIP section 4.4 only allows SPP to perform a restudy if there are proposed changes to the interconnection, not a change elsewhere on the SPP transmission that could affect the interconnection.⁴¹

39. OG&E alleges that SPP’s interpretations of GIP sections 8.8 and 4.4 are inconsistent with Commission precedent. According to OG&E, in 2010, SPP filed an

³⁷ *Id.* at 9-10.

³⁸ SPP February 2020 Deficiency Response, Attachment A at 1.

³⁹ *Id.* at 1-4.

⁴⁰ *Id.* at 2.

⁴¹ OG&E March 2020 Protest at 3-4.

unexecuted GIA with Novus Wind II, LLC (Novus) as the interconnection customer, which Novus protested, arguing that SPP should restudy its interconnection request because SPP approved a priority transmission project following the interconnection study process. OG&E argues that the Commission found that the approval of a priority project did not trigger a restudy under SPP's GIP.⁴² OG&E alleges that, in accepting the unexecuted Novus GIA, the Commission cited to *Neptune*, where the Commission prohibited a transmission provider from restudying an interconnection customer's request due to generator retirements that occurred subsequent to the customer's initial system impact study because such events were not listed in the transmission provider's tariff as permitting restudies.⁴³

40. OG&E also argues that the Commission noted that SPP was not trying to allocate the full cost of the priority transmission project to Novus, only the costs of the upgrade that would not be needed but for Novus' interconnection request. OG&E contends that the same is true here because SPP allocated the costs of the Emporia Upgrade on a *pro rata* basis to the Group 8 Interconnection Customers, and that OG&E is not requesting that Frontier be allocated costs for the Blackberry Project.⁴⁴

41. In addition, OG&E argues that SPP's fifth restudy was flawed. OG&E contends that the assumptions in SPP's 2019 ITP assume the Group 8 Interconnection Customers are interconnected to the SPP transmission system. OG&E alleges that by taking the 2019 ITP into account in the fifth restudy, SPP's proposed GIA revisions violate the Commission's interconnection-related pricing policy and cost-causation principles because the Group 8 Interconnection Customers are imposing costs on the SPP transmission system, but bear no responsibility for those costs.⁴⁵

b. Answers

42. Frontier contends that the Tariff supports SPP's decision to restudy the Group 8 Interconnection Customers. Specifically, Frontier argues that GIP section 4.4 provides SPP with the ability to study the effect of the Blackberry Project because the Blackberry

⁴² *Id.* at 4-5 (citing *Sw. Power Pool, Inc.*, 132 FERC ¶ 61,020 (2010) (*Novus*)).

⁴³ *Id.* at 5-6 (citing *Neptune Regional Transmission Sys., LLC v. PJM Interconnection, L.L.C.*, 110 FERC ¶ 61,098, at P 25 (*Neptune*), *order on reh'g*, 111 FERC ¶ 61,455, at P 19 (2005), *aff'd sub nom. Pub. Serv. Elec. & Gas. Co. v. FERC*, 485 F.3d 1164 (D.C. Cir. 2007)).

⁴⁴ *Id.* at 4-5.

⁴⁵ *Id.* at 6-8.

Project had a direct impact on the constraint limiting interconnection service for the Group 8 Interconnection Customers.⁴⁶

43. Frontier also contends that, unlike in *Novus*, SPP is not seeking to restudy the Group 8 Interconnection Customers on the basis that a network upgrade identified as necessary for their interconnection has been included in SPP's ITP. Frontier alleges that, rather, SPP performed the fifth restudy because a project included in the 2019 ITP impacted the Group 8 Interconnection Customers' requests for interconnection service. In addition, Frontier argues that, in *Novus*, SPP allocated to Novus only the cost of the upgrade that would not be needed but for its interconnection request. Frontier contends that the Emporia Upgrade is no longer a "but for" facility.⁴⁷

44. Frontier contends that its project was not included in SPP's 2019 or 2020 ITP and would not to be included in the 2021 ITP without a waiver. Frontier also argues that OG&E provides no evidence to support its claim that Frontier's interconnection will impose costs on the SPP system, and asserts that it will pay for the facilities identified in the fifth restudy as necessary for its interconnection.⁴⁸ Finally, Frontier requests that the Commission require SPP to remove the Emporia Upgrade from the Frontier GIA.⁴⁹

45. OG&E argues that Frontier's attempt to distinguish *Novus* is without merit because in *Novus*, as here, a subsequent transmission plan identified a new project that would obviate the need for a network upgrade identified in a generation interconnection study. OG&E argues further that the rationale underlying *Novus* relies on *Neptune*, in which the Commission found that the boundaries of the restudy process must correlate to circumstances known to SPP and the interconnection customer at the time of the initial study or, through exercising due diligence, was reasonably ascertainable at that time.⁵⁰

46. OG&E also alleges that SPP's 2019 ITP study included assumptions about future generation and load levels at the SPP nodes modeled in the restudy. OG&E contends that this includes the assumption that power would be introduced onto the SPP system at the nodes proposed by the Group 8 Interconnection Customers at levels roughly in line with the amounts at issue in the interconnection requests submitted by the Group 8 Interconnection Customers. OG&E argues that, because Frontier and OG&E disagree, a

⁴⁶ Frontier April 2020 Answer at 6-8.

⁴⁷ *Id.* at 8-9.

⁴⁸ *Id.* at 4-6.

⁴⁹ *Id.* at 3-4.

⁵⁰ OG&E April 2020 Answer at 2-5.

genuine issue of material fact exists. As such, OG&E requests that SPP supplement the record or the Commission set this issue for hearing and settlement procedures.⁵¹

47. SPP argues that, because its fifth restudy shows that the Emporia Upgrade is no longer necessary for the interconnection of the Group 8 Interconnection Customers, then the Emporia Upgrade should not be constructed. SPP contends that requiring the Group 8 Interconnection Customers to pay for the Emporia Upgrade would be the wrong outcome as it would dictate the unnecessary construction of multiple projects at a higher expense to transmission users in the region without commensurate benefits.⁵²

48. SPP alleges that it did not violate its Tariff in performing the fifth restudy and reiterates that GIP section 4.4 gives it flexibility to address changes that directly impact an interconnection request. SPP also argues that Attachment O, Section III.5(c) specifies that “[t]ransmission upgrades related to an approved interconnection agreement may be deferred or supplemented by other upgrades based upon the results of subsequent studies,”⁵³ in which a generator interconnection upgrade (e.g., the Emporia Upgrade) may be deferred or supplemented by an ITP upgrade (e.g., the Blackberry Project).⁵⁴

49. According to SPP, the facts here are different than the facts in *Novus*. SPP argues that in *Novus*, the outcome of a restudy did not have the potential to change whether the network upgrade was needed for the interconnection of Novus’ generating facility. SPP contends that here, there are two distinct, competing upgrades and that the basis of the fifth restudy was to determine whether the Emporia Upgrade is still needed.⁵⁵

50. SPP argues that, contrary to OG&E’s claims, its fifth restudy was not flawed. SPP alleges that the restudy used the 2017 ITP models, which are the same models used in the previous restudies and initial DISIS of the Group 8 Interconnection Customers. SPP claims that, contrary to OG&E’s arguments, the restudy did not, among other things, use the assumptions from the 2019 ITP or assume that power would be introduced onto the SPP system at the nodes proposed by the Group 8 Interconnection Customers at levels roughly in line with the amounts at issue in the interconnection requests submitted by the Group 8 Interconnection Customers. According to SPP, it made two changes to the

⁵¹ *Id.* at 5-6.

⁵² SPP April 2020 Answer at 3-7.

⁵³ SPP Tariff, Attachment O, Section III.5(c) (The Integrated Transmission Planning Assessment) (5.0.0).

⁵⁴ SPP April 2020 Answer at 7.

⁵⁵ *Id.* at 7-8.

assumptions used in the fifth restudy: the inclusion of the Blackberry Project in the model and an updated point of interconnection for a certain interconnection request.⁵⁶

51. Finally, SPP argues that by removing the costs of the Emporia Upgrade, it is not violating the Commission's interconnection-related pricing policy or cost causation principles because SPP is assigning costs to the Group 8 Interconnection Customers for the impacts to the SPP transmission system identified in the fifth restudy.⁵⁷

52. Frontier alleges that there are no genuine issues of material fact and, regardless, OG&E's arguments about the 2019 ITP study are outside the scope of these proceedings. Frontier contends that all the issues in these proceedings have been resolved and that SPP has explained how the unexecuted GIAs would be modified to reflect that the Emporia Upgrade is no longer necessary.⁵⁸

4. Commission Determination

53. We reject the unexecuted GIAs without prejudice. As further described below, we find that SPP has not shown the unexecuted GIAs to be just and reasonable because, as filed, the allocation of costs in Appendix A is based on the Emporia Upgrade, which is no longer needed to interconnect the Group 8 Interconnection Customers.

54. First, we find that the Group 8 Interconnection Customers' arguments related to the fourth restudy that concluded the Emporia Upgrade was necessary are moot. As discussed above, subsequent to the fourth restudy, SPP performed a fifth restudy, which concluded that the Emporia Upgrade is no longer needed to interconnect the Group 8 Interconnection Customers.

55. Second, we find that SPP did not violate its Tariff in performing a restudy. GIP section 8.8 permits SPP to perform a restudy when, among other things, a higher queued or equal priority queued project drops out of the queue.⁵⁹ SPP represents that it revised the Frontier GIA to remove a withdrawn higher queued interconnection customer.⁶⁰ Frontier is in the same cluster queue as the Group 8 Interconnection Customers.

⁵⁶ *Id.* at 8-10.

⁵⁷ *Id.* at 11-13.

⁵⁸ Frontier April 2020 Answer at 2-4.

⁵⁹ SPP Tariff, Attachment V, § 8.8 (Re-Study) (5.0.0) (listing "a higher queued . . . project dropping out of the queue" as a circumstance that would result in a restudy).

⁶⁰ SPP February 2020 Deficiency Response, Attachment A at 1.

Therefore, because a higher queued interconnection customer withdrew from the queue, SPP did not violate its Tariff by performing this further restudy.

56. We disagree with OG&E's argument that SPP's decision to perform a restudy is inconsistent with *Novus*. In *Novus*, the Commission found that the approval of a priority project in SPP's transmission planning process does not trigger a restudy under GIP section 8.8 (GIP section 8.6 at the time). However, in that case, SPP and Novus both acknowledged that a higher queued interconnection customer had withdrawn its project, thus requiring a restudy of Novus' project.⁶¹ Similarly here, SPP acknowledges that a higher queued interconnection customer dropped out of the queue.⁶² As discussed above, such an event triggers a restudy under GIP section 8.8.

57. Further, in *Novus*, Novus argued that the Commission should order SPP to use updated system conditions when performing the restudy, and SPP disagreed. The Commission found, however, that the issue of what system conditions should be used when a restudy of Novus' project was performed was not before the Commission in that proceeding.⁶³ Here, because SPP performed a restudy, we take this opportunity to address what system conditions SPP should use in performing that restudy.

58. According to GIP section 8.4, the DISIS will consider the base case, as well as all interconnection requests in the DISIS queue and all generating facilities that are interconnected or have a pending interconnection request as of the date the DISIS is commenced.⁶⁴ Base cases include all generation projects and transmission projects, including merchant transmission projects that are proposed for the transmission system for which a transmission expansion plan has been submitted and approved.⁶⁵ The Blackberry Project is a transmission project that was approved as part of SPP's 2019 ITP

⁶¹ *Novus*, 132 FERC ¶ 61,020 at P 38.

⁶² SPP February 2020 Deficiency Response, Attachment A at 1.

⁶³ *Novus*, 132 FERC ¶ 61,020 at P 38. Subsequent to the Commission's order, SPP performed a restudy based on the higher queued interconnection customer dropping out of the queue and sought to revise the Novus GIA to reflect the results of the restudy. The Novus GIA was ultimately terminated effective January 8, 2013. *Sw. Power Pool, Inc.*, Docket No. ER13-179-000 (Jan. 2, 2013) (delegated order).

⁶⁴ SPP Tariff, Attachment V, § 8.4.1 (Scope of DISIS) (5.0.0).

⁶⁵ *Id.*, § 2.4 (Base Case Data) (3.0.0).

on October 29, 2019. Accordingly, we find that SPP should have used system conditions that include the Blackberry Project in its fifth restudy, which SPP represents it did.⁶⁶

59. Third, we disagree with OG&E's argument that SPP's fifth restudy was flawed because SPP assumed the Group 8 Interconnection Customers were interconnected to the SPP system in the 2019 ITP models and then took the 2019 ITP results (i.e., the approval of the Blackberry Project) into account when performing the fifth restudy. As explained by SPP and Frontier, the Group 8 Interconnection Customers were not included in the 2019 ITP.⁶⁷ Thus, the Blackberry Project was approved in an ITP (i.e., the 2019 ITP) that did not consider the Group 8 Interconnection Customers (and did not assume that power would be introduced at levels roughly commensurate to those of the Group 8 Interconnection Customers' projects). Next, as further explained by SPP, it used the 2017 ITP models when performing the fifth restudy and did not include any changes in assumptions since the initial DISIS, except for the inclusion of the Blackberry Project and an updated point of interconnection for a certain interconnection customer.⁶⁸ For these reasons, we find that SPP's fifth restudy was not flawed, as alleged by OG&E. Accordingly, there are no genuine issues of material fact to be resolved.

60. We also disagree with OG&E's argument that SPP violated the Commission's interconnection-related pricing policy and cost-causation principles by proposing to assign zero costs of the Blackberry Project to the Group 8 Interconnection Customers. Under SPP's Tariff, the costs of network upgrades needed for an interconnection customer's interconnection are assigned to that customer in accordance with the GIP. There is no mechanism for the costs of an ITP upgrade to be allocated to generator interconnection customers.⁶⁹ Thus, because the Emporia Upgrade is no longer needed, SPP's proposed cost allocation for the Blackberry Project is consistent with the requirements for cost allocation under the Tariff.

61. Finally, as a project approved in SPP's 2019 ITP, the Blackberry Project is expected to be built regardless of the Group 8 Interconnection Customers' requests. The fifth restudy concluded that, as a result of the Blackberry Project, the Emporia Upgrade is no longer needed to interconnect the Group 8 Interconnection Customers. That is, the Emporia Upgrade is no longer a "but for" facility that is needed for the interconnection of the Group 8 Interconnection Customers. SPP states that it is in the process of revising the unexecuted GIAs to reflect the results of the fifth restudy and that none have been

⁶⁶ SPP April 2020 Answer at 10.

⁶⁷ See Frontier April 2020 Answer at 4 (quoting SPP January 2020 Answer at 6).

⁶⁸ SPP April 2020 Answer at 8-10.

⁶⁹ See SPP January 2020 Answer at 7; SPP April 2020 Answer at 11.

finalized and executed by the Group 8 Interconnection Customers.⁷⁰ As filed, the allocation of costs under each of the unexecuted GIAs in Appendix A still reflects the Emporia Upgrade, which is no longer needed. Because the allocation of costs is based on a shared network upgrade that is no longer needed and will not be constructed, we find that SPP has not shown the unexecuted GIAs to be just and reasonable. For that reason, we reject the unexecuted GIAs without prejudice.

The Commission orders:

The unexecuted GIAs are hereby rejected without prejudice, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁷⁰ SPP February 2020 Deficiency Response, Attachment A at 1. *See also* Frontier April 2020 Answer at 4 (“SPP has . . . explained how the [unexecuted] GIAs would be modified.”).