

171 FERC ¶ 61,218
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

NorthWestern Corporation

Docket No. ER19-1943-002

ORDER ON COMPLIANCE

(Issued June 18, 2020)

1. In a filing submitted on March 23, 2020 (March Compliance Filing), NorthWestern Corporation (NorthWestern) proposed revisions to its Open Access Transmission Tariff (Tariff) in compliance with the requirements of Order Nos. 845 and 845-A¹ and the Commission's order on compliance issued on January 24, 2020.² As discussed below, we find that the March Compliance Filing partially complies with the Commission's directives in the January 2020 Order. Accordingly, we accept the March Compliance Filing, effective May 22, 2019, and direct NorthWestern to submit a further compliance filing within 120 days of the date of this order.

I. Background

2. Order Nos. 845 and 845-A amended the Commission's *pro forma* Large Generator Interconnection Agreement (LGIA) and *pro forma* Large Generator Interconnection Procedures (LGIP) to improve certainty for interconnection customers, promote more informed interconnection decisions, and enhance the interconnection process. In Order Nos. 845 and 845-A, the Commission adopted 10 different reforms to improve the interconnection process and required transmission providers to submit compliance filings to incorporate those reforms into their tariffs.

¹ *Reform of Generator Interconnection Procedures and Agreements*, Order No. 845, 163 FERC ¶ 61,043 (2018), *errata notice*, 167 FERC ¶ 61,123, *order on reh'g*, Order No. 845-A, 166 FERC ¶ 61,137, *errata notice*, 167 FERC ¶ 61,124, *order on reh'g*, Order No. 845-B, 168 FERC ¶ 61,092 (2019).

² *NorthWestern Corp.*, 170 FERC ¶ 61,040 (2020) (January 2020 Order).

3. In the January 2020 Order, the Commission found that NorthWestern's May 22, 2019 compliance filing partially complied with the directives of Order Nos. 845 and 845-A. The Commission directed further revisions to the following sections of NorthWestern's LGIP: section 3.8 (Identification and Definition of Contingent Facilities); section 4.4.6 (Material Modification and Incorporations of Advanced Technologies); and sections 3.1 and 4.4.1 (Requesting Interconnection Service below Generating Facility Capacity).³

II. Notice and Responsive Pleadings

4. Notice of NorthWestern's March Compliance Filing was published in the *Federal Register*, 85 Fed. Reg. 17,324 (Mar. 27, 2020), with interventions and protests due on or before April 13, 2020. None was filed.

III. Discussion

5. As discussed below, we find that NorthWestern's March Compliance Filing partially complies with the requirements of Order Nos. 845 and 845-A, and the directives of the January 2020 Order. Accordingly, we accept NorthWestern's March Compliance Filing, effective May 22, 2019, and direct NorthWestern to submit a further compliance filing within 120 days of the date of this order.

A. Identification and Definition of Contingent Facilities

1. January 2020 Order

6. In the January 2020 Order, the Commission found that NorthWestern's proposed Tariff revisions lacked the requisite transparency required by Orders No. 845 and 845-A because the proposed Tariff revisions did not detail the specific technical screens or analyses and the specific thresholds or criteria that NorthWestern would use as part of its method to identify contingent facilities. Therefore, the Commission directed NorthWestern to submit a further compliance filing that included in section 3.8 of its LGIP the method it will use to determine contingent facilities, including technical screens or analyses it proposes to use to identify these facilities. The Commission further required NorthWestern to include in section 3.8 of its LGIP the specific thresholds or criteria it will use in its technical screens or analysis to achieve the level of transparency required by Order No. 845.⁴

³ *Id.* PP 23, 42, 64-65.

⁴ *Id.* P 23.

2. NorthWestern's Compliance Filing

7. NorthWestern proposes to adopt a five-step method for identifying contingent facilities.⁵ In step one, NorthWestern proposes that it will review higher-queued projects' interconnection studies to determine if those projects have unbuilt facilities that may be necessary to provide the interconnection customer's requested interconnection. In step two, NorthWestern proposes that, to the extent unbuilt interconnection facilities and/or network upgrades associated with higher queued interconnection requests are identified as potentially necessary to accommodate the interconnection customer's request, NorthWestern will consider such unbuilt interconnection facilities and/or network upgrades to be potential contingent facilities.

8. In step three, NorthWestern proposes to use the potential contingent facilities identified in step two to identify any interconnection facility or network upgrade associated with a higher-queued interconnection request on the transmission system without which the transmission system or, if applicable, any affected system would be unable to demonstrate acceptable pre and post-contingency system performance per applicable reliability standards. NorthWestern proposes to study any potential contingent facilities identified in step two by removing each potential contingent facility from the study cases and performing steady-state, short-circuit, voltage-stability, and/or transient-stability analyses to determine if the transmission system demonstrates acceptable pre and post-contingency system performance, using the same criteria that is used when determining the need for network upgrades and interconnection facilities during the interconnection system impact study conducted pursuant to LGIP section 7.3. NorthWestern states that step three addresses the Commission's concern in the January 2020 Order by listing the technical screens and performance criteria.

9. In step four, NorthWestern proposes to confirm the potential contingent facility as a contingent facility if the transmission system fails to demonstrate acceptable pre- and post-contingency system performance in the analysis performed in step three. NorthWestern also proposes to include potential contingent facilities identified in step two that are associated with communications, protection, and automation systems necessary for the operation of the generating facility or associated with delivery of its output as contingent facilities. Finally, in step five, NorthWestern proposes to explain why each contingent facility was identified as such, and how it relates to the interconnection customer's interconnection request, such that the interconnection

⁵ March Compliance Filing Transmittal at 2, Northwestern OATT, Attachment M (2.5.0), LGIP § 3.8.1.

customer has the opportunity to better understand its potential risk exposure should any such contingent facility be delayed or not built.⁶

3. Commission Determination

10. We find that NorthWestern's proposed LGIP revisions partially comply with the directive in the January 2020 Order for NorthWestern to include in section 3.8 of its LGIP the specific technical screens or analysis and the specific thresholds or criteria that NorthWestern will apply in identifying contingent facilities to achieve the level of transparency required by Order No. 845.⁷

11. NorthWestern's proposed revisions to its contingent facilities process provide additional detail about how it will identify contingent facilities, including that it will study potential contingent facilities to determine pre- and post-contingency effects on system performance. However, NorthWestern's proposed Tariff revisions do not specifically reflect the thresholds or criteria in step three that would result in the transmission system demonstrating unacceptable pre- and post-contingency system performance. NorthWestern's proposed revisions state that "acceptable" pre- and post-contingency system performance will be based on "applicable reliability standards" but do not include the specific standards.⁸ While NorthWestern's proposed Tariff revisions provide that NorthWestern will perform steady state, short circuit, voltage stability, and transient stability analyses, its proposed Tariff revisions do not include the specific thresholds or criteria for these analyses that, if not met by the transmission system, would result in the transmission system demonstrating unacceptable pre- and post-contingency system performance. In addition, although NorthWestern's proposed Tariff revisions provide that it will use criteria from section 7.3 of its LGIP as part of its method, this section of the LGIP does not describe any specific thresholds or criteria. Therefore, NorthWestern's proposed method does not fully comply with the directive in the January 2020 Order.

12. Accordingly, we direct NorthWestern to submit, within 120 days of the date of this order, a further compliance filing that includes the specific thresholds or criteria, including the quantitative triggers, that NorthWestern will use as part of its method to

⁶ NorthWestern OATT, Attachment M, (2.5.0), LGIP § 3.8.

⁷ January 2020 Order, 170 FERC ¶ 61,040 at P 23.

⁸ NorthWestern OATT, Attachment M (2.5.0), LGIP § 3.8.1.

identify contingent facilities to achieve the level of transparency required by Order No. 845.⁹

13. Additionally, we find that NorthWestern's proposed revisions fail to meet the Commission's requirement that a transmission provider must include contingent facilities in the interconnection customer's LGIA.¹⁰ Therefore, we direct NorthWestern to submit a further compliance filing within 120 days of the date of this order to revise its Tariff to state that it will include contingent facilities in the interconnection customer's LGIA.

B. Material Modifications and Incorporation of Advanced Technologies

1. January 2020 Order

14. In the January 2020 Order, the Commission found that NorthWestern's proposed tariff revisions partially comply with the requirements of Order No. 845 and 845-A. Specifically, in the January 2020 Order the Commission directed NorthWestern to: (1) revise its LGIP to specify the deposit amount the interconnection customer must tender if NorthWestern determines that additional studies are needed to evaluate whether a technological change is a material modification; and (2) provide a more detailed explanation of the studies that NorthWestern will conduct to determine whether the technological advancement request will result in a material modification.¹¹

2. NorthWestern's Compliance Filing

15. NorthWestern proposes to revise section 4.4.6.1 of its LGIP to require an interconnection customer that submits a request to review a technological change to provide a refundable deposit of \$1,000, and documentation to demonstrate that the electrical performance is equal to or superior to the prior performance and would not cause any reliability concerns.¹² NorthWestern also proposes to revise section 4.4.6.6 to describe the additional studies that NorthWestern may conduct to determine whether the technological advancement request is a permissible technological advancement or whether it will result in a material modification. NorthWestern will notify the interconnection customer of the necessary inputs, data, and scenarios used in its studies

⁹ For example, NorthWestern could explicitly identify the applicable reliability standards that it will use to identify contingent facilities.

¹⁰ Order No. 845, 163 FERC ¶ 61,043 at P 199.

¹¹ January 2020 Order, 170 FERC ¶ 61,040 at PP 64-65.

¹² March Compliance Filing Transmittal at 2, Northwestern OATT, Attachment M, (2.5.0), LGIP §§ 4.4.6.1 and 4.4.6.6.

and the costs interconnection customer is responsible for. NorthWestern explains that the study may consist of a short-circuit analysis, a stability analysis, and/or a power flow analysis, similar to a System Impact Study. The studies will determine whether the change is a material modification depending upon whether they are shown to affect lower queued projects. Interconnection customers will be given the opportunity to abandon the proposed technological advancement or to proceed and lose its queue position.¹³

3. Commission Determination

16. We find that NorthWestern's LGIP revisions regarding Material Modifications and Incorporation of Advanced Technologies comply with Orders No. 845 and 845-A and the January 2020 Order, which directed NorthWestern to specify the deposit amount and describe the studies it will perform.¹⁴ NorthWestern's LGIP revisions to section 4.4.6.6 comply with the January 2020 Order, because they specify the deposit amount and describe the process in sufficient detail to provide the necessary transparency.

C. Requesting Interconnection Service Below Generating Facility Capacity

1. January 2020 Order

17. The Commission found that NorthWestern's proposed Tariff revisions omitted language in sections 3.1 and 4.4.1 of the *pro forma* LGIP. Accordingly, the Commission directed NorthWestern to add the phrase "and associated costs" in section 3.1 of its LGIP, and the phrase "up to" in section 4.4.1 of its LGIP.¹⁵

2. NorthWestern's Compliance Filing

18. NorthWestern proposes revisions to sections 3.1 and 4.4.1 of its LGIP to include the omitted *pro forma* language, as directed.¹⁶

¹³ Northwestern OATT, Attachment M, (2.5.0), LGIP § 4.4.6.

¹⁴ January 2020 Order, 170 FERC ¶ 61,040 at PP 64-65.

¹⁵ *Id.* P 42.

¹⁶ March Compliance Filing Transmittal at 2, Northwestern OATT, Attachment M, (2.5.0), LGIP §§ 3.1 and 4.4.1.

3. Commission Determination

19. We find that NorthWestern's proposed revisions to sections 3.1 and 4.4.1 of its LGIP comply with the directives in the January 2020 Order because they incorporate the omitted *pro forma* language.

The Commission orders:

(A) NorthWestern's compliance filing is hereby accepted, to become effective May 22, 2019, subject to a further compliance filing, as discussed in the body of this order.

(B) NorthWestern is hereby directed to submit a further compliance filing within 120 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.