

171 FERC ¶ 61,224
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Tucson Electric Power Company

Docket No. ER19-1934-003

ORDER ON COMPLIANCE

(Issued June 18, 2020)

1. In a filing submitted on March 24, 2020 (March Compliance Filing), Tucson Electric Power Company (Tucson) proposed revisions to its Open Access Transmission Tariff (Tariff) in compliance with the requirements of Order Nos. 845 and 845-A¹ and the 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 Tucson 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.

3. In the January 2020 Order, the Commission found that Tucson's May 22, 2019 compliance filing, as amended, partially complied with the directives of Order Nos. 845

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 *Tucson Elec. Power Co.*, 170 FERC ¶ 61,043 (2020) (January 2020 Order).

and 845-A. The Commission directed further revisions to the following sections of Tucson's LGIP: Identification and Definition of Contingent Facilities, Requesting Interconnection Service Below Generating Facility Capacity, and Material Modifications and Incorporation of Advanced Technologies.³

II. Tucson's March Compliance Filing

4. Tucson states that it filed revisions to sections 3.8.1, 3.8.2, 3.8.3, 3.1, and 4.4.6 of its LGIP to comply with the directives in the January 2020 Order. Tucson asserts that these revisions meet the requirements of Order No. 845, Order No. 845-A, and the January 2020 Order.

III. Notice and Responsive Pleadings

5. Notice of Tucson's March Compliance Filing was published in the *Federal Register*, 85 Fed. Reg. 17,571 (Mar. 30, 2020), with interventions and protests due on or before April 14, 2020. None was filed.

IV. Discussion

A. Substantive Matters

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

1. Identification and Definition of Contingent Facilities

7. In the January 2020 Order, the Commission found that Tucson's proposed tariff revisions lacked the requisite transparency required by Order Nos. 845 and 845-A because the revisions did not detail the specific technical screens or analyses and the specific thresholds or criteria that Tucson will use as part of its method to identify contingent facilities. Therefore, the Commission required Tucson to submit a further compliance filing to specify in section 3.8 of its LGIP the method that Tucson will use to determine contingent facilities, including the technical screens or analysis it proposes to use to identify these facilities. The Commission further directed Tucson to include the

³ *Id.* PP 22, 38, 58-60.

specific thresholds or criteria that it will use in its technical screens or analysis to achieve the level of transparency required by Order No. 845.⁴

a. Tucson's March Compliance Filing

8. Tucson proposes to adopt a five-step method for identifying contingent facilities.⁵ In step one, Tucson 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, Tucson 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, Tucson will consider such unbuilt interconnection facilities and/or network upgrades to be potential contingent facilities.

9. In step three, Tucson 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 RC, WECC, or NERC requirements. Tucson 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. Tucson states that step three addresses the Commission's concern in the January 2020 Order by listing the technical screens and performance criteria.

10. In step four, Tucson 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. Tucson 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, Tucson proposes to explain why each contingent facility was identified as such, and how it relates to the interconnection customer's

⁴ *Id.* P 22.

⁵ March Compliance Filing Transmittal at 2-3, Tucson OATT, attach. I-3 (9.0.0), LGIP § 3.8.1.

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

11. Tucson also proposes new LGIP sections 3.8.2 and 3.8.3, which provide the interconnection customer with estimated costs and in-service dates for contingent facilities and include contingent facilities in the interconnection customer's LGIA.⁷

b. Commission Determination

12. We find that Tucson's proposed revisions partially comply with the directive in the January 2020 Order for Tucson to include in section 3.8 of its LGIP the technical screens or analyses and the specific thresholds or criteria that Tucson will apply in identifying contingent facilities to achieve the level of transparency required by Order Nos. 845 and 845-A.

13. Tucson'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, Tucson's proposed revisions do not specifically reflect the thresholds or criteria that would result in the transmission system demonstrating unacceptable pre- and post-contingency system performance. Tucson's proposed revisions state only that "acceptable" pre- and post-contingency system performance will be based on "applicable" Reliability Coordinator (RC), North American Electric Reliability Corporation (NERC), or the Western Electricity Coordinating Council (WECC) requirements but do not specify the applicable RC, WECC, or NERC requirements.⁸ Further, while Tucson's proposed Tariff revisions provide that Tucson will perform steady state, short circuit, voltage stability, and transient stability analyses, its proposed Tariff revisions do not identify 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. Although Tucson's proposed Tariff revisions provide that Tucson 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, Tucson's proposed method does not fully comply with the directive in the January 2020 Order.

⁶ Tucson OATT, attach. I-3 (9.0.0), LGIP § 3.8.1.

⁷ *Id.* §§ 3.8.2, 3.8.3.

⁸ *Id.* § 3.8.1.

14. Accordingly, we direct Tucson to submit, within 120 days of the date of this order, a further compliance filing that specifies in LGIP section 3.8 the requirements, thresholds or criteria that Tucson will use as part of its method to identify contingent facilities to achieve the level of transparency required by Order Nos. 845 and 845-A and the January 2020 Order.⁹

2. Requesting Interconnection Service Below Generating Facility Capacity

15. In the January 2020 Order, the Commission found that Tucson's proposed LGIP revisions that allow an interconnection customer to request interconnection service below its full generating capacity partially complied with the requirements of Order Nos. 845 and 845-A because Tucson incorporated most of the language without modification. However, the Commission observed that Tucson's proposed revisions to section 3.1 of its LGIP omitted some of the *pro forma* LGIP language required by Order No. 845. Therefore, the Commission required Tucson to submit a further compliance filing to fully incorporate the *pro forma* revisions.¹⁰

a. Tucson's March Compliance Filing

16. Tucson proposes to revise section 3.1 of its LGIP to include the *pro forma* phrase "and associated costs" that it had omitted.¹¹ Tucson's proposed Tariff revisions state:

These requests for Interconnection Service shall be studied at the level of Interconnection Service requested for purposes of Interconnection Facilities and Network Upgrades, *and associated costs*, but may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by the Interconnection Customer.¹²

⁹ For example, Tucson could explicitly identify the RC, WECC, and/or NERC requirements that it will use to identify contingent facilities.

¹⁰ January 2020 Order, 170 FERC ¶ 61,043 at P 38.

¹¹ March Compliance Filing at 3; Tucson OATT, attach. I-3 (9.0.0), LGIP § 3.1.

¹² Tucson OATT, attach. I-3 (9.0.0), LGIP § 3.1

b. Commission Determination

17. We find that Tucson's proposed revisions regarding Requesting Interconnection Service Below Generating Facility Capacity comply with the directives set forth in the January 2020 Order because Tucson has revised section 3.1 of its LGIP to include the omitted *pro forma* language.

3. Material Modifications and Incorporation of Advanced Technologies

18. In the January 2020 Order, the Commission found that Tucson's proposed revisions partially complied with the requirements of Order Nos. 845 and 845-A regarding the definition of technological advancement and associated procedures. The Commission directed Tucson to revise its LGIP to: (1) provide a more detailed explanation of the studies Tucson will conduct to determine whether the technological advancement request will result in a material modification; and (2) specify that it will determine within 30 days of receiving the initial request whether or not a technological advancement request is a material modification, rather than 30 days after receiving a study deposit that Tucson required subsequent to the initial request.¹³

a. Tucson's March Compliance Filing

19. Tucson proposes revisions to LGIP section 4.4.6 to explain how it will evaluate a proposed technological change request to determine whether it is a permissible technological advancement. The proposed revisions provide that, if studies are required to determine whether the request is a material modification, Tucson may conduct steady-state, voltage stability, short circuit/fault duty, stability analyses, and any other studies that Tucson might require to determine whether the request would cause reliability concerns or would result in electrical performance equal to or better than the electrical performance expected prior to the technology change.

20. Tucson's transmittal letter states that it "added clarifying language to Section 4.4.6 to make clear that it will provide the results of the determination as to whether a proposed technological advancement is a material modification within 30 calendar days of the initial request."¹⁴ Tucson also proposes revisions stating that it shall use reasonable efforts to complete its assessment within 30 days after receiving a completed request for incorporation of a technological advancement that includes the deposit and the information required to describe the proposed change. Further, Tucson proposes revisions stating that it will provide an accounting of its costs to the interconnection

¹³ January 2020 Order, 170 FERC ¶ 61,043 at PP 57-59.

¹⁴ March Compliance Filing at 4.

customer and either refund any overage or invoice the interconnection customer for any shortage of costs that exceed the deposit amount.¹⁵

21. Tucson also proposes that once it is determined the change is a permissible technological advancement, it will notify the interconnection customer, and the change shall be incorporated without the loss of the interconnection customer's queue position. However, if the technological change is considered a material modification, Tucson's proposed revisions state that it will provide study results to the interconnection customer and will allow the interconnection customer to choose whether to withdraw the proposed modification or proceed and lose its queue position.¹⁶

b. Commission Determination

22. We find that the proposed LGIP revisions partially comply with the directives in the January 2020 Order regarding technological change procedures. We find that Tucson's revisions explaining how it will determine whether a proposed technological change request to determine whether it is a permissible technological advancement is a material modification provide sufficient detail for interconnection customers to understand how Tucson will evaluate requests. Additionally, we find that Tucson's revisions provide a sufficiently detailed explanation of the studies Tucson will conduct to determine whether the technological advancement request will result in a material modification.

23. With regard to the deadline to determine whether or not a technological advancement is a material modification, Order No. 845 states that a transmission provider must determine whether a change is a material modification within 30 days of receiving the initial technological advancement request.¹⁷ Although Tucson states that its revisions clarify that it will provide a determination within 30 days of the initial request, its proposed revisions to section 4.4.6 still provide that, after submitting a written request to make a technological change, an interconnection customer might be required to provide a deposit to complete its technological change request if studies are necessary, and that Tucson's evaluation will be completed within 30 calendar days of receiving a *completed* technological change request that includes the deposit. As the Commission stated in the January 2020 Order, counting the 30 days from the date of providing a deposit that is requested after the technological change request does not comply with Order No. 845 as it would allow Tucson longer than 30 days from the receipt of the initial technological

¹⁵ Tucson OATT, attach. I-3 (9.0.0), LGIP § 4.4.6.

¹⁶ *Id.*

¹⁷ Order No. 845, 163 FERC ¶ 61,043 at P 535; *see also* Order No. 845-A, 166 FERC ¶ 61,137 at P 155.

change request to reach its determination, and this is inconsistent with Order No. 845.¹⁸ Further, Tucson's proposal to use "reasonable efforts" to achieve this deadline does not comply with Order No. 845. Order No. 845 establishes a 30-day requirement to determine whether the proposed technological change is a material modification and does not allow for the use of reasonable efforts to excuse compliance with this timeline.¹⁹ Accordingly, we direct Tucson to file, within 120 days of the date of this order, a further compliance filing that revises its proposed technological change procedure to state that it will complete its assessment under section 4.4.6 within 30 days of receiving the initial technological change request.

The Commission orders:

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

(B) Tucson 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.

¹⁸ January 2020 Order, 170 FERC ¶ 61,043 at P 59.

¹⁹ Order No. 845, 163 FERC ¶ 61,043 at P 535.