

160 FERC ¶ 61,086
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;
Cheryl A. LaFleur, and Robert F. Powelson.

Southwest Power Pool, Inc.

Docket No. ER17-1333-000

ORDER ON TARIFF FILING

(Issued September 20, 2017)

1. On March 29, 2017, pursuant to section 205 of the Federal Power Act,¹ Southwest Power Pool, Inc. (SPP) submitted proposed revisions to the Joint Operating Agreement between Midcontinent Independent System Operator, Inc. (MISO) and SPP (SPP-MISO JOA). On May 26, 2017, pursuant to the authority delegated by the Commission's February 3, 2017 Order Delegating Further Authority to Staff in Absence of Quorum,² SPP's proposed revisions to the SPP-MISO JOA were accepted for filing, suspended for a nominal period, to become effective June 1, 2017, subject to refund and further Commission order.³

2. As discussed below, in this further order, we accept SPP's filing, effective June 1, 2017.

I. Background

3. Within MISO an External Asynchronous Resource is a resource representing an asynchronous DC tie between the synchronous Eastern Interconnection grid and an asynchronous grid that is supported within the Transmission Provider Region through Dynamic Interchange Schedules in the Day-Ahead Energy and Operating Reserve Market

¹ 16 U.S.C. § 824d (2012).

² *Agency Operations in the Absence of a Quorum*, 158 FERC ¶ 61,135 (2017).

³ *Sw. Power Pool, Inc.*, Docket No. ER17-1333-000 (May 26, 2017) (delegated letter order).

and/or Real-Time Energy and Operating Reserve Market.⁴ Currently, only large-scale hydro generation owned by Manitoba Hydro meets the definition of External Asynchronous Resource in the MISO footprint. Until 2015, this resource was a dispatchable import into the MISO footprint and included in MISO market flows. However, in March 2015, bi-directional External Asynchronous Resource (both import and export) service was added for the MISO Balancing Authority, allowing exports to be dispatched to Manitoba Hydro. Changes to MISO's Congestion Management Process to address the bi-directional External Asynchronous Resource have been ongoing since that time.

4. On August 10, 2015, MISO, PJM Interconnection, L.L.C. (PJM), and SPP executed a Memorandum of Understanding that addressed several seams coordination issues among the three regional transmission organizations including the treatments of External Asynchronous Resources, as well as further coordination pursuant to the Congestion Management Process in each of the joint operating agreements. MISO and Manitoba Hydro thereafter amended their Seams Operating Agreement to include flows from bi-directional External Asynchronous Resources in the MISO market flow calculation under the Congestion Management Process.⁵ Following those changes, MISO engaged with the CMP Council⁶ and subsequently received guidance from the North American Electric Reliability Corporation Operating Reliability Subcommittee that resulted in additional proposed changes to the Congestion Management Process.

⁴ External Asynchronous Resource is specific to the MISO Open Access Transmission and Operating Reserve Markets Tariff (Tariff). MISO, FERC Electric Tariff, Module A, § 1.E "External Asynchronous Resource" (55.0.0).

⁵ See *Midcontinent Indep. Sys. Operator, Inc.*, Amended Seams Operating Agreement with Manitoba Hydro, Docket No. ER15-2753-000 (Sept. 30, 2015). See also *Midcontinent Indep. Sys. Operator, Inc.*, Docket No. ER15-2753-000 (Nov. 12, 2015) (delegated letter order) (accepting Sept. 30, 2015 filing).

⁶ The CMP Council is a steering committee composed of seams agreement signatories subscribing to the Congestion Management Process. The CMP Council includes MISO, PJM, SPP, Manitoba Hydro, Minnkota Power Cooperative, Inc., Tennessee Valley Authority, and Louisville Gas and Electric Company and Kentucky Utilities Company.

II. Filing

5. SPP states that it filed the proposed revisions to the SPP-MISO JOA at MISO's request and that MISO filed corresponding revisions to the SPP-MISO JOA.⁷ SPP states that MISO's objective for the proposed revisions is to modify MISO's existing processes with its seams and coordinating partners to include flows resulting from bi-directional External Asynchronous Resources in the MISO market flow calculation under the baseline Congestion Management Process, as well as specify other information sharing obligations between SPP and MISO. SPP states that it does not oppose inclusion of the revised terms into the SPP-MISO JOA and takes no position on the MISO stakeholder process that produced the revisions.

III. Notice and Responsive Pleadings

6. Notice of SPP's filing was published in the *Federal Register*, 82 Fed. Reg. 16,388 (2017), with interventions and protests due on or before April 19, 2017. Entergy Services, Inc., on behalf of Entergy Arkansas, Inc., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., and Entergy Texas, Inc., Exelon Corporation and MISO filed timely motions to intervene. On April 28, 2017, Westar Energy, Inc. (Westar) filed a motion to intervene out of time and limited comments. On May 15, 2017, SPP and MISO filed a joint answer to Westar's comments.

7. In its comments, Westar notes that SPP filed the proposed revisions to the SPP-MISO JOA to establish, in part, a process by which MISO will conduct studies to determine the flowgates impacted by the External Asynchronous Resource when requested by an operating entity. Westar states that it is not opposed to the intent of these studies, but is opposed to the inclusion of the phrase "or any industry-accepted system with similar capabilities" in the provision of section 3.2.1 of the SPP-MISO JOA, which

⁷ MISO filed its proposed revisions to the SPP-MISO JOA in Docket No. ER17-1332-000. *Midcontinent Indep. Sys. Operator, Inc.*, 160 FERC ¶ 61,084 (2017); *Midcontinent Indep. Sys. Operator, Inc.*, Docket No. ER17-1332-000 (May 26, 2017) (delegated letter order).

includes a new proposed Study Five addressing External Asynchronous Resources.⁸ Westar states that the study should be required to use the topology from the System Data Exchange as has been done historically and is understood by the entities affected by these studies. Westar argues that SPP did not cite any reason why the study should deviate from the System Data Exchange nor did it attempt to define “similar capabilities.” Westar argues that entities such as Westar cannot be reasonably assured that another industry-accepted system will return a just and reasonable Study Five outcome without sound reasoning for an alternative or a definition of what “similar capabilities” are. Therefore, Westar asserts that the Commission should require SPP to remove the language or define these terms with specificity.

8. In their answer, SPP and MISO argue that Westar fails to acknowledge that the language Westar is protesting has already been approved in section 3.2.1 of the SPP-MISO JOA for Studies One through Four.⁹ SPP and MISO state that the new provision applies the same process used for Studies One through Four to new Study Five and allows for flexibility when needed. SPP and MISO add that the language provides “bookends” around what may be considered in the study process. Specifically, SPP and MISO explain that the potential alternative system is limited because it must be “industry-accepted” and have “similar capabilities” to the System Data Exchange and therefore, the alternative system cannot be outside what is considered acceptable to industry or diverge significantly in what it can do. SPP and MISO also explain that the

⁸ Section 3.2.1 provides as follows (in pertinent part):

Study 5) – External Asynchronous Resource (EAR)

Upon request by an Operating Entity, MISO shall rerun Study 4 (no outage scenario) to determine the flowgates impacted by its EAR. Additionally, a second study will be performed using the [Interchange Distribution Calculator] reflecting the topology of the system from the System Data Exchange (SDX) or any industry-accepted system with similar capabilities. Both studies performed under Study 5 shall utilize the following assumptions: 1) the source to sink [Transfer Distribution Factor] calculation of the EAR shall be evaluated in the same way [Interchange Distribution Calculator] would evaluate the impacts of the associated tag (e.g., source and sink of the EAR); and 2) any flowgate that is determined to be impacted by the EAR by 5% or greater will be considered a Coordinated Flowgate.

⁹ SPP and MISO Answer at 4-5 (citing *Midcontinent Indep. Sys. Operator, Inc.*, Docket No. ER16-1797-000 (Sept. 15, 2016) (delegated letter order)).

Study Five process specifies what assumptions must be included. SPP and MISO state that they believe consistency is vital to the performance of the Congestion Management Process and utilizing common vernacular for each study type is a just and reasonable means for such a result. SPP and MISO assert that the Study Five process is sufficiently clear and should therefore be accepted. Finally, SPP and MISO assert that Westar provides no basis for the delay in filing its comments and that the Commission should reject the late filed motion to intervene as unsupported.

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 (2017), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. 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 Westar's late-filed motion to intervene given its interest in this proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

10. 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 unless otherwise ordered by the decisional authority. We will accept SPP's and MISO's answer because it has provided information that assisted us in our decision-making process.

B. Substantive Matters

11. We accept SPP's filing, effective June 1, 2017, as requested. We find Westar's request for the Commission to require SPP to remove the phrase "or any industry-accepted system with similar capabilities" from the new provision of section 3.2.1 of the SPP-MISO JOA language adding Study Five or define the phrase with greater specificity to be unwarranted. We find that this language grants reasonable flexibility for the use of an alternative system, if appropriate, and is sufficiently specific to ensure that the study will not vary significantly from the System Data Exchange or otherwise deviate from the expectations of the entities affected by the studies. Therefore, we find that the SPP-MISO JOA language regarding Study Five sufficiently limits deviation from industry expectations by requiring that any alternative system used must be "industry-accepted" and have "similar capabilities" as the System Data Exchange. Finally, we note that this language is already included in the SPP-MISO JOA for Studies One through Four, and we agree with SPP and MISO that consistency is important to the performance of the Congestion Management Process.

The Commission orders:

SPP's filing is hereby accepted, effective June 1, 2017, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.