

Energy, Infrastructure, Project and Asset Finance

# Summary of FERC Meeting Agenda

March 2014

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*Below are brief summaries of the agenda items for the Federal Energy Regulatory Commission's March 20, 2014 meeting, pursuant to the agenda as issued on March 13, 2014. Agenda items E-2 and E-3 have not been summarized as they were omitted from the agenda.*

## Administrative Items

### A-1: Docket No. AD02-1-000

This administrative docket addresses Agency Business Matters.

### A-2: Docket No. AD02-7-000

This administrative docket addresses Customer Matters, Reliability, Security and Market Operations.

### A-3: Docket No. AD06-3-000

This administrative docket is the Market Update.

## Electric Items

### E-1: California Independent System Operator Corporation, Docket Nos. ER13-103-001, -003; Pacific Gas and Electric Company, Docket No. ER12-2709-001; San Diego Gas & Electric Company, Docket No. ER13-87-001

These dockets involve rehearing of the parties' Order No. 1000 (*Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*) compliance filings. On April 18, 2013, the Commission accepted the California Independent System Operator Corporation's (CAISO) Order No. 1000 compliance filing, subject to a further filing, which CAISO submitted on August 20, 2013, and which has been protested. Also in the April order, the Commission accepted the Order No. 1000 compliance filings of Pacific Gas and Electric Company and San Diego Gas & Electric Company. Rehearing of the April order was granted for further consideration on June 14, 2013. Agenda item E-1 may be an order on rehearing.



Each month, White & Case provides brief summaries of the agenda items for the Federal Energy Regulatory Commission's monthly meeting.

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**E-4: Generator Verification Reliability Standards, Docket No. RM13-16-000**

On September 19, 2013, the Commission issued a Notice of Proposed Rulemaking (NOPR) stemming from a proposal by the North American Electric Reliability Corporation (NERC) to approve five proposed Reliability Standards—MOD-025-2 (Verification and Data Reporting of Generator Real and Reactive Power Capability and Synchronous Condenser Reactive Power Capability), MOD-026-1 (Verification of Models and Data for Generator Excitation Control System or Plant Volt/Var Control Functions), MOD-027-1 (Verification of Models and Data for Turbine/Governor and Load Control or Active Power/Frequency Control Functions), PRC-019-1 (Coordination of Generating Unit or Plant Capabilities, Voltage Regulating Controls and Protection), and PRC-024-1 (Generator Frequency and Voltage Protective Relay Settings), together with the associated implementation plans, violation risk factors and violation severity levels. Several parties filed comments in the proceeding. Agenda item E-4 may be a Final Order.

**E-5: Version 5 Critical Infrastructure Protection Reliability Standards, Docket No. RM13-5-001**

On November 22, 2013, the Commission issued Order No. 791, a Final Rule on Version 5 of the Critical Infrastructure Protection Reliability Standards, CIP-002-5 through CIP-011-1. Version 5 addresses the cyber security of the bulk electric system. In Order No. 791, the Commission also approved 19 new or revised definitions associated with the CIP Standards. The order also directed NERC to develop modifications to CIP Version 5. Several parties filed for clarification and/or rehearing of Order No. 791. Agenda item E-5 may be an order on rehearing and/or clarification.

**E-6: Generator Relay Loadability Reliability Standard, Docket No. RM13-19-000; Revised Transmission Relay Loadability Reliability Standard, Docket No. RM14-3-000**

This docket involves NERC's proposed Reliability Standards PRC-025-1—Generator Relay Loadability and PRC-023-3 — Transmission Relay Loadability, as well as the proposed implementation plan and retirement of currently effective PRC-023-2. NERC submitted proposed Reliability Standard PRC-025-1 in RM13-19-000 on August 30, 2013, but requested that the Commission delay action until proposed Reliability Standard PRC-023-3 was submitted in a supplemental filing. That supplemental filing was submitted on December 17, 2013, in RM14-3-000, and addresses clarifying changes necessary to establish a bright-line distinction between the applicability of load-responsive protective relays in the transmission and generator relay loadability Reliability Standards. Agenda item E-6 may be a NOPR stemming from NERC's proposed Reliability Standards.

**E-7: North American Electric Reliability Corporation, Docket No. RD14-2-000**

This docket involves NERC's request for approval of its proposed revised definition of "Bulk Electric System," which was submitted on December 13, 2013. Many parties filed comments and/or protests in the proceeding. Agenda item E-7 may be an order on NERC's request.

**E-8: New York Independent System Operator, Inc., Docket No. ER14-385-000**

On November 12, 2013, the New York Independent System Operator, Inc. (NYISO) submitted its Order No. 764 (*Integration of Variable Energy Resources*) compliance filing, including proposed revisions to its Market Administration and Control Area Services Tariff (Services Tariff) and Open Access Transmission Tariff (OATT). In the November 12 filing, NYISO committed to revise its Services Tariff at a date following a Federal Power Act (FPA) section 205 filing to request approval of revisions to the relevant sections of the Services Tariff to permit import offers and export bids at Variably Scheduled Proxy Generator Buses to contain different MW quantities and different prices for each quarter of an upcoming hour. NYISO submitted the section 205 filing in early December and supplemented the November filing on December 10, 2013. Agenda item E-8 may be an order on the NYISO's Order No. 764 compliance filings.

**E-9: ISO New England Inc. and New England Power Pool Participants Committee, Docket No. ER14-375-000**

On November 12, 2013, ISO New England Inc. (ISO NE), joined by the New England Power Pool Participants Committee, submitted its Order No. 764 compliance filing. Agenda item E-9 may be an order on the compliance filing.

**E-10: California Independent System Operator Corporation, Docket Nos. ER13-2063-001, ER14-1004-000**

On October 17, 2013, CAISO submitted proposed tariff revisions in Docket No. ER13-2063-001 amending a July 30, 2013 filing by CAISO to require registration of Multi-State Generation Resources and to modify the Minimum Load Costs Tolerance Band Test for Bid Cost Recovery. On October 22, 2013, the Commission informed CAISO that the filing was deficient and requested additional information. CAISO submitted the deficiency response on January 15, 2014 in Docket No. ER14-1004-000. Parties filed comments and/or protests in the dockets. Agenda item E-10 may be an order on CAISO's filings.

**E-11: Iowa Hydro, LLC, Docket No. QF12-135-000**

This docket stems from the late filing of a Form 556—Notice of Qualifying Facility (QF) Self-Certification by Iowa Hydro, LLC (Iowa Hydro) for the Maquoketa Hydroelectric Project (Project) following Iowa Hydro's August 2006 acquisition of the Project. At that time, Iowa Hydro was owned by North American Hydro Holdings, Inc. On September 6, 2013, Iowa Hydro and its current parent, Renewable World Energies, LLC, filed a proposed Refund Report and Request for Waiver of Filing Requirements and Related Refund Requirement in connection with the failure to have previously self-certified the Project. The proposed Refund Report contains a calculation of the time value of revenues received by Iowa Hydro between the date it began operating and selling energy from the Project until the end of December 2011, when Iowa Hydro submitted the required Form 556. Agenda item E-11 may be an order on Iowa Hydro's proposed Refund Report and related requests.

**E-12: Otter Creek Solar LLC, Docket Nos. EL13-60-001, QF13-402-002**

On June 27, 2013, the Commission issued a Notice of Intent Not to Act regarding a petition for enforcement filed by Otter Creek Solar LLC (Otter Creek) against the Vermont Public Service Board (Vermont PSB). Otter Creek had argued that the avoided cost rate pricing determination and mechanism in the Vermont PSB's feed-in tariff program violates the Public Utility Regulatory Policies Act (PURPA) and the FPA. Otter Creek also alleged that the program fixes the wholesale price for QF-purchased power at a price that has not been determined to be the utility's avoided cost, sets a wholesale price for energy utilities that are not subject to PURPA, creates a policy that eliminates a QF's ability to seek a long-run avoided cost rate outside of the program, and eliminates the ability of a QF to displace new capacity by setting aside a certain amount of new capacity for utility-owned projects. Otter Creek requested reconsideration and/or clarification of the June 27 Notice of Intent Not to Act. Agenda item E-12 may be an order on rehearing.

**E-13: Hydrodynamics Inc., Montana Marginal Energy, Inc., WINData, LLC, Docket No. EL13-73-000; Hydrodynamics, Inc., Docket Nos. QF85-212-001, QF08-556-001, QF08-557-001, QF08-558-001, QF08-559-001, QF08-598-001; Montana Marginal Energy, LLC, Docket No. QF03-36-001; Two Dot Wind Energy, LLC, Docket Nos. QF03-127-001, QF04-87-001; Two Dot Wind, LLC, Docket No. QF04-157-001; Two Dot Wind Farm, LLC, Docket No. QF10-668-001; MoWind, LLC, Docket No. QF05-140-001; Greenfield Wind, LLC, Docket No. QF11-449-002; Fairfield Wind LLC, Docket No. QF11-450-003; Greenfield Wind II, LLC, Docket No. QF13-425-001; Coyote Wind LLC, Docket No. QF13-421-001**

On June 14, 2013, Hydrodynamics, Inc., Montana Marginal Energy, Inc., and WINData, LLC (collectively, Petitioners) filed a petition for

enforcement and a petition for declaratory order, requesting the Commission take enforcement action under section 210(h) of PURPA, or in the alternative, issue a declaratory order finding that the Montana Public Service Commission's (MPSC) rule A.R.M. 38.5.1902(5) (MPSC Rule), and MPSC decisions interpreting the MPSC Rule, fail to implement PURPA and the Commission's regulations insofar as the MPSC Rule eliminates the rights of QFs to create a legally enforceable obligation and to choose how to sell their energy and capacity. Protests of the petition were filed, and the Petitioners answered the protests in August 2013. Agenda item E-13 may be an order on the petition.

**E-14: California Independent System Operator Corporation, Docket No. ER14-480-000**

On November 26, 2013, in compliance with Order No. 764, CAISO filed tariff revisions to implement certain real-time market design enhancements. The enhancements provide a new 15-minute market in which financially binding 15-minute prices for energy and ancillary services will apply to all internal transactions and to all transactions of market participants that choose to schedule on the interties on a 15-minute basis. Agenda item E-14 may be an order on CAISO's filing.

**E-15: California Independent System Operator Corporation, Docket No. ER14-495-000**

On November 27, 2013, in compliance with Order No. 764, CAISO filed tariff revisions to accommodate reforms regarding the provision of meteorological and forced outage data. This filing was submitted as a companion filing to the ER14-480-000 filing discussed above in Agenda item E-14. Agenda item E-15 may be an order on CAISO's filing.

**E-16: Midwest Independent Transmission System Operator, Inc., ALLETE, Inc., Ameren Illinois Company, Ameren Transmission Company of Illinois, American Transmission Company, LLC, Big Rivers Electric Corporation, Board of Water, Electric and Communications, Trustees of the City of Muscatine, Iowa, Central Minnesota Municipal Power Agency, City of Columbia, Missouri, Water & Light Company, City Water, Light & Power (Springfield, Illinois), Duke Energy Indiana, Inc., Dairyland Power Cooperative, Great River Energy, Hoosier Energy Rural Electric Cooperative, Inc., Indiana Municipal Power Agency, Indianapolis Power & Light Company, International Transmission Company, ITC Midwest, LLC, Michigan Electric Transmission Company, LLC, Michigan Public Power Agency, Michigan South Central Power Agency, MidAmerican Energy Company, Missouri River Energy Services, Montana-Dakota Utilities Company, Montezuma Municipal Light & Power, Municipal Electric Utility of the City of Cedar Falls, Iowa,**

**Muscatine Power and Water, Northern Indiana Public Service Company, Northern States Power Company, a Minnesota Corporation, Northern States Power Company, a Wisconsin Corporation, Northwestern Wisconsin Electric Company, Otter Tail Power Company, Southern Illinois Power Cooperative, Southern Indiana Gas & Electric Company, Southern Minnesota Municipal Power Agency, Tipton Municipal Utilities, Wabash Valley Power Association, Inc., Wolverine Power Supply Cooperative, Inc., Docket No. EL12-35-001**

On May 17, 2012, the Commission instituted an investigation pursuant to FPA section 206 to determine whether the formula rate protocols under the Midwest Independent Transmission System Operator, Inc. (MISO) Open Access Transmission, Energy, and Operating Reserve Markets Tariff (Tariff) are sufficient to ensure just and reasonable rates. After holding a paper hearing, the Commission issued an order on May 16, 2013 (May 2013 Order), finding that MISO's and the above-named transmission owners' formula rate protocols are insufficient to ensure just and reasonable rates. MISO and the above-named transmission owners were directed to file revised formula rate protocols. Parties filed for rehearing of the May 2013 Order, which was granted for further consideration on July 17, 2013. Agenda item E-16 may be an order on rehearing.

**E-17: Midcontinent Independent System Operator, Inc., and Southern Indiana Gas & Electric Company, Docket No. ER13-2375-000**

This docket relates to the Commission's May 2013 Order finding that the formula rate protocols of MISO and several transmission owners were insufficient to ensure just and reasonable rates and requiring compliance filings. The May 2013 Order did not address the formula rate protocols of Southern Indiana Gas & Electric Company d/b/a Vectren Energy Delivery of Indiana Inc. (Vectren South); however, on September 13, 2013, Vectren South submitted revisions to its formula rate protocols under the MISO Tariff as a transmission-owning member of MISO subject to MISO's Tariff. Agenda item E-17 may be an order on Vectren South's revised formula rate protocols.

**E-18: Midcontinent Independent System Operator, Inc., and Northern Indiana Public Service Company, Docket No. ER13-2376-000**

This docket relates to the Commission's May 2013 Order finding that the formula rate protocols of MISO and several transmission owners, including Northern Indiana Public Service Company (NIPSCO), were insufficient to ensure just and reasonable rates and requiring compliance filings. On September 13, 2013, in

compliance with the May 2013 Order, NIPSCO submitted revisions to the NIPSCO Annual Rate Calculation and True-Up Procedures associated with NIPSCO's forward-looking Attachment O to MISO's Tariff. Agenda item E-18 may be an order on NIPSCO's filing.

**E-19: Midcontinent Independent System Operator, Inc., Docket No. ER13-2379-000; Midwest Independent Transmission System Operator, Inc., ALLETE, Inc., Ameren Illinois Company, Ameren Transmission Company of Illinois, American Transmission Company, LLC, Big Rivers Electric Corporation, Board of Water, Electric and Communications, Trustees of the City of Muscatine, Iowa, Central Minnesota Municipal Power Agency, City of Columbia, Missouri, Water & Light Company, City Water, Light & Power (Springfield, Illinois), Duke Energy Indiana, Inc., Dairyland Power Cooperative, Entergy Services, Inc., Great River Energy, Hoosier Energy Rural Electric Cooperative, Inc., Indiana Municipal Power Agency, Indianapolis Power & Light Company, International Transmission Company, ITC Midwest, LLC, Michigan Electric Transmission Company, LLC, Michigan Public Power Agency, Michigan South Central Power Agency, MidAmerican Energy Company, Missouri River Energy Services, Montana-Dakota Utilities Company, Montezuma Municipal Light & Power, Municipal Electric Utility of the City of Cedar Falls, Iowa, Muscatine Power and Water, Northern States Power Company, a Minnesota Corporation, Northern States Power Company, a Wisconsin Corporation, Northwestern Wisconsin Electric Company, Otter Tail Power Company, Southern Illinois Power Cooperative, Southern Minnesota Municipal Power Agency, Tipton Municipal Utilities, Wabash Valley Power Association, Inc., Wolverine Power Supply Cooperative, Inc., Docket No. EL12-35-000; Entergy Services, Inc., Docket No. ER13-948-000**

On September 13, 2013, the parties submitted compliance filings in response to the May 2013 Order. Agenda item E-19 may be an order on the compliance filings.

**E-20: NRG Energy Holdings, Inc. and Edison Mission Energy, Docket No. EC14-14-000**

On October 25, 2013, as corrected on October 28, 2013, NRG Energy Holdings, Inc. (NRG) and Edison Mission Energy (EME) and its public utility subsidiaries filed a joint application for approval under FPA section 203 for NRG to acquire substantially all of the assets of EME, including EME's direct and indirect interests in its public utility subsidiaries in exchange for cash and stock. On December 5, 2013, the Commission requested additional information regarding the application to which NRG responded on December 11, 2013. Agenda item E-20 may be an order on the application.



**E-21: Glacial Energy Holdings, Glacial Energy of California, Inc., Glacial Energy of Illinois, Inc., Glacial Energy of New England, Inc., Glacial Energy of New Jersey, Inc., Glacial Energy of New York, Voltage Energy Holdings, Inc., Docket No. EC14-37-000**

On December 18, 2013, Glacial Energy Holdings (Glacial Holdings), the owner of all outstanding shares of Glacial Energy of Illinois, Inc., Glacial Energy of New York, Glacial Energy of New England, Inc., Glacial Energy of New Jersey, Inc. and Glacial Energy of California, Inc. (collectively, the “Glacial Sellers”), together with Voltage Energy Holdings, Inc. (Voltage), submitted a filing under FPA section 203 to transfer ownership and control over the Glacial Sellers from Glacial Holdings to Voltage, and transfer certain interests in Glacial Holdings from Hasbro Management LLC and Photon Management LLC to Gary Mole, Glacial Holdings’ 80 percent shareholder. On March 18, 2014, Voltage filed a request to withdraw the December application. Agenda item E-21 may be an order on the proposed transaction and/or an order on the request to withdraw the application.

**E-22: Old Dominion Electric Cooperative and North Carolina Electric Membership Corporation v. Virginia Electric and Power Company, Docket No. EL10-49-000**

On May 18, 2012, the Commission issued an Order Approving Uncontested Settlement regarding a February 9, 2012 offer of settlement filed by Virginia Electric and Power Company d/b/a Dominion Virginia Power on behalf of itself, Old Dominion Electric Cooperative, North Carolina Electric Membership Corporation, Northern Virginia Electric Cooperative, Inc., Central Virginia Electric Cooperative, and Virginia Municipal Electric Association No. 1 (collectively, Parties) resolving issues set for hearing regarding cost allocation for legacy retail delivery tap facilities and six supplemental projects. Because the parties did not settle an issue concerning the costs of undergrounding certain projects, the Commission established a briefing schedule to address this issue. The parties filed briefs and reply briefs in 2012. Agenda item E-22 may be an order on final pending issue.

**Miscellaneous Items**

**M-1: Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities, Docket No. RM14-2-000**

This is a new rulemaking proceeding.

**M-2: California Independent System Operator Corporation, Docket No. EL14-22-000; ISO New England, Inc., Docket No. EL14-23-000; PJM Interconnection, LLC, Docket No. EL14-24-000; Midcontinent Independent System Operation, Inc., Docket No. EL14-25-000; New York Independent System Operator, Inc., Docket No. EL14-26-000; Southwest Power Pool, Inc., Docket No. EL14-27-000**

These are all newly opened dockets relating to the above-listed Independent System Operators and Regional Transmission Organizations. Agenda item M-2 may be orders establishing these dockets.

**M-3: Posting of Offers to Purchase Capacity, Docket No. RP14-442-000**

This is a new natural gas proceeding.

**Gas Item**

**G-1: Colonial Pipeline Company, Docket No. OR14-8-000**

Colonial Pipeline Company (Colonial) submitted a petition for declaratory order on November 8, 2013, requesting Commission approval of (1) its proposed tariff rate structure and terms of service agreed to by Colonial and its shippers (the Contract Shippers) with respect to commitments by the Contract Shippers to originate volumes of refined petroleum products on Colonial’s system or pay a deficiency payment for failing to do so, (2) a prorationing methodology by which the calculation of the Contract Shipper’s capacity allocation on Colonial’s Line 1 and Line 2 will utilize the greater of the Contract Shipper’s then-current annual volume commitment or its history of refined petroleum products shipped over the relevant 12-month period, and (3) a procedure by which available excess system capacity will be allocated first to those Contract Shippers that have an annual volume commitment of at least 1,000,000 barrels. Many parties filed comments and/or protests in the proceeding. Agenda item G-1 may be an order on the petition for declaratory order.

## Hydro Item

### H-1: Public Utility District No. 1 of Snohomish County, Washington, Docket No. P-12690-005

On April 23, 2012, the Commission issued a Notice of Acceptance of Application soliciting comments on an application for a new Pilot Project License, the Admiralty Inlet Pilot Tidal Project (Project), filed March 1, 2012, by Public Utility District No. 1 of Snohomish County, Washington (PUD). The estimated average annual generation of the project is 216,000 kilowatt-hours. An Environmental Assessment was issued for the Project on January 15, 2013. PUD has supplemented its application, and many parties have filed comments in the proceeding. Agenda item H-1 may be an order on the proposed Project.

## Certificate Items

### C-1: Northern Natural Gas Company, Docket No. CP13-528-000

On August 1, 2013, Northern Natural Gas Company (Northern) filed an application for a certificate of public convenience and necessity to construct and operate certain compressor, pipeline and meter station facilities located in Iowa and Nebraska called the West Leg 2014 Expansion Project (Project). Northern has filed supplemental information on the Project, and an Environmental Assessment for the Project was issued on November 26, 2013. Agenda item C-1 may be an order on Northern's application.

### C-2: Houston Pipe Line Company LP, Docket No. CP14-13-000

On October 28, 2013, Houston Pipe Line Company, LP (Houston) filed an application for a Section 3 Authorization and Presidential Permit to site, construct, operate and maintain natural gas pipeline facilities in order to import and/or export natural gas between the United States and Mexico. An Environmental Assessment for the project was issued on February 20, 2014. Agenda item C-2 may be an order on the application.

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