

FERC

Meeting Agenda Summary

In this issue...

- Electric Items
 - Hydro Items
 - Certificate Items
-

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Below are brief summaries of the agenda items for the Federal Energy Regulatory Commission's April 19, 2018 meeting, pursuant to the agenda as issued on April 12, 2018. Item E-4 has not been summarized due to omission from the agenda.

Electric

E-1 – Uplift Cost Allocation and Transparency in Markets Operated by Regional Transmission Organizations and Independent System Operators (Docket No. RM17-2-000). On January 19, 2017, the Commission issued a notice of proposed rulemaking (“NOPR”) proposing to revise its regulations to require regional transmission organizations (“RTOs”) and independent system operator (“ISOs”) that allocate real-time uplift costs due to deviations, to allocate such costs solely to market participants with transactions reasonably expected to have contributed to such costs. The NOPR also proposes revisions to the Commission's regulations, which are intended to increase transparency by requiring RTOs and ISOs to (1) post on their websites paid uplift costs and operator-initiated commitments; and (2) define in their tariffs the transmission constraint penalty factors, as well as the circumstances under which those penalty factors can set locational marginal prices, and any procedure for changing such factors. Agenda item E-1 may be an order on the NOPR.

E-2 – Reform of Generator Interconnection Procedures and Agreements (Docket No. RM17-8-000). On December 15, 2016, the Commission issued a NOPR proposing to revise its regulations, the *pro forma* Large Generator Interconnection Procedures, and the *pro forma* Large Generator Interconnection Agreement. The proposed revisions are designed to improve the interconnection process, increase certainty, and generally promote more informed interconnection. The Commission also states the proposed revisions are intended to ensure a just and reasonable and not unduly discriminatory or preferential generator interconnection process. Agenda item E-2 may be an order on the NOPR.

E-3 – Revised Critical Infrastructure Protection Reliability Standard CIP-003-7 - Cyber Security - Security Management Controls (Docket No. RM17-11-000). On March 3, 2017, the North American Electric Reliability Corporation (“NERC”) filed a petition with the Commission requesting, *inter alia*, approval of proposed Reliability Standard CIP-003-7 – Cyber Security – Security Management Controls (“Reliability Standard CIP-003-7”). NERC

states in its petition that the modifications in proposed Reliability Standard CIP-003-7 address Commission directives from Order No. 822 regarding: (1) electronic access control requirements for low-impact BES Cyber Systems; and (2) protection for transient electronic devices (*i.e.*, thumb drives and other portable electronics used to connect/disconnect from various systems) used for low-impact BES Cyber Systems. On October 19, 2017, the Commission issued a NOPR proposing to approve proposed Reliability Standard CIP-003-7. The NOPR also proposes to direct NERC to modify proposed Reliability Standard CIP-003-7 to provide objective criteria for electronic access controls for low impact BES Cyber Systems; and address the need to mitigate the risk of malicious code that could result from third-party transient electronic devices. Agenda item E-3 may be an order on the NOPR.

E-4 – Omitted

E-5 – PJM Interconnection L.L.C. and Ohio Valley Electric Corporation (Docket Nos. ER18-459-000 & ER18-460-000). On December 15, 2017, PJM Interconnection, L.L.C. (“PJM”) and Ohio Valley Electric Corporation (OVEC) jointly submitted pursuant to section 205 of the Federal Power Act (“FPA”) a filing in connection with OVEC’s proposed integration into the PJM market. Specifically, PJM filed modifications to the PJM Open Access Transmission Tariff (“PJM Tariff”), the Reliability Assurance Agreement Among Load Serving Entities in the PJM Region, and the Consolidated Transmission Owners Agreement. Concurrently, OVEC filed tariff modifications to its existing FERC-approved transmission revenue requirement and rates to integrate it into the corresponding PJM Tariff. Agenda item E-5 may be an order on the joint PJM and OVEC filing.

E-6 – PJM Interconnection L.L.C. (Docket No. ER17-1016-001). On February 23, 2017, PJM submitted revisions to Schedule 12 – Appendix of the PJM Tariff to incorporate the allocated percentages of approximately \$1.159 million of costs associated with two baseline upgrades. On April 26, 2017, by delegated letter order, the February 23 filing was accepted for filing, subject to refund, and set for hearing and settlement judge procedures. On December 20, 2017, after settlement discussions resulted in a settlement in principle, a settlement was filed with the presiding Administrative Law Judge (“ALJ”). On January 31, 2018, the presiding ALJ issued an order certifying the settlement as uncontested. Agenda item E-6 may be an order on the settlement related to PJM’s February 23 filing.

E-7 – PacifiCorp (Docket No. ER17-219-002). On October 28, 2016, PacifiCorp filed revisions to its Open Access Transmission Tariff (“PacifiCorp Tariff”) proposing to update certain rate schedules to provide for differentiated rates reflecting cost variability associated with variable energy resources and non-variable energy sources. On February 2, 2017, the Commission issued an order accepting and suspending PacifiCorp’s proposed rates, initiated a proceeding pursuant to section 206 of the FPA, and established hearing and settlement proceedings. On January 31, 2018, after participants reached a broad agreement in principle that would fully resolve the issues in the contested proceeding, PacifiCorp filed a Settlement Agreement. On March 5, 2018, the presiding ALJ issued an order certifying the settlement as uncontested and recommending it for approval by the Commission. Agenda item E-7 may be an order regarding the PacifiCorp Settlement Agreement.

E-8 – Southwest Power Pool, Inc. (Docket No. ER17-2220-001). On August 2, 2017, Southwest Power Pool, Inc. (“SPP”) submitted, pursuant to section 205 of the Federal Power Act, proposed revisions to Attachment J, Section III.D.1 of its Open Access Transmission Tariff that would change the frequency of the Regional Cost Allocation Review analysis from once every three years to once every six years. On September 29, 2017, the Commission issued an Order Accepting Proposed Tariff Revisions finding SPP’s proposal to be just and reasonable and accepting the Tariff revisions to be effective October 1, 2017. On October 30, 2017, Sunflower Electric Power Corporation and Mid-Kansas Electric Company, LLC submitted requests for rehearing of the Commission’s September 29 order, contending that the increase in time between reviews was not just and reasonable. Agenda item E-8 may be an order addressing the request for rehearing.

Hydro

H-1 – Fairlawn Hydroelectric Company, LLC (Docket No. P-12715-013). On February 28, 2018, Fairlawn Hydroelectric Company, LLC (“Fairlawn”), the licensee of the Jennings Randolph Hydroelectric Project No. 12715, requested a two-year extension of an existing stay of the commencement and completion of construction deadlines set forth in Fairlawn’s original license. Fairlawn states that it requires the extension of the stay to

continue its ongoing efforts to secure a permit from the US Army Corps of Engineers under section 14 of the Rivers and Harbors Act. Agenda item H-1 may be an order granting an extension of the stay.

H-2 – Consumers Energy Company (Docket No. P-785-034). On January 15, 2010, FERC issued a new license for the Calkins Bridge Hydroelectric Project No. 785 (“Calkins Bridge Project”) to Consumers Energy Company (“Consumers”), the licensee for the Project, and required Consumers to file a revised Exhibit G drawing to exclude certain state-owned recreation facilities from within the project boundary. On April 26, 2016, Commission staff issued an additional information request to Consumers seeking information regarding a possible property boundary discrepancy. In response, Consumers submitted a revised Exhibit G drawing and supplemental information, and FERC issued an order approving the revised Exhibit G drawing on February 13, 2018. On March 8, 2018, a landowner requested rehearing of the February 13 order, and on April 11, 2018, FERC issued an order granting rehearing for further consideration. Agenda item H-2 may be an order regarding these issues.

H-3 – America First Hydro LLC (Docket No. P-14856-001). On September 18, 2017 and September 22, 2017, Maine Rivers and MKRA filed motions to intervene in Docket numbers 14845 and 14856. On December 11, 2017, FERC issued a notice dismissing motions to intervene submitted by Maine Rivers and the Mousam and Kennebunk Rivers Alliance (“MKRA”) and certain others in Docket number 14856. On January 9, 2018, Maine Rivers and MKRA requested rehearing of the December 11 notice, and on February 7, 2018, FERC granted rehearing for further consideration. Agenda item H-3 may be an order on the requests for rehearing.

Certificates

C-1 – Certification of New Interstate Natural Gas Facilities (Docket No. PL18-1-000). Agenda item C-1 may be an order soliciting industry feedback regarding potential new or revised Commission policy for the certification of new interstate natural gas facilities.

C-2 – WBI Energy Transmission, Inc. (Docket No. CP17-469-000). On June 30, 2017, WBI Energy Transmission, Inc. (“WBI”) submitted an abbreviated application pursuant to sections 7(b) and 7(c) of the Natural Gas Act (“NGA”). In the application, WBI requested Commission authorization to abandon its Billy Creek Storage Field located in Wyoming, the facilities within the field, and the associated injected and recoverable cushion gas. WBI also sought authorization to construct, install, modify, and operate certain pipeline facilities to withdraw the residual cushion gas to sell at market prices prior to the requested abandonment. No substantive comments or protests were filed during the intervening period. On February 2, 2018, the Commission issued the Environmental Assessment Report, finding that the abandonment project would not constitute a major action adversely affecting the environment, contingent on adhering to the mitigation measures detailed by the Commission. Agenda item C-2 may be an order on WBI’s application.

C-3 – High Island Offshore System, LLC (Docket No. CP16-20-001). On November 19, 2015, High Island Offshore System, LLC (“HIOS”) submitted an abbreviated application pursuant to section 7(b) of the NGA. HIOS sought authorization to abandon certain offshore facilities located in the Gulf of Mexico, namely facilities that will assist with the development of the proposed Deepwater Port project, owned by Delfin LNG, for the future export of liquefied natural gas. HOIS states that the facilities would thereafter exclusively transport domestic natural gas to the Delfin project. In the intervening period, a number of firm shippers and interruptible transportation customers on the HIOS system filed comments and protests opposing the application. Following a robust exchange of data per Commission and intervenor requests, the Commission issued an order on September 28, 2017, approving the issuance of the certificate and granting abandonment. On October 30, 2017, Arena Energy, W&T Offshore, Inc., and Walter Oil & Gas Corporation (collectively, the producer coalition) jointly filed a request for rehearing. Agenda item C-3 may be an order on the request for rehearing brought forward by the producer coalition.

C-4 – Dominion Transmission, Inc. (Docket No. CP14-497-001). On June 2, 2014, Dominion Transmission, Inc. (“Dominion”) submitted an abbreviated application pursuant to section 7(c) of the NGA. In the application, Dominion sought a Certificate of Public Convenience and Necessity (“CPCN”) to construct, install, own, and operate certain compression facilities located in several counties in New York, all of which would comprise the New Market Project. Dominion stated that the New Market Project aimed to provide natural gas firm transportation service in Pennsylvania and New York, expanding access to major natural gas markets in the northeast US. A large number of potentially affected stakeholders filed comments and protests, in addition to sitting members of

the US Senate and House of Representatives, relevant government agencies, and advocacy groups. Due to the significant public interest in the Dominion application, on November 4, 2014, the Commission re-opened the public scoping period to include an additional month of comment solicitation. On November 20, 2015, the Commission issued the Environmental Assessment Report, finding that the New Market Project would not constitute a major action adversely affecting the environment, contingent on adhering to the mitigation measures detailed by the Commission. On April 28, 2016, the Commission issued an order granting the CPCN to Dominion; on May 2, 2016, Dominion accepted the CPCN and filed its implementation plan on May 12, 2016. On May 25, 2016, Otsego 2000, Inc. (“Otsego 2000”) and Mohawk Valley Keeper (“Mohawk”) filed an objection to the Dominion implementation plan and requested a stay of all construction activity on the New Market Project until local and state governments have completed their review. Separately, on May 31, 2016, Otsego 2000 filed a request for rehearing of the April 28 order, asserting that the Commission did not sufficiently analyze cumulative impacts or account for the larger scope of the Brookman Corners Compressor Station than originally anticipated. The Commission issued an order denying the stay requested by Otsego 2000 and Mohawk on June 23, 2016, with no action taken on the request for rehearing. On January 24, 2017, Dominion filed a request to commence construction on the New Market Project; subsequently, many comments were filed in opposition. The Commission issued an order approving construction activities on March 17, 2017. Dominion filed a request to place the New Market Project into service on September 29, 2017, which the Commission approved on October 27, 2017. Agenda item C-4 may be an order on the request for rehearing brought forward by Otsego 2000.

C-5 – Tennessee Gas Pipeline Company, LLC (Docket No. CP15-77-001). On January 30, 2015, Tennessee Gas Pipeline Company, LLC (“Tennessee Gas”) filed, pursuant to sections 7(b) and (c) of the NGA, an application requesting authorization to construct and operate certain compression facilities in Kentucky, Tennessee, and West Virginia, and to abandon other compression facilities in West Virginia, the Broad Run Expansion Project. The Broad Run Expansion Project increases firm incremental transportation service on the Tennessee Gas system by 200,000 Dth/d and replaces existing compression facilities with newer compressor units. On September 6, 2016, the Commission issued an Order Issuing Certificate and Approving Abandonment, finding that Tennessee Gas demonstrated a need for the project, that the project did not adversely affect existing shippers on the Tennessee Gas Pipeline or existing pipelines in the market and their captive customers, and that the project was in the public interest. Moreover, the Commission made a finding of no significant impacts to the environment. On October 6, 2016, Allegheny Defense Project, Heartwood, and Ohio Valley Environmental Coalition submitted a Request for Rehearing of the Commission’s September 6 order alleging, amongst other things, that the Commission’s National Environmental Policy Act (“NEPA”) review was deficient. Also on October 6, 2016, Tennessee Gas submitted a Request for Rehearing and Clarification requesting that the Commission reconsider its directive to develop incremental fuel rates for the additional capacity created by the Broad Run Expansion Project. Additional requests for rehearing were submitted by individual intervenors in the proceeding. Agenda item C-5 may be an order addressing the requests for rehearing.

C-6 – Tennessee Gas Pipeline Company, LLC (Docket No. CP15-148-001). On April 2, 2015, Tennessee Gas filed, pursuant to section 7(c) of the NGA, an application requesting authorization to construct, operate, and maintain pipeline and compression facilities in Tioga and Bradford Counties, Pennsylvania, the Susquehanna West Project. The Susquehanna West Project increases east-to-west capacity on Tennessee Gas’ 300 Line by up to 145,000 Dth/d enabling it to provide firm incremental service to Statoil Natural Gas LLC. On September 6, 2016, the Commission issued an order Issuing Certificate finding that Tennessee Gas demonstrated a need for the project, that the project did not adversely affect existing shippers on the Tennessee Gas Pipeline or existing pipelines in the market and their captive customers, and that the project was in the public interest. Moreover, the Commission made a finding of no significant impacts to the environment. On October 6, 2016, Allegheny Defense Project, Damascus Citizens for Sustainability, and the Sierra Club submitted a Request for Rehearing of the Commission’s September 6 order alleging, amongst other things, that the Commission’s NEPA review was deficient. Also on October 6, 2016, Tennessee Gas submitted a Request for Rehearing requesting that the Commission reconsider its decision to grant late interventions to the Allegheny Defense Project, the Damascus Citizens for Sustainability, Inc., the Appalachian Mountain Advocates, and the Sierra Club. Agenda item C-6 may be an order addressing the requests for rehearing.

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