

# FERC

## Meeting Agenda Summary

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Below are brief summaries of the agenda items for the Federal Energy Regulatory Commission's January 19, 2017 meeting, pursuant to the agenda as issued on January 12, 2017. Agenda items E-3, E-4, E-5, E-6, C-1, and C-2 have not been summarized due to their 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).** Agenda item E-1 may be a Notice of Proposed Rulemaking (NOPR) regarding uplift cost allocation and transparency in markets operated by Regional Transmission Organizations and Independent System Operators.

**E-2—Utilization of Electric Storage Resources for Multiple Services When Receiving Cost-Based Rate Recovery (Docket No. PL17-2-000).** Agenda item E-2 may initiate a new policy proceeding on utilization of electric storage resources for multiple services when receiving cost-based rate recovery.

**E-7—Potomac-Appalachian Transmission Highline, LLC, PJM Interconnection, L.L.C. (Docket No. ER09-1256-002 and ER12-2708-003).** On September 14, 2015, after a full evidentiary hearing, Administrative Law Judge (ALJ) Philip C. Baten issued an initial decision in a proceeding concerning, *inter alia*, the contested abandonment of the Potomac-Appalachian Transmission Highline, LLC (PATH) transmission project and three formal challenges to the project's 2010, 2011, and 2012 annual formula rate updates. Numerous parties filed briefs on exception and briefs opposing exception to the initial decision. Agenda item E-7 may be an order on the PATH initial decision.

**E-8—Old Dominion Electric Cooperative (Docket No. ER13-2483-001).** On April 13, 2015, after a full evidentiary hearing, ALJ Young issued an initial decision on a comprehensive revision of Old Dominion Electric Cooperative's (ODEC) formula rate tariff. Numerous parties filed briefs on exception and briefs opposing exception to the initial decision. Agenda item E-8 may be an order on the ODEC initial decision.

**E-9—California Independent System Operator Corporation (Docket No. ER16-1483-002 and ER16-1483-0004).** On September 16, 2016, the Commission issued an order conditionally accepting proposed revisions

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to certain sections of the California Independent System Operator Corporation (CAISO) tariff addressing CAISO's compliance with North American Electric Reliability Corporation (NERC) Reliability Standard BAL-003-1.1 – Frequency Response and Frequency Bias Setting (BAL-003-1.1). BAL-003.1.1's purpose is "[t]o require sufficient Frequency Response from the Balancing Authority to maintain Interconnection Frequency within predefined bounds by arresting frequency deviations and supporting frequency until the frequency is restored to its scheduled value." Numerous parties requested clarification and/or rehearing of the Commission's September Order. Agenda item E-9 may be an order on the requests for clarification and or rehearing.

**E-10—PJM Interconnection, L.L.C. (Docket No. EL14-37-000).** On August 29, 2014, the Commission issued an order instituting an investigation pursuant to section 206 of the Federal Power Act (FPA) regarding certain aspects of PJM Interconnection, L.L.C.'s (PJM) Open Access Transmission Tariff and Amended and Restated Operating Agreement (collectively, the PJM Tariff). Specifically, the Commission instituted the section 206 investigation to address if how the PJM Tariff applies the Financial Transmission Rights (FTR) forfeiture rule to Up-to Congestion (UTC) transactions is just and reasonable. On January 7, 2015, as directed by the Commission in its August 29 order, Commission Staff conducted a technical conference to evaluate the matter. Agenda item E-10 may be an order related to the Commission's section 206 investigation.

**E-11—PJM Interconnection, L.L.C. (Docket Nos. EL13-1654-001 and EL13-1654-002).** On August 9, 2013, the Commission issued an order conditionally accepting tariff revisions and directing an informational filing related to certain proposed revisions to the PJM Tariff. On September 6, 2013, as directed by the Commission's order, PJM submitted the compliance filing to establish criteria for determining the valid source-sink paths for UTC Transactions. On December 18, 2013, the Commission issued a letter requesting PJM submit additional information necessary to evaluate PJM's proposal. PJM accordingly submitted a response to the December 18 letter on January 16, 2014. Agenda item E-11 may be an order related to PJM's informational filings submitted as directed by the Commission in its August 9, 2013 order.

**E-12—Disturbance Control Standard – Contingency Reserve for Recovery from a Balancing Contingency Event Reliability Standard (Docket No. RM16-7-000).** On May 19, 2016, pursuant to section 215 of the FPA, the Commission issued a NOPR to approve Reliability Standard BAL-002-2 (Disturbance Control Standard – Contingency Reserve for Recovery from a Balancing Contingency Event). In addition, the NOPR proposed approving eight revised definitions used in the Glossary of Terms used in the NERC Reliability Standards, retirement of currently-effective Reliability Standard BAL-002-1, and associated violation risk factors and violation severity levels. The NOPR proposed Commission approval of Reliability Standard BAL-002-2 as just, reasonable, not unduly discriminatory or preferential, and in the public interest. Agenda item E-13 may be an order on the Commission's NOPR proposing to approve Reliability Standard BAL-002-2.

**E-13—Remedial Action Schemes Reliability Standard (Docket No. RM16-20-000).** On August 5, 2016, pursuant to section 215(d)(1) of the FPA, NERC submitted a petition for Commission approval, requesting the Commission approve the following: (a) Reliability Standard PRC-012-2 (Remedial Action Schemes); (b) retirement of currently-effective Reliability Standards PRC-15-1 (Remedial Action Scheme Data and Documentation) and PRC-016-1 (Remedial Action Scheme Misoperation); (c) withdrawal of Reliability Standards PRC-013-1 (Special Protections System Database) and PRC-014-1 (Remedial Action Scheme Assessment); and (d) associated violation risk factors and violation severity levels for PRC-012-2. Agenda item E-13 may be an order related to NERC's petition for Commission approval of Reliability Standard PRC-012-2.

**E-14—Reliability Standard for Transmission System Planned Performance for Geomagnetic Disturbance Events (Docket No. RM15-11-001).** On September 22, 2016, the Commission issued Order No. 830 approving Reliability Standard TPL-007-1 (Transmission System Planned Performance for Geomagnetic Events) establishing requirements for planned performance of the Bulk Power System during geomagnetic disturbance events as well as requirements applicable to registered entities that do not meet certain performance requirements as determined from the results of a vulnerability assessment to develop a plan to achieve their performance requirements. On October 24, 2016, several parties submitted requests for

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rehearing of Order No. 830. Agenda item E-14 may be an order on the requests for rehearing of Order No. 830.

**E-15—FirstEnergy Solutions Corp. (Docket No. ER16-1897-000, et. al.).** On May 27, 2016, First Energy Solutions Corp. filed, pursuant to Commission order, revised tariff sheets. The proposed revisions to the Limitations and Exemptions, and Affiliate Sales sections of the tariff purport to comply with Commission directives that revoked waivers for affiliate sales and required previous approval of transactions entered into pursuant to an Affiliate PPA. FirstEnergy Affiliates also filed Change of Status notices in related dockets. Agenda Item E-15 may be an order approving the proposed revisions.

**E-16—New York Independent System Operator, Inc. (Docket No. ER16-835-000).** On January 29, 2016, the New York Independent System Operator, Inc. (NYISO) filed on behalf of the New York Power Authority (NYPA), pursuant to section 205 of the FPA, tariff revisions to replace NYPA's existing stated rate with a formula rate. The proposed formula rate incorporated, among other terms, an 8.65 percent ROE, an equity ratio cap of 60%, a 50 basis point adder for RTO participation, and formula rate protocols. The NYISO also filed a new Rate Schedule 15 for the recovery of project-specific costs. Numerous interventions and protests were filed. On March 31, 2016, the Commission accepted NYPA's formula rate template and protocols, and Rate Schedule 15, to become effective April 1, 2016, and set them for hearing and settlement judge procedures. Settlement conferences were held in May, June, and July of 2016. On September 30, 2016, the NYPA filed an Offer of Settlement that purports to resolve all outstanding issues set for hearing. The Offer of Settlement includes a base ROE of 8.95 percent, plus a 50 basis point adder for RTO Participation, a 50 basis point "Congestion Relief" adder, instead of the RTO participation adder, for the Marcy-South Series Compensation Project in Rate Schedule 15, and excludes costs and expenses incurred by the New York State Canal Corporation related to PJM's Regional Transmission Expansion Plan. On October 20, 2016, Commission Trial Staff filed comments in support of the Offer of Settlement. Agenda Item E-16 may be an order approving the Offer of Settlement.

**E-17—Vote Solar Initiative and Montana Environmental Information Center v. Montana Public Service Commission. (Docket No. EL16-117-001).** On December 1, 2016, Vote Solar and Montana Environmental Information Center (Vote Solar) filed, pursuant to section 313 of the FPA, a request for rehearing of a Commission decision dismissing Vote Solar's complaint against the Montana Public Service Commission's actions leading to the suspension of NorthWestern Energy's obligation to pay the avoided-cost rate for solar projects between 100 kW and 3 MW. Vote Solar argued that the Commission improperly interpreted PURPA to preclude public interest organizations from filing a complaint to seek enforcement of PURPA. The Commission issued a tolling order on January 3, 2017. Agenda Item E-17 may be an order addressing Vote Solar's request for rehearing.

**E-18—ISO New England Inc. (Docket No. ER16-1904-001).** On September 7, 2016, Enerwise Global Technologies, Inc. d/b/a Cpower (CPower) filed, pursuant to section 313 of the FPA, a request for rehearing and clarification of a Commission order granting a waiver of ISO-NE tariff provisions to: 1) allow Real-Time Emergency Generation Resources in ISO-NE to change their resource type to Real-Time Demand Response Resources, and 2) remove the 60-day notice requirement for static de-list bids. CPower argues that the Commission erred in several of its findings and that the order was not the result of reasoned decision making. CPower also sought clarification that the approval of ISO-NE's waiver request was not a rejection, with prejudice, of CPower's alternative proposals and that CPower may still pursue relief through a complaint proceeding. The Commission issued a tolling order on October 7, 2016. Agenda Item E-18 may be an order addressing CPower's request for rehearing.

**E-19—Northern Indiana Public Service Company v. Midcontinent Independent System Operator, Inc. and PJM Interconnection, LLC (Docket No. EL13-88-001, et. al.).** On May 20, 2016, Northern Indiana Public Service Company (NIPSCO) filed, pursuant to section 313 of the FPA, a request for rehearing of an April 21, 2016 Commission order that granted in part and denied in part NIPSCO's complaints against PJM and MISO related to flaws in the Joint Operating Agreement (JOA) that governs the interregional planning process between the two system operators. The Commission found that the JOA was unjust, unreasonable, unduly discriminatory, or preferential, and directed MISO and PJM to submit various revisions to the JOA and

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MISO tariff. Numerous requests for rehearing on numerous grounds were filed by other parties in the proceeding. The Commission issued a tolling order on June 17, 2016. Agenda Item E-19 may be an order addressing the numerous requests for rehearing and clarification.

**E-20—New England Power Generators Association, Inc. v. ISO New England (Docket No. EL16-120).**

On September 30, 2016, the New England Power Generators Association, Inc. (NEPGA) submitted a complaint against ISO New England. NEPGA requested that the Commission find provisions of ISO New England's Transmission, Markets and Services Tariff governing the Peak Energy Rent (PER) Adjustment to be unjust and unreasonable under section 206 of the FPA, that the Commission direct ISO New England to revise the provisions, and that the Commission establish a refund. NEPGA alleges that provisions governing the PER Adjustment, which reduces capacity suppliers' monthly capacity payments by an amount that approximates the "peak energy rents" earned by a hypothetical proxy generator in the real time energy market, are unjust and unreasonable because revised Reserve Constraint Penalty Factors result in much larger PER adjustments. A number of parties intervened in support of and in opposition to NEPGA's complaint. On November 4, 2016, NEPGA filed a motion for leave to answer and an answer in response to the parties opposing NEPGA's request. Agenda item E-20 may be an order on NEPGA's complaint against ISO New England.

**E-21—California Independent System Operator Corporation (Docket No. ER17-408).** On November 22, 2016, CAISO submitted an agreement for transferred frequency response between CAISO and Bonneville Power Administration (BPA) and requested that the Commission accept the agreement as a rate schedule effective December 1, 2016. Under the agreement, BPA will provide transferred frequency response to CAISO during the 2016-2017 compliance year for the purpose of satisfying Reliability Standard BAL-003-1, which established new frequency response requirements for balancing authority areas. Agenda item E-21 may be an order accepting the agreement.

**E-22—California Independent System Operator Corporation (Docket No. ER17-411).** On November 22, 2016, CAISO submitted an agreement for transferred frequency response between CAISO and the City of Seattle and requested that the Commission accept the agreement as a rate schedule effective December 1, 2016. Under the agreement, Seattle will provide transferred frequency response to CAISO during the 2016-2017 compliance year for the purpose of satisfying Reliability Standard BAL-003-1, which established new frequency response requirements for balancing authority areas. Agenda item E-22 may be an order accepting the agreement.

## Gas

**G-1—Natural Gas Pipeline Company of America LLC (Docket No. RP17-303-000).** Agenda item G-1 may initiate a new proceeding or reflect an order from the Commission relating to a potential tariff filing or revisions submitted by Natural Gas Pipeline Company of America LLC.

**G-2—Wyoming Interstate Company, L.L.C. (Docket No. RP17-302-000).** Agenda item G-2 may initiate a new proceeding or reflect an order from the Commission relating to a potential tariff filing or revisions submitted by Wyoming Interstate Company, L.L.C.

## Hydro

**H-1—Idaho Power Company (Docket No. P-1971-079).** On November 23, 2016, Idaho Power Company (Idaho Power), the licensee of the Hells Canyon Complex, filed a petition which requested that the Commission issue a declaratory order stating that Part I of the FPA pre-empts certain fish passage provisions contained in Oregon state law. Idaho Power, which is seeking Clean Water Act (CWA) certifications from the states of Oregon and Idaho required for the relicensing of the Hells Canyon Complex, asserts that a declaratory order is necessary because the states' disagreement as to fish passage and reintroduction has delayed certification under the CWA and the relicensing of the Hells Canyon Complex. A number of parties filed motions to dismiss and protests to Idaho Power's petition. Agenda item H-1 may be an order on Idaho Power's petition for a declaratory order.

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**H-2—Upper Peninsula Power Company (Docket No. P-1864-164).** On June 14, 2012, Upper Peninsula Power Company submitted an application for license amendment to request approval to remove the Cisco Dam from the Bond Falls Hydroelectric Project. A number of parties submitted comments and moved to intervene in the proceedings. On June 9, 2016, the Commission granted the late intervention of the Michigan Department of Natural Resources. Agenda item H-2 may be an order regarding Upper Peninsula Power Company's application.

**H-3—Public Utility District No. 2 of Grant County, Washington (Docket No. P-2114-277).** On October 7, 2015, and as supplemented on December 23, 2015, the Public Utility District No. 2 of Grant County (Grant PUD) filed an application requesting to revise the boundary of the existing Priest Rapids Hydroelectric Project located in Washington. In the following months, many stakeholders filed comments, motions to intervene, and protests; on April 29, 2016, Grant PUD filed a response addressing a specific concern furnished by an intervening party. Agenda item H-3 may be an order on Grant PUD's application seeking to revise the boundary of this project.

**H-4—Brentwood Dam Ventures, LLC (Docket No. P-4254-011).** On July 20, 2016, the Commission initiated a proceeding to terminate the exemption of the Exeter River Hydro #1 Project located in New Hampshire as a result of implied surrender. The termination proceeding follows a preliminary Commission determination that the project owner, Brentwood Dam Ventures, LLC (Brentwood), has not restored the project to operational status following its acquisition in 2009. The US Department of Interior filed comments on August 18, 2016, stating no position or comment on the proposed termination. Agenda item H-4 may be an order on the termination of the exemption held by this project.

## Certificates

**C-3—Columbia Gas Transmission, LLC (Docket No. CP15-514-000), Columbia Gulf Transmission, LLC (Docket No. CP15-539-000).** On June 8, 2015, Columbia Gas Transmission, LLC (Columbia Gas) filed an application requesting authorization under sections 7(b) and 7(c) of the Natural Gas Act (NGA) to install, construct, operate, and abandon natural gas pipeline facilities for its Leach Xpress Project located in West Virginia, Pennsylvania, and Ohio. On July 29, 2015, Columbia Gulf Transmission, LLC (Columbia Gulf) filed an application under section 7(c) of the NGA requesting authorization to construct and operate two compressor stations for its Rayne Xpress Project located in Kentucky. In both (separate) proceedings, many parties filed motions to intervene and comments; the Columbia entities filed responses to various data requests to assist in the analysis of the applications. On April 21, 2016, the Commission issued the draft Environmental Impact Statement (EIS) for both Projects, finding limited adverse environmental impact, with the exception of forested areas. Following an exchange of comments by agencies including the US Environmental Protection Agency and data responses by the Columbia entities, the Commission issued the final EIS on September 1, 2016. The final EIS found that any significant adverse environmental impacts to forests would be reduced to acceptable levels contingent on mitigation measures implemented by the Columbia entities. Agenda item C-3 may be an order on the respective applications for authorization under the NGA by Columbia Gas and Columbia Gulf.

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