

January 2013 Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its January 17, 2013 public meeting. The summaries are produced by FERC's Office of External Affairs and are intended to provide only a general synopsis of the orders. These summaries are not intended as a substitute for the Commission's official orders. To determine the specific actions and the Commission's reasoning, please consult the individual orders when they are posted to FERC's eLibrary found at www.ferc.gov.

E-1, Press Release

H-1, Press Release

FERC announces a policy statement

E-2, *Allocation of Capacity on New Merchant Transmission Projects and New Cost-Based, Participant-Funded Transmission Projects; Priority Rights to New Participant Funded Transmission*, Final Policy Statement, Docket Nos. AD12-9-000, AD11-11-000. This final policy statement clarifies and refines current policies governing the allocation of capacity for new merchant transmission projects and new non-incumbent, cost-based, participant-funded transmission projects. The final policy statement allows developers of such transmission projects to select a subset of customers based on not unduly discriminatory criteria and negotiate directly with those customers to reach agreement on the key terms and conditions for procuring transmission capacity, so long as they (1) broadly solicit interest in the project from potential customers, and (2) demonstrate to the Commission that the developer has satisfied the solicitation, selection and negotiation process criteria set forth in the final policy statement.

FERC grants petition for declaratory order

E-3, *NextEra Energy Resources, LLC; Peetz Logan Interconnect, LLC; PWEC, LLC*, Docket No. EL11-46-000. The order grants Petitioners' request for PWEC to have priority rights to capacity over the Peetz Logan generator interconnection facility for a third phase of the Petitioners' planned wind project development (PWEC Project), because Petitioners have demonstrated that the forthcoming PWEC Project is covered by a pre-existing expansion plan, with milestones for the planning, design and construction of generation and material progress toward meeting those milestones. The order also states that the Commission will no longer require transfer of ownership of generator

interconnection facilities to their affiliates as a condition for granting priority rights to generation-developing affiliates of a transmission owner.

FERC conditionally accepts compliance filings, subject to modifications

E-5, *Peetz Logan Interconnect, LLC*, Docket Nos. ER11-2970-001 and ER11-2970-002. The order conditionally accepts two compliance filings submitted in accordance with the Commission's August 2, 2011 order (August 2011 Order), which conditionally accepted in part, and rejected in part, Peetz Logan's open access transmission tariff (OATT). This order finds that Peetz Logan's subsequent compliance filings satisfy some, but not all, of the directives in the August 2011 Order. Thus, in this order, the Commission conditionally accepts the two compliance filings, subject to modifications that will bring Peetz Logan's OATT into compliance with the directives of the August 2011 Order.

FERC denies complaint

E-6, *Rail Splitter Wind Farm, LLC v. Ameren Services Company and Midwest Independent Transmission System Operator, Inc.*, Docket No. EL12-11-000. This order denies the complaint of Rail Splitter Wind Farm, LLC (Rail Splitter) against Ameren Services Company (Ameren) and Midwest Independent Transmission System Operator, Inc. Specifically, the order finds that the *Mobile-Sierra* public interest standard of review does not apply to the FSA and that Rail Splitter failed to demonstrate that an agreement between Rail Splitter and Ameren should be modified under the ordinary just and reasonable standard of review; accordingly, Rail Splitter remains obligated to make monthly payments to pay for the cost of network upgrades.

FERC affirms previous order, accepts compliance filing

E-8, *E.ON Climate & Renewables North America, LLC v. Midwest Independent Transmission System Operator, Inc.*, Docket Nos. EL11-30-001 and ER12-451-000. The order affirms the Commission's October 20, 2011 order, which was issued in response to a complaint filed by the Midwest Generation Development Group, and which directed Midwest Independent Transmission System Operator, Inc. (MISO) to remove from its tariff one of two options for transmission owners to collect from interconnection customers the costs associated with network upgrades. The order affirms that allowing transmission owners the choice between Option 1 and Option 2 in MISO's tariff creates an opportunity for undue discrimination to the extent that it allows the transmission owner discretion to increase the costs associated with particular generators, and accepts MISO's filing to delete Option 1 from its tariff. The order also finds that the Initial Order did not automatically modify any existing agreement, and clarifies that the Commission will not apply the findings of the Initial Order to agreements effective prior to March 22, 2011. The order also reiterates that, to the extent that MISO believes that elimination of Option 1 raises concerns about the impact of certain costs on particular transmission

owners and their customers, MISO may file a proposal under section 205 of the Federal Power Act to address such concerns.

FERC grants a petition for declaratory order

E-10, *Blue Summit Wind, LLC*, Docket No. EL13-17-000. This order disclaims Commission jurisdiction over a proposed interconnection that will deliver electric energy from Blue Summit’s wind generation facility, located in the Southwest Power Pool region of Texas, to an interconnection point in the Electric Reliability Council of Texas (ERCOT) region, and also over sales and transmission of energy over the interconnection. The order also declares that the electric utilities in ERCOT that are not currently subject to the Commission’s jurisdiction as “public utilities” under the Federal Power Act will not become “public utilities” as a result of the interconnection with Blue Summit.

FERC grants a petition for declaratory order

E-11, *Electric Transmission Texas, LLC*, Docket No. EL13-18-000. This order disclaims Commission jurisdiction over proposed transmission projects in the Electric Reliability Council of Texas (ERCOT) region of Texas, as well as over sales and transmission of electric energy over the proposed projects. The order finds that no electric energy will flow in interstate commerce over the projects. The order also declares that the electric utilities in ERCOT that are not currently subject to the Commission’s jurisdiction as “public utilities” under the Federal Power Act will not become “public utilities” as a result of the interconnection with the proposed transmission lines.

FERC denies a petition for declaratory order and a complaint

E-12, *Hess Corporation v. PJM Interconnection, LLC*, Docket No. EL12-7-000. This order denies Hess Corporation’s (Hess) petition for declaratory order, or in the alternative, complaint against PJM Interconnection, LLC (PJM). Hess requested that the Commission determine that PJM’s Open Access Transmission Tariff allowed PJM to make a minor adjustment to two phase angle regulators (PARs) that are owned by Public Service Electric and Gas Company but that are under the operational control of PJM, in order to reduce interconnection upgrade costs associated with the interconnection of the Newark Energy Center. The order denies the requested determinations, finding that PJM’s not adjusting the PARs was consistent with its tariff and that PJM did not unduly discriminate against Hess, or other new generation, by refusing to adjust PARs during the interconnection study phase.

FERC sets complaint for hearing

E-13, *North American Natural Resources, Inc. v. PJM Interconnection, LLC; American Electric Power Service Corp; and Indiana Michigan Power Co.*, Docket No. EL13-10-000. The order sets for hearing and settlement judge procedures a complaint filed by North American Natural Resources, Inc. against American Electric Power Service Corporation; its affiliate, Indiana Michigan Power Company; and PJM Interconnection, LLC (PJM). The complainant alleges violations of PJM's Open Access Transmission Tariff provisions governing small generator interconnections to the transmission system.

FERC establishes technical conference

G-1, *Tennessee Gas Pipeline Company, LLC*, Docket No. RP12-514-000. The order establishes a technical conference to discuss operational and technical issues related to Tennessee's proposal to establish a new scheduling priority methodology for secondary in-path transactions. Tennessee's proposed methodology would provide a higher scheduling priority for secondary in-path transactions to primary delivery points over secondary in-path transactions from primary receipt points.

FERC grants rehearing and amends an exemption

H-2, *Calleguas Municipal Water District*, Project No. 14404-001. The order grants Calleguas Municipal Water District's request for rehearing of Commission staff's September 25, 2012 order granting it an exemption from the licensing requirements of Part I of the Federal Power Act for the Grandsen Hydroelectric Generating Station Project No. 14404. The project will be located in the City of Moorpark, in Ventura County, California. The order modifies ordering paragraph (D) of the September 25, 2012 order consistent with the alternative condition the exemptee developed with the U.S. Fish and Wildlife Service and submitted with its rehearing request.

FERC dismisses request for liquefied natural gas import authorization

C-2, *The Gas Company, LLC*, Docket No. CP12-498-000. The order dismisses The Gas Company, LLC's request for authorization to operate facilities to receive and vaporize domestic liquefied natural gas (LNG) transported from the U.S. mainland, for distribution to end use customers in Hawaii. The order finds that the proposed project does not constitute an LNG terminal as envisioned under section 3 of the Natural Gas Act and does not require any other authorization from the Commission.