

January 2017 Commission Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its January 19, 2017 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

E-2 – Press Release

G-1 & G-2 – Press Release

FERC affirms in part and reverses in part an Initial Decision

E-7, *Potomac-Appalachian Transmission Highline, LLC*, Docket Nos. ER09-1256-002 & ER12-2708-003. This opinion affirms in part and reverses in part an Initial Decision in these dockets. The opinion finds that PATH's base return on equity in this abandonment phase should be reduced from 10.4 percent to 8.11 percent (the median of the lower half of the zone of reasonableness), and the reduction must be done in accordance with section 206 of the Federal Power Act and will be effective on the issuance date of the opinion. The opinion order also explains how PATH should account for its plan to transfer most of its remaining land holdings to its affiliates, overturns a prudence finding for legal fees, and rules on what constitutes expenditures for political purposes under the Uniform System of Accounts.

FERC affirms in part and reverses in part an Initial Decision

E-8, *PJM Interconnection, L.L.C.*, Docket No. ER13-2483-001. This opinion affirms in part and reverses in part an Initial Decision and orders refunds in a case involving Old Dominion Electric Cooperative's (ODEC) proposed cost-of-service rate schedule filed in accordance with section 205 of the Federal Power Act.

FERC addresses issues regarding a Federal Power Act section 206 investigation

E-10, *PJM Interconnection, L.L.C.*, Docket No. EL14-37-000. The order addresses the Federal Power Act section 206 investigation into PJM's Financial Transmission Rights (FTR) forfeiture rule and the allocation of uplift with regard to virtual transactions (Incremental Offers, Decrement Bids, and Up-to Congestion on its system. With regard to the FTR forfeiture rule, the order finds that PJM's current application of the FTR forfeiture rule on an individual basis to virtual transactions is no longer just and reasonable. Instead, it finds that a portfolio approach, which evaluates the net effect of a market participant's entire virtual portfolio, accurately represents the effect of a market participant's virtual transactions on a constraint related to an FTR position. With regard to the issue of how uplift is, or should be, allocated to all virtual transactions on PJM's system, the order holds this issue in abeyance pending the outcome of any final rule resulting from the Uplift Notice of Proposed Rulemaking on Docket No. RM17-2-000 (Agenda Item E-1).

FERC accepts proposed tariff revisions

E-11, *PJM Interconnection, L.L.C.*, Docket Nos. ER13-1654-001 and ER13-1654-002. This letter order finds that PJM has met its compliance requirements and accepts PJM's proposed revisions submitted in accordance with Commission directives in an August 9, 2013 order. In the filing, PJM established criteria for determining the valid source-sink paths for up-to congestion transactions and explained how it intends to apply sections 5.2.1(b) and (c) of its Financial Transmission Rights forfeiture rule to such transactions.

FERC approves a proposed reliability standard

E-12, *Disturbance Control Standard—Contingency Reserve for Recovery from a Balancing Contingency Event Reliability Standard*, Docket No. RM16-7-000. This final rule approves Reliability Standard BAL-002-2 (Disturbance Control Standard—Contingency Reserve for Recovery from a Balancing Event) and new definitions submitted by the North American Electric Reliability Corporation (NERC). In addition, the Commission directs NERC to develop modifications to Reliability Standard BAL-002-2 regarding extensions of the 15-minute period for Area Control Error recovery, and also directs NERC to submit reports to the Commission concerning contingency reserve restoration and exceedances of the most severe single contingency that do not cause energy emergencies.

FERC proposes a rule

E-13, *Remedial Action Schemes Reliability Standard*, Docket No. RM16-20-000. This notice of proposed rulemaking proposes to approve proposed Reliability Standard PRC-012-2 (Remedial Action Schemes), which is designed to ensure that remedial action schemes do not introduce unintentional or unacceptable reliability risks to the bulk electric system.

FERC denies rehearing

E-14, *Reliability Standard for Transmission System Planned Performance for Geomagnetic Disturbance Events*, Docket No. RM15-11-001. This order denies four rehearing requests of Order No. 830, which approved Reliability Standard TPL-007-1 (Transmission System Planned Performance for Geomagnetic Disturbance Events).

FERC accepts a revised tariff filing

E-15, *FirstEnergy Solutions Corp., et al.*, Docket No. ER16-1807-000, *et al.* This order accepts a market-based rate power sales tariff revision filing by FirstEnergy Solutions Corp. (FE Solutions), to be effective January 27, 2016 as requested, and also accepts a notice of change in status filed by FE Solutions and certain of its affiliates.

FERC approves a settlement

E-16, *New York Independent System Operator, Inc.*, Docket No. ER16-835-000. The order approves a settlement of issues related to the New York Power Authority's annual transmission revenue requirement.

FERC denies reconsideration

E-17, *Vote Solar Initiative and Montana Environmental Information Center v. Montana Public Service Commission*, Docket No. EL16-117-001. This order denies reconsideration of the November 2016 order in which the Commission dismissed a complaint filed by Vote Solar against the Montana Public Service Commission, because neither the Federal Power Act nor the Public Utility Regulatory Policies Act of 1978 authorized Vote Solar's action and request for relief against the Montana Commission.

FERC denies rehearing

E-18, *ISO New England Inc.*, Docket No. EL16-1904-001. This order denies rehearing of the Commission's August 8, 2016 order granting ISO-NE a limited waiver of certain tariff provisions to allow Real-Time Emergency Generation Resources to change their

resource type to Real-Time Demand Response Resources within a time frame that otherwise would not be possible.

FERC denies rehearing

E-19, *Northern Indiana Public Service Company v. Midcontinent Independent System Operator, Inc. and PJM Interconnection, L.L.C.*, Docket No. EL13-88-001, *et al.* The order addresses requests for rehearing and/or clarification and compliance filings made following a Commission order on complaint and technical conference regarding transmission planning along the MISO-PJM seam. The order denies rehearing of the Commission's order on complaint and grants the requests for clarification, in part. The order also conditionally accepts in part and rejects in part MISO's and PJM's compliance filings, subject to further compliance filings.

FERC grants a complaint

E-20, *New England Power Generators Association v. ISO New England Inc.*, Docket No. EL16-120-000. This order grants a complaint filed by NEPGA alleging that the Peak Energy Rent (PER) mechanism contained in ISO-NE's Forward Capacity Market rules has become unjust and unreasonable as a result of later Forward Capacity Market reforms. The order sets for hearing and settlement judge proceedings the question of how ISO-NE should change its PER-related tariff provisions so as to render the PER mechanism just and reasonable.

FERC accepts an agreement, subject to outcome of pending proceedings

E-21, *California Independent System Operator Corp.*, Docket No. ER17-408-000. This order accepts CAISO's agreement to procure transferred frequency response from Bonneville Power Administration for the 2016-2017 NERC BAL-003-1.1 Reliability Standard compliance year, subject to the outcome of pending proceedings in Docket Nos. ER16-1483-002 and ER16-1483-004.

FERC accepts an agreement, subject to outcome of pending proceedings

E-22, *California Independent System Operator Corp.*, Docket No. ER17-411-000. This order accepts CAISO's agreement to procure transferred frequency response from the City of Seattle, by and through its City Light Department, for the 2016-2017 NERC BAL-003-1.1 Reliability Standard compliance year, subject to the outcome of pending proceedings in Docket Nos. ER16-1483-002 and ER16-1483-004.

FERC dismisses petition for declaratory order

H-1, Idaho Power Company, Project No. 1971-079. The order dismisses as premature a petition for a declaratory order, filed by Idaho Power Company on November 23, 2016, asking the Commission to declare that, under the Supremacy Clause of the U.S. Constitution, Part I of the Federal Power Act preempts the State of Oregon's fish passage requirements with respect to the Hells Canyon Project. The project is located on the Snake River in Washington and Adams counties, Idaho, and Wallowa and Baker counties, Oregon.

FERC amends license and revises annual charges

H-2, Upper Peninsula Power Company, Project No. 1864-164. The order finds that the non-generating Cisco development, one of four project developments, is not required to be licensed as part of the Bond Falls Project license, located on the Ontonagon River in Ontonagon and Gogebic counties, Michigan, and Vilas County, Wisconsin, and is partially located on federal lands within the Ottawa National Forest. Accordingly, the order revises the project license to exclude the Cisco development and associated facilities. Further, because the Commission does not have jurisdiction over the development, the order also concludes that the Commission cannot enforce the Forest Service's section 4(e) condition that applies to the development.

FERC amends the hydroelectric project's boundary

H-3, Public Utility District No. 2 of Grant County, Washington, Project No. 2114-277. The order approves Public Utility District No. 2 of Grant County, Washington's (Grant PUD) application to amend the project boundary to include an undeveloped parcel of licensee-owned land in order to ensure Grant PUD access to a portion of project shoreline along the Wanapum reservoir, despite opposition from the Sunland Estates Homeowners Association and several adjacent landowners. The order concludes that the proposed addition of the lot to the project boundary is necessary for project purposes and should be approved.

FERC terminates, by implied surrender, an exemption for licensee

H-4, Brentwood Dam Ventures, LLC, Project No. 4254-011. This order terminates, by implied surrender, Brentwood Dam Ventures, LLC's exemption from licensing for the Exeter River Hydro #1 Project No. 4254, located on the Exeter River in Rockingham County, New Hampshire. The project has not operated for more than 17 years because of damage to its turbine and generator units. The order finds that the exemptee's long-term failure to restore the project's generating capacity or respond to Commission staff's requests in a timely manner warrant a finding that it is the exemptee's intent to abandon the project.

FERC authorizes, with conditions, new interstate gas pipeline facilities

C-3, *Columbia Gulf Transmission, LLC*, Docket Nos. CP15-514-000 and CP15-539-000. The order grants authorization, subject to conditions, to Columbia Gulf to construct and operate two new interstate pipeline projects, the Leach XPress Project and the Rayne Xpress Project. The Leach XPress Project would be located in West Virginia, Pennsylvania, and Ohio and would include two greenfield pipeline segments, two natural gas pipeline loops, three greenfield compressor stations, and three additional compressor units at existing stations. The Leach XPress Project is designed to provide up to 1,530,000 dekatherms per day (Dth/d) of firm transportation service on Columbia's system from the Appalachian Basin to certain Ohio markets, Columbia's TCO Pool, and an interconnection with Columbia Gulf near Leach, Kentucky. The Rayne XPress Project would also include the construction and operation of two greenfield compressor stations, and is designed to provide an additional 621,000 Dth/d of firm transportation service from the Leach, Kentucky interconnect with Columbia to Gulf markets, including the Gulf Mainline Pool.