

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
Southwest Power Pool, Inc.
Docket No. ER25-89-000

Issued: May 7, 2025

Southwest Power Pool, Inc.
201 Worthen Drive
Little Rock, AR 72223

Attention: Justin A. Hinton

Reference: Deficiency Letter

Dear Mr. Hinton:

On October 11, 2024, Southwest Power Pool, Inc. (SPP) submitted revisions to Attachment AA and Attachment J of the SPP Open Access Transmission Tariff (Tariff) to establish separate Planning Reserve Margins (PRM) for the Summer Season and Winter Season. Please be advised that your submittal is deficient and that additional information is necessary to process the filing. Please provide the information requested below.

Section 14.2(2) in Attachment AA of the Tariff currently provides that the Sufficiency Valuation Curve Deficiency Payment is applicable for two years after the Regional State Committee (RSC) and the SPP Board of Directors (SPP Board) approve an increase in the PRM.¹

In its transmittal, SPP states that, because of the proposed increase in the Summer Season PRM and the new Winter Season PRM, it proposes that, for the first three years both seasonal PRMs are in place, beginning in 2026, it will apply the Sufficiency Valuation Curve Deficiency Payment to those Load Responsible Entities (LRE) that cannot meet the increased Summer Season PRM and the new Winter Season PRM. SPP states that, “[t]hereafter, the Sufficiency Valuation Curve Deficiency Payment would only be applicable for two years *after a PRM increase is approved by the RSC and the*

¹ SPP Tariff, attach. AA, § 14.2(2) (5.0.1).

SPP Board,” consistent with the current Tariff.²

To implement this aspect of its proposal, SPP proposes the following revisions to section 14.2(2) in Attachment AA of the Tariff, which provides, in part:

LREs will be subject the following Deficiency Payment based on the ~~following~~ Sufficiency Valuation Curve, instead of the Deficiency Payment described in Section 14.2(1) of this Attachment AA, ~~when~~ for the 2026, 2027, 2028 Summer Season Resource Adequacy Requirement and the 2026-2027, 2027-2028, and 2028-2029 Winter Season Resource Adequacy Requirement and, anytime thereafter for the following two Summer Season Resource Adequacy Requirements (if applicable) and the following two Winter Season Resource Adequacy Requirements (if applicable) after a Base PRM increase for the applicable season, based on the results of the LOLE study, is approved by the Regional State Committee and the SPP Board of Directors *starting with the planning year for which the change in the PRM will apply*...³

Pursuant to current section 4.1(5) of Attachment AA in the Tariff, if the PRM approved by the RSC and SPP Board increases by a certain percentage, “the approved PRM will be implemented for the planning year beginning at least one year after the [RSC’s] and [SPP Board’s] approval of the new PRM,” but no earlier than the study years analyzed.⁴ Accordingly, the phrase “starting with the planning year for which the change in the PRM will apply” in proposed section 14.2(2) of Attachment AA could be read to mean that, after the three-year transition period to account for both seasonal PRMs being in place, the Sufficiency Valuation Curve Deficiency Payment could be applicable for two years beginning at least one year after RSC and SPP Board approval of a PRM increase, rather than for two years after RSC and SPP Board approval (as currently contemplated by section 14.2(2) of Attachment AA).

² Transmittal at 15 (emphasis added).

³ Proposed SPP Tariff, attach. AA, § 14.2(2) (8.0.0). Proposed deletions are in strike-out, and proposed additions are underlined. Language in italics emphasized by Commission staff.

⁴ SPP Tariff, attach. AA, § 4.1(5) (2.1.0).

1. Please explain the discrepancy between SPP's statement in its transmittal that the Sufficiency Valuation Curve Deficiency Payment will be applicable for two years after a PRM increase is approved by the RSC and SPP Board, and the proposed Tariff revisions in section 14.2(2) of Attachment AA in the Tariff providing that the Sufficiency Valuation Curve Deficiency Payment will be applicable starting with the planning year when the PRM increase is applied by the RSC and SPP Board.
2. If the intent is to apply the Sufficiency Valuation Curve Deficiency Payment for two years beginning with the planning year when a PRM increase is applied, rather than for the two years after a change in the PRM is approved, please explain why this proposed change is just and reasonable and not unduly discriminatory or preferential.

This letter is issued pursuant to 18 C.F.R. § 375.307 (2024) and is interlocutory. This letter is not subject to rehearing pursuant to 18 C.F.R. § 385.713 (2024). A response to this letter must be filed with the Secretary of the Commission within 30 days of the date of this letter by making a deficiency filing in accordance with the Commission's electronic tariff requirements. For your response, please use Type of Filing Code 180, Deficiency Filing.⁵ The information requested in this letter will constitute an amendment to your filing, and a new filing date will be established.⁶ A notice will be issued upon receipt of your filing.

Failure to respond to this letter within the time period specified may result in a further order rejecting your filing.

Issued by: Natalie Y. Tingle-Stewart, Director, Division of Electric Power Regulation – Central

⁵ *Elec. Tariff Filings*, 130 FERC ¶ 61,047, at PP 3-8 (2010) (stating that an amendment filing must include at least one tariff record even though a tariff revision might not otherwise be needed).

⁶ *See Duke Power Co.*, 57 FERC ¶ 61,215, at 61,713 (1991) (“[T]he Commission will consider any amendment or supplemental filing filed after a utility's initial filing . . . to establish a new filing date for the filing in question.”).