UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Southwest Power Pool, Inc. ) Docket No. ER22-379-000

MOTION TO INTERVENE, PROTEST, AND COMMENTS
OF THE CLEAN ENERGY ADVOCATES


The Clean Energy Advocates appreciate the opportunity to comment on this filing. Clean Energy Advocates believe the Filing and its proposed tariff language are deficient and do not meet the Commission’s “Rule of Reason” requirement, because elements with a significant impact on rates, terms and conditions are not reflected in the tariff. For the reasons enumerated below, Clean Energy Advocates ask that the Commission reject SPP’s Filing due to its failure to provide sufficient detail in the tariff itself. Even if the Filing properly articulated the practices currently

1 18 C.F.R. §§ 385.211, 212, 213, and 214 (2020).
2 Tariff Revisions of Southwest Power Pool, Inc. to Implement Effective Load Carrying Capability Methodology, Docket No. ER22-379-000 (Nov. 10, 2021) (“SPP ELCC Filing” or simply the “Filing”).
in SPP’s Business Manuals\(^3\), the Commission should still reject them, as the proposed practices assign capacity values in an unduly discriminatory manner.

I. MOTION TO INTERVENE

ACP is a national trade association representing a broad range of entities with a common interest in encouraging the expansion and facilitation of wind, solar, energy storage, and electric transmission in the United States.\(^4\) APA is a trade organization representing renewable developers, manufacturers, and public interest organizations interested in renewable development in the SPP and Electric Reliability Council of Texas regions of the United States.\(^5\) ACP and APA’s members have numerous projects under development across the country, and in SPP specifically. Accordingly, ACP and APA have direct and substantial interests in the above-captioned docket and will be affected by the outcome of this proceeding. ACP and APA’s interests will not be adequately represented by any other party. Therefore, ACP and APA both respectfully move to intervene in this proceeding.

The Climate+Energy Project (CEP) responds to rapidly evolving climate and energy issues by mobilizing Kansans to take action through advocacy, coalition building, legislative action, and regulatory intervention. CEP believes in equitable clean energy solutions that ensure fair and equal access to emerging technologies in wind, solar, and energy efficiency as opportunities to

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\(^4\) The views and opinions expressed in this filing do not necessarily reflect the official position of each of ACP’s individual members.

\(^5\) The views and opinions expressed in this filing do not necessarily reflect the official position of each of APA’s individual members.
save money, create jobs, and build climate resilience. The interests of CEP will not be adequately represented by another party and as such moves to intervene in this filing.

SEIA intervened in this proceeding on November 22, 2021. The Sustainable FERC Project and NRDC filed unopposed doc-less interventions in this docket on November 30, 2021. Savion, LLC filed unopposed doc-less intervention in this docket on December 1, 2021. Sierra Club has separately intervened in this docket as of this filing.

II. PROTEST

On November 10, 2021, SPP submitted revisions to Attachment AA of SPP’s Open Access Transmission Tariff (“Tariff”) concerning SPP’s capacity accreditation methodology for inverter-based resources—Effective Load Carrying Capability (“ELCC”). The proposed Tariff revisions allow accredited capacity to be based on “historical performance” but reserve all of the details of the methodology for future additions to Current Planning Criteria and Current Business Practices. The proposed language states:

7.8 A resource qualified in accordance with Section 7.1, 7.2, 7.4, or 7.7 of this Attachment AA shall be capable of supplying its accredited capacity, as have its accredited capacity determined in accordance with SPP Planning Criteria and SPP Business Practices, for a minimum of four (4) continuous hours. The requirement set forth in Section 7.8 shall not apply to run-of-the-river hydroelectric, wind, or solar resources.

7.8.1 Qualified resources shall be capable of supplying their accredited capacity for a minimum of four (4) continuous hours.

7.8.2 The requirement set forth in Section 7.8.1 shall not apply to run-of-the-river hydroelectric, wind, or solar resources. Qualified run-of-the-river hydroelectric, wind, or solar resources shall be capable of supplying their accredited capacity based on historical performance in accordance with the SPP Planning Criteria and SPP Business Practices.

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6 FERC Accession No. 202111305273.
7 See SPP ELCC Filing, proposed Attachment AA § 7.8.
While SPP’s Tariff filing establishes “historical performance” as the capacity accreditation methodology, it fails to provide any details on the “historical performance” methodology with precision, as required by the United States Court of Appeals for the District of Columbia Circuit (“D.C. Circuit”) and the Commission. For the reasons explained below, SPP’s filing is insufficient, and should be rejected.

1. The SPP ELCC Filing Violates the Rule of Reason by Excluding Key Elements from the Tariff

The SPP ELCC Filing violates the “Rule of Reason.” Court decisions and the Commission’s own precedent require that “those practices that affect rates and service significantly, that are realistically susceptible of specification, and that are not so generally understood in any contractual arrangement as to render recitation superfluous” be included in tariffs. A prior Commission ruling determined that capacity accreditation in SPP (as well as capacity and resource adequacy-related provisions elsewhere) significantly affects rates, terms, and conditions of service, and therefore must be filed with the Commission under the rule of reason. As applied to the instant filing, the methodology to determine the accredited capacity of wind and solar generation would be used to evaluate the compliance of a Load

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8 City of Cleveland v. FERC, 773 F.2d 1368, 1376 (D.C. Cir. 1985).
9 Id. (emphasis in original). See also Keyspan-Ravenswood, LLC v. FERC, 474 F.3d 804, 811 (D.C. Cir. 2007) (remanding orders to the Commission based upon the Rule of Reason, where “[a]nalysis by NYISO’s own staff demonstrates that by reducing the installed reserve margin by nearly a third from 18% to 12.2% NYISO’s translation methodology significantly affected its compliance with the Reliability Rules. Just as clearly the translation methodology is ‘susceptible of specification’-the rule that forced outage rates be measured over a one-year period for generators and a ten-year period for LSEs is, to say the least, easily reduced to writing.”)(emphasis in original).
10 See Southwest Power Pool, Inc., 169 FERC ¶ 61,048, at P 62 (2019) (“As SPP’s 4-hour continuous run-time requirement determines whether a resource is eligible to be used to satisfy a resource adequacy requirement, this requirement significantly affects rates, terms, and conditions of service. Although SPP’s resource adequacy minimum run-time requirement significantly affects rates, terms, and conditions of service, its current Tariff does not include this requirement. Therefore, we institute an FPA section 206 proceeding to direct SPP to include its rules and practices regarding minimum run-time requirements in its Tariff.”). See also, e.g., Midwest Indep. Transmission Sys. Operator, Inc., 98 FERC ¶ 61,137, 61,401 (2002) (“The proposed Operating Protocols purport to govern fundamental duties of the Midwest ISO and the related obligations of Generators. It appears that the proposed Operating Protocols could significantly affect certain rates and services and as such are required to be filed pursuant to Section 205.”)
Responsible Entity (“LRE”) pursuant to SPP’s Resource Adequacy Requirement (“RAR”). However, the filing fails to provide any transparency on the methodology that will be used to evaluate the compliance of an LRE, and accordingly, SPP’s proposal is insufficient. Clean Energy Advocates urge the Commission to reject SPP’s proposed Tariff revisions, which fail to provide adequate details on the proposed accreditation methodology, despite that methodology’s clear impact on rates, terms, and conditions of service.

In SPP, the accredited capacity of resources is used to determine the compliance of each LRE with its responsibility to meet its RAR as set forth in the SPP Tariff. Any failure to meet the obligation results in significant penalties, and as such, has a significant impact on rates, terms and conditions of LREs and other entities in the business of selling electricity to them.11 Yet, the only new language added to the Tariff describing the methodology to be used in determining accredited capacity of wind and solar resources is a reference to “historical performance.” SPP’s decision to only include references to the defining critical elements and methodology of the accreditation of a specific set of resources in the OATT and holding the features of the methodology in SPP Policy documents violates the rule of reason, because these changes would have a direct effect on rates, terms, and conditions and therefore must be directly included in the Tariff itself. The SPP ELCC Filing falls far short of describing the actual methodology that will be used in determining accredited capacity of these resources. As such, the Tariff filing is insufficient on its face, and should be rejected.

Clean Energy Advocates respectfully request that the Commission reject SPP’s filing, without prejudice to a future submittal that would satisfy the rule of reason and does not

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11 See SPP OATT, Attachment AA §14.
discriminate against inverter-based resources. This will allow the Commission to appropriately review the methodology proposed.

2. The Capacity Accreditation of Wind and Solar Resources Unquestionably Affects Rates, Terms, and Conditions of Service

In 2018, SPP adopted a new approach for Resource Adequacy, which was the Commission eventually approved. Prior to those changes, SPP did not have a binding requirement in practice, but rather an expectation that the Load Serving Entities would own or contract with sufficient resources to meet their peak load, plus a level of reserves. This expectation was not backed by meaningful penalties. The primary responsibility was left to the states or the governing structures of the non-state jurisdictional utilities. However, growing concerns about the reliability of the SPP system resulted in reforms that were intended to create enforceable resource adequacy. A new term was established, called Load Responsible Entities (or LREs), which were usually—but not always—the same as the Load Serving Entities. Per these reforms, an LRE’s failure to meet the required RAR resulted in expensive costs and penalties.

The Commission described SPP’s RAR in its order approving the concept, from 2017:

SPP continues that failure to comply with the RAR for the summer season results in a financial obligation in the form of a deficiency payment. SPP explains that, because most LREs experience their highest demand during the summer season, financial liability is tied to the summer season only.

Other changes provided for more flexibility in acquiring generation that had been studied and determined to be “deliverable” to satisfy the reserve requirements over an LRE’s peak. The deficiency payments provision specifically provided for significant payment penalties in the event that the RAR was not met:

13 SPP conceivably could have forced a non-compliant LSE to depart SPP, but such a remedy would be highly impractical and was never used.
14 Id. at P 7.
SPP states that, as an incentive for market participants to comply with the RAR, it proposes to require market participants that represent LREs that fail to comply with the RAR for the summer season to pay a deficiency payment. SPP explains that the amount of the deficiency payment is based on the cost of new entry (CONE) for a new natural gas peaking generation facility to be constructed in the SPP region, calculated using the factors listed in Attachment AA. SPP asserts that it proposes an initial CONE of $85.61 per kilowatt year.

According to SPP, the deficiency payment will be calculated using the following formula: the deficiency payment equals the LRE's deficiency in capacity (stated in MWs) multiplied by CONE multiplied by a CONE factor. SPP explains that the CONE factor is either (a) 125 percent when the SPP balancing authority area planning reserve is greater than or equal to the planning reserve margin plus 8 percent, (b) 150 percent when the SPP balancing authority area planning reserve is greater than or equal to the planning reserve margin plus 3 percent but less than 8 percent, or (c) 200 percent when the SPP balancing authority area planning reserve is less than the planning reserve margin plus 3 percent.\footnote{Id. at PP 15-16.}

In the event of non-compliance under the new RAR, an LRE would face substantial deficiency payments. However, the adoption of the penalty provisions was not accompanied by any filing from SPP describing how the accredited capacity of resources would be used to determine compliance with the RAR. In retrospect, SPP could have specified the methodology it would use to calculate accredited capacity for some resources at the time the Commission approved the RAR. However, SPP’s provisions continued to be housed only in non-Tariff documents. For most resources, the standard used was based upon the performance of the capacity resource over a 4-hour period. Prior to the 2018 adoption of the RAR, a different method of calculating the accredited capacity of wind and solar was developed but not referenced in the Tariff. This methodology relied on the output of the wind and solar generation during certain summer peak hours.
The issue of whether a description of the methodology of determining accredited capacity of resources surfaced in SPP’s Order No. 841 compliance proceeding. In that proceeding, the Commission addressed the need for sufficient language to be in the Tariff under the Commission’s Rule of Reason. Certain parties questioned whether Energy Storage Resources (“ESRs”) in SPP would be allowed to be used to satisfy the RAR and, if so, how the accredited capacity value would be determined. In its response, SPP stated that ESRs would be qualified as capacity resources, that the method for determining the level of accredited capacity would be the same as for other thermal resources, and that the methodology for such resources was based upon the output measured over a 4-hour test timeframe. The Commission, employing the Rule of Reason, required SPP to file tariff language that set forth the methodology stating:

Decisions as to whether an item should be placed in a tariff or in a business practice manual are guided by the Commission’s rule of reason policy, under which provisions that “significantly affect rates, terms, and conditions” of service, are readily susceptible of specification, and are not generally understood in a contractual agreement must be included in the tariff, while items better classified as implementation details may be included only in the business practice manual. As SPP’s 4-hour continuous run-time requirement determines whether a resource is eligible to be used to satisfy a resource adequacy requirement, this requirement significantly affects rates, terms, and conditions of service. Although SPP’s resource adequacy minimum run-time requirement significantly affects rates, terms, and conditions of service, its current Tariff does not include this requirement. Therefore, we institute an FPA section 206 proceeding to direct SPP to include its rules and practices regarding minimum run-time requirements in its Tariff.

In its order on SPP’s 2019 compliance filing for Order No. 841, the Commission determined that the methodology used to determine the accredited capacity of a resource under the RAR should be contained in the Tariff under the Rule of Reason. SPP therefore added the 4-hour

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18 See id. at P 62 (citations omitted).
requirement to the Tariff and stated that it would apply to ESRs in an effort to meet the Commission directive. However, in this similar present filing, SPP again failed to include the methodology used to determine the accredited capacity of a resource in its on-file Tariff. Rather, SPP makes vague references to “historical performance,” which does not meet the Commission’s requirements under the Rule of Reason.

3. Despite Affecting Rates Significantly, The SPP ELCC Filing Has No Meaningful Detail

This simple methodology with which SPP responded to the SPP Storage Compliance Order stands in sharp contrast to the complicated methodology that SPP now proposes for Wind and Solar generation. Even at a high level, this methodology—let alone the results that might emerge from it—simply cannot be determined from the proposed Tariff language. The new language states:

7.8 A resource qualified in accordance with Section 7.1, 7.2, 7.4, or 7.7 of this Attachment AA shall be capable of supplying its accredited capacity, as have its accredited capacity determined in accordance with SPP Planning Criteria and SPP Business Practices, for a minimum of four (4) continuous hours. The requirement set forth in Section 7.8 shall not apply to run-of-the-river hydroelectric, wind, or solar resources.

7.8.1 Qualified resources shall be capable of supplying their accredited capacity for a minimum of four (4) continuous hours.

7.8.2 The requirement set forth in Section 7.8.1 shall not apply to run-of-the-river hydroelectric, wind, or solar resources. Qualified run-of-the-river hydroelectric, wind, or solar resources shall be capable of supplying their accredited capacity based on historical performance in accordance with the SPP Planning Criteria and SPP Business Practices.19

19 SPP ELCC Filing at 4 (emphasis added).
Thus, the only language added to the Tariff is that wind and solar capacity values will be somehow based on historical performance. This falls far short of the Rule of Reason in past decisions on the determination of accredited capacity.

One of the most obvious illustrations of the inadequacy of the description of the methodology for wind and solar resources in this filing is proposed Attachment AA’s reliance on “historical performance.” The proposed methodology integrates a unique form of Effective Load Carrying Capability (ELCC), which may substantially change the accredited capacity of wind and solar resources. The failure of SPP to provide any description of the accreditation of wind and solar resources that distinguishes the current methodology from the proposed one represents a clear failure under the Rule of Reason.

Based upon the Tariff language it is impossible to understand from the filing how the capacity value of wind and solar will be determined. The vague reference to historical performance provides no illumination of the actual new methodology for wind and solar resources. Despite SPP’s stated intention to use ELCC for wind and solar resources, here is no mention of even the term “ELCC” in the proposed Tariff language. Beyond this simple defect, there are no descriptions of the multiple provisions in the approach that are unique to SPP. These include, but are not limited to, such matters as:

- order of the deployment of other resources;

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20 Under the SPP Tariff, a Load Responsible Entity (LRE) relies on the accredited capacity of its resources to determine compliance with the SPP’s RAR. Failure to meet the RAR obligations can have a significant impact on rates, terms, and conditions of LRE’s and other entities in the business of selling generation to them. Since the capacity accreditation methodology affects rates, terms, and conditions, SPP is obligated to provide adequate clarity and specificity as to its “historical performance” methodology. One of the most obvious illustrations of the inadequacy of the description of the methodology for wind and solar resources in this filing is that the current methodology for wind and solar facilities uses a form of historical performance. The new methodology appears to integrate a unique form of ELCC and substantially changes the accredited capacity of wind and solar resources. Yet, SPP fails to put a description of the accreditation of wind and solar resources that distinguishes the current methodology from the proposed one. This represents a clear failure of FERC doctrine pertaining to the “Rule of Reason.”

- the years and timeframes to be used in the calculations;
- the assumption of whether the dispatch is reliability-based or economic based;
- the use of and setting of percentages of the “tiers” used in the determination of accredited capacity;
- the further application of the data from individual wind and solar facilities from the SPP Coincident Peak ELCC to a discounted level coinciding with the non-Coincident Peak of the individual LRE;
- the application of the amount of transmission service needed to capture the ELCC results in full;
- Loss of Load Expectation risk;
- Load shapes and scenarios; and
- Resource penetration and expected performance.

Sufficient detail should be provided in the Tariff to provide customers of SPP with adequate notice of the methodology being employed in the region, which necessitates discussion of the items noted above. For these reasons, the SPP filing should be rejected as deficient.

4. The SPP ELCC Filing Facilitates Discrimination Against Inverter-Based Resources, Including Energy Storage Resources

The Clean Energy Advocates have broader concerns with the SPP Tariff lacking needed details on capacity accreditation for inverter-based resources. The absence of clear and prescriptive capacity accreditation rules, or even a commitment to a specific accreditation methodology, allows for discrimination against inverter-based resources—as the rules can change without Commission oversight.22 To address this concern, the Clean Energy Advocates ask the

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22 Old Planning Criteria § 7.1.2 (“The recommended methodology to evaluate the net planning capability established for wind or solar facilities shall be determined on a monthly basis . . . .”)
Commission to direct SPP to articulate rules for inverter-based resource capacity accreditation in Attachment AA of the SPP Tariff.

SPP’s use of impermissibly vague Tariff language while undertaking significant reform was most recently highlighted in the SPP stakeholder proceedings that resulted in the application of ELCC to ESRs. At the October 2021 SPP Board Meeting, SPP approved the use of a form of ELCC for ESR capacity accreditation.23 However, based on the omission of Tariff changes relating to ESRs, we can only conclude that SPP determined that Commission review was not needed to introduce a new capacity accreditation methodology for ESRs24. SPP’s repeated efforts to evade Commission oversight are concerning, given SPP’s Order No. 841 compliance filing history pertaining to the accredited capacity methodology used for ESRs. There, SPP informed the Commission that the accredited capacity methodology for ESRs was the same as thermal resources, but the Commission required SPP to specify the 4-hour methodology in the tariff.25 SPP even stated to the Commission that an ESR satisfying the 4-hour testing requirement would be provided with 100% accreditation. However, SPP recently approved substantial changes to the accreditation for ESRs outside of its tariff, meaning that it did not seek FERC approval. Thus, SPP is accrediting capacity resources using a methodology inconsistent with its FERC-approved tariff.

23 Minutes of Board of Directors/Members Committee Meeting – Summary of Action Items, Southwest Power Pool, Inc., 1 (Oct. 26, 2021), available at: https://spp.org/documents/66048/board%20of%20directors%20members%20committee%20minutes%202021%2010%2026.pdf.


SPP’s refusal to seek approval for needed changes to its Tariff is even more problematic considering the present filing. The new “historical performance” language proposed\(^{26}\) would only apply to wind and solar resources. Yet, wind, solar, and ESRs would now be subject to some form of ELCC under SPP’s new approach to determining accredited capacity.

The Commission can and should send a clear message to SPP that it must include in its tariff adequate descriptions of the ELCC methodologies that it uses for RAR requirements purposes for all inverter-based resources, including wind, solar, and ESRs. The Clean Energy Advocates note that the ESR provisions fall within the scope of the proposed Attachment AA language, because proposed Section 7.8.1 of Attachment A identifies qualified resources being able to provide four continuous hours of output (the 4-hour methodology attaching to ESRs, noted above). In this proceeding, or in any subsequent proceeding, Clean Energy Advocates ask that the Commission require SPP to justify the application of various ELCC methodologies to inverter-based technologies. Such a notice and response will allow a transparent review of whether the policies are just and reasonable and not unduly discriminatory.

5. The Proposed Mechanism to Determine Capacity Values is Unduly Discriminatory

While not filed with the Commission, the business practices SPP proposes to implement are described in the Business Manuals. Those process contain two flaws described below: (1) they arbitrarily apply inconsistent measures of capacity value to different technologies, resulting in a roughly 12% lower capacity value for wind and solar than comparable thermal resources; (2) they arbitrarily assign different capacity values to otherwise identical wind or solar resources in a

\(^{26}\) See SPP ELCC Filing, Proposed Attachment AA § 7.8.2 (“Qualified run-of-the-river hydroelectric, wind, or solar resources shall be capable of supplying their accredited capacity based on historical performance in accordance with the SPP Planning Criteria and SPP Business Practices.”)
manner similar to one rejected by the Commission elsewhere. Thus, even if SPP’s proposed rules had been properly filed, they still should be rejected. For the sake of administrative efficiency, Clean Energy Advocates respectfully request the Commission provide SPP with guidance on aspects of their ELCC proposal that would likely be rejected if submitted in a future filing.

a. SPP measures most capacity in ICAP, but proposes to measure wind and solar resources in UCAP.

The Net Capability of most generating units in SPP is “the net power output…with all equipment in service.” Units must demonstrate this capacity through a one hour test, but may use a normal operating hour as their test. Units that somehow perform poorly on tests due to forced outages may retest. No adjustment is made for outage rates or availability generally, though nuclear fuel cycles and hydrological conditions are considered for the respective technologies. Thus, the Net Capability of thermal generating units represents their Installed Capacity (“ICAP”). Perhaps to allow for generator outages, SPP requires Load Responsible Entities to maintain a 12% reserve margin above their forecasted net peak demand.

In contrast, the process for determining ELCC resources incorporates historical outages. The result of the ELCC calculation is a MW value that represents the resources ability to serve load once those outages and many other factors are taken into account. Thus, an ELCC value is roughly comparable with the capacity value of a thermal generator once it has been derated for

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27 Cite PJM first ELCC docket See Order Rejecting Proposed Tariff Revisions et. al., 175 FERC ¶ 61,084 (April 2021) at 29-43.
28 See, e.g., id. at 18.
29 All types other than wind and solar, See New Planning Criteria section 7.1
30 New Planning Criteria 7.1.1.5(4).
31 Id 7.1.1.2.
32 Id 7.1.
33 Id 7.1.2 (4) through (6).
outages. This is reflected in the ELCC procedures in both MISO\textsuperscript{35} and PJM\textsuperscript{36}, where the result of ELCC is treated as an Unforced Capacity ("UCAP") value.

To put this in terms used in other RTOs, SPP runs a resource adequacy construct in ICAP, sets load requirements in ICAP, and values most resources in ICAP - but proposes to measure wind, solar, and run-of-river hydro in UCAP. This is simply incorrect, and results in ELCC resources receiving a capacity value roughly 12\% lower than a thermal resource with identical resource adequacy value. If these practices were to be filed with the Commission, they should be rejected as unduly discriminatory.

\textbf{b. SPP proposes to allocate ELCC value in a manner similar to the transition mechanism the Commission recently rejected in PJM.}

A distinctive feature of ELCC is that the capacity value of a resource will change as other resources are added, reflecting the diminishing returns or complementary aspects of various technologies. This creates a question of how to allocate the ELCC value of an entire fleet to individual units.

While none of this is evident from the Filing, SPP proposes to address this through a 3-Tier system. The LRE assigns a limited quantity of units with firm transmission to Tier 1. The remainder of units with firm transmission service are assigned to Tier 2, and units without firm transmission go in Tier 3.

SPP performs an ELCC analysis on just Tier 1 and awards the resulting capacity value to Tier 1 units. SPP then does an ELCC analysis including Tier 1 and Tier 2, and awards the increased capacity value to Tier 2 units. Finally, an ELCC analysis including all three Tiers is run, and the


increased capacity value above the second analysis awarded to Tier 3 units. The result will be different capacity values for otherwise-identical units (or for the same unit over time) based on what tier the LRE assigns the units to. ELCC values generally decrease as more of a given technology is added, but Tier 1 units reserve the valuable “first megawatts” and are protected from this decrease. On the other hand, Tier 3 units receive a lower marginal value and bear an exaggerated risk of diminishing returns. Tier 2 is in the middle, locking in a less valuable position than Tier 1 but still enjoying more protections than Tier 3.

Compare this with an approach proposed by PJM, which the Commission rejected. PJM proposed “vintages,” where each individual ELCC would be granted a floor value based on the year it first cleared the capacity market. Those units were guaranteed their ELCC value would not fall below the floor for 13 years. If necessary, PJM would reduce the ELCC value of new entrants to compensate for any overvaluation due to the floor. The Commission rejected this approach, finding it “not just and reasonable because it would discount the accredited capacity value of some ELCC Resources below their actual capacity value in order to value other ELCC Resources above their actual capacity value.”

SPP’s proposed Tier mechanism has similar implications to PJM’s rejected vintaging, in that risk inherent in ELCC is not evenly distributed. Whether or not factors unique to the SPP region, or particular details of its Tier mechanism justify a different approach than that taken with respect to PJM’s vintaging proposal cannot be evaluated based on the paucity of detail in SPP’s filing. Should the Tier provisions be re-filed with the Commission in the future, the potential for undue discrimination must be fully evaluated.

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37 175 FERC ¶ 61,084 (“First PJM ELCC Order”)
38 Cite Id. at 79-83.
39 Id. at 104.
6. Other Aspects of SPPs Treatment of Inverter-based Resources Bear Scrutiny

SPP’s disparate treatment affects not only the accreditation, but also the cost of inverter-based resources for transmission service and transmission upgrades. For example, transmission service is generally required to qualify a resource for RAR. Thus, the level of transmission service is tied to the amount of accredited capacity. However, to receive the full accreditation for wind, solar, and ESRs, transmission service must be procured *at nameplate* rather than the accredited capacity value. This adds to the cost of the accredited capacity value of these resources. SPP also limits the cost sharing of upgrades for transmission service attached to wind resources in several ways. First, the upgrades for wind resources have one-third of the costs directly assigned to the entity seeking transmission service (which only applies to wind resources). Second, there is a limit on the cost sharing of transmission service if an LRE has over a set amount of wind which is being used for RAR. Thermal resources are subject to none of these added costs.

The evidence of disparate treatment is very clear when examining the policies on pumped hydroelectric facilities. In the case of pumped hydro, there is no diminution of value comparable to that of other ESRs—despite the fact that there is no practical difference in the way they gain access to fuel supply. Both use electricity to charge (by pumping water or electrochemically), which creates access to energy and capacity when it is needed most. These examples illustrate that Commission action is needed in order to stop the ongoing adoption of policies that unduly discriminate against inverter-based resources.

Clean Energy Advocates believe strongly in the advancement of technologies for a decarbonized, affordable, and reliable electric grid. At the center of this is the prominent growth of wind generation in SPP, along with fast-growing solar generation as well. Battery electric storage resource technology is rapidly developing and is poised to make substantial contributions to the ability to firm variable energy resources cost effectively in the very near term. SPP’s
geographic location in the heart of the country positions itself to encompass the nation’s best wind energy resources and top-tier solar energy resources. It is only logical that with the dropping cost of wind and solar energy, SPP would see a substantial increase in penetration of inverter-based renewable resources. The approach of SPP in devaluing these new resources while failing to similarly scrutinize and place restrictions on thermal resources for challenges of the dependability of these resources is an inappropriate placing of the “finger on the scale” favoring thermal resources over newer technologies. This shift in electric generation technologies should not face an unfair playing field that inappropriately increases costs on new generation sources while thermal resources are allowed to play under different rules.

Clean Energy Advocates are aware that the Commission has been cautious in exploring the use of different methodologies in calculating the accredited capacity of different resource types. However, in the case of SPP, there is a consistent pattern of taking a very conservative approach to the accreditation of inverter-based resources while ignoring the significant limitations of other resources. The Commission need look no further into the past than Winter Storm Uri in February of this year to find obvious evidence of the weaknesses of all resources. Winter Storm Uri tested and showed correlated limitations of thermal resources once thought invulnerable, constant, and subject only to uncorrelated outages. 40

ELCC as a construct can be a useful tool—if applied equally and fairly across all electric generation resources, and not just a selected few. Policies that allow some generation resources to receive near-nameplate accreditation, while placing significant limitations that reduce the value for inverter-based resources should be carefully scrutinized. SPP needs to be transparent and open

about how LREs can use different types of generation and storage resources to meet the RAR. This should include a *consolidated* proposal allowing for simultaneous review of ELCC methodologies and the polices on other resources in order to allow for a comprehensive review.

**III. CONCLUSION**

For the reasons stated above, Clean Energy Advocates request that the Commission reject the SPP ELCC Filing, with instruction for SPP to bring forward any future capacity accreditation proposal on a comprehensive basis including wind, solar, ESRs, and other generators. In the event the Commission does not reject the filing, Clean Energy Advocates ask that the Commission require the SPP to fully explain its approach for these resources so that a complete assessment of the ELCC proposal may be conducted—which is impossible at present, given the lack of detail. Additionally, if the Filing is not rejected, the Clean Energy Advocates recommend that the Commission direct SPP to conduct a member workshop that produces and explains in detail the process and how it will work. SPP should prepare an ongoing training curriculum and provide further detail on the business practices related to the issue.”

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(cont’d)
CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing document to be served upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 1st day of December, 2021.

/s/ Gabe Tabak

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