

March 24, 2023

VIA ELECTRONIC FILING

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: Otter Tail Power Company, Docket No. ER23-1464-000
Remedial Action Scheme Service**

Dear Secretary Bose:

Otter Tail Power Company (“Otter Tail”), pursuant to section 205 of the Federal Power Act (“FPA”), 16 U.S.C. § 824d, and part 35 of the Federal Energy Regulatory Commission’s (“Commission”) regulations, 18 C.F.R. part 35, submits for filing revisions to its Control Area Services and Operations Tariff (“CASOT”)¹ to extend, by one year, its existing Remedial Action Scheme (“RAS”) Service Schedule, which is scheduled to sunset on May 31, 2023.² Otter Tail further requests a one-year extension of RAS No. 1 to the RAS Service Schedule, which is also scheduled to sunset on May 31, 2023.³

As set forth below, Otter Tail’s RAS Service continues to offer generators willing to bear the associated costs and risks an opportunity to reduce substantial, extended curtailments they would otherwise face as a consequence of major transmission line outages expected in the year as part of scheduled transmission network upgrades. Otter Tail proposes May 23, 2023, as the effective date for the CASOT revisions. The requested effective date, which is sixty days from the date of this filing, will facilitate seamless continuation of RAS Service under the CASOT.

¹ Otter Tail Power Company, FERC Electric Tariff, First Revised Volume No. 2. Revisions to the CASOT are attached hereto as Attachment A (clean version) and Attachment B (redlined version).

² See CASOT, Schedule 10 (providing that Schedule 10 “shall terminate on May 31, 2023.”). The Commission accepted the currently effective Schedule 10, along with RAS Service Schedule and pro forma RAS Service Agreement by letter order dated August 27, 2020. See *Otter Tail Power Co.*, Letter Order, Docket No. ER20-2378-000 (Aug. 27, 2020).

³ See CASOT, Schedule 10 (providing that service under RAS No. 1 will terminate on May 31, 2023).

I. BACKGROUND

A. Otter Tail and the CASOT.

Otter Tail is an investor-owned utility and transmission-owning member of the Midcontinent Independent System Operator, Inc. (“MISO”). It is headquartered in Fergus Falls, Minnesota and provides electricity to over 130,000 residential, industrial, farm, commercial, and municipal customers over an approximately 70,000 square mile area within Minnesota, North Dakota, and South Dakota. Otter Tail also provides certain services as a Local Balancing Authority within MISO under the CASOT. While MISO is the Balancing Authority Operator across the MISO footprint, and its directives govern in the event of any conflict, Local Balancing Authority Operators such as Otter Tail also have a substantial role in ensuring reliability. The CASOT addresses any ancillary services provided by Otter Tail, operation of Otter Tail’s Local Balancing Authority Area (“BAA”), and interconnections with generation and transmission facilities.⁴

B. The Conditions that Necessitated the Initial Offering of RAS Service Remain Ongoing.

RAS Service offered under Schedule 10 is a voluntary service provided by Otter Tail, as the BAA Operator, for a specified short-term basis to a generation customer whereby Otter Tail installs, implements, and operates a RAS that is reasonably expected to lessen curtailments of that customer’s specified generation facilities that are anticipated as a consequence of planned outages of transmission facilities under the functional control of MISO.⁵ As Otter Tail explained in its filing to implement Schedule 10 service, a RAS can cause a generator to be tripped (or reduced) automatically if and when (for example) a contingency that MISO identified as the basis for an output restriction on that generator in fact occurs.⁶ With an automatic scheme approved and in place, MISO (or a MISO-approved operating guide) would not need to require a pre-contingency output restriction on that generator (or perhaps would not need to restrict the generator’s output as much). In practical terms, a RAS requires a data/communications link between Otter Tail and the affected generator, and a relay at the plant site to automatically trip the generator off (or

⁴ See *Otter Tail Power Co.*, 125 FERC ¶ 61,111 (2008) (accepting revisions to CASOT to conform to MISO’s planned commencement of its ancillary services market and operation of a BAA); *Otter Tail Power Co.*, 99 FERC ¶ 61,019 (2002) (accepting CASOT to replace Otter Tail’s pre-existing open access transmission tariff to reflect Otter Tail’s transfer to MISO of functional control over Otter Tail’s transmission facilities).

⁵ See CASOT, Schedule 10.

⁶ See Remedial Action Scheme Service Filings of Otter Tail Power Company, Docket No. ER20-2378-000 (July 10, 2020) (“July 2020 Filing”).

reduce the generation on) the MISO transmission system. Otter Tail also needs (if not already provided by another party) real-time (e.g., five-minute) metering data to administer the RAS, including restoring (after the RAS-controlled relay trips the plant) the generator to an output level consistent with any applicable operating guide.⁷

Schedule 10 specifies that compensation to Otter Tail for RAS Service shall be: (i) a monthly charge specific to each RAS, specified in Schedule 10's listing for each RAS; and (ii) a charge to recover Otter Tail's up-front capital and related costs incurred to establish the RAS, as set forth in Attachment C-1 to the customer's RAS Service Agreement. Each RAS is unique, and therefore must be approved by a regulatory body tasked with ensuring reliability prior to implementation.⁸ Accordingly, each such RAS is individually listed on Schedule 10.⁹ To date, only RAS No. 1, known as the Southern North Dakota Wind Remedial Action Scheme, has been approved.¹⁰

As explained in the July 2020 Filing, Schedule 10 service was developed to address a period of heightened interconnection activity, Network Upgrade installation, and planned transmission outages stemming from the combined effects of the additional Network Upgrades required to reliably interconnect specific generation projects enabled by MISO's 2011 MISO Transmission Expansion Plan Multi-Value Projects ("MVP"), and other planned transmission outages in the southern North Dakota and eastern South Dakota area scheduled over an approximately two year period.¹¹ While the Network Upgrades associated with the 2011 MVP projects that were contemplated in the July 2020 Filing have been completed, additional Network Upgrades to reliably interconnect generators in the Otter Tail BAA, and transmission outages associated with those Network Upgrades, are

⁷ July 2020 Filing at 6.

⁸ At the time of the July 2020 Filing, the Midwest Reliability Organization reviewed RAS proposals in the Otter Tail area; in 2021, that responsibility transitioned to MISO in its Reliability Coordinator role. As discussed below, Otter Tail proposes to amend Schedule 10 to reflect MISO as the body "duly authorized to review and approve proposed Remedial Action Schemes." Proposed CASOT, Schedule 10.

⁹ There are currently two RAS Service Agreements on file with the Commission taking service under RAS No. 1. *See* Otter Tail Power Company Service Agreement No. 58, Service Agreement for Remedial Action Scheme Service Between Merricourt Project (G369R) and Otter Tail Power Company; Otter Tail Power Company Service Agreement No. 59, Service Agreement for Remedial Action Scheme Service Between Emmons-Logan Wind, LLC and Otter Tail Power Company. Both of these agreements include a termination date of May 31, 2023. In accordance with 18 C.F.R. § 35.15(a), Otter Tail will provide notice of cancellation of these agreements in a subsequent filing.

¹⁰ *See* CASOT, Schedule 10.

¹¹ *See* July 2020 Filing at 2-5.

now expected to continue through mid-2024. These include at least one significant planned transmission outage that will be required over the next year to complete the Network Upgrades required to interconnect a 250 MW wind generating facility.¹²

Because the conditions giving rise to Otter Tail's initial offering of RAS Service persist, generators concerned about the potential adverse impacts of anticipated curtailments approached Otter Tail regarding extension of RAS Service availability. Otter Tail therefore seeks to extend service under Schedule 10 by one year, to May 31, 2024. Otter Tail also seeks to extend service under RAS No. 1 by one year, to May 31, 2024. Otter Tail is currently in the process of executing a new RAS Service Agreement with Otter Tail Power Company (as generator interconnection customer) for interconnection of the Merricourt Project (G359R), a 150 MW wind generating facility located in McIntosh and Dickey counties in southern North Dakota, which will take service under RAS No. 1.

As explained in the July 2020 Filing, RAS Service is intended to be available over a short period of time to meet the needs of generators during a specified period of increased interconnection and construction activity.¹³ The extension of RAS Service availability by one year will provide generators continuing to face output restrictions during this ongoing period of heightened construction activity and line outages with an opportunity to mitigate against the impacts of curtailments associated with those outages.

II. PROPOSED AMENDMENTS TO SCHEDULE 10

As shown in Attachment B, Otter Tail proposes to modify Schedule 10 to extend the RAS Service Schedule term to May 31, 2024.¹⁴ Otter Tail also proposes to extend the term of RAS No. 1 to May 31, 2024.¹⁵ As discussed above, extension of these terms of service will allow Otter Tail to continue offering generators the opportunity to mitigate the adverse impacts of anticipated curtailments in the face of major planned transmission line outages. The Commission has previously accepted time-limited extensions of service where the conditions underlying that service persisted beyond that service's initial term, and should do so again here.¹⁶

¹² See *Siemens PTI Report Number R068-20: MISO DPP 2018 April West Area Phase 2 Study*, Siemens, section 1.4.12 (Feb. 16, 2021), https://cdn.misoenergy.org/GI-DPP-2018-APR-West-Phase2_System_Impact_Report_Public523356.pdf (providing Network Upgrades associated with J1040 interconnection).

¹³ See July 2020 Filing at 7.

¹⁴ Proposed CASOT, Schedule 10.

¹⁵ *Id.*

¹⁶ See, e.g., *Cal. Indep. Sys. Operator Corp.*, 165 FERC ¶ 61,161 (2018); *Midwest Indep. Transmission Sys. Operator, Inc.*, 125 FERC ¶ 61,361 (2008); *Pac. Gas &*

In addition to the requested one-year extension, Otter Tail proposes to modify Schedule 10 to reflect that MISO is now the reliability authority charged with reviewing and approving RAS proposals in the Otter Tail area.¹⁷ No other substantive changes to Schedule 10 are included in this filing.¹⁸

III. INFORMATION REQUIRED BY SECTION 35.13 OF THE COMMISSION'S REGULATIONS, 18 C.F.R. § 35.13

A. Documents Submitted with this Filing: In addition to this transmittal letter, the following documents are included with this filing:

Attachment A: CASOT revisions in clean; and

Attachment B: CASOT revisions in redline.

B. Effective Date: The requested effective date is May 23, 2023.

C. Requisite Agreements: All requisite agreements are included in this filing.

D. Basis of Rate: *See supra* Section II.

E. No Illegal, Duplicative, or Unnecessary Costs:

The CASOT revisions and submitted service agreements contain no expenses or costs that have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices, as defined in 18 C.F.R. § 35.13(b)(7).

F. Communications:

Otter Tail requests that all correspondence and communications with respect to this filing be sent to, and the Secretary should include on the official service list, the following:

Elec. Co., 50 FERC ¶ 61,339 (1990).

¹⁷ Proposed CASOT, Schedule 10.

¹⁸ As explained in the July 2020 Filing, Schedule 10 will be amended for each new RAS developed and offered. July 2020 Filing at 11.

Kimberly D. Bose, Secretary

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G. SERVICE

Otter Tail notes that it has served a copy of this filing electronically, including attachments, upon all current customers under the CASOT, and the public utility commissions for the states of Minnesota, North Dakota, and South Dakota.

IV. CONCLUSION

For the reasons stated herein, Otter Tail requests that the Commission accept the enclosed revisions to the CASOT, effective May 23, 2023.

Respectfully submitted,

/s/ Elizabeth P. Trinkle

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***Counsel for
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Attachment A

SCHEDULE 10

Remedial Action Scheme Service

Remedial Action Scheme Service is a voluntary service provided by Local Balancing Authority Operator for a specified short-term basis to Customer whereby Local Balancing Authority Operator installs, implements, and operates a Remedial Action Scheme that is reasonably expected to lessen curtailments of Customer's specified generation facilities, located within or outside the Local Balancing Area, otherwise anticipated as a consequence of planned outages of transmission facilities under the functional control of the Midcontinent Independent System Operator ("MISO"). Customer shall not be required to take any other service under this Control Area Services and Operations Tariff solely as a consequence of taking Remedial Action Scheme Service.

This Schedule contemplates one or more Remedial Action Schemes, each serving one or more specified Customers, during the term of this Schedule. Each Remedial Action Scheme shall be separately identified on this Schedule; and this Schedule shall be amended as necessary from time to time to reflect the identification of additional Remedial Action Schemes.

Every Remedial Action Scheme identified on this Schedule is subject to the approval of the Midcontinent Independent System Operator, Inc. or successor body duly authorized to review and approve proposed Remedial Action Schemes, and no Remedial Action Scheme shall be implemented absent such approval. Every Remedial Action Scheme identified on this Schedule shall be subject to all applicable reliability standards, rules, guides, and practices, and shall be designed and operated to comply with all applicable reliability standards, rules, guides, and practices. Remedial Action Schemes shall not be included on this Schedule absent determination by Local Balancing Authority Operator that such Remedial Action Scheme is technically feasible and can be installed, implemented and operated without undue risk to Local

Balancing Authority Operator including, without limitation, unacceptably increased risk to reliability or of unacceptably increased risk of non-compliance with applicable reliability standards, rules, guides, or practices.

Although each Remedial Action Scheme implemented hereunder shall be designed with a reasonable expectation of reducing curtailments of identified generation facilities of a Remedial Action Scheme Service Customer relative to expected operations in the absence of such Remedial Action Scheme, nothing herein or in any Remedial Action Scheme Service Agreement shall be read or understood as providing any assurance, warranty, or guaranty of any quantity or level of continued transmission service to or from such generation facilities. In addition, every Customer that takes service under any Remedial Action Scheme Service Agreement entered hereunder shall be deemed to understand and acknowledge that the designed operation of the Remedial Action Scheme addressed in such agreement expressly contemplates and provides for the curtailment of such customer's specified generation facilities as a consequence of triggering events inherent in the design of the Remedial Action Scheme. Each Remedial Action Scheme Service Customer is solely responsible for assessing the risks and benefits of a Remedial Action Scheme to its business, facilities and operations, and shall be deemed to have made such assessment, before entering into a Remedial Action Scheme Service Agreement.

Customer and Local Balancing Authority Operator shall enter into a Remedial Action Scheme Service Agreement, in the form set forth in Attachment C to this Tariff, setting forth or incorporating (by reference to the Tariff or this Schedule) the terms and conditions of Remedial Action Scheme Service for such customer.

The term of Remedial Action Scheme Service shall be as specified in the Remedial Action Scheme Service Agreement; provided that such term shall not be less than twelve months.

The Customer shall compensate the Local Balancing Authority Operator for Remedial Action Scheme Service in accordance with the following:

1. A monthly charge stated below specific to each Remedial Action Scheme;
2. A charge to reimburse Local Balancing Authority Operator for its actual costs, including Remedial Action Scheme design, development, approval, and system integration, Remedial Action Scheme Service approval, and any applicable taxes associated with the Company's construction and placing service of Communications, Relays, and Other Remedial Action Scheme Equipment, or Company's acquisition of any Communications, Relays, and Other Remedial Action Scheme Equipment provided to Company by Customer, the capital costs of all relays, communication lines and transceivers, and all other facilities and equipment installed to provide Remedial Action Scheme Service to such customer including, without limitation, capital costs of communications or other necessary equipment of third parties made available for Remedial Action Scheme Service provided to such customer, as set forth on Attachment C1 to the Remedial Action Scheme Service Agreement.

This Schedule 10 shall terminate on May 31, 2024.

Remedial Action Schemes provided hereunder are:

Remedial Action Scheme No. 1

MRO Application Title: Southern North Dakota Wind Remedial Action Scheme

Summary Description: Otter Tail Power has designed a Remedial Action Scheme (RAS) to allow for the generators taking this RAS Service to operate at higher output during specific maintenance and upgrade outages planned in the southern North Dakota and eastern South Dakota area to facilitate the various generator interconnections.

Term: Minimum of 12 months, service will terminate on May 31, 2024.

Monthly Charge: \$4,041, divided equally among all Customers taking service under the Southern North Dakota Wind Remedial Action Scheme in the calendar month for which the monthly charge is assessed.

Attachment B

SCHEDULE 10

Remedial Action Scheme Service

Remedial Action Scheme Service is a voluntary service provided by Local Balancing Authority Operator for a specified short-term basis to Customer whereby Local Balancing Authority Operator installs, implements, and operates a Remedial Action Scheme that is reasonably expected to lessen curtailments of Customer's specified generation facilities, located within or outside the Local Balancing Area, otherwise anticipated as a consequence of planned outages of transmission facilities under the functional control of the Midcontinent Independent System Operator ("MISO"). Customer shall not be required to take any other service under this Control Area Services and Operations Tariff solely as a consequence of taking Remedial Action Scheme Service.

This Schedule contemplates one or more Remedial Action Schemes, each serving one or more specified Customers, during the term of this Schedule. Each Remedial Action Scheme shall be separately identified on this Schedule; and this Schedule shall be amended as necessary from time to time to reflect the identification of additional Remedial Action Schemes.

Every Remedial Action Scheme identified on this Schedule is subject to the approval of the Midcontinent Independent System Operator, Inc. ~~Midwest Reliability Organization~~ or successor body duly authorized to review and approve proposed Remedial Action Schemes, and no Remedial Action Scheme shall be implemented absent such approval. Every Remedial Action Scheme identified on this Schedule shall be subject to all applicable reliability standards, rules, guides, and practices, and shall be designed and operated to comply with all applicable reliability standards, rules, guides, and practices. Remedial Action Schemes shall not be included on this Schedule absent determination by Local Balancing Authority Operator that such Remedial Action Scheme is technically feasible and can be installed, implemented and

operated without undue risk to Local Balancing Authority Operator including, without limitation, unacceptably increased risk to reliability or of unacceptably increased risk of non-compliance with applicable reliability standards, rules, guides, or practices.

Although each Remedial Action Scheme implemented hereunder shall be designed with a reasonable expectation of reducing curtailments of identified generation facilities of a Remedial Action Scheme Service Customer relative to expected operations in the absence of such Remedial Action Scheme, nothing herein or in any Remedial Action Scheme Service Agreement shall be read or understood as providing any assurance, warranty, or guaranty of any quantity or level of continued transmission service to or from such generation facilities. In addition, every Customer that takes service under any Remedial Action Scheme Service Agreement entered hereunder shall be deemed to understand and acknowledge that the designed operation of the Remedial Action Scheme addressed in such agreement expressly contemplates and provides for the curtailment of such customer's specified generation facilities as a consequence of triggering events inherent in the design of the Remedial Action Scheme. Each Remedial Action Scheme Service Customer is solely responsible for assessing the risks and benefits of a Remedial Action Scheme to its business, facilities and operations, and shall be deemed to have made such assessment, before entering into a Remedial Action Scheme Service Agreement.

Customer and Local Balancing Authority Operator shall enter into a Remedial Action Scheme Service Agreement, in the form set forth in Attachment C to this Tariff, setting forth or incorporating (by reference to the Tariff or this Schedule) the terms and conditions of Remedial Action Scheme Service for such customer.

The term of Remedial Action Scheme Service shall be as specified in the Remedial Action Scheme Service Agreement; provided that such term shall not be less than twelve months.

The Customer shall compensate the Local Balancing Authority Operator for Remedial Action Scheme Service in accordance with the following:

1. A monthly charge stated below specific to each Remedial Action Scheme;
2. A charge to reimburse Local Balancing Authority Operator for its actual costs, including Remedial Action Scheme design, development, approval, and system integration, Remedial Action Scheme Service approval, and any applicable taxes associated with the Company's construction and placing service of Communications, Relays, and Other Remedial Action Scheme Equipment, or Company's acquisition of any Communications, Relays, and Other Remedial Action Scheme Equipment provided to Company by Customer, the capital costs of all relays, communication lines and transceivers, and all other facilities and equipment installed to provide Remedial Action Scheme Service to such customer including, without limitation, capital costs of communications or other necessary equipment of third parties made available for Remedial Action Scheme Service provided to such customer, as set forth on Attachment C1 to the Remedial Action Scheme Service Agreement.

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