UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Oliver Wind III, LLC	**)**	**Docket No. ER16-____-000**

REQUEST FOR AUTHORIZATION TO SELL ENERGY AND CAPACITY AT MARKET-BASED RATES, AND REQUEST FOR WAIVERS AND BLANKET APPROVAL

Oliver Wind III, LLC ("Applicant" or "Oliver Wind III") submits for filing, pursuant to Section 205 of the Federal Power Act ("FPA"),[1] Rule 205 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission" or "FERC"),[2] and Part 35 of the Commission's regulations,[3] an application ("Application") for authorization to make market-based sales of energy, capacity and certain ancillary services under a market-based rate tariff ("Tariff"). Applicant respectfully requests that the Commission permit this Tariff to become effective November 1, 2016, and grant with the same effective date such waivers and blanket approvals described in this Application and which the Commission has routinely granted to entities with market-based rates.

I. List of Documents Submitted with this Filing

Attachment A -	Oliver Wind III, LLC Tariff, Volume No. 1
Appendix A -	Market Power Analysis
Appendix B-1 -	Generation Assets List
Appendix B-2 -	Electric Transmission Assets and/or Natural Gas Intrastate Pipelines and/or Gas Storage Projects
Appendix B-3-	Long-Term Purchased Power Agreements (PPA)
Appendix B-4-	Endnotes

1 16 U.S.C. § 824d.

2 18 C.F.R. § 385.205 (2015).

3 18 C.F.R. Part 35.

II. Communications

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III. Description of Applicant and Relevant Affiliates

As required by Order Nos. 697 and 697-A (Appendix B)[4] and Order No. 816,[5] the generation and transmission assets of Applicant and its affiliates are set forth in Appendix B-1 (generation) and Appendix B-2 (transmission). Below, Applicant provides a description of itself and its affiliates located in the Midcontinent Independent System Operator, Inc. ("MISO") balancing authority area ("BAA").

A. Oliver Wind III, LLC

Oliver Wind III, a Delaware limited liability company, will own, control and operate a wind generating facility (the "Facility") with a nameplate capacity of approximately 99.3 MW located in Oliver County, North Dakota within the MISO BAA. Applicant is party to a generator interconnection agreement with MISO and Minnkota Power Cooperative, Inc. Applicant has

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[4] *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, III FERC Stats. & Regs., Regs. Preambles ¶ 31,252 ("Order No. 697"), *clarified*, 121 FERC ¶ 61,260 (2007) ("Clarification Order"), *order on reh'g and clarification*, 123 FERC ¶ 61,055 (2008) ("Order No. 697-A), *order on reh 'g and clarification*, Order No. 697-B, 125 FERC ¶ 61,326, *order on reh'g and clarification*, Order No. 697-C, 127 FERC ¶ 61,254 (2009).

[5] *Refinements to Policies and Procedures for Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, 153 FERC ¶ 61,065 ("Order No. 816") (2015).

submitted a notice of self-certification as an exempt wholesale generator to the Commission.[6] Applicant's capacity is fully committed on a firm basis through a 35-year contract with, Minnkota Power Cooperative, Inc., with an initial term ending in 2051. The Facility is expected to start producing test energy in November or December, 2016.

Applicant is a wholly-owned direct subsidiary of ESI Energy, LLC ("ESI Energy"). ESI Energy is a wholly-owned direct subsidiary of NextEra Energy Resources, LLC ("NextEra Resources"), which is a wholly-owned direct subsidiary of NextEra Energy Capital Holdings, Inc., a Florida corporation, which in turn is a wholly-owned direct subsidiary of NextEra Energy, Inc. ("NextEra"), a Florida corporation. NextEra Resources is the merchant power subsidiary of NextEra. NextEra Resources' subsidiaries currently own or operate merchant generating facilities ("NextEra Resources Companies") in 25 States and Canada with a combined gross generating capacity of approximately 20,000 MW, and a net generating capacity of approximately 18,000 MW.[7]

NextEra Resources' subsidiaries own various interconnection facilities used solely for connecting generating facilities to the transmission grid. In some instances, the Commission has required NextEra Resources' subsidiaries to file an Open Access Transmission Tariff ("OATT") after receiving a request for service from a third party. Certain NextEra Resources' subsidiaries have an ownership interest in Sagebrush, which filed an OATT in December 2009.[8] Also, the Commission directed Sky River to submit an OATT for transmission service over the Wilderness

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6 *See* Application of Exempt Wholesale Generator Status of Oliver Wind III, LLC, Docket No. EG16-86-000, letter order issued (Jul. 14, 2016).

7 Substantial interests in some of these facilities are held by NextEra Energy Partners, LP ("NEP"), a publicly traded "yieldco" whose shares are traded on the New York Stock Exchange. NextEra Resources controls NEP, and all public share ownership in NEP consists of passive, limited partnership interests.

8 *Sagebrush, a California partnership*, 130 FERC ¶ 61,093, *order on reh'g*, 132 FERC ¶ 61,234 (2010).

Line for non-owners, which was submitted to the Commission in April 2011.[9] In addition, a number of other subsidiaries have received waivers from the Commission's open access policies in connection with joint use of interconnection facilities by affiliated companies.[10] These have since been superseded by the blanket waiver granted by the Commission in Order No. 807.[11]

NextEra also owns Florida Power & Light Company ("FPL"), a franchised public utility that provides wholesale and retail electric service to customers in the State of Florida. To serve this load, FPL owns approximately 25,100 MW of generation in peninsular Florida. FPL's transmission facilities are located within the State of Florida and are administered pursuant to the FPL OATT, which is on file with the Commission.[12] Additionally, NextEra owns NextEra Energy Transmission, LLC (f/k/a U.S. Transmission Holdings, LLC), which in turn owns New Hampshire Transmission, LLC ("NHT"), an electric utility that owns a single transmission asset, the Seabrook Substation, located in Seabrook, New Hampshire. NHT provides wholesale transmission service to its affiliate, NextEra Energy Seabrook, LLC through a Local Network Service Tariff on file with the Commission.[13] ISO New England, Inc. has operational control of the regional transmission facilities associated with the Seabrook Substation.[14] In addition,

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9 *Sky River LLC*, 136 FERC ¶ 61,162 (2011).

10 *See FPL Energy Oklahoma Wind, LLC*, Docket No. ER05-628-000, Letter Order (issued Mar. 23, 2005); *Peetz Table Wind Energy, LLC*, 123 FERC ¶ 61,192 (2008); *FPL Energy Oliver Wind, LLC*, 123 FERC ¶ 61,246 (2008); *Ashtabula Wind, LLC*, 127 FERC ¶ 61,215 (2009); 134 FERC ¶ 61,056 (2011); *Langdon Wind, LLC*, 127 FERC ¶ 61,212 (2009); *Crystal Lake Wind, LLC*, 127 FERC ¶ 61,213 (2009); *Story Wind, LLC*, 128 FERC ¶ 61,080 (2009); *Minco Wind Interconnection Services, LLC*,137 FERC ¶ 61, 224 (2011); *High Majestic Wind Energy Center, LLC*, 139 FERC 61,220 (2012); *Limon Wind, LLC*, 141 FERC ¶ 61,064 (2012), *Sky River LLC*, 143 FERC ¶ 61,241 (2013); *Genesis Solar, LLC*, 145 FERC ¶ 61,142 (2013); and *Desert Sunlight 250, LLC et al.*, 145 FERC ¶ 61,065 (2013); *Palo Duro Interconnection, LLC*, 149 FERC ¶ 61,205 (2014), *Seiling Wind Interconnection Services, LLC*, 149 FERC ¶ 61,155 (2014); *FPL Energy Oklahoma Wind, LLC*, Docket No. OA14-3-000, 149 FERC ¶ 61,131(2014); *Limon Wind II, LLC and Limon Wind III, LLC*, Docket No. OA14-4-000, 150 FERC ¶ 61,136 (2015).

11 *Open Access and Priority Rights on Interconnection Customer's Interconnection Facilities*, 150 FERC ¶ 61,211 (2015), Order No. 807, at P 89.

12 FPL FERC Electric Tariff, 2nd Revised Volume No. 6.

13 New Hampshire Transmission, LLC, FERC Electric Tariff No. 3.

14 *See* ISO New England, Inc. FERC Electric Tariff No. 3, Schedule 21 NHT, Original Sheet No. 4200.

NextEra Energy Transmission West, LLC ("NEET West") filed with the Commission a transmission owner tariff for certain transmission projects it is developing in the California Independent System Operator region, the earliest of which will be in service in 2017. In January 2016, the Commission accepted, subject to condition, NEET West's proposed tariff, effective October 20, 2015.[15]

The following is a brief description of the NextEra Resources Companies and their affiliates operating in the MISO market (see Appendix B-1 for descriptions of other NextEra affiliated companies):

Ashtabula Wind, LLC ("Ashtabula"). Ashtabula owns and operates a 148.5 MW wind-powered generation facility located in Barnes County, North Dakota, which is located in the MISO BAA. Ashtabula is authorized by the Commission to sell power at market-based rates.[16] All of Ashtabula's capacity is fully committed on a firm basis through two 25-year contracts with Minnkota Power Cooperative, Inc., with initial terms ending in 2033 and 2034.

Ashtabula Wind II, LLC ("Ashtabula II"). Ashtabula II owns and operates a 120 MW wind-powered generation facility located in Griggs County and Steele Counties, North Dakota, which is located in the MISO BAA. Ashtabula II is authorized by the Commission to sell power at market-based rates.[17] All of Ashtabula II's capacity is fully committed on a firm basis through a 25-year contract with Minnkota Power Cooperative, Inc., with an initial term ending in 2034 and a 30-year contract with Great River Energy, with an initial term ending in 2040.

Ashtabula Wind III, LLC ("Ashtabula III"). Ashtabula III owns and operates a 62.4 MW wind generation facility located in Barnes County, North Dakota, which is located in the MISO BAA. Ashtabula III is authorized by the Commission to sell power at market-based rates.[18] All of Ashtabula III's capacity is fully committed on a firm basis through a 25-year contract with Otter Tail Power Company, with an initial term ending in 2038.

Butler Ridge Wind Energy Center, LLC ("Butler Ridge"). Butler Ridge owns and operates a 54 MW wind-powered generation facility located in Dodge County, Wisconsin, which is located in the MISO BAA. Butler Ridge is authorized by the Commission to sell power at

15 *NextEra Energy Transmission West, LLC*, 154 FERC ¶ 61,009 (2016).

16 *See Ashtabula Wind, LLC*, Docket No. ER08-1297-000, Letter Order (issued Sept. 29, 2008).

17 *See Ashtabula Wind II, LLC*, Docket No. ER09-1656-000, Letter Order (issued Nov. 11, 2009).

18 *See Ashtabula Wind III, LLC*, Docket No. ER11-26-000, Letter Order (issued Nov. 11, 2010).

market-based rates.[19] All of Butler Ridge's capacity is fully committed on a firm basis through a 20-year contract with Wisconsin Public Power Incorporated, with an initial term ending in 2030.

Crystal Lake Wind, LLC ("Crystal Lake"). Crystal Lake owns and operates a 150 MW wind-powered generation facility located in Hancock County, Iowa, which is located in the MISO BAA. Crystal Lake is authorized by the Commission to sell power at market-based rates.[20] All of Crystal Lake's capacity is fully committed on a firm basis through two contracts: a 10-year contract with City of Springfield, IL Office of Public Utilities, with an initial term ending in 2018, and a 10-year contract with Indiana Municipal Power Agency with an initial term ending in 2018.

Crystal Lake Wind II, LLC ("Crystal Lake II"). Crystal Lake II owns and operates a 200 MW wind-powered generation facility located in Winnebago County, Iowa, which is located in the MISO balancing authority area. Crystal Lake II is authorized by the Commission to sell power at market-based rates.[21] 100 MW of Crystal Lake II's capacity is committed on a firm basis through a 25-year contract with Wisconsin Power and Light Company, with an initial term ending in 2034.

Crystal Lake Wind III, LLC ("Crystal Lake III"). Crystal Lake III owns and operates a 66 MW wind-powered facility located in Winnebago County, Iowa, which is located in the MISO balancing authority area. Crystal Lake Wind III is authorized by the Commission to sell power at market-based rates.[22] 21 MW of Crystal Lake III's capacity is committed on a firm basis through a 20-year contract with City of Columbia, with an initial term ending in 2032.

Florida Power & Light Company. As discussed above, FPL is a franchised public utility that provides wholesale and retail electric service to customers in the State of Florida. To serve this load, FPL owns approximately 24,100 MW of generation in peninsular Florida. In the Central Region, FPL is a power marketer and owns no generation. FPL's transmission facilities are located within the State of Florida and are administered pursuant to the FPL OATT. FPL is a wholly-owned direct subsidiary of NextEra.

FPL Energy Hancock County Wind, LLC ("Hancock"). Hancock owns and operates a 97.7 MW wind-powered generation facility located in Hancock County, Iowa, which is located in the MISO BAA. Hancock is authorized by the Commission to sell power at market-based rates.[23] Its capacity is fully committed on a firm basis through contracts with five different purchasers: Interstate Power & Light (initial term ending in 2027), City of Cedar Falls (initial term ending in 2022), City of Pella (initial term ending in 2024), City of Springfield (initial term ending in 2017), and Corn Belt Power Cooperative (initial term ending in 2022).

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[19] *See High Majestic Wind Energy Center, LLC, et al.*, Docket No. ER10-1-000 *et al.*, Letter Order (issued Dec. 3, 2010).

[20] *See Crystal Lake Wind, LLC*, Docket No. ER08-1293-000, Letter Order (issued Sept. 29, 2008).

[21] *See Crystal Lake Wind II, LLC*, Docket No. ER08-1294-000, Letter Order (issued Sept. 29, 2008).

[22] *See Crystal Lake Wind III, LLC*, Docket No. ER10-297-000, Letter Order (issued Jan. 13, 2012).

[23] *See FPL Energy Hancock County Wind, LLC*, Docket No. ER03-34-000, Letter Order (issued Nov. 21, 2002).

FPL Energy Mower County, LLC ("Mower"). Mower owns and operates a 98.9 MW wind generation facility located in Mower County, Minnesota, which is located in the MISO BAA. Mower is authorized by the Commission to sell power at market-based rates.[24] All of Mower's capacity is fully committed on a firm basis through a 20-year contract with NSPC, with an initial term ending in 2025.

FPL Energy North Dakota Wind II, LLC ("North Dakota II"). North Dakota II owns and operates a 21 MW wind-powered generation facility located in North Dakota, which is located in the MISO BAA. North Dakota II is authorized by the Commission to sell power at market-based rates.[25] All of North Dakota II's capacity is fully committed on a firm basis through a 25-year contract with Otter Tail Power Company, with an initial term ending in 2028.

FPL Energy Oliver Wind, LLC ("Oliver I"). Oliver I owns and operates a 50.6 MW wind-powered generation facility located in Oliver County, North Dakota, which is located in the MISO BAA. Oliver I is authorized by the Commission to sell power at market-based rates.[26] All of Oliver I's capacity is fully committed on a firm basis through a 25-year contract with Minnesota Power, with an initial term ending in 2031.

FPL Energy Oliver Wind II, LLC ("Oliver II"). Oliver II owns and operates a 48 MW wind-powered generation facility located in Oliver County, North Dakota, which is located in the MISO BAA. Oliver II is authorized by the Commission to sell power at market-based rates.[27] All of Oliver II's capacity is fully committed on a firm basis through a 25-year contract with Minnesota Power, with an initial term ending in 2032.

Garden Wind, LLC ("Garden Wind"). Garden Wind owns and operates a 150 MW wind-powered generation facility located in Hardin and Story Counties, Iowa, which is located in the MISO balancing authority area. Garden Wind is authorized by the Commission to sell power at market-based rates.[28] All of Garden Wind's capacity is fully committed on a firm basis through a 20-year contract with Google Energy LLC, with an initial term ending in 2030 and a 20-year contract with the City of Ames, Iowa, with an initial term ending in 2030.

Hawkeye Power Partners, LLC ("Cerro Gordo"). Cerro Gordo owns and operates a 41.25 MW wind-powered generation facility located in Cerro Gordo, Iowa, which is located in the MISO BAA. Cerro Gordo is authorized by the Commission to sell power at market-based rates.[29] All of Cerro Gordo's capacity is fully committed on a firm basis through a 25-year contract with Interstate Power Company, with an initial term ending in 2024.

Lake Benton Power Partners II, LLC ("Lake Benton II"). Lake Benton II owns and operates a 102.75 MW wind-powered generation facility located in Pipestone County, Minnesota, which is located in the MISO BAA. Lake Benton II is authorized by the

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[24] *See FPL Energy Mower County, LLC*, Docket No. ER06-1261-000, Letter Order (issued Sept. 21, 2006).

[25] *See FPL Energy North Dakota Wind II, LLC*, Docket No. ER03-1105-000, Letter Order (issued Aug. 28, 2003).

[26] *See FPL Energy Oliver Wind, LLC*, Docket No. ER06-1392-000, Letter Order (issued Sept. 29, 2006).

[27] *See FPL Energy Oliver Wind II, LLC*, Docket No. ER08-197-000, Letter Order (issued Dec. 19, 2007).

[28] *See Garden Wind, LLC*, Docket No. ER10-296-000, Letter Order (issued Jan. 13, 2010).

[29] *See Hawkeye Power Partners, LLC*, Docket No. ER09-2076-000, Letter Order (issued Apr. 30, 1998).

Commission to sell power at market-based rates.[30] All of Lake Benton II's capacity is fully committed on a firm basis through a 25-year contract with NSPC, with an initial term ending in 2024.

Langdon Wind, LLC ("Langdon Wind"). Langdon Wind owns and operates a 159 MW wind-powered generation facility located in Cavalier County, North Dakota, which is located in the MISO BAA. Langdon Wind is authorized by the Commission to sell power at market-based rates.[31] All of Langdon Wind's capacity is fully committed on a firm basis through a 25-year contract with Minnkota Power Cooperative, Inc., with an initial term ending in 2032, a 25-year contract with Minnkota Power Cooperative, Inc., with an initial term ending in 2033, and a 25-year contract with Otter Tail Power Company, with an initial term ending in 2032.

Marshall Solar, LLC ("Marshall Solar"). Marshall Solar owns and operates a 62.25 MW photovoltaic generating facility located in Lyon County, Minnesota, which is located in the MISO BAA. Marshall Solar is authorized by the Commission to sell power at market-based rates.[32] All of Marshall Solar's capacity is fully committed on a firm basis through a 25-year contract with Northern States Power Company, with an initial term ending in 2042.

NextEra Energy Duane Arnold, LLC ("Duane Arnold"). Duane Arnold holds a 70 percent ownership interest in the Duane Arnold Energy Center, a nuclear generation facility located in Palo, Iowa, which is located in the MISO BAA, with the capacity to produce up to 615 MW (nameplate). Duane Arnold is authorized by the Commission to sell power at market-based rates.[33] All of Duane Arnold's capacity is fully committed on a firm basis through a contract with Interstate Power & Light, with an initial term ending in 2025.

NextEra Energy Point Beach, LLC ("Point Beach"). Point Beach owns the Point Beach Nuclear Plant located near Two Rivers, Wisconsin, which is located in the MISO BAA. Point Beach consists of two pressurized water reactor units, a No. 2 fuel-oil fired combustion turbine ("CT") generator and related structures and appurtenances with a combined electric generating capacity of 1,1900 MW (nameplate), and the CT has a rating of 15 MW (nameplate). Point Beach is authorized by the Commission to sell power at market-based rates.[34] All of Point Beach's capacity is fully committed on a firm basis through contracts with Wisconsin Electric Power Company and WPPI Energy, with terms expiring, respectively in 2030 and 2033.

NextEra Energy Power Marketing, LLC ("NEPM"). NEPM is an affiliated power marketer and is authorized by the Commission to sell power at market-based rates.[35] NEPM does not own, control or operate any generation in the region that is not otherwise deemed to be owned, controlled or operated by NEPM's affiliates.

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[30] *See Lake Benton Power Partners II, LLC*, Docket No. ER09-4222-000, Letter Order (issued Oct. 2, 1998).

[31] *See Langdon Wind, LLC*, Docket No. ER08-250-000, Letter Order (issued Feb. 21, 2008).

[32] *See Marshall Solar, LLC*, Docket No. ER16-1872-000, Letter Order (issued Jul. 27, 2016).

[33] *See NextEra Energy Duane Arnold, LLC*, Docket No. ER09-988-000. Duane Arnold was originally granted market-based rate authorization under Docket No. ER05-1281-000, Letter Order (issued Nov. 8, 2005).

[34] *See NextEra Energy Point Beach, LLC*, Docket No. ER09-988-000. Point Beach was originally granted market-based rate authorization under Docket No. ER07-904-000, Letter Order (issued Jun. 26, 2007).

[35] *NextEra Energy Power Marketing, LLC*, Docket No. ER09-832-000, Letter Order (issued Apr. 16, 2009).

NEPM II, LLC ("NEPM II"). NEPM II is an affiliated power marketer and is authorized by the Commission to sell power at market-based rates.[36] NEPM II does not own, control or operate any generation in the region that is not otherwise deemed to be owned, controlled or operated by NEPM II's affiliates.

Osceola Windpower, LLC ("Osceola" or "Endeavor"). Osceola owns and operates a 100 MW wind-powered generation facility located in Osceola County and Dickenson County, Iowa, which is located in the MISO BAA. Osceola is authorized by the Commission to sell power at market-based rates.[37] All of Osceola's capacity is fully committed on a firm basis through a 30-year contract with Great River Energy, with an initial term ending in 2041.

Osceola Windpower II, LLC ("Osceola II" or "Endeavor II"). Osceola II owns and operates a 50 MW wind-powered generation facility located in Harris and Sibley, Iowa, which is located in the MISO BAA. Osceola II is authorized by the Commission to sell power at market-based rates.[38] All of Osceola II's capacity is fully committed on a firm basis through a 10-year contract with Madison Gas and Electric Company, with an initial term ending in 2018.

Pheasant Run Wind, LLC ("Pheasant Run"). Pheasant Run owns and operates a 74.8 MW wind-powered generation facility located in Huron County, Michigan, which is located in the MISO BAA. Pheasant Run is authorized by the Commission to sell power at market-based rates.[39] All of Pheasant Run's capacity is fully committed on a firm basis through a 20-year contract with DTE Electric Company, with an initial term ending in 2033.

Story Wind, LLC ("Story Wind"). Story Wind owns and operates a 150 MW wind-powered generation facility located in Story County, Iowa, which is located in the MISO BAA. Story Wind is authorized by the Commission to sell power at market-based rates.[40] All of Story Wind's capacity is fully committed on a firm basis through firm contracts with six offtakers: Buckeye Power, Inc., Central Iowa Power Cooperative, Hoosier Energy REC, Inc., North Carolina Electric Membership Corporation, PowerSouth Energy Cooperative, and Wabash Valley Power Association. All of the contracts have an initial term ending in 2019.

Tuscola Bay Wind, LLC ("Tuscola Bay"). Tuscola Bay owns and operates a 120 MW wind-powered generation facility located in Bay and Saginaw Counties, Michigan, which is located in the MISO BAA. Tuscola Bay is authorized by the Commission to sell power at market-based rates.[41] All of Tuscola Bay's capacity is fully committed on a firm basis through a 20-year contract with DTE Electric Company, with an initial term ending in 2032.

Tuscola Wind II, LLC ("Tuscola II"). Tuscola II owns and operates a 100.3 MW wind-powered generation facility located in Tuscola County, Michigan, which is located in the MISO BAA. Tuscola II is authorized by the Commission to sell power at market-based rates.[42] All of

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36 *See NEPM II, LLC*, Docket No. ER11-4462, Letter Order (issued Dec. 9, 2011).

37 *See Osceola Windpower, LLC*, Docket No. ER07-174-000, Letter Order (issued Feb. 21, 2007).

38 *See Osceola Windpower II, LLC*, Docket Nos. ER08-1296-000, Letter Order (issued Sept. 29, 2008).

39 *See Pheasant Run Wind, LLC*, Docket No. ER13-2641-000, Letter Order (issued Nov. 20, 2013).

40 *See Story Wind, LLC*, Docket No. ER08-1300-000, Letter Order (issued Sept. 29, 2008).

41 *See Tuscola Bay Wind, LLC*, Docket No. ER12-1660-000, Letter Order (issued June 14, 2012).

42 *See Tuscola Wind II, LLC*, Docket No. ER13-2458-000, Letter Order (issued Nov. 20, 2013).

Tuscola II's capacity is fully committed on a firm basis through a 20-year contract with DTE Electric Company, with an initial term ending in 2033.

White Oak Energy, LLC ("White Oak"). White Oak owns and operates a 150 MW wind generation facility located in McLean County, Illinois, which is located in the MISO BAA. White Oak is authorized by the Commission to sell power at market-based rates.[43] All of White Oak's capacity is fully committed on a firm basis through a 20-year contract with Tennessee Valley Authority, with an initial term ending in 2031.

Buffalo Ridge Wind Energy, LLC (f/k/a Windpower Partners 1993, LP) ("WPP 93-MN"). NextEra Resources indirectly holds a 99.5 percent ownership interest in WPP 93-MN, which owns an approximately 26.3 MW wind-powered generation facility located in Lincoln County, Minnesota, which is located in the MISO BAA. WPP 93-MN is a qualifying facility.[44] All of WPP 93-MN's capacity is fully committed on a firm basis through a 25-year contract with NSPC, with an initial term ending in 2019.

IV. Request for Market-Based Rate Authority and request for Waiver

Applicant proposes to sell wholesale electric energy, capacity, and certain ancillary services at market-based rates pursuant to the Tariff under the terms set forth in Attachment A hereto. Pursuant to Order No. 697, an applicant seeking market-based rate authority is required to demonstrate that, in the relevant markets, neither it nor its relevant affiliates possess, or have adequately mitigated, horizontal and vertical market power.

For a seller to demonstrate that it lacks horizontal market power, it must pass two indicative screens. To demonstrate that the seller does not possess vertical market power, it must show that it lacks transmission market power and does not control any other barrier to market entry in the relevant markets. Applicants also must comply with the Commission's regulations with regard to affiliate abuse restrictions. No market power concerns are raised by this

[43] *See White Oak Energy, LLC*, Docket No. ER10-2078-000, Letter Order (issued Oct. 28, 2010).

[44] *See Windpower Partners 1993, L.P.*, Notice of Self-Recertification as a Qualifying Small Power Production Facility, Docket No. QF94-82-004 (issued Mar. 17, 2004).

application, and Oliver Wind III accordingly meets the Commission's criteria set forth in Order No. 697 for these categorizations.[45]

A. Horizontal Market Power Analyses

In Order Nos. 697 and 697-A, the Commission codified substantially the same approach to analyzing horizontal market power it previously had adopted in *AEP Power Marketing, Inc., et al.*[46] In *AEP*, the Commission established two indicative screens for assessing generation market power: the Pivotal Supplier Analysis and the Market Share Analysis screens.[47] Under each screen, the Commission examines all of the generation owned or controlled by an applicant and its affiliates in the relevant market. In Order Nos. 697 and 697-A, the Commission approved the use of the indicative screens to analyze horizontal market power.

Appendix A to this Application contains the results of the Pivotal Supplier Analysis and Market Share Analysis performed with respect to the Applicant's market power in the MISO market. As demonstrated below, Applicant passes both indicative screens. The default markets for demonstrating lack of market power are, first, the control area in which the seller's generation is physically located (*i.e.*, the balancing authority area market) and, second, the markets directly connected to the balancing authority area (*i.e.*, the first-tier balancing authority area markets).[48]

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[45] *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs. ¶ 31,252 at n.1000, *clarified*, 121 FERC ¶ 61,260 (2007), *order on reh'g*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268, *clarified*, 124 FERC ¶ 61,055, *order on reh'g*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008), *order on reh'g*, Order No. 697-C, FERC Stats. & Regs. ¶ 31,291 (2009), *order on reh'g*, Order No. 697-D, FERC Stats. & Regs. ¶ 31,305 (2010), *aff'd sub nom. Montana Consumer Counsel v. FERC*, 659 F.3d 910 (9th Cir. 2011).

[46] 107 FERC ¶ 61,018, *order on reh'g*, 108 FERC ¶ 61,206 (2004) ("*AEP*").

[47] *AEP*, 107 FERC ¶ 61,108 at P 72.

[48] *Id.* at PP 215, 231.

1. Applicant passes the Pivotal Supplier Analysis

The Pivotal Supplier Analysis seeks to determine if the relevant geographic market's annual peak demand can be served without an applicant's generation.[49] Once the wholesale market is determined, the test is straightforward – regardless of the generation owned or controlled by an applicant, the only issue is whether there is sufficient rival generation to serve the wholesale load; that is, annual peak load minus a native load proxy.

The Pivotal Supplier Analysis is based on the peak hour of the year and essentially determines which suppliers are available to serve demand in the relevant geographic market.[50] In implementing the Pivotal Supplier Analysis, an applicant determines the Net Uncommitted Supply available to compete at wholesale for the peak hour of the year for the relevant geographic market, which is equal to the Total Uncommitted Supply less the Wholesale Load for such peak hours.[51] If the applicant's uncommitted capacity is less than the Net Uncommitted Supply, then the applicant passes the Pivotal Supplier Analysis.

Appendix A sets forth the results of the Pivotal Supplier Analysis with respect to Applicant's ability to exercise horizontal market power in the MISO market. As shown in the Pivotal Supplier Analysis, Exhibit JRS-3, Applicant owns or controls approximately 4,130 MW in the MISO market, almost all of which is committed under long-term contracts to non-affiliates. There is no assigned imported power from adjacent markets. The Total Uncommitted Capacity in the MISO market is 75,173 MW, and the Wholesale Load in the MISO market is 18,828 MW. Therefore, the Net Uncommitted Supply in the MISO market (the Total

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49 *Id.* at P 35.

50 *Id.* at P 41.

51 *Id.* at P 42.

Uncommitted Supply minus the Wholesale Load) is 56,345 MW. Because the uncommitted capacity of Applicant is 496 MW, Applicant passes the Pivotal Supplier Analysis screen.

2. Applicant passes the Market Share Analysis Screen

The Market Share Analysis screen utilizes the uncommitted capacity owned or controlled by the applicant as compared to the uncommitted capacity of the relevant geographic market for each individual season.[52] As modified by Order Nos. 697 and 697-A, the Market Share Analysis uses the uncommitted capacity and native load proxy amounts determined as set forth in the Pivotal Supplier Analysis, but planned outages for each season will be considered.[53]

The Market Share Analysis then utilizes an initial threshold of 20 percent for each season, and if the applicant's uncommitted capacity for each season is not greater than 20 percent of the uncommitted capacity for the relevant BAA market for that season, then the applicant will satisfy the Market Share Analysis portion of the generation market power analysis and pass the screen.

The results of the Market Share Analysis with respect to the potential of Applicant to exercise horizontal market power in the MISO market are set forth in Appendix A. The uncommitted capacity of Applicant in the MISO market is in the range of 0.6% to 0.7% in all seasons, and thus Applicant passes the Market Share Analysis screen.

B. Applicant and Its Affiliates Lack Vertical Market Power Through Affiliation, Ownership or Control of Inputs to Electric Power Production

In order for an applicant to receive authorization to charge market-based rates, the applicant and its affiliates must not have, or must have adequately mitigated, any vertical market power. As explained below, Applicant lacks market power through its affiliation, ownership, or control of inputs to electric power production.

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[52] Order No. 697 at P 34.

[53] *Id.* at P 35.

1. Neither Applicant nor other subsidiaries of NextEra Resources own or control transmission facilities, with the exception of facilities necessary to interconnect generating facilities to the transmission grid in the balancing authority areas in which they are located.[54] Oliver Wind III hereby states that pursuant to section 35.28(d)(2) of the Commission's regulations,[55] its ownership and its affiliates' ownership of interconnection customer interconnection facilities qualifies it for waivers from the Commission's open access transmission tariff, OASIS and standards of conduct requirements. In addition, two of Applicant's affiliates that own generation tie lines outside the MISO BAA, Sagebrush and Sky River, have OATTs on file with the Commission. Filing of an OATT is sufficient to show that any concerns regarding transmission market power have been mitigated. Applicant's affiliate, FPL, also owns and operates jurisdictional transmission facilities in the State of Florida. Service over FPL's transmission facilities is administered pursuant to the FPL OATT, which is on file with the Commission. In New England, NHT has a Local Network Service Tariff on file with the Commission associated with its ownership of the Seabrook Substation. Hence, FPL, NHT, Sagebrush, and Sky River have adequately mitigated any transmission market power that they

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[54] As noted, some NextEra Resources generation subsidiaries own interconnection facilities that are used by NextEra Resources subsidiaries and third parties. Appendix B-2 lists both those transmission lines covered by an OATT and assets that are not transmission lines, but, rather, interconnection facilities that are used by more than one generator. The Commission has granted waiver from the requirement under Order Nos. 888 and 890 to file an OATT and the requirement under Order No. 889 to establish an Open-Access Same Time Information System (OASIS) for various assets owned by NextEra subsidiaries. *See FPL Energy Oklahoma Wind, LLC*, Docket No. ER05-628-000, Letter Order (issued Mar. 23, 2005); *Peetz Table Wind Energy, LLC*, 123 FERC ¶ 61,192 (2008); *FPL Energy Oliver Wind, LLC*, 123 FERC ¶ 61,246 (2008); *Ashtabula Wind, LLC*, 127 FERC ¶ 61,215 (2009); 134 FERC ¶ 61,056 (2011); *Langdon Wind, LLC*, 127 FERC ¶ 61,212 (2009); *Crystal Lake Wind, LLC*, 127 FERC ¶ 61,213 (2009); *Story Wind, LLC*, 128 FERC ¶ 61,080 (2009); *Minco Wind Interconnection Services, LLC*,137 FERC ¶ 61, 224 (2011); *High Majestic Wind Energy Center, LLC*, 139 FERC 61,220 (2012); *Limon Wind, LLC*, 141 FERC ¶ 61,064 (2012), *Sky River LLC*, 143 FERC ¶ 61,241 (2013); *Genesis Solar, LLC*, 145 FERC ¶ 61,142 (2013); and *Desert Sunlight 250, LLC et al.*, 145 FERC ¶ 61,065 (2013); *Palo Duro Interconnection, LLC*, 149 FERC ¶ 61,205 (2014), *Seiling Wind Interconnection Services, LLC*, 149 FERC ¶ 61,155 (2014); *FPL Energy Oklahoma Wind, LLC*, Docket No. OA14-3-000, 149 FERC ¶ 61,131(2014); *Limon Wind II, LLC and Limon Wind III, LLC*, Docket No. OA14-4-000, 150 FERC ¶ 61,136 (2015).

[55] 18 C.F.R. 35.28(d)(2) (2015).

may possess. NEET West also has a tariff on file with the Commission, but its projects are still in development.[56]

2. Applicant and its affiliates own or control certain intrastate natural gas transportation facilities, but do not own intrastate natural gas storage or distribution facilities. Applicant is affiliated with NET Midstream, LLC ("NET"), the owner and operator of a portfolio of intrastate natural gas pipelines that is owned by NextEra Energy Partners, LP, which is controlled by NextEra Resources. NET owns or controls seven intrastate pipelines in Texas and one pipeline in Louisiana. NET Mexico Pipeline Partners, LLC ("NET Mexico") owns an approximately 120-mile long pipeline from Agua Dulce, Texas to the U.S.-Mexico border near Rio Grande City, Texas. In addition to providing intrastate service, NET Mexico also has authority to transport gas in interstate commerce under Section 311 of the Natural Gas Policy Act of 1978 subject to Commission jurisdiction ("311 Service"). Eagle Ford Midstream, LP ("EFM") owns an approximately 166-mile long pipeline in LaSalle, McMullen, Duval, Jim Wells and Nueces Counties, Texas. EFM provides both intrastate and 311 Service. Monument Pipeline, LP owns an approximately 78- mile pipeline that serves the south Houston, Texas area. LaSalle Pipeline, LP owns a 52-mile long pipeline from Tilden, Texas to Pearsall, Texas that serves South Texas Electric Cooperative's ("STEC") Pearsall electric plant. South Shore Pipeline, LP owns an approximately 26- mile long pipeline that serves the City of Corpus Christi, Texas. Mission Valley Pipeline Company, LP owns a 0.5 mile long pipeline in Nursery, Texas that serves STEC's Sam Rayburn Power Plant. Red Gate Pipeline, LP owns an approximately 26-mile long pipeline that interconnects to NET Mexico in Hidalgo County,

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[56] As discussed in section III.A, NextEra Energy Transmission West, LLC filed with the Commission in Docket No. ER15-2239-000 a transmission owner tariff for certain transmission projects it is developing in the California Independent System Operator region, the earliest of which will be in service in 2017. In January 2016, the Commission accepted the tariff for filing, subject to a compliance filing, with an effective date of October 20, 2015.

Texas and will serve STEC's Red Gate Power Plant that is currently under construction. Finally, Mission Natural Gas Company, LLC ("Mission") owns an approximately 1.3 mile long pipeline in West Feliciana Parish, Louisiana that runs from an interconnection with Texas Eastern Gas Transmission, LLC to an ultimate industrial user where it delivers all of its gas. Mission is considered a Hinshaw Pipeline, exempt from Commission jurisdiction pursuant to section 1(c) of the Natural Gas Act.

3. Neither Applicant nor its affiliates own or control any sites for generation capacity development, other than those for which they are currently planning to build new generation facilities. Applicant does not believe that control of these sites allows Applicant or its affiliates to exercise vertical market power.

4. Applicant does not own or control sources of coal supplies or the transportation of coal supplies, such as barges, and rail cars.

5. As required by the Commission's regulations,[57] Applicant states that it and its affiliates have not erected barriers to entry into the MISO market, which is the relevant market, and will not erect barriers to entry into the MISO market.

C. The Commission Should Authorize Applicant to Sell Ancillary Services

As required by Section 35.40 of the Commission's regulations, Applicant requests authorization to provide ancillary services as set forth in the proposed Tariff.[58] The Commission has authorized entities with market-based rate authorization to make sales of certain ancillary services into markets operated by RTOs and ISOs. Applicant requests authorization to make sales of certain ancillary services in RTO and ISO markets. As required by Order Nos. 697 and 697-A, Applicant's

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[57] 18 C.F.R. § 35.37(e)(4).

[58] 18 C.F.R. § 35.40.

proposed Tariff identifies these ancillary services and the markets where Applicant will be authorized to offer such products.[59]

V. Compliance with Commission Regulations

As required by Order Nos. 697 and 697-A, Applicant has included in its proposed Tariff a provision stating that Applicant will comply with, among other things, the provisions of Part 35, Subpart H of the Commission's regulations.[60] As Applicant's affiliate, FPL, is a franchised public utility with captive customers, Applicant will comply with the Affiliate Restrictions regulations.[61] Among other requirements, Applicant also will comply with the reporting requirements imposed on entities that are authorized to sell electric energy, capacity, and ancillary services. Applicant will submit electric quarterly reports in accordance with the requirements of Order No. 2001,[62] and it will inform the Commission promptly of any change in status that would reflect a departure from the facts that the Commission relied on in granting Applicant market-based rate authority.

Applicant's proposed Tariff includes one restriction that clarifies the Commission's Affiliate Restrictions regulations based on the facts and circumstances associated with Applicant's affiliate, FPL. FPL has market-based rate authority for sales outside of peninsular Florida and in some BAAs within peninsular Florida.[63]

Section 35.39(b) of the Commission's regulations prohibits the wholesale sale of energy and capacity between a franchised public utility with captive customers (*i.e.*, FPL) and a market-regulated power sales affiliate (*i.e.*, Applicant) without prior Commission authorization under

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[59] Order No. 697 at P 1060.

[60] *Id.* at Appendix C.

[61] 18 C.F.R. § 35.39.

[62] *Order No. 2001*, *Revised Public Utility Filing Requirements*, Final Rule in Docket No. RM01-8-000 (issued Apr. 25, 2002).

[63] *Florida Power & Light Company*, 155 FERC ¶ 61,192 (2016).

Section 205 of the FPA.[64] Consistent with the practice of its NextEra Resources affiliates with market-based rate authority outside Florida, Applicant proposes to include the following restriction in its Tariff to clarify the appropriate scope of the restriction in section 35.39(b) of the Commission's regulations as it applies to Applicant:

> Notwithstanding the Applicability under Section 2 above, with regard to non-affiliated persons or entities, Seller shall not make wholesale sales of energy or capacity to, or purchases of energy or capacity from, peninsular Florida without first receiving advance approval by the Federal Energy Regulatory Commission pursuant to a separate filing under Section 205 of the Federal Power Act.[65]

In addition, Applicant is a Category 2 seller in the Central region, and is a Category 1 seller in the Southwest, Southeast, SPP, Northwest, and Northeast regions. Accordingly, pursuant to the definition of Category 2 Sellers in Section 35.36(a)(3) of the Commission's regulations,[66] Applicant is a Category 2 seller in the Central region. With respect to the other five regions, Applicant affirms that it (i) does not own or control generation in other regions; (ii) does not own, operate or control transmission facilities other than limited equipment necessary to connect individual generating facilities to the transmission grid (or have been granted waiver of the requirements of Order No. 888); (iii) is not affiliated with anyone that owns, operates or controls transmission facilities in the same region as seller's generation assets for those other regions; (iv) is not affiliated with a franchised public utility in the same region as its generation assets; and (v) that Applicant does not raise other vertical market power issues.[67] Thus, Applicant respectfully submits that it should be designated as a Category 1 Seller within the

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64 18 C.F.R. 35.39(b).

65 In this limitation on market-based rate authority, Applicant does not reaffirm the limitation set forth in the Commission's regulations, which prohibits such sales without first receiving Commission authorization for the transaction under Section 205 of Federal Power Act, as the Tariff's provision on compliance with Commission regulations incorporates this prohibition by reference.

66 18 C.F.R. § 35.36(a)(3) (2013).

67 *See* Order No. 697 at P 849 n.1000.

meaning of Section 35.36(a)(2) of the Commission's regulations[68] in all regions, except the Central region, where it is a Category 2 Seller.

VI. Request for Waivers and Authorizations

Applicant respectfully requests that, with a November 1, 2016 effective date, the Commission waive certain of its filing requirements and grant such blanket authorizations as are traditionally accorded to applicants seeking to sell power at market-based rates. Specifically, Applicant requests:

- Waiver of the requirements of Parts 41, 101 (with the exception that waiver of the provisions of Part 101 that apply to hydropower licensees is not granted with respect to licensed hydropower projects), and 141 of the Commission's regulations, except Sections 141.14 and 141.15;

- Waiver of the reporting requirements of Subparts B and C of Part 35 of the Commission's regulations, except Sections 35.12(a), 35.13(b), 35.15 and 35.16; and

- Blanket authorization under Part 34 of the Commission's regulations and section 204 of the FPA of all future issuances of securities and assumption of liability.

VII. Requested Effective Date

Applicant respectfully requests that the Commission permit this Tariff to become effective November 1, 2016.

[68] 18 C.F.R. § 35.36(a)(2) (2014).

VIII. Conclusion

WHEREFORE, for the reasons set forth herein, Applicant submits that it satisfies all of the Commission's requirements to sell power at market-based rates and respectfully requests that the Commission accept the Tariff for filing, to become effective as of November 1, 2016, and grant it authority to sell energy and capacity in wholesale transactions at negotiated, market-based rates, and grant such other waivers as requested herein.

Respectfully submitted,

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Dated: August 29, 2016

CERTIFICATE OF SERVICE

I, Gunnar Birgisson, hereby certify that I have this day caused the foregoing Application for market-based rate authorization to be served by first-class mail upon the Florida Public Service Commission and the North Dakota Public Service Commission.

Dated at Washington, D.C. this 29th day of August, 2016.

/s/ Gunnar Birgisson
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