

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Oregon Clean Energy, LLC )

Docket No. ER16-\_\_\_\_-000

**PETITION OF OREGON CLEAN ENERGY CENTER, LLC  
FOR ORDER ACCEPTING MARKET-BASED RATE TARIFF FOR FILING  
AND GRANTING WAIVERS AND BLANKET APPROVALS**

Pursuant to section 205 of the Federal Power Act, as amended (“FPA”), 16 U.S.C. § 824d, Rule 205 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“FERC” or “Commission”), 18 C.F.R. § 385.205 (2016), and Part 35 of the Commission’s regulations under the FPA, 18 C.F.R. Part 35 (2016), as implemented pursuant to Order No. 697,<sup>1</sup> and Order No. 816,<sup>2</sup> Oregon Clean Energy, LLC (“OCE” or “Applicant”) respectfully requests that the Commission accept for filing its market-based rate (“MBR”) Tariff (included herewith) and grant such waivers and blanket authorizations as the Commission previously has granted to other entities engaged in wholesale sales of electricity at market-based rates.

Applicant requests that the Commission accept for filing and approve the attached MBR Tariff with an effective date of October 21, 2016, 60 days after filing. The Applicant anticipates that the commencement of commercial wholesale power activities by early 2017, and that the Facility (as defined herein) will be energized for testing purposes by late December 2016.

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<sup>1</sup> *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, 119 FERC ¶ 61,295 (2007); *order clarifying final rule*, 121 FERC ¶ 61,260 (2007); *order on reh’g and clarification*, 123 FERC ¶ 61,055 (2008); *order on reh’g and clarification*, 124 FERC ¶ 61,055 (2008), *order on reh’g and clarification*, 125 FERC ¶ 61,326 (2008); *order on reh’g and clarification*, 127 FERC ¶ 61,284 (2009); *order on reh’g and clarification*, 130 FERC ¶ 61,206 (2010) (collectively, “Order No. 697”).

<sup>2</sup> *Final Rule*, Order No. 816, Docket No. RM14-14-000, *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 (2015) (*hereinafter* “Order No. 816”); Order on Rehearing and Clarification, Order No. 816-A, Docket No. RM14-14-001, May 19, 2016 (“Order No. 816-A”).

As is described in more detail below, Applicant owns and will operate an approximately 960 MW natural gas-fired combined cycle generator located in the City of Oregon, Lucas County, Ohio (the “Facility”) that is under construction at the time of filing. The Facility will be interconnected with American Transmission Systems Inc. (“ATSI”) whose transmission system is operated by the PJM Interconnection, L.L.C. (“PJM”).<sup>3</sup> As explained below, the Applicant and its affiliates own only *de minimis* uncommitted generation (all treated as uncommitted) in the relevant geographic market for purposes of evaluating Applicant’s market power and the Applicant easily passes both of the Commission’s indicative market power screens. Further, neither the Applicant nor any of its affiliates owns any transmission assets, except as discussed herein, other than limited interconnection facilities used solely to interconnect generation to the transmission grid or any other inputs to electric power production.

Applicant requests that the Commission issue an order granting Applicant MBR authority with an effective date of October 21, 2016, as soon as practicable.

## I. COMMUNICATIONS

All notices, correspondence, and communications regarding this Application should be addressed and directed to the following individuals:

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<sup>3</sup> The Facility is interconnected solely with ATSI which is not located within a Commission-defined PJM submarket. Therefore, as discussed herein, the relevant market for Applicant is the PJM market. The maximum facility output under the Interconnection Service Agreement with PJM and ATSI is 960 MW.

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\*Persons denoted with an asterisk are those designated for service pursuant to section 385.2010 of the Commission's regulations.<sup>4</sup> The Applicant requests that the Commission waive any limitation on the number of persons designated for service in order to assure complete and prompt notice of any inquiries, and of the Commission's order, to the Applicant.

## II. DESCRIPTION OF APPLICANT AND AFFILIATES

### A. OCE

The Facility will be an approximately 960 MW gas-fired combined cycle facility located in the City of Oregon, Lucas County, Ohio. The Facility includes two 313 MW gas combustion turbines and one 336 MW steam turbine. Once constructed, the Facility will include limited, discrete, generator-side electric interconnection facilities necessary to interconnect the Facility to ATSI's transmission facilities and enable OCE's wholesale power sales from the Facility. OCE will own the interconnection facilities that consist of generator leads, lengths of wire, step-up transformers, substations and/or other related appurtenant equipment to the point of interconnection. The Facility will be interconnected with ATSI whose transmission facilities are under the operational control of PJM under PJM's tariffs. OCE is an exempt wholesale generator ("EWG") under the Public Utility Holding Company Act of 2005 ("PUHCA 2005").<sup>5</sup>

The Facility was originally planned as a 799 MW project. The original interconnection agreement among OCE, PJM and ATSI (Original Service Agreement No. 3876) for 799 MW of Capacity Interconnection Rights was accepted by the Commission in Docket No. ER14-2155-

<sup>4</sup> 18 C.F.R. § 385.2010.

<sup>5</sup> *Oregon Clean Energy, LLC*, Docket No. EG16-135-000, Notice of Self-Certification of Exempt Wholesale Generator Status (submitted August 12, 2016).

000.<sup>6</sup> The Commission later accepted an agreement to amend Original Service Agreement No. 3876 to reflect current contact addresses among other minor changes in Docket No. ER16-310-000.<sup>7</sup> Under its current Interconnection Service Agreement with ATSI and PJM, OCE will have a Maximum Facility Output in the amount of 960 MW, and Capacity Interconnection Rights in the amount of 845 MW. PJM submitted the First Revised Service Agreement No. 3876 reflecting the increased Facility output and capacity rights on June 8, 2016 in Docket No. ER16-1895-000.<sup>8</sup> The First Revised Service Agreement No. 3876 supersedes the Original Service Agreement No. 3876.<sup>9</sup>

OCE will sell at wholesale electric energy and capacity produced from the Facility into the PJM wholesale market and plans to start doing so when the Facility starts operation in late December 2016.

One or more private equity funds that are exclusively managed and controlled by Ares EIF Management, LLC (“EIF,” formerly known as EIF Management, LLC) indirectly hold 50% of the interests in the Applicant, and one or more private equity investment and co-investment funds that are exclusively managed and controlled by I Squared Capital (“I Squared Capital”) hold the other 50% interest; EIF and I Squared Capital are equal partners in the ownership of 100% of the interests in the Applicant.

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<sup>6</sup> *PJM Interconnection, L.L.C.*, Letter Order, Docket No. ER14-2155-000 (issued on July 29, 2014).

<sup>7</sup> *PJM Interconnection, L.L.C.*, Letter Order, Docket No. ER16-310-000 (issued on Dec. 11, 2015).

<sup>8</sup> *PJM Interconnection, L.L.C.*, Letter Order, Docket No. ER16-1895-000 (issued July 25, 2016).

<sup>9</sup> OCE has also executed an Amended and Restated Facilities Construction Agreement (“A&R FCA”) by and among OCE, the Midcontinent Independent System Operator, Inc. (“MISO”), and the International Transmission Company dba *ITCTransmission* (“ITC”) which was filed in Docket No. ER15-824-000 on January 16, 2015 and accepted for filing on March 2, 2015. *Midcontinent Independent System Operator, Inc.*, Letter Order, Docket No. ER15-824-000 (issued on Mar. 2, 2015). MISO is an affected system for interconnection purposes, but the Facility is not interconnected to the MISO system. The original FCA was accepted on November 10, 2014. *Midcontinent Independent System Operator, Inc.*, Letter Order, Docket No. ER14-2924-000 (issued on Nov. 10, 2014).

## 1. Ares EIF Management, LLC

EIF, through certain entities it controls, is the sole manager<sup>10</sup> of certain private equity investment funds that invest in power projects in the United States (collectively, “EIF Funds”). Investors in the EIF Funds hold limited partnership interests in the EIF Funds, which limited partnership interests are in each case purely passive in nature and in no case involve an exercise of control (including voting or equivalent rights in connection with any “jurisdictional facility” under the FPA) by any such unaffiliated investor over EIF, any of the EIF Funds, or any “public utility” in which the EIF Funds holds an interest.<sup>11</sup> EIF is not itself a “public utility” as that term is defined under the FPA; similarly, none of the EIF Funds is a “public utility.” Instead, the EIF Funds are investors in various energy-related business entities, a number of which investments are themselves FPA “public utilities.”<sup>12</sup> Ares Holdings L.P. (“Ares”) controls all of the voting or equivalent interests in EIF.<sup>13</sup>

None of Ares, EIF, nor any of the EIF Funds is a “holding company” of any “electric utility” (as that term is defined under Section 3 of the FPA) or any “public utility” which has a

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<sup>10</sup> The EIF principals also from time to time hold non-voting limited partnership interests, in each case in a minority amount, in certain of the EIF Funds which EIF manages.

<sup>11</sup> The limited partner investors in the EIF Funds have previously disclosed, and the Commission has accepted without any exception, the purely passive and non-voting status of the investors. *See Northampton Generating Company, L.P.*, Docket No. EC13-57-000, 142 FERC ¶ 62,065 (2013) at p. 2; *Brooklyn Navy Yard Cogeneration Partners, L.P.*, Docket No. EC13-59-000; 142 FERC ¶ 62,159 (2013) at p.2; *Northampton Generating Company, L.P.*, Notice of Non-Material Change in Status, Docket No. ER12-281-003 (filed Apr. 29, 2013) and accepted via delegated letter order (Aug. 15, 2013); and *Scrubgrass Generating Company, L.P.*, Docket No. ER14-141-000, Notice of Change in Status and Tariff Revisions at p. 6 (filed Oct. 21, 2013) and accepted via delegated letter order (Dec. 19, 2013). The status and rights of these passive, limited partner investors is fully consistent with the facts and findings set forth in the Commission’s order in *Starwood Energy Group Global, L.L.C., et al.*, Docket No. EL15-87-000, 153 FERC ¶ 61,332 (2015).

<sup>12</sup> The EIF Funds also from time to time make non-voting, purely passive investments in energy projects and companies, customarily in the form of development or other loans or limited partnership investments which convey no voting rights. Such investments do not create “affiliate” relationships for any relevant purpose and involve no management, direction or control over such energy projects and companies. *See gen’lly Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, 72 Fed. Reg. 39904 (July 20, 2007), FERC Stats. & Regs. [Reg. Preambles] ¶ 31,252, PP 176-189 (2007) (“Order No. 697”); *see also, AES Creative Resources, L.P., et al.*, 129 FERC ¶ 61,239 (2009).

<sup>13</sup> EIF’s ownership and organization was authorized by the Commission in Docket No. EC15-23-000, *Sunshine Gas Producers, LLC, et al.*, 149 FERC ¶ 62,174 (2014).

franchised retail service territory, has any “captive customers” (as that term is defined under Order No. 697), or which is engaged in the state-regulated distribution of electricity at retail. None of Ares, EIF, nor any of the EIF Funds is a “holding company” of any “electric utility” or any “public utility” which owns, operates or controls electric transmission rights or electric transmission facilities (other than the limited facilities used solely for the interconnection of generating facilities to the transmission grid). None of Ares, EIF or any of the EIF Funds owns or controls any essential inputs to electric generation<sup>14</sup> in or into the United States.

The PJM BAA is the sole relevant geographic market for purposes of FERC’s market power analyses, since the Facility is located in the PJM BAA.<sup>15</sup> Energy affiliates of Applicant that are located and/or operate in the PJM BAA are described below. Energy affiliates of Applicant that own or control generation assets located outside of the PJM BAA are described in the asset appendices provided in Attachment B.

## **B. EIF Affiliates**

Applicant is affiliated through EIF with the following entities that own or control generating facilities in the PJM BAA:

- Chambers Cogeneration, Limited Partnership (“Chambers”) is the owner of an approximately 285 MW QF located in Carneys Point, New Jersey.<sup>16</sup> The Chambers facility is interconnected to the transmission system owned by Atlantic City Electric Company (“ACE”) and operated by PJM located within the PJM East submarket.<sup>17</sup> The Commission has granted Chambers MBR Authority.<sup>18</sup> Chambers provides electric energy and capacity pursuant to a long-term power purchase agreement on a dispatchable basis to ACE. Chambers has entered into a supplemental power sales agreement with ACE pursuant to which Chambers sells additional electric energy and capacity to ACE.

<sup>14</sup> See 18 C.F.R. §33.4(a). Pursuant to section 35.36(a)(4) of the Commission's regulations, essential inputs to generation include intrastate natural gas transportation, intrastate natural gas storage or distribution facilities, sites for generation capacity development, or sources of coal supplies and the transportation of coal supplies.

<sup>15</sup> Order No. 697 at P 235.

<sup>16</sup> See Docket No. QF87-433.

<sup>17</sup> Note that PJM East is entirely inside the 5004/5005 submarket, and the 5004/5005 submarket is entirely inside the AP South submarket. Therefore, if a project is in PJM East it is also in the 5004/5005 and AP South submarkets.

<sup>18</sup> See *Chambers Cogeneration, Limited Partnership*, Docket Nos. ER06-758-000, et al. (June 21, 2006) (unpublished letter order).

Chambers has also entered into a steam purchase agreement with E. I. du Pont de Nemours and Company (“DuPont”) pursuant to which Chambers is required to sell to DuPont the full amount of steam and electricity required under the agreement. EIF manages Chambers and holds a 60% ownership interest in Chambers; Atlantic Power Corporation has a 40% indirect interest in Chambers.

- Logan Generating Company, L.P. (“Logan”) is the lessee and operator of an approximately 242.3 MW QF located in Logan Township, New Jersey.<sup>19</sup> The Logan facility is interconnected to the transmission system owned by ACE and operated by PJM located within the PJM East submarket.<sup>20</sup> The Commission has granted Logan MBR Authority.<sup>21</sup> Logan supplies electric generating capacity to ACE pursuant to a power purchase agreement, under which, ACE is obligated to purchase electric generating capacity made available to it and associated energy from the facility through December 31, 2024.<sup>22</sup> Logan and ACE have entered into a power sales agreement pursuant to which ACE agreed to purchase excess energy and capacity from the facility. Logan filed a reactive service tariff on July 15, 2016 in Docket No. ER16-2217.<sup>23</sup> Logan is a 100% wholly-owned indirect subsidiary of EIF.
- Scrubgrass Generating Company, L.P. (“Scrubgrass”) is a Delaware limited partnership that owns an approximately 94.7 MW (nameplate) small power production facility located in Kennerdell, Pennsylvania. The facility is a QF under PURPA<sup>24</sup> and is interconnected to the transmission system owned by Pennsylvania Electric Company and operated by PJM. The Commission has authorized Scrubgrass to sell energy, capacity, and ancillary services at wholesale at market-based rates.<sup>25</sup> Scrubgrass is fully committed under long-term contract with Pennsylvania Electric Company. Scrubgrass also has a reactive tariff on file with the Commission.<sup>26</sup>

Scrubgrass is owned by funds managed by EIF (70% indirectly), and by Aspen Scrubgrass Participant, LLC (“Aspen”) (30% directly).

- Edgecombe Genco, LLC (“Edgecombe”) is the owner of an approximately 114.8 MW QF located in Rocky Mount, North Carolina.<sup>27</sup> The Edgecombe facility is interconnected to the transmission system owned by Dominion North Carolina Power and operated by

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<sup>19</sup> See Docket No. QF87-617.

<sup>20</sup> See note 10.

<sup>21</sup> *Logan Generating Company, L.P.*, Docket No. ER95-1007-000 (June 28, 1995) (unpublished letter order).

<sup>22</sup> *Keystone Energy Service Company, L.P.*, Docket No. ER94-306-000 (Apr. 28, 1994) (unpublished letter order); *Logan Generating Company, L.P.*, Docket No. ER95-471-000 (Mar. 6, 1995) (unpublished letter order) (redesignating Rate Schedule FERC No. 1 under Logan’s name); see also *Logan Generating Company, L.P.*, Docket No. ER95-246-000 (Jan. 17, 1995) (unpublished letter order) (amending the power sales agreement).

<sup>23</sup> This docket is currently pending before the Commission.

<sup>24</sup> See Docket No. QF88-406.

<sup>25</sup> See *Scrubgrass Generating Company, L.P.*, Docket No. ER13-821-000 (Mar. 19, 2013) (unpublished letter order).

<sup>26</sup> See *Scrubgrass Generating Company, L.P.*, Docket No. ER15-2254-000, 156 FERC ¶ 61,087 (2016) (accepting settlement).

<sup>27</sup> See Docket No. QF89-184.

PJM. All of the electrical output from the facility is sold to Dominion North Carolina Power pursuant to a long-term power purchase agreement. The Commission has granted Edgemcombe MBR Authority.<sup>28</sup> Edgemcombe is a 100% wholly-owned indirect subsidiary of EIF.

- RC Cape May Holdings, LLC (“RC Cape May”) is the owner of the approximately 347.6 MW B.L. England electric generating station located in Cape May County, New Jersey.<sup>29</sup> The B.L. England Electric Generating Station is interconnected to the transmission system owned by ACE and operated by PJM located within the PJM East submarket. RC Cape May is an EWG<sup>30</sup> and has MBR Authority.<sup>31</sup> RC Cape May is not managed or controlled by EIF.
- Newark Energy Center, LLC (“NEC”) and EIF Newark, LLC (“EIF Newark”). Each of NEC and EIF Newark is a Delaware limited liability company. NEC owns and operates a 735 MW natural gas-fired combined cycle electric facility located in Newark, New Jersey (the “NEC Facility”). The facility is interconnected to the transmission system owned by PSG&E and operated by PJM. The NEC Facility is located in the PJM East, AP South, and 5004/5005 submarkets of the PJM BAA. NEC is an EWG.<sup>32</sup> All of the output of the NEC facility is sold at wholesale pursuant to NEC’s MBR authority.<sup>33</sup> NEC’s affiliate, EIF Newark, LLC, may take title to and sell certain capacity from the NEC facility at wholesale in the PJM capacity market.<sup>34</sup> NEC also has a reactive tariff on file with the Commission.<sup>35</sup> NEC is wholly-owned by EIF-NEC, LLC, which is wholly-owned by

<sup>28</sup> See *Edgemcombe Genco, LLC*, Docket No. ER06-635-000 (Apr. 5, 2006) (unpublished letter order).

<sup>29</sup> Rockland Capital, LLC (“RCL”), is the manager of Rockland Power Partners GP, LLC, which is the General Partner of Rockland Power Partners, LP (“RPP”). RCL also is the manager of Rockland Capital Energy Investments, LLC (“RCEI”), which holds a nominal ownership interest in RC Cape May. RCEI serves as the manager of the B.L. England Station. RC Cape May’s other owners include J.E.M.B. Family Limited Partnership (31.5% interest), WE Power Investors LLC (31% interest), EIF B.L. England, LLC (31.5% interest) and various private investors not affiliated with the Applicant nor with EIF that collectively hold less than a 5% interest. While RCEI currently does not hold an ownership interest of 10% or more in the B.L. England Station, because it serves as manager of the plant, the disclosures made herein treat RC Cape May as an RCL affiliate. The Commission is asked to note that no affiliate of the Applicant controls or manages any of RC Cape May, RCL, RPP, nor RCEI; RC Cape May is treated as an affiliate of the Applicant for the purposes of this application solely out of an abundance of caution, as a simplifying assumption.

<sup>30</sup> See *Ewington Energy Systems LLC, et al.*, Docket Nos. EG07-1, et al. (Jan. 23, 2007) (unpublished blanket letter order providing notice of effectiveness of EWG status for RC Cape May in Docket No. EG07-4).

<sup>31</sup> See *RC Cape May Holdings, LLC*, Docket No. ER07-30-000 (Nov. 16, 2006) (unpublished letter order); *Meadow Lake Wind Farm III LLC, et al.*, Docket Nos. ER10-2411-000 et al. (Dec. 10, 2010) (unpublished letter order) (accepting eTariff baseline); see also *RC Cape May Holdings, LLC*, Docket No. ER10-3099-001 (Jan. 12, 2012) (unpublished letter order) (accepting updated market power analysis).

<sup>32</sup> See *Notice of Self-Certification of Exempt Wholesale Generator Status*, Docket No. EG14-79-000, July 23, 2014, *Notice of Effectiveness*, October 15, 2014.

<sup>33</sup> See *Newark Energy Center, LLC*, Docket No. ER14-2500-000, delegated letter order Sept. 9, 2014. NEC filed a proposed cost-of-service reactive power tariff in Docket No. ER15-1706-000 on May, 13, 2015, as supplemented July 15, 2015. *Newark Energy Center, LLC*, Docket No. ER15-1706-001 and EL15-97-000, 152 FERC ¶ 61,188 (2015).

<sup>34</sup> See *EIF Newark, LLC*, Docket No. ER14-2498-000, delegated letter order Sept. 9, 2014.

<sup>35</sup> See *Newark Energy Center, LLC*, Docket Nos. ER15-1706-001, et al., 156 FERC ¶ 61,082 (2016) (accepting settlement).



EIF-NEC Holdings, LLC (“EIF-NEC Holdings”). EIF-NEC Holdings is wholly-owned by EIF.

- East Coast Power Linden Holding, LLC (“ECP Linden Holding”). AEIF Linden SPV, LLC and Oaktree Capital Group LLC (“OCG”) each indirectly holds 50 percent of the ownership interests in Linden Cogen Holdings LLC (“Linden Holdings”) and in its subsidiaries Cogen Technologies Linden Venture, L.P. (“Linden Venture”) and ECP Linden Holdings, which own the Linden cogeneration facility, located in Linden, New Jersey (“Linden Facility”).

The Linden Facility has a nameplate capacity of approximately 974.1 MW of which 212.5 MW is located in the relevant PJM market. The Linden Facility is comprised of units 1-5 (“Linden 1-5”), which have a combined nameplate capacity of approximately 761.6 MW and are owned by Linden Venture, and unit 6 (“Linden 6”), with a nameplate capacity of approximately 212.5 MW, which is owned by ECP Linden Holding. The majority of the output of Linden 1-5, approximately 645 MW, is sold to Consolidated Edison Company of New York, Inc. (“Con Edison”) under a longterm power purchase agreement that expires April 30, 2017, while the remaining output of Linden 1-5 is sold into the New York Independent System Operator, Inc. (“NYISO”) market or pursuant to bilateral agreements. The output of Linden 6 is sold to Phillips 66 Company’s Bayway refinery under a long-term requirement agreement that expires in 2032. Available excess energy and capacity from Linden 6 may be sold in the PJM market or pursuant to bilateral arrangements. Linden 6 is not electrically connected to the 345 kV line that connects Linden 1-5 to NYISO, such that Linden 1-5 is interconnected only to NYISO controlled facilities, while Linden 6 is interconnected only to PJM.

Each of Linden Venture and ECP Linden Holding has been granted MBR authority.<sup>36</sup> Linden Venture is an exempt wholesale generator (“EWG”).<sup>37</sup> The Linden Facility (including Linden 1-5 and Linden 6) is in its entirety a qualifying cogeneration facility.<sup>38</sup>

- Spruance Genco, LLC (“Spruance”) is the owner of a two-unit approximately 229.6 MW QF located in Richmond, Virginia.<sup>39</sup> The Spruance facility is interconnected to the transmission system owned by Dominion Virginia Power and operated by PJM. All of the electrical output from the facility is sold to Dominion Virginia Power. The Commission has granted Spruance MBR Authority.<sup>40</sup> Spruance is a 100% wholly-owned indirect subsidiary of EIF.

<sup>36</sup> See *Cogen Technologies Linden Venture, L.P. and East Coast Power Linden Holding, L.L.C.*, Docket Nos. ER06-738-000 et al. (unpublished letter order issued June 21, 2006).

<sup>37</sup> See *Cogen Technologies Linden Venture, L.P.*, 86 FERC ¶ 62,245 (1999).

<sup>38</sup> See *Cogen Technologies Linden Venture, L.P.*, 119 FERC ¶ 62,013 (2007) (Order Granting Application for Recertification as a Qualifying Cogeneration Facility). See also *Cogen Technologies Linden Venture, L.P., EastCoast Power Linden Holding, L.L.C.*, FERC Form 556, Notice of Self-Recertification of Qualifying Facility Status for a Cogeneration Facility, Docket No. QF90-65-015 (filed July 31, 2015); *Cogen Technologies Linden Venture, L.P., East Coast Power Linden Holding, L.L.C.*, FERC Form 556, Notice of Self-Recertification of Qualifying Facility Status for a Cogeneration Facility, Docket No. QF90-65-016 (filed Aug. 3, 2015).

<sup>39</sup> See Docket Nos. QF90-81 and QF98-38.

<sup>40</sup> See *Spruance Genco, LLC*, Docket No. ER06-634-000 (Apr. 5, 2006) (unpublished letter order).

**EIF's PJM 816-A QFs**<sup>41</sup>

- LES Project Holdings, LLC is the owner of: (i) the approximately 3.2 MW I-95 Municipal Landfill Phase I QF, and (ii) the approximately 3.2 MW I-95 Municipal Landfill Phase II QF, both of which are located in Lorton, Virginia and interconnected with Dominion Virginia Power Company.<sup>42</sup> Both QFs sell energy to Public Service Enterprise Group (“PSEG”) under a two-year agreement ending May 31, 2017, and each QF has further committed its capacity to PSEG through May 31, 2020. Each facility is a 100% wholly-owned indirect subsidiary of EIF through Aria Energy Corp. (“Aria”), which is owned and controlled by EIF.
- EIF Northbrook II, LLC is the owner of (i) the Schoolfield Hydroelectric Facility, an approximately 4.5 MW run of the river QF consisting of three units on the Dan River near Danville, Virginia,<sup>43</sup> and (ii) the Dixon Hydroelectric Facility, an approximately 3 MW QF located on the Rock River in the City of Dixon, Illinois.<sup>44</sup> The Schoolfield facility is fully committed to Dominion Virginia Power and the Dixon facility is fully committed to Commonwealth Edison Company. Each facility is a 100% wholly-owned indirect subsidiary of EIF.
- Morgantown Energy Associates (“MEA”) is the owner of an approximately 68.9 MW QF located in Morgantown, West Virginia.<sup>45</sup> MEA is interconnected to Monongahela Power Company (“Monongahela”) and is fully committed under a long-term contract with Monongahela. Robert C. McNair and members of his family are affiliated (by virtue of a minority interests of approximately 35 percent in MEA; this McNair interest is not otherwise affiliated with any public utility in any relevant market or region.
- MRPC Holdings, LLC is the owner of Ocean County (MRPC), an approximately 4.8 MW QF located in Manchester Township, New Jersey.<sup>46</sup> Ocean County (MRPC) is fully committed to Jersey Central Power & Light until February 2017. MRPC is committed to PSEG through May 31, 2020. MRPC is a 100% wholly-owned indirect subsidiary of EIF through Aria.

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<sup>41</sup> Pursuant to Order No. 816-A, qualifying facilities that do not hold MBR authority may be disregarded for the purposes of asset reporting and market-power screens. *Order No. 816-A* at P 23. However, Order No. 816-A also explicitly directs that all of an MBR applicant’s generating affiliates must be disclosed and considered in connection with MBR applications (“A market-based rate seller must list all of its generation assets in its asset appendix even if it does not have market-based rate authority in its balancing authority area or, indeed, even if its generation is fully committed and it is not submitting any indicative screens.” Order No. 816-A at P 24). Out of an abundance of caution and consistent with Order No. 816-A, the Applicant is fully disclosing its affiliation with qualifying facilities in the relevant market, and is including those qualifying facilities in the screen results filed herewith.

<sup>42</sup> See Docket Nos. QF91-127 (Phase I), QF93-10 (Phase II).

<sup>43</sup> See Docket No. QF89-194.

<sup>44</sup> See Docket No. QF05-36.

<sup>45</sup> See Docket No. QF89-25.

<sup>46</sup> See Docket No. QF95-277.

- Ocean Energy Holdings, LLC is the owner of an approximately 9.6 MW QF located in Lakehurst, New Jersey.<sup>47</sup> The facility is fully committed to PSEG through May 31, 2017. The facility's base capacity has been committed (via the PJM Base Residual Auction) through May 31, 2020. The facility is a 100% wholly-owned indirect subsidiary of EIF through Aria.

In sum, EIF is affiliated with approximately 3,318.7 MW of generating capacity in the PJM market (including the Applicant), most of which is currently committed to unaffiliated off-takers under long-term agreements (but all of which is treated as uncommitted, as a customary simplifying assumption, in the attached screen analyses and supporting materials prepared by Eric Korman of Analysis Group, Inc.).

<b>OCE</b>	<b>960 MW</b>	Treated as Uncommitted in Indicative Screens
<b>Chambers</b>	<b>285 MW</b>	Treated as Uncommitted in Indicative Screens
<b>Logan</b>	<b>242.3 MW</b>	Treated as Uncommitted in Indicative Screens
<b>Scrubgrass</b>	<b>94.7 MW</b>	Treated as Uncommitted in Indicative Screens
<b>Edgecombe</b>	<b>114.8 MW</b>	Treated as Uncommitted in Indicative Screens
<b>Spruance</b>	<b>229.6 MW</b>	Treated as Uncommitted in Indicative Screens
<b>LES Project Holdings</b>	<b>6.4 MW</b>	QF Under Order No. 816-A
<b>EIF Northbrook II, LLC</b>	<b>7.5 MW</b>	QF Under Order No. 816-A
<b>MEA</b>	<b>68.9 MW</b>	QF Under Order No. 816-A
<b>MRPC Holdings, LLC</b>	<b>4.8 MW</b>	QF Under Order No. 816-A
<b>Ocean Energy Holdings, LLC</b>	<b>9.6 MW</b>	QF Under Order No. 816-A
<b>RC Cape May</b>	<b>347.6 MW</b>	Treated as Uncommitted in Indicative Screens
<b>Newark</b>	<b>735 MW</b>	Treated as Uncommitted in Indicative Screens
<b>Linden 6</b>	<b>212.5 MW</b>	Treated as Uncommitted in Indicative Screens
<b>PJM TOTAL</b>	<b>3,318.7 MW</b>	Treated as Uncommitted in Indicative Screens

### C. EIF Natural Gas and Transmission Affiliates

<sup>47</sup> See Docket No. QF06-341.

EIF is affiliated with Starfish Pipeline Company, LLC (“Starfish Pipeline”). Starfish Pipeline owns Stingray Pipeline Company, L.L.C. (“Stingray Pipeline”), which is a “natural-gas company” within the meaning of the Natural Gas Act. Stingray Pipeline operates a Commission-regulated natural gas pipeline system engaged in the interstate transmission of natural gas in the Louisiana and Texas offshore Gulf of Mexico areas. Stingray Pipeline is subject to, and all of its gas transportation and related activities under the Natural Gas Act are governed by, its Commission-filed tariff in FERC Docket No. RP11-1957. Stingray Pipeline’s rendering of open access gas transmission service under a Commission-filed tariff results in there being no vertical market power issues arising out of EIF’s investment in Stingray Pipeline. Starfish Pipeline also owns Triton Gathering, LLC (Triton Gathering). Triton Gathering is a non-Commission regulated natural gas pipeline company, which owns several lateral gathering facilities that gather gas from various offshore third-party fields for delivery to Stingray Pipeline, as indicated on Attachment B. In addition, Starfish Pipeline owns West Cameron Dehydration Company, L.L.C. (“West Cameron”). West Cameron is a non-jurisdictional entity and is not a gas transporter. West Cameron owns a dehydration facility located at Holly Beach, Cameron Parish, Louisiana, which is connected to the onshore terminus of the Stingray Pipeline system at Holly Beach. With the exception of Triton Gathering and West Cameron, none of EIF or any of the EIF Funds owns or controls any essential inputs to electric generation located in the United States. The Commission has accepted for filing a demonstration that EIF’s affiliation with the Starfish Pipeline assets (including Stingray Pipeline) creates no vertical market power issue in any market and is consistent with the MBR Authority of EIF’s affiliates.<sup>48</sup> Additionally, the Stingray Pipeline is not located in PJM or the Northeast Region.

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<sup>48</sup> See *Brooklyn Navy Yard Cogeneration Partners, L.P.*, Docket Nos. ER10-3193-003, *et al.*, Notice of Non-Material Change in Status, Delegated Letter Order Apr. 24, 2014.

From time to time EIF may extend purely passive investment capital to independent electric transmission companies that are public utilities. The EIF Funds are passive investors in Hudson Transmission Partners, LLC (“Hudson”), which owns an electric transmission facility that will transmit wholesale electricity between New Jersey and New York.<sup>49</sup> Hudson is under the operational control of PJM, and the Commission has accepted filings demonstrating that the interest that EIF holds in Hudson is passive;<sup>50</sup> as a result, EIF (and hence the Applicant) is not an “affiliate” of Hudson. Hudson’s electric transmission capacity is controlled by the New York Power Authority and by Consolidated Edison Energy, Inc. and its affiliates.<sup>51</sup>

#### **D. I Squared Capital**

I Squared Capital is an independent global infrastructure private equity investment manager focusing on energy, utilities, and transport in North America, Europe, and select high growth economies. I Squared Capital has a series of limited partnership investment and co-investment funds operated by a general partner that is wholly controlled by I Squared Capital.

Applicant is affiliated through I Squared Capital with the following entities that own or control generating facilities in the PJM BAA:

- Lake Lynn Generation, LLC (“Lake Lynn”) owns and operates the Lake Lynn Hydroelectric Station (Project No. 2459) (the “Lake Lynn Station”). The Lake Lynn Station is a 51.2 MW (nameplate) hydroelectric generation facility with energy storage capability located approximately 3.6 miles upstream from the mouth of the Cheat River, between Fayette County, Pennsylvania, and Monongahela County, West Virginia. The Lake Lynn Station is interconnected to the transmission system of West Penn Power Company (“West Penn Power”), which is under the operational control of PJM.<sup>52</sup>

<sup>49</sup> *Hudson Transmission Partners, LLC*, 135 FERC ¶ 61,104 (2011).

<sup>50</sup> *See Northampton Generating Co., et al.*, Docket Nos. ER12-281-004, et al., Notice of Non-Material Change in Status (filed May 20, 2013, accepted by delegated letter order Aug. 29, 2013). At present, Hudson is the only such independent transmission company that owns or operates any transmission facility in which EIF holds a passive investment.

<sup>51</sup> *See Consol. Edison Energy, Inc.*, et al., Docket Nos. ER10-1246-002, et al., Delegated Letter Order, July 31, 2013.

<sup>52</sup> *West Penn Power Co.*, 69 FERC ¶ 62,253 (1994); *West Penn Power Co.*, 89 FERC ¶ 62,188 (1999); *see also FirstEnergy Generation, LLC*, 146 FERC ¶ 62,040 (2014) (order transferring license for Project No. 2459 to Lake Lynn).

Lake Lynn is an EWG that is authorized to sell electric energy, capacity and ancillary services at wholesale at market-based rates.<sup>53</sup> Lake Lynn also provides reactive supply and voltage control service pursuant to Schedule 2 to the PJM Open Access Transmission Tariff (the “PJM Tariff”), and black start service pursuant to Schedule 6A to the PJM Tariff.

- All Dams Generation, LLC (“All Dams”) owns and operates Allegheny Lock & Dam Unit 5 (Project No. 3671) (“Allegheny 5”) and Allegheny Lock & Dam Unit 6 (Project No. 3494) (“Allegheny 6” and, together with Allegheny 5, “Allegheny 5 & 6”). Both Allegheny 5 and Allegheny 6 are 9.2 MW (nameplate), and together Allegheny 5 & 6 consists of 18.4 MW (nameplate) run-of-river hydroelectric generation facilities located in Freeport, Pennsylvania on the Allegheny River. All Dams is an EWG that is authorized to sell electric energy, capacity and ancillary services at wholesale at market-based rates.<sup>54</sup>
- PE Hydro Generation, LLC (“PE Hydro”) owns and operates the seven run-of-river hydroelectric stations located in Virginia and West Virginia, all of which are located in PJM. PE Hydro is an EWG that is authorized to sell electric energy, capacity and ancillary services at wholesale at market-based rates.<sup>55</sup> PE Hydro’s hydroelectric stations are described below:

#### 1. Millville

The Millville Project (Project No. 2343) is an approximately 2.8 MW (nameplate) hydroelectric generation facility located in Jefferson County, West Virginia on the Shenandoah River, and is interconnected to the Allegheny Power transmission system, which is under the operational control of PJM.

#### 2. Dam No. 4 and Dam No. 5

Dam No. 4 Hydro Station (Project No. 2516) (“Dam No. 4”) and Dam No. 5 Hydro Station (Project No. 2517) (“Dam No. 5”) have a combined generating capacity of approximately 2.9 MW (nameplate), and are located on the Potomac River in Berkeley and Jefferson Counties, West Virginia. Dam No. 4 and Dam No. 5 are each interconnected to Allegheny Power’s transmission system, which is under PJM’s operational control.

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<sup>53</sup> *Lake Lynn Generation, LLC*, Docket No. EG14-6-000, “Notice of Self-Certification of Exempt Wholesale Generator Status” (Oct. 10, 2013); *Seneca Generation, LLC*, 145 FERC ¶ 61,096 (2013) (“*Seneca Order*”) (order granting Lake Lynn MBR authorization).

<sup>54</sup> *All Dams Generation, LLC*, Docket No. EG14-7-000, “Notice of Self-Certification of Exempt Wholesale Generator Status” (Oct. 10, 2013); *Seneca Order* (order granting All Dams MBR authorization).

<sup>55</sup> *PE Hydro Generation, LLC*, Docket No. EG14-4-000, “Notice of Self-Certification of Exempt Wholesale Generator Status” (Oct. 10, 2013); *Seneca Order* (order granting PE Hydro MBR rate authorization).

### 3. Luray and Newport

The Luray and Newport projects (jointly licensed as Project No. 2425) have a combined capacity of approximately 3 MW (nameplate) and are located in Page County, Virginia, on the Shenandoah River. The Luray and Newport Projects interconnect with the distribution system of the Shenandoah Valley Electric Cooperative (“SVEC”).

### 4. Shenandoah

The Shenandoah Project (Project No. 2509) is a 0.9 MW (nameplate) hydroelectric generating facility located in Page County, Virginia, on the Shenandoah River.

### 5. Warren

The Warren Project (Project No. 2391) is a 0.8 MW (summer rating) hydroelectric generating facility located in Warren County, Virginia, on the Shenandoah River. The Warren Project interconnects to the distribution system of Rappahannock Electric Cooperative (“REC”).

- Mahoning Creek Hydroelectric Company, LLC, is a 6.0 MW (nameplate) QF<sup>56</sup> located in New Bethlehem, Pennsylvania. It is interconnected with West Penn Power Corporation, which is under the operational control of PJM.
- NJ Oak Solar, LLC owns a 10 MW (nameplate) QF located in Fairfield Township, New Jersey.<sup>57</sup> The QF is interconnected with Atlantic City Electric Company and is located in the PJM-East, 5004/5005, and AP South submarkets of PJM.
- York Haven Power Company, LLC owns a 19.6 MW (nameplate) QF (York Haven Hydroelectric Project (FERC No. 1888)) located in York Haven, Pennsylvania.<sup>58</sup> The QF is interconnected to Metropolitan Edison Company and located in the in the 5004/5005 and AP South submarkets of PJM.

In sum, I Squared Capital is affiliated with approximately 1,075.6 MW of generating capacity in the PJM market (including the Applicant). All of this capacity is treated as

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<sup>56</sup> *Mahoning Creek Hydroelectric Company, LLC*, Notice of Self Re-Certification of Qualifying Facility Status, Docket No. QF14-353-001, submitted Apr. 10, 2015.

<sup>57</sup> *NJ Oak Solar, LLC*, Notice of Self Re-Certification of Qualifying Facility Status, Docket No. QF10-683-002, submitted Jan. 20, 2012.

<sup>58</sup> *York Haven Power Company, LLC*, Notice of Self Re-Certification of Qualifying Facility Status, Docket No. QF07-506-004, submitted Nov. 19, 2015.

uncommitted in the attached screen analyses and supporting materials prepared by Eric Korman of Analysis Group, Inc.

<b>OCE</b>	<b>960 MW</b>	Treated as Uncommitted in Indicative Screens
<b>Lake Lynn</b>	<b>51.2 MW</b>	Treated as Uncommitted in Indicative Screens
<b>All Dams</b>	<b>18.4 MW</b>	Treated as Uncommitted in Indicative Screens
<b>PE Hydro</b>	<b>10.4 MW</b>	Treated as Uncommitted in Indicative Screens
<b>Mahoning Creek</b>	<b>6.0 MW</b>	QF Under Order No. 816-A
<b>NJ Oak Solar</b>	<b>10 MW</b>	QF Under Order No. 816-A
<b>York Haven Power</b>	<b>19.6 MW</b>	QF Under Order No. 816-A
<b>PJM TOTAL</b>	<b>1,075.6 MW</b>	Treated as Uncommitted in Indicative Screens

I Squared Capital, through its subsidiary Cube Yadkin Transmission, LLC (“Cube Yadkin Transmission”), is in the process of acquiring the transmission facilities and related jurisdictional assets that make up the Yadkin Transmission System in North Carolina. The application for authorization of the transaction is currently pending before the Commission in Docket No. EC16-157-000.<sup>59</sup> The Yadkin Transmission System is a separate balancing authority area within North Carolina, and is connected to the transmission system owned and operated by Duke Energy Carolinas, LLC and Duke Energy Progress-East. Transmission service over the Yadkin Transmission System is provided under an Open Access Transmission Tariff (“OATT”) on file with the Commission. Cube Yadkin Transmission will succeed to the OATT on file and will maintain an OATT on file for the provision of any service on these transmission facilities. The Commission has held that an OATT mitigates any vertical market power concerns.<sup>60</sup> Aside from the Yadkin Transmission System, I Squared Capital and its affiliates do not own or control any transmission facilities other than the limited interconnection facilities required to

<sup>59</sup> See Joint Application for Authorization for Disposition and Consolidation of Jurisdictional Facilities and Acquisition of Existing Generating Facilities and Request for Expedited Action, Docket No. EC16-157-000 (filed July 25, 2016).

<sup>60</sup> See 18 C.F.R. § 35.37(d).



interconnect their generating facilities to the transmission grid. Similarly, neither I Squared Capital nor its affiliates own or control any inputs to electric power production, including intrastate natural gas transportation, intrastate natural gas storage or distribution facilities, sources of coal supplies, or the transportation of coal supplies that could be used as barriers to entry in any market.

Neither I Squared Capital nor any entity or individual directly or indirectly owning 10 percent or more of the voting securities of I Squared Capital own a 10% or greater interest in, operate or control, directly or indirectly, any company that owns, operates or controls electric generation assets, electric transmission assets or other inputs to electric power production in the United States except as set forth herein.

#### **E. Applicant's Affiliates and Appendix B**

The energy affiliates indicated and described in this filing are the only energy affiliates within the PJM BAA that are directly or indirectly controlled by Applicant's upstream owners, as "control" is defined in the FPA Section 301 and Order 697 at paragraphs 176 and 1032-1033. The attached Appendix B lists Applicant's affiliates and includes all the information required under Appendix B pursuant to Order No. 816<sup>61</sup> for Applicant's affiliates in the relevant BAA as well as in all FERC-defined Geographic Regions, including all vertical market power information required as to any U.S. affiliates.

### **III. REQUEST FOR AUTHORIZATION TO SELL ENERGY, CAPACITY, AND ANCILLARY SERVICES AT MARKET-BASED RATES**

#### **A. Description of Applicant's Rate Schedule**

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<sup>61</sup> *Final Rule*, Order No. 816, Docket No. RM14-14-000, *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 (2015)(*hereinafter* "Order No. 816"); Order on Rehearing and Clarification, Order No. 816-A, Docket No. RM14-14-001, May 19, 2016 ("Order No. 816-A").

Applicant requests authorization under its proposed MBR Tariff to sell energy, capacity, and certain ancillary services.

## **B. Satisfaction of Criteria for Market-Based Rates**

The Commission permits sales of energy, capacity, and ancillary services at market-based rates if the seller and its affiliates (i) lack horizontal market power in the relevant geographic market, i.e., they do not have (or have adequately mitigated) market power in generation; and (ii) lack vertical market power in the relevant geographic market, i.e., they do not have (or have adequately mitigated) market power in transmission and cannot erect barriers to entry to competing suppliers through the control of inputs to electric power production.<sup>62</sup> As discussed below, neither Applicant nor any of its affiliates has horizontal or vertical market power in the relevant market. Therefore, the Commission should grant Applicant's request for MBR authorization.

### **1. Applicant Lacks Horizontal Market Power**

Neither Applicant nor its affiliates possess horizontal (generation) market power. The Commission reviews horizontal market power by assessing the market power of the seller and any of its affiliates that own or control generation in the relevant market.<sup>63</sup> The Commission has indicated that the relevant geographic market is the BAA or RTO/ISO market, as applicable, where the seller's generation is physically located.<sup>64</sup> Accordingly, Applicant is using the PJM BAA as the relevant geographic market for purposes of its request for MBR authorization.<sup>65</sup>

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<sup>62</sup> See Order No. 697; see also *Heartland Energy Services, Inc.*, 68 FERC ¶ 61,223, at ¶ 62,060-63 (1994); *Enron Power Enterprise Corp.*, 52 FERC ¶ 61,193, at 61,708 (1990); *FirstEnergy Servs., Inc.*, 94 FERC ¶ 61,052 (2001).

<sup>63</sup> See Order No. 697 at P 232 n.261; *AEP Power Mktg, Inc.*, 107 FERC ¶ 61,018 at P 73 n.63.

<sup>64</sup> See Order No. 697 at P 231; see also *AEP Power Mktg., Inc.*, 107 FERC ¶ 61,018 at P 41, *order on reh'g*, 108 FERC ¶ 61,026 at P 31 (2004). See also, Order No. 816 at PP 5 and 45.

<sup>65</sup> For purposes of the market power analyses, the relevant geographic market is the BAA or submarket, as applicable, where the seller's generation is physically located. See Order No. 697 at P 232 n.217. The submarkets in PJM are PJM East, AP South, and 5004/5005. As OCE is located in Ohio, it is not located in any of the submarkets and thus the PJM BAA is the relevant geographic market.

Applicant includes in the text below a summary of the indicative market power screen results performed by Eric Korman of the Analysis Group for the Pivotal Supplier Test and Market Share Screen the results of which are attached as an attachment to this application.

**a. Pivotal Supplier Test**

The pivotal supplier test compares the amount of uncommitted capacity owned or controlled by an applicant in the relevant market and the total net uncommitted capacity in that market. If the applicant's total uncommitted capacity in the market is less than the difference between the total net uncommitted capacity and the market's wholesale load, the applicant passes the screen.<sup>66</sup>

Applicant passes the pivotal supplier test. Applicant's (including all of its relevant affiliates') Line Q Uncommitted Capacity of 3,560 MW is substantially less than the Net Uncommitted Supply of 59,699 MW, and Applicant clearly passes the pivotal supplier indicative screen.

**b. Market Share Screen**

The market share screen calculates the applicant's share of uncommitted capacity in the relevant market during each of the four seasons. If an applicant's share of uncommitted capacity in the relevant market is under 20% in each season, the applicant passes the market share screen. Applicant's and its affiliates' uncommitted capacity in the PJM market ranges from 3.4% to 4.3% and is therefore substantially below 20% in all seasons; Applicant therefore passes the Market Share Analysis indicative screen.

**2. Seller Lacks Vertical Market Power**

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<sup>66</sup> *AEP Power Mktg., Inc.*, 107 FERC ¶ 61,018 at P 99.

In evaluating vertical market power, the Commission considers both transmission market power and the ability of the seller and its affiliates to erect barriers to entry in any market.<sup>67</sup> As explained below, Applicant and its affiliates do not possess vertical market power.

**a. Transmission Market Power**

Applicant will not own or control any transmission facilities other than the interconnection facilities necessary to connect its generating facility to the grid.<sup>68</sup> Other than Cube Yadkin Transmission, none of Applicant's affiliates owns or controls transmission facilities in any region other than the limited interconnection facilities necessary to interconnect their generating facilities to the grid. As discussed above, transmission service over the Yadkin Transmission System is, and will continue to be, provided under an OATT on file with the Commission. The Commission has held that an OATT mitigates any vertical market power concerns.<sup>69</sup> The Commission has accepted for filing a demonstration that EIF's affiliation with the Starfish Pipeline assets (including Stingray Pipeline) creates no vertical market power issue and is consistent with the MBR Authority of EIF's affiliates. Thus, Applicant and its affiliates satisfy the Commission's requirements for market-based rates regarding transmission market power.

**b. Barriers to Entry**

The Commission also considers whether a company can erect barriers to entry by competing wholesale power suppliers in the relevant geographic market by exercising control over "intrastate natural gas transportation; intrastate natural gas storage or distribution facilities;

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<sup>67</sup> Order No. 697 at P 399.

<sup>68</sup> The Commission has found that such limited interconnection facilities do not convey transmission market power. *See, e.g., AES Huntington Beach, LLC*, 111 FERC ¶ 61,079, at P 43 (2005); *Zond Dev. Corp.*, 80 FERC ¶ 61,051, at 61,153 (1997).

<sup>69</sup> *See* 18 C.F.R. § 35.37(d).

sites for new generation capacity development; physical coal supply sources and ownership or control over who may access transportation of coal supplies.”<sup>70</sup>

Applicant affirmatively states that it and its affiliates have not erected barriers to entry into the relevant market and will not erect barriers to entry into the relevant market.<sup>71</sup> Accordingly, Applicant lacks vertical market power.

### **3. Affiliate Restrictions**

The affiliate restrictions govern the relationship between franchised public utilities with captive customers and their market-regulated power sales affiliates, which include wholesale power sales by a market-based rate seller to its franchised public utility affiliates, as well as transactions involving non-power goods and services between the franchised public utility and its marketing affiliate.<sup>72</sup> The Commission discontinued considering affiliate abuse as a separate “prong” of the market power analysis, instead codifying its affiliate restrictions in its regulations.<sup>73</sup> Applicant agrees to abide by any applicable affiliate restrictions as a condition of its market-based rate authority.

## **IV. ANCILLARY SERVICES**

Applicant requests authority to sell ancillary services in the markets in which the Commission has previously authorized sellers to engage in sales of ancillary services at market-based rates, and Applicant has incorporated the required standard provisions for such sales in its proposed Tariff. Applicant also seeks authority to make third-party sales of Regulation Service, Energy Imbalance Service, Spinning Reserves, and Supplemental Reserves at market-based

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<sup>70</sup> Order No. 697-A at P 176; *see also* 18 C.F.R. § 35.36(a)(4). The Commission does not consider ownership or control of natural gas supply, interstate natural gas transportation (including interstate natural gas storage), oil supply or oil transportation in its barriers to entry analysis. Order No. 697 at P 442.

<sup>71</sup> *Id.* at P 448; 18 C.F.R. § 35.37(e)(3).

<sup>72</sup> 18 C.F.R. § 35.39; *see also* 18 C.F.R. § 35.44.

<sup>73</sup> Order No. 697 at P 467.

rates. Applicant's proposed Tariff contains the standard applicable tariff provisions regarding the sales of ancillary services by a third-party supplier pursuant to the Commission's policy, as detailed in Order Nos. 697 and 697-A. The proposed Tariff likewise includes the required restrictions on sales of ancillary services by a third-party supplier.<sup>74</sup>

## V. CATEGORY STATUS

The Commission's regulations define Category 1 Sellers as a Seller that: (1) is either a wholesale power marketer that controls or is affiliated with 500 MW or less of generation in aggregate per region or a wholesale power producer that owns, controls or is affiliated with 500 MW or less of generation in aggregate in the same region as its generation assets; (2) does not own, operate, or control transmission facilities other than limited equipment necessary to connect individual generating facilities to the transmission grid; (3) is not affiliated with anyone that owns, operates, or controls transmission facilities in the same region as the seller's generation assets; (4) is not affiliated with a franchised public utility in the same region as the seller's generation assets; and (5) does not raise other vertical market power issues.<sup>75</sup> Category 2 Sellers are all sellers that are not Category 1 Sellers.<sup>76</sup>

Applicant and its affiliates own or control more than 500 MW of generation in the Northeast Region. Accordingly, Applicant will be a Category 2 Seller, as defined in 18 C.F.R. § 35.36(a) of the Commission's regulations,<sup>77</sup> in the Northeast Region. Applicant will be a Category 1 seller in the Central, Southwest, Northwest, Southeast and Southwest Power Pool regions.<sup>78</sup> Applicant does not own or control generation in any region outside of the Northeast

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<sup>74</sup> *Id.* at P 1061.

<sup>75</sup> 18 C.F.R. § 35.36(a)(2)

<sup>76</sup> *Id.*

<sup>77</sup> *See id.* § 35.36(a).

<sup>78</sup> A power producer may qualify as a Category 1 seller in a region where the power producer itself does not own or control any generation or transmission assets but where it has affiliates that are Category 2 sellers. *See* Order No. 816 at P. 317.

Region. Therefore, Applicant owns or controls less than 500 MW of generation in the aggregate in each of the regions outside of the Northeast region and there is no overlap between Applicant's generation assets and any transmission facilities in any other region. Applicant does not own, operate, or control transmission facilities other than limited equipment necessary to connect Applicant's individual generating facility to the transmission grid. Further, Applicant is not affiliated with a franchised public utility in any region and do not raise other vertical market power issues. Accordingly, Applicant meets the criteria for classification as Category 1 Seller, as defined in 18 C.F.R. § 35.36(a) of the Commission's regulations, in the Northwest, Central, Southeast, Southwest Power Pool, and Southeast regions. Applicant's proposed Tariff reflects the above category status designations.

## **VI. REPORTING REQUIREMENTS AND COMPLIANCE WITH COMMISSION REGULATIONS**

Applicant's proposed Tariff includes the language the Commission provided in Order No. 697 requiring Seller to:

comply with the provisions of 18 C.F.R. Part 35, Subpart H, as applicable, and with any conditions the Commission imposes in its orders concerning seller's market-based rate authority, including orders in which the Commission authorizes seller to engage in affiliate sales under this tariff or otherwise restricts or limits the seller's market-based rate authority.<sup>79</sup>

Applicant commits to comply with the Commission's reporting requirements for similarly situated entities. Pursuant to Commission precedent, Applicant will inform the Commission promptly of any change in status that would reflect a departure from the facts that the Commission relied upon in approving market-based pricing in accordance with the

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<sup>79</sup> 18 C.F.R. § 35.36(a)(2); *see also* Order No. 697 at P 915.

Commission's Order No. 652.<sup>80</sup> Applicant further commits to file with the Commission the Electric Quarterly Reports listing all required jurisdictional contract and wholesale transaction data for activities as required by Order No. 2001 and any subsequent orders.<sup>81</sup>

## VII. WAIVERS, BLANKET APPROVALS, AND AUTHORIZATIONS

Applicant respectfully requests the same waivers and blanket approvals afforded to other similarly situated entities, including:

1. waiver of the accounting, reporting, and other requirements of Parts 41, 101, and 141 of the Commission's regulations, with the exception of 18 C.F.R. §§ 141.14 and 141.15;
2. blanket authorization under Section 204 of the FPA and Part 34 of the Commission's regulations for future issuances of securities and assumptions of liability;
3. waiver of the full filing requirements of subparts B and C of Part 35 of the Commission's regulations, except the transmittal requirements of 18 C.F.R. §§ 35.12(a), 35.13(b), and the notification of succession and cancellation of service requirements of 18 C.F.R. §§ 35.15 and 35.16; and
4. other appropriate waivers and authorizations granted to other similarly situated entities that Seller may have failed to request specifically.

In addition, out of an abundance of caution, Applicant requests waiver of the Open Access Requirements with respect to its limited and discrete generator interconnection facilities. Applicant does not own or control any transmission facilities other than the interconnection facilities necessary to interconnect the Facility to the grid. Nonetheless, the Commission has recently indicated that, absent a waiver, entities that only own generator interconnection facilities may also be subject to the Open Access Requirements. The generator interconnection facilities

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<sup>80</sup> *Reporting Requirement for Changes in Status for Public Utilities with Market-Based Rate Authority*, Order No. 652, FERC Stats. & Regs. ¶ 31,175, *order on reh'g*, 111 FERC ¶ 61,413 (2005); 18 C.F.R. § 35.42.

<sup>81</sup> *Revised Public Utility Filing Requirements*, Order No. 2001, 67 Fed. Reg. 31,043 (May 8, 2002), FERC Stats. & Regs. ¶ 31,127, *reh'g denied*, Order No. 2001-A, 100 FERC ¶ 61,074, *reh'g denied*, Order No. 2001-B, 100 FERC ¶ 61,342, *order directing filing*, Order No. 2001-C, 101 FERC ¶ 61,314 (2002), *order directing filing*, Order No. 2001-D, 102 FERC ¶ 61,334 (2003).



that the Applicant owns and controls are limited and discrete radial facilities that do not form an integrated transmission grid and that are used solely to interconnect Applicant's facility to the grid. The Commission has routinely granted waiver of its Open Access Requirements for similar limited and discrete interconnection facilities unless and until an owner of such facilities receives a request for transmission service. Out of an abundance of caution, Applicant represents to the Commission that it is eligible for the priority rights and waivers set forth in Order No. 807,<sup>82</sup> such that the Applicant is immune from the Open Access Requirements to the extent set forth under Order No. 807, without the need for further orders.

### **VIII. EFFECTIVE DATE AND LIMITED WAIVER OF PRE-EFFECTIVENESS PERIOD**

Applicant requests a waiver pursuant to Section 35.11 of the Commission's regulations of the notice requirement contained in Section 35.3 of the Commission's regulations to allow Applicant's Tariff to become effective on October 21, 2016, 60 days after the date of this filing.<sup>83</sup> Applicant requests this effective date as its financing agreements require that it hold MBR authority at least 60 days before the Facility is energized for testing purposes. Good cause exists to grant the requested effective date because, as explained herein, Applicant presents no market power concerns.

Because neither the Applicant nor any of its affiliates own any more than a limited amount of generation in the relevant region nor any transmission assets in the relevant market other than limited interconnection facilities used solely to interconnect generation to the transmission grid or any other inputs to electric power production, the instant application is

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<sup>82</sup> *Open Access and Priority Rights on Interconnection Customer's Interconnection Facilities*, Order No. 807, 150 FERC ¶ 61,211, Docket No. RM14-11-000 (2015).

<sup>83</sup> See e.g., *Solano 3 Wind LLC*, ER12-1198-001, delegated letter order (granting tariff effective date 26 days after MBR application was submitted) and *Panoche Energy Center, LLC*, ER09-1020-000 and -001, delegated letter order (granting tariff effective date one (1) day after MBR application was submitted).

noncontroversial and the Applicant anticipates that there will be no basis for opposition to this application. The Applicant's request for waiver is thus consistent with 18 C.F.R. § 35.3(a), and the Commission has frequently waived the prior notice requirement for the same or similar reasons.<sup>84</sup> Therefore, Applicant respectfully requests that the Commission issue a letter order accepting Applicant's MBR Tariff for filing with an effective date of October 21, 2016. Applicant also requests that the Commission issue its order as promptly as possible, and no later than the requested effective date, since the Applicant expects to be required to provide evidence of its MBR authority for financing purposes.

## **IX. CONCLUSION**

WHEREFORE, Applicant requests that the Commission issue an order accepting for filing its proposed Tariff effective October 21, 2016. In addition, as described herein, Applicant requests that the Commission: (i) accept for filing the Tariff contained in Attachment A; (ii) authorize Applicant to sell energy, capacity, and certain ancillary services at market-based rates; (iii) waive certain of the Commission's regulations and the Open Access Requirements as described herein; (iv) grant certain pre-approvals and blanket authorizations as have been granted by the Commission to other sellers authorized to sell at market-based rates; and (v) designate Applicant as a Category 2 Seller in the Northeast and a Category 1 Seller in all other regions. Applicant further requests that the Commission specify in the order accepting its Tariff for filing that the waivers and blanket approvals requested supra are granted and are made effective upon effectiveness of the Tariff.

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<sup>84</sup> See, e.g., *Horse Butte Wind I LLC*, Docket No. ER12-1838-000, delegated letter order, Aug. 31, 2012, *Wildcat Power Holdings, LLC*, 136 FERC ¶ 61,013 (2011); *Coolidge Power LLC*, 135 FERC ¶ 61,103 (2011); *RockGen Energy, LLC*, 86 FERC ¶ 61,141 (1999).

Respectfully submitted,

/S/

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Counsel for Applicant

Dated: August 22, 2016

# **ATTACHMENT A**

## **Proposed FERC Electric Tariff**

(Separately housed for E-Tariff filing)

**ATTACHMENT B**

**Energy Affiliates and Assets Table**

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**Oregon Clean Energy, LLC**  
**Market Based Rate Tariff**

- 1) Availability: Oregon Clean Energy, LLC (“Seller”) makes electric energy, capacity, and ancillary services available under this tariff to any purchaser, except as prohibited below.
- 2) Applicability: This tariff is applicable to all wholesale sales of electric energy and capacity and/or ancillary services by Seller.
- 3) Rates: All sales shall be made at rates established by agreement between the purchaser and Seller.
- 4) Other Terms and Conditions: All other terms and conditions for any sales under this tariff shall be established by agreement between the purchaser and Seller.
- 5) Seller Category: Seller is a Category 2 seller in the Northeast region and a Category 1 seller in all other regions, as those categories are defined in 18 CFR § 35.36(a).
- 6) Compliance with Commission Regulations: Seller shall comply with the provisions of 18 CFR Part 35, Subpart H, as applicable, and with any conditions the Commission imposes in its orders concerning seller’s market-based rate authority, including orders in which the Commission authorizes seller to engage in affiliate sales under this tariff or otherwise restricts or limits the seller’s market-based rate authority. Failure to comply with the applicable provisions of 18 CFR Part 35, Subpart H, and with any orders of the Commission concerning seller’s market-based rate authority, will constitute a violation of this tariff.
- 7) Limitations and Exemptions Regarding Market-Based Rate Authority: Seller has received waiver of: Subparts B and C of Part 35, except for sections 35.12(a), 35.13(b), 35.15 and 35.16; Part 41, Part 101, and Part 141, except sections 141.14 and 141.15; and received blanket approval under Part 34. *Oregon Clean Energy, LLC*, ER16-\_\_\_-000, at \_\_ (\_\_\_\_, 2016)(unpublished letter order).

8) Ancillary Services:

PJM: Seller offers regulation and frequency response service, energy imbalance service, and operating reserve service (which includes spinning, 10-minute, and 30-minute reserves) for sale into the market administered by PJM Interconnection, L.L.C. (“PJM”) and, where the PJM Open Access Transmission Tariff permits, the self-supply of these services to purchasers for a bilateral sale that is used to satisfy the ancillary services requirements of the PJM Office of Interconnection.

New York: Seller offers regulation and frequency response service, and operating reserve service (which include 10-minute non-synchronous, 30-minute operating reserves, 10-minute spinning reserves, and 10-minute non-spinning reserves) for sale to purchasers in the market administered by the New York Independent System Operator, Inc.

New England: Seller offers regulation and frequency response service (automatic generator control), operating reserve service (which includes 10-minute spinning reserve, 10-minute non-spinning reserve, and 30-minute operating reserve service) to purchasers within the markets administered by the ISO New England, Inc.

California: Seller offers regulation service, spinning reserve service, and non-spinning reserve service to the California Independent System Operator Corporation ("CAISO") and to others that are self-supplying ancillary services to the CAISO.

MISO: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Midcontinent Independent System Operator, Inc. ("MISO") and to others that are self-supplying ancillary services to MISO.

Southwest Power Pool: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Southwest Power Pool, Inc. ("SPP") and to others that are self-supplying ancillary services to SPP.

Ancillary services – Third Party Provider: Third-party ancillary service: Seller offers Regulation and Frequency Response Service, Reactive Supply and Voltage Control Service, Energy and Generator Imbalance Service, Operating Reserve-Spinning, and Operating Reserve-Supplemental. Sales will not include the following: (1) sales to an RTO or an ISO, i.e., where that entity has no ability to self-supply ancillary services but instead depends on third parties; and (2) sales to a traditional, franchised public utility affiliated with the third-party supplier, or sales where the underlying transmission service is on the system of the public utility affiliated with the third-party supplier. Sales of Operating Reserve-Spinning and Operating Reserve-Supplemental will not include sales to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers, except where the Commission has granted authorization. Sales of Regulation and Frequency Response Service and Reactive Supply and Voltage Control Service will not include sales to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers, except at rates not to exceed the buying public utility transmission provider's OATT rate for the same service or where the Commission has granted authorization.

9) Effective Date: This Rate Schedule shall be effective as of the date specified by the Federal Energy Regulatory Commission.

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Oregon Clean Energy, LLC**

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**Docket No. ER16-\_\_\_-000**

**Affidavit of Eric Korman**

**I. INTRODUCTION**

1. My name is Eric Korman. I am a Vice President at Analysis Group, Inc. (“Analysis Group”), a consulting firm that provides microeconomic, strategy, and financial analyses. My business address is 650 California Street, Floor 23, San Francisco, California, 94108. Analysis Group employs more than 600 individuals and has offices in Beijing, Boston, Chicago, Dallas, Denver, Los Angeles, Menlo Park, Montreal, New York, San Francisco, and Washington, D.C. I have been employed by Analysis Group since August 2000. Among other things, my work focuses on analyzing wholesale power markets in connection with market-based rate authority and electric mergers and asset acquisitions. I have testified before the Federal Energy Regulatory Commission (“FERC” or “Commission”) on these topics several times. I have been involved in numerous indicative market power screen studies and delivered price test analyses that have been filed with the Commission. I hold an M.B.A. from the University of Chicago and both an undergraduate degree in economics and a Master’s degree in international economics and finance from Brandeis University. My professional experience and qualifications are summarized in my résumé, which is included as Exhibit EK-1 to this affidavit.

**II. BACKGROUND AND PURPOSE OF AFFIDAVIT**

2. The Applicant in this proceeding is Oregon Clean Energy, LLC (“Oregon Clean Energy”). Oregon Clean Energy is constructing the Oregon Clean Energy Center (“OCEC”), a combined cycle generator located in Lucas County, Ohio. OCEC, which is expected to enter commercial operation during 2016, is interconnected with the American Transmission



Systems Inc. (“ATSI”) transmission system and located within the geographic footprint of PJM Interconnection L.L.C. (“PJM”). The interconnection service agreement between Oregon Clean Energy, ATSI, and PJM provides for two 313 MW gas combustion turbines and a 336 MW steam turbine, for a total capacity of 962 MW.<sup>1</sup>

3. Oregon Clean Energy is indirectly owned by (i) private equity funds managed and controlled by Ares EIF Management, LLC (all collectively, “AEIF”) and (ii) private equity funds managed and controlled by I Squared Capital (all collectively, “I Squared”).
4. In the current application, Oregon Clean Energy is requesting from the Commission the right to make sales of wholesale electric capacity, energy, and ancillary services at market-based rates. This affidavit provides indicative horizontal market power screen analyses as required by the Commission in support of this request.
5. As discussed below, and in the application to which this affidavit is attached, Oregon Clean Energy satisfies the Commission’s requirements for market-based rate authority even when using a number of conservative assumptions.
6. The remainder of this affidavit is organized as follows: Section III describes the two indicative horizontal market power screens that are used by the Commission in its market-based rate assessments; Section IV describes the application of these indicative screens to Oregon Clean Energy for purposes of assessing their requests for market-based rate authority; and Section V presents the results of these indicative screen analyses.

### **III. THE INDICATIVE HORIZONTAL MARKET POWER SCREENS**

7. The Commission uses two “indicative” horizontal market power screens, referred to as the market share screen and the pivotal supplier screen, as part of the process to determine the appropriateness of market-based rate authority by jurisdictional sellers. These indicative screens originally were set forth on an interim basis in *AEP Power Marketing, Inc. et al.*, 107 FERC ¶ 61,018 (2004) (“*AEP I*”) and *reh’g*, 108 FERC ¶ 61,026 (2004). They were then codified in the Final Rule in *Market-Based Rates for Wholesale Sales of Electric Energy*,

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<sup>1</sup> See First Revised Interconnection Service Agreement No. 3876, filed in Docket No. ER16-1895 June 8, 2016, Specifications § 1.0. The maximum facility output under the interconnection service agreement is 960 MW. Conservatively, the indicative screen analyses herein use a capacity of 962 MW.

*Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs. ¶ 31,252 (2007) (“Order No. 697”); *clarifying*, 121 FERC ¶ 61,260 (2007) (“Clarifying Order”); *reh’g and clarifying*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268 (2008); *reh’g and clarifying*, 124 FERC ¶ 61,055 (2008) (“July 17, 2008 Order”); *reh’g and clarifying*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008); *reh’g and clarifying*, Order No. 697-C, FERC Stats. & Regs. ¶ 31,291 (2009); *reh’g*, Order No. 697-D, FERC Stats. & Regs. ¶ 31,305 (2010); *order on clarification*, 131 FERC ¶ 61,021 (2010); *aff’d sub nom. Mont. Consumer Counsel v. FERC*, 659 F.3d 910 (9th Cir. 2011), *cert denied sub nom. Pub. Citizen, Inc. v. FERC*, 133 S. Ct. 26 (2012); and most recently refined in the Final Rule in *Refinements to Policies and Procedures for Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 816, FERC Stats. & Regs. ¶ 31,374 (2015) (“Order No. 816”) and *reh’g and clarification*, Order No. 816-A, 155 FERC ¶ 61,188 (2016) (“Order No. 816-A”).

8. An initial step in applying both the market share and pivotal supplier indicative screens is to determine the geographic market(s) to examine. The Commission has stated that the “default” geographic market is a “seller’s balancing authority area or the RTO/ISO market, as applicable.”<sup>2</sup> The Commission has also stated that, if appropriate, certain submarkets within an RTO must be considered.<sup>3</sup>

#### **A. Market Share Screen**

9. Under the market share screen, an applicant’s<sup>4</sup> uncommitted capacity is expressed as its share of the total uncommitted capacity deemed available to serve the relevant geographic market, which includes the applicant’s generation capacity located both within the market area and outside the market area that potentially could be imported into that market. The market share

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<sup>2</sup> See Order No. 697 at ¶ 231. RTO/ISO markets must have “sufficient market structure and a single energy market” in order to be considered as default relevant geographic markets under the Commission’s procedures. *Id.* at ¶ 235.

<sup>3</sup> See Order No. 697 at ¶¶ 231, 236, and 246.

<sup>4</sup> Generation capacity owned or controlled by affiliates within the same corporate family is combined in the indicative screen computations. Reference to an “applicant’s” uncommitted capacity herein thus refers to an applicant (or applicants) and its affiliates.

screen is applied separately to each of the four seasons of the year.<sup>5</sup> An applicant with a market share value below 20 percent in each of the four seasons passes the market share screen for the market under study.<sup>6</sup>

10. For purposes of the market share screen, an applicant's uncommitted capacity within a relevant geographic market area is defined as the sum of its installed capacity from generating units that it owns,<sup>7</sup> plus its remote capacity, plus any long-term firm purchases (from sellers located inside or outside of the market area), less its long-term firm sales (to buyers located inside or outside of the market area),<sup>8</sup> planned outages, operating reserves, and native load commitments.<sup>9</sup> An applicant's appropriate share of imports into the market area (if any) is added to the amount so calculated.
11. The uncommitted capacity for the entire market is determined in a comparable manner to that described above for the applicant's uncommitted capacity.

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<sup>5</sup> For purposes of the indicative screens, the Winter season is comprised of the months of December, January and February; the Spring season is comprised of the months of March, April and May; the Summer season is comprised of the months of June, July and August; and the Fall season is comprised of the months of September, October and November. The Clarifying Order provides that historical study years used for the indicative screens should begin December 1 of one calendar year and extend through November 30 of the following calendar year. *See, e.g.*, Clarifying Order at ¶ 12 and Appendix D-1.

<sup>6</sup> *See* Order No. 697 at ¶ 44.

<sup>7</sup> An applicant may use either nameplate or seasonal ratings or derate certain energy-limited resources to determine installed generating capacity, but it must do so consistently and treat non-affiliated generation capacity in the same manner. *See* Order No. 816 at ¶ 104; Order No. 697 at ¶ 343.

<sup>8</sup> Prior to Order No. 816, long-term agreements were only reported by an applicant if that applicant had operational control of the generation facility associated with the purchase. Pursuant to Order No. 816, the Commission has revised its policy for reporting long-term agreements, regardless of whether the applicant has operational control. *See* Order No. 816 at ¶¶ 130, 137. Applicants are now required to report any long-term firm purchases of any capacity and/or energy from an unaffiliated third party that has an associated long-term firm transmission reservation or is from generation capacity designated as a network resource or as a resource with capacity obligations. *Id.* at ¶ 145. Applicants are still allowed to potentially offset any long-term firm purchases by reflecting long-term firm sales in their market power analysis.

<sup>9</sup> In Order No. 697, the Commission adopted the native load definition contained at 18 CFR § 33.3(d)(4)(i), which concerns the evaluation of the competitive effects of mergers. This definition provides as follows: "Native load commitments are commitments to serve wholesale and retail power customers on whose behalf the potential supplier, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate its system to meet their reliable electricity needs." For purposes of the market share screen, the native load "proxy" is the average of the daily native load peak demands during each season. *See* Order No. 697 at ¶ 135.

12. Imports are limited to simultaneously feasible levels, *i.e.*, simultaneous import limits (“SILs”) into the market area, computed according to procedures first specified in Appendix E of *AEP I* and explained further since, including in Order No. 816, *Puget Sound Energy, Inc., et al.*, 135 FERC ¶ 61,254 (2011), *Vantage Wind Energy LLC*, 139 FERC ¶ 61,063 (2012), and *Public Service Company of New Mexico*, 153 FERC ¶ 61,060 (2015). After first directly assigning an appropriate amount of SIL to account for transmission reservations and the movement of remote owned and purchased generation, the remaining SIL amounts are allocated *pro rata* between the applicant (and its affiliates), on the one hand, and other potential sellers, on the other hand, based on relative uncommitted capacity holdings in areas that are first-tier to the geographic market being studied.<sup>10</sup>

### **B. Pivotal Supplier Screen**

13. Under the pivotal supplier screen: (i) total uncommitted capacity available to serve a geographic market first is determined as the sum of uncommitted capacity within the market plus potential imports; (ii) a “proxy” for wholesale load is determined and subtracted from the market’s total uncommitted capacity; then (iii) the applicant’s uncommitted capacity is compared to the remainder, which is termed the “net uncommitted supply.” The proxy for wholesale load is equal to the single hour’s peak demand in the market less the average of the market’s daily peak native load demands during the market’s peak month. An applicant “passes” the pivotal supplier screen if its uncommitted capacity is less than the net uncommitted supply in the geographic market (including potential imports).
14. Uncommitted capacity is defined in the same way for the pivotal supplier screen as it is for the market share screen with two exceptions. The first exception is that the native load amount is based on the average of the daily native load peak amounts during the month of the market’s annual peak (rather than the average daily peak demand during each season). The second exception is that planned outage amounts are *not* subtracted from market participants’ generation holdings in the determination of uncommitted capacity amounts. Imports are

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<sup>10</sup> See, *e.g.*, July 17, 2008 Order at ¶¶ 26-32.

treated in comparable fashion in applying the pivotal supplier screen as in applying the market share screen and again are limited to SIL amounts.<sup>11</sup>

#### IV. APPLYING THE INDICATIVE SCREENS TO OREGON CLEAN ENERGY

##### A. Geographic Markets and Time Period

15. The geographic markets that are examined in the indicative market power screens are determined by the location of the generation capacity of the applicant (or applicants). As a general matter, where generation is located within an RTO/ISO market with sufficient market structure and a single energy market with Commission-approved market monitoring and mitigation, the default geographic market is the RTO/ISO footprint.<sup>12</sup> OCEC is located in PJM, which meets these criteria. In Order No. 697, the Commission also stated that where it “has made a specific finding that there is a submarket within an RTO/ISO... the market-based rate analysis... should consider that submarket as the default relevant geographic market.”<sup>13</sup> While there are such submarkets in PJM, OCEC is not located within any of these submarkets. Therefore, I apply the indicative screens only to the PJM market as a whole.
16. The Commission’s procedures provide for the use of historical study years when applying the indicative screens.<sup>14</sup> The Clarifying Order provides that the historical study years used to apply the indicative screens should begin December 1 of one calendar year and end November 30 of the following calendar year. For my analyses, I use the December 1, 2014 through November 30, 2015 time period as the study year, referring to this as the 2014/15 Study Year.
17. A variety of data relating to generation ownership and locations, long-term purchases and sales, planned outages, load, operating reserve requirements, and SILs into each market studied must be assembled in order to apply the indicative screens.

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<sup>11</sup> See, e.g., *AEP I* at ¶¶ 94-95; Order No. 697 at ¶¶ 37-38.

<sup>12</sup> See Order No. 697 at ¶ 235.

<sup>13</sup> See *id.* at ¶ 236.

<sup>14</sup> See, e.g., *id.* at ¶ 298.

## B. Generation

18. As discussed above, Oregon Clean Energy is indirectly owned by AEIF and I Squared. Under the Commission's procedures, generation capacity owned or controlled by affiliates within the same firm is combined in the indicative screen analyses.<sup>15</sup> Accordingly, my indicative screen analyses herein consider the generation capacity of Oregon Clean Energy and its AEIF and I Squared affiliates as being under common ownership and control. In the discussion below, I refer to Oregon Clean Energy and its affiliates collectively as "Applicant and Affiliates."
19. Information on AEIF's generating resources was provided by AEIF and is presented in Exhibit EK-2, which lists generation resources owned by AEIF in PJM and balancing authority areas ("BAAs") first-tier to PJM. The exhibit identifies facility name, BAA location, and capacity rating. The Exhibit EK-2 listing reflects the full capacity value for each of the identified facilities.<sup>16</sup> With one exception, the capacity amounts identified in Exhibit EK-2 are all attributed to Applicant and Affiliates.<sup>17</sup>
20. I Squared provided information on its generating resources. Those located in PJM and first-tier BAAs are listed in Exhibit EK-3. Similar to Exhibit EK-2, Exhibit EK-3 lists the facility name, BAA location, and full capacity rating.<sup>18</sup> The capacity amounts identified in Exhibit EK-3 are all attributed to Applicants and Affiliates.

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<sup>15</sup> See, e.g., Appendix A of Order No. 816, which combines "Seller and Affiliate Capacity" in the standard reporting format for providing the indicative screen computations.

<sup>16</sup> I understand that AEIF holds a 56.85 percent undivided interest in the Plum Point facility, located in the Midcontinent Independent System Operator, Inc. ("MISO") BAA. However, in the indicative screen analyses herein I have conservatively assigned the entire output of the Plum Point facility to Applicant and Affiliates, notwithstanding that 43.15 percent is owned by non-affiliated entities.

<sup>17</sup> While the listing in Exhibit EK-2 includes AEIF's Brooklyn Navy Yard Project located in the New York Independent System Operator ("NYISO") BAA, that facility is under the control of Consolidated Edison Company of New York, Inc. ("ConEd") and therefore is attributed to ConEd, not Applicants and Affiliates, in the analyses herein.

<sup>18</sup> An affiliate of I Squared has applied to the Commission in Docket No. EC16-157 to acquire the four Yadkin Project hydroelectric facilities currently owned by Alcoa Power Generating Inc. I have conservatively attributed these facilities to Applicant and Affiliates notwithstanding that they are not yet affiliated with Oregon Clean Energy. Furthermore, these facilities are located in their own generation-only BAA that is interconnected with the BAAs operated by Duke Energy Carolinas, LLC ("Duke") and Duke Energy Progress,

21. Certain of the facilities listed in Exhibits EK-2 and EK-3 are Qualifying Facilities (“QFs”) under Public Utility Regulatory Policies Act (“PURPA”). The Commission clarified in Order No. 816 and Order No. 816-A that applicants are not required to include in their market power screens any generation capacity, either affiliated or purchased, from QFs exempt from section 205 of the Federal Power Act (“FPA”), pursuant to section 292.601(c) of the Commission’s regulations.<sup>19</sup> However, I have conservatively attributed the capacity associated with these QFs to Applicants and Affiliates in the indicative screen analyses herein.
22. Information concerning generating resources owned by non-affiliated entities was taken from EV Power. EV Power is a database product within Ventyx Energy, LLC’s (“Ventyx”) Velocity Suite. Ventyx states that the information in EV Power was assembled from a variety of publicly-available sources, including filings made by industry participants with the Commission and with the Energy Information Administration. This database is a widely used source of industry information and is appropriate for purposes of the analyses herein.
23. As noted above, the Commission has stated that any affiliated or purchased generation capacity from QFs exempt from section 205 of the FPA are not required to be included in the indicative screens.<sup>20</sup> While, as noted, I have included QFs owned by Applicants and Affiliates in my analyses, I have excluded any non-affiliated QFs of 20 MW or smaller from my analyses.<sup>21</sup> Furthermore, my analyses include only non-affiliated generating units that were in service during the 2014/15 Study Year.<sup>22</sup>
24. Certain non-affiliated load-serving entities (“LSEs”) in PJM have rights to the output from generating capacity owned by the Ohio Valley Electric Corporation (“OVEC”), which is

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both of which are first-tier to PJM. Therefore, in the analyses herein, I have conservatively treated these facilities as first-tier to PJM.

<sup>19</sup> 18 C.F.R. § 292.601(c).

<sup>20</sup> See Order No. 816 at ¶ 255; Order No. 816-A at ¶ 23.

<sup>21</sup> I know of no public database for identifying such QFs owned by or under contract with non-affiliated entities within the relevant markets. Therefore, I relied on EV Power to identify generators that are QFs and, as mentioned, excluded those that are 20 MW or smaller.

<sup>22</sup> If a non-affiliated generator entered service or retired during the 2014/15 Study Year, I only include it for the portion of the study year during which it was online.

located in the OVEC BAA. Consistent with the Commission's procedures, I "move" the capacity associated with PJM LSEs' output rights to the OVEC facilities into the PJM BAA, where I reflect it as remote capacity in the indicative screen analyses.

25. The Commission generally allows applicants to apply the indicative screens using either nameplate or seasonal capacity ratings.<sup>23</sup> The analyses herein use nameplate capacity ratings for all generating resources.

### **C. Long-Term Firm Purchases and Sales**

26. Under the Commission's procedures, long-term firm purchases are added to an applicant's capacity in the process of determining its uncommitted capacity for purposes of applying the indicative screens, while long-term firm sales are subtracted. It is my understanding that Applicants and Affiliates did not have any long-term firm purchase transactions in the study area during the 2014/15 Study Year. Accordingly, the analyses herein do not reflect any such long-term purchase transactions.
27. Regarding long-term firm sales, as noted above the Brooklyn Navy Yard Project has been contracted on a long-term basis to ConEd. Accordingly, it is not assigned to Applicants and Affiliates in the analyses herein.
28. Some of the other generation assets listed in Exhibits EK-2 and EK-3 also have been contracted to other parties on long-term bases. However, the analyses herein conservatively attribute all of that generation capacity (other than that of Brooklyn Navy Yard Project) to Applicants and Affiliates. This is a conservative approach that will increase Applicants and Affiliates' market presence as measured under the indicative screens.
29. In preparing the indicative screen analyses for PJM, it is unnecessary to explicitly reflect the long-term firm purchase and sale transactions of other market participants because these transactions will be largely offsetting. That is, as long as the capacity of each of the transacting parties is included in the analyses, the results of the indicative screens for Applicants and Affiliates will not change whether a long-term power sale transaction that does *not* involve Applicant and Affiliates is assigned to the seller-owner or to the buyer (*i.e.*,

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<sup>23</sup> See, e.g., Order No. 697 at ¶ 343.



the long-term purchases of one non-affiliated party will be the long-term sales of another non-affiliate party, and therefore net to zero).<sup>24</sup>

#### **D. Planned Outages**

30. Data on planned outages are obtained from FERC Form 714 filings for 2014 and 2015 for each BAA in the study area. These filings identify MW amounts of planned outages at the time of each monthly peak. For purposes of the current study, those monthly MW values are averaged to obtain seasonal values. I then allocate planned outages between (i) Applicants and Affiliates and (ii) non-affiliates based on relative generation holdings in the BAA.

#### **E. Load**

31. Native load obligations are subtracted from sellers' generation holdings in the process to determine uncommitted capacity.<sup>25</sup> I developed the load obligations for the PJM BAA using hour-by-hour load information reported on PJM's website.<sup>26</sup> I quantified the load obligations for the other BAAs in the study area using hour-by-hour load information from the relevant FERC Form 714 filings. Applicants and Affiliates did not have any native load obligations in the study area during the 2014/15 Study Year and therefore all load obligations are assigned to non-affiliates.

#### **F. Operating Reserves**

32. Operating reserves are deducted from generation capacity as part of the process to determine an applicant's (and non-affiliates') uncommitted capacity under the indicative screens.<sup>27</sup> For this purpose, within PJM, I quantify operating reserves as the sum of Day-Ahead Scheduling (Operating) and Regulation reserve requirements based on PJM Manual 12: Balancing

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<sup>24</sup> In this regard, the indicative screen analyses consider all non-affiliates on a combined basis, rather than individually.

<sup>25</sup> See, e.g., Order No. 697 at ¶ 38.

<sup>26</sup> See <http://www.pjm.com/markets-and-operations/ops-analysis/historical-load-data.aspx>.

<sup>27</sup> See, e.g., Order No. 697 at ¶ 38.

Operations and PJM Manual 13: Emergency Operations.<sup>28</sup> Separate amounts were computed for the portions of PJM that reside in the different reliability areas that PJM spans—*i.e.*, the ReliabilityFirst Corporation and the SERC Reliability Corporation region—and then summed.<sup>29</sup> For NYISO, I utilized the operating reserves requirements as found in the NYISO’s daily capacity reports.<sup>30</sup> I determined operating reserves amounts for the remaining BAAs in the study area based on documents pertaining to the reserve sharing group of which the BAA is a member.<sup>31</sup> I do not assign any operating reserve obligations to Applicants and Affiliates in the indicative screen analyses herein.

### **G. Simultaneous Import Limits**

33. Under the indicative screens, imports from outside the relevant market being studied are limited to the SIL into that relevant market. I obtain SIL values for PJM from the Commission’s *Order on Simultaneous Transmission Import Limit Values for the Northeast Region*, 147 FERC ¶ 61,190 (2014).<sup>32</sup> I first reduce these Commission-accepted SIL values to account for PJM LSEs’ shares of the OVEC generating facilities described above. The remaining SIL for each season is then allocated between (i) Applicants and Affiliates and (ii) other market participants (collectively) based on relative proportions of uncommitted capacity in markets first-tier to PJM. In this allocation, I have conservatively excluded from the process first-tier BAAs where Applicants and Affiliates do not own or control generating

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<sup>28</sup> See <http://www.pjm.com/documents/manuals/manuals-archive.aspx>.

<sup>29</sup> In particular, Dominion Virginia Power is part of the VACAR Reserve Sharing Group. As such, I allocate to it an amount of operating reserves equal to its load proportional share of VACAR’s single largest contingency. See “SERC Regional Criteria, Contingency Reserve Policy” (available at [http://www.serc1.org/docs/default-source/program-areas/standards-regional-criteria/regional-criteria/serc-reg-criteria\\_contingency-reserve-policy-rev-6-\(10-28-14\).pdf](http://www.serc1.org/docs/default-source/program-areas/standards-regional-criteria/regional-criteria/serc-reg-criteria_contingency-reserve-policy-rev-6-(10-28-14).pdf)).

<sup>30</sup> See [http://www.nyiso.com/public/markets\\_operations/market\\_data/reports\\_info/index.jsp](http://www.nyiso.com/public/markets_operations/market_data/reports_info/index.jsp).

<sup>31</sup> Duke is a member of the VACAR Reserve Sharing Group. MISO is a member of the MISO-MBHydro Reserve Sharing Group. See “SERC Regional Criteria, Contingency Reserve Policy” (available at [http://www.serc1.org/docs/default-source/program-areas/standards-regional-criteria/regional-criteria/serc-reg-criteria\\_contingency-reserve-policy-rev-6-\(10-28-14\).pdf](http://www.serc1.org/docs/default-source/program-areas/standards-regional-criteria/regional-criteria/serc-reg-criteria_contingency-reserve-policy-rev-6-(10-28-14).pdf)).

<sup>32</sup> See ¶ 2 and Appendix A to that order. Note that these SIL values for the December 2011 through November 2012 period are the latest SIL values for PJM accepted by the Commission.

assets. That is, while I allocate imports based on relative portions of uncommitted capacity in the Duke, MISO, and NYISO BAAs, where Applicants and Affiliates own generating assets, I have conservatively excluded all other BAAs that are first-tier to PJM (effectively assuming that there is no uncommitted capacity in these BAAs that could compete with Applicants and Affiliates for a portion of the PJM SIL).

## **V. RESULTS OF THE INDICATIVE SCREENS**

34. The results of my indicative screen analyses for the PJM market are provided in Exhibits EK-4 and EK-5. These results are presented using the standardized reporting format adopted by the Commission in Appendix A of Order No. 816. Exhibit EK-4 presents the pivotal supplier screen analysis and Exhibit EK-5 presents the market share screen analysis.
35. These exhibits indicate that Applicants and Affiliates easily meet the Commission's threshold requirements for market-based rate authority even using the conservative assumptions employed herein. Exhibit EK-4 indicates that Applicants and Affiliates easily pass the pivotal supplier screen, as Seller's Uncommitted Capacity (3,560 MW, as shown on Line Q) is far below the Net Uncommitted Supply for the market (59,699 MW, as shown on Line P). Exhibit EK-5 indicates that Applicants and Affiliates easily pass the market share screen, with seasonal market shares ranging between 3.4 percent and 4.3 percent.
36. My workpapers, portions of which contain confidential information, accompany this affidavit.
37. This concludes my affidavit.

**ERIC KORMAN**  
**Vice President**

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Fax: (415) 391-8505  
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23<sup>rd</sup> Floor  
San Francisco, CA 94108

Mr. Korman has experience in issues related to regulatory, antitrust, and securities matters. He has extensive experience in analyzing market power in wholesale electric power markets. He has analyzed such markets in several merger and acquisition proceedings and supported preparation of numerous wholesale power market analyses associated with company applications for market-based rate authority from the Federal Energy Regulatory Commission. He has provided testimony to the Commission on these issues on several occasions.

Mr. Korman has also worked on a number of antitrust cases involving allegations of price-fixing, market manipulation, predatory pricing, and attempted monopolization, as well as analyses of mergers and acquisitions.

Mr. Korman also has experience in other regulatory matters, supporting experts on matters before state regulatory commissions, the Securities and Exchange Commission, the Federal Energy Regulatory Commission, and the Federal Trade Commission.

His securities experience includes performing damages exposure analyses and supporting experts in their preparation of testimony and reports on class certification and damages in numerous Section 10b-5 and Section 11 matters. In M&A cases, he has supported experts and helped to develop economic analyses of the competitive effects of potential industry consolidation.

**EDUCATION**

2007	M.B.A., Booth School of Business, University of Chicago
2000	M.A., International Economics and Finance, Brandeis University
1999	B.A., Economics, <i>cum laude</i> , Brandeis University

**PROFESSIONAL EXPERIENCE**

2007 – Present	Analysis Group <i>Vice President, 2015- Manager, 2010-2014 Associate, 2007-2009</i>
Summer 2006	Microsoft Corporation, US Services Finance
2000 – 2005	Analysis Group <i>Senior Analyst, 2002-2005 Research Analyst, 2000-2002</i>

**TESTIFYING EXPERIENCE**

- Affidavit on behalf of Idaho Power Company, before the Federal Energy Regulatory Commission in Docket No. ER16-2091, providing updated triennial market screen and delivered price test analyses for the Northwest region, June 30, 2016.
- Affidavit on behalf of Plum Point Energy Associates, LLC and Plum Point Services Company, LLC, before the Federal Energy Regulatory Commission in Docket Nos. ER10-2615 and ER11-2335, providing updated triennial market screen analyses for the Central region, June 29, 2015.
- Affidavit on behalf of various affiliates of ALLETE, Inc., with Rodney Frame, before the Federal Energy Regulatory Commission in Docket No. ER10-2819, *et al.*, providing updated triennial market screen analyses for the Central region, December 30, 2014.
- Affidavit on behalf of Vandolah Power Company, L.L.C., with Rodney Frame, before the Federal Regulatory Commission in Docket No. ER10-2211, providing updated triennial market screen analyses for the Southeast region, December 24, 2014.
- Affidavit on behalf of EIF Newark, LLC and Newark Energy Center, LLC, with Rodney Frame, before the Federal Energy Regulatory Commission in Docket Nos. ER14-2498 and ER14-2500, providing market screen analyses to support EIF Newark and Newark Energy Center's application for market-based rate authority, July 24, 2014.

**SELECTED CASEWORK**

- **Federal Energy Regulatory Commission Market-Based Rate Analysis**  
For numerous energy companies, assisted in performing FERC generation market screen and delivered price test analyses in support of market-based rate authority under Section 205 of the Federal Power Act. Submitted expert affidavits or collaborated with expert witness on market screen analyses prepared on behalf of several energy companies including FirstEnergy, Idaho Power Company, MidAmerican Energy Company, Minnesota Power, New Brunswick Energy Marketing, PacifiCorp, Southern Companies, and many individual merchant generators.
- **MidAmerican Energy's Proposed Merger with Constellation Energy**  
Managed the implementation of a computer model to be used to assess the impact of the proposed merger of two major electric utilities on horizontal market power. Directed a team of researchers in preparing a simulation model and performing elaborate scenario analysis.
- ***Federal Energy Regulatory Commission v. National Fuel Marketing***  
Provided support in preparation of expert testimony opining on fraud and competition in natural gas pipeline capacity auctions.
- **California Power Markets**  
Supported expert in preparation of two reports on the structure of California electricity markets and on certain transactions in the California electricity marketplace on behalf of several municipal-owned utilities.
- **Federal Energy Regulatory Commission Market Manipulation Litigation**  
Supervised the construction of models of market dynamics in the Western Electricity Coordinating Council region that were used in multi-billion dollar litigation.

- **Energy Mergers and Acquisitions**  
Assisted in performing FERC delivered price test analyses under Section 203 of the Federal Power Act to assess horizontal market power concerns in several major electric utility mergers and acquisitions.
- **Nevada Power General Rate Case**  
Supported expert in electricity rate proceeding before the Public Utilities Commission of Nevada. Conducted analyses that helped verify that the utility's revenue requirements for outside services and regulatory expenses were reasonable and that its employee compensation expenses were consistent with industry labor costs.
- ***The Solyndra Residual Trust v. Suntech Power Holdings Co., Ltd.***  
Supported a defense expert whose expert reports addressed issues of market definition and market power, barriers to entry, market dynamics, input costs, output pricing, and profitability, among other topics.
- ***In Re: TFT-LCD (Flat Panel) Antitrust Litigation***  
Supported a defense expert opining on the implications of plaintiffs' expert's estimates of sale prices, but-for an alleged price-fixing conspiracy, on capacity investments in the industry. Supported counsel at trial during examination of plaintiffs' experts and supporting fact witnesses. Jury awarded damages consistent with defense experts' testimony, totaling less than one percent of plaintiffs' claim.
- ***T. Jeffrey Simpson, et al. v. Homestore.Com, Inc., et al.***  
Supported an expert testifying at trial and in post-trial motions in a securities fraud class action matter to show that Analysis Group's client owed no damages.
- **Predatory Pricing**  
Supported an expert in preparing two reports addressing antitrust liability and Plaintiff's predatory pricing claims. Conducted extensive analysis of several companies' pricing and cost accounting data to measure average variable cost. Rebutted Plaintiff's expert's damages analysis.
- **FINRA Arbitration**  
Supported an expert testifying at arbitration regarding the likelihood that an acquisition would have been successful and resulted in the introduction of a profitable product.
- **Auction Acquisition Dispute**  
Supported an expert testifying in trial regarding which of two proposed auction proposals would result in higher sale value.
- **Securities Fraud Litigation**  
For numerous Rule 10b-5 and Section 11 securities litigations, conducted event studies, damages exposure analyses, and related analyses. Performed econometric analyses to determine the effects of accounting restatements on security prices. Supported experts in preparation of numerous reports and testimony on class certification and damages. Provided consulting support to counsel in mediation and settlement negotiations.
- **Valuation**  
Conducted complex valuation of assets to determine fair value.
- **P&O Princess Cruises/Carnival Corporation Merger**  
Supported academic affiliate in preparing a white paper for an FTC investigation regarding the proposed merger. Performed economic analysis to determine the relevant antitrust market.

**PUBLICATIONS**

- “FERC Revises Market-Based Rate Procedures,” with Mark Williams, *Public Utilities Fortnightly*, March 2016.
- “Caution Required when Using Managerial Accounting Data in Court,” with James Rosberg, *Today’s General Counsel*, February/March 2013.

**PRESENTATIONS, CONFERENCES, SPEAKING ENGAGEMENTS**

- Center for Research in Regulated Industries, Western Conference, June 2016: Chair of session “Wholesale Markets;” Discussant for session “Water.”
- Center for Research in Regulated Industries, Western Conference, June 2015: Discussant for session “Wholesale Markets.”

**Generation Capacity Owned by AEIF  
in PJM and First-Tier BAAs**

Plant Name	BAA	Nameplate Capacity (MW)
<b>PJM BAA</b>		
<b>Oregon Clean Energy Center (OCEC)<sup>1</sup></b>	<b>PJM</b>	<b>962.0</b>
B.L. England Generating Station	PJM	347.6
Chambers Cogeneration LP	PJM	285.0
Dixon Hydroelectric Dam	PJM	3.0
Edgecombe Genco LLC	PJM	114.8
I 95 Municipal Landfill	PJM	6.4
Linden Unit 6	PJM	212.5
Logan Generating Company LP	PJM	242.3
Morgantown Energy Facility	PJM	68.9
Newark Energy Center <sup>2</sup>	PJM	735.0
Ocean County (MRPC)	PJM	4.8
Ocean Energy Corp (OEC)	PJM	9.6
Schoolfield Dam	PJM	4.5
Scrubgrass Generating Company	PJM	94.7
Spruance Genco, LLC	PJM	229.6
<b>Total PJM BAA (excluding OCEC)</b>		<b>2,358.7</b>
<b>First-Tier BAAs</b>		
Boyds Mill Hydroelectric Facility	Duke	1.4
City of Winston-Salem Landfill	Duke	4.5
Holidays Bridge Hydroelectric Facility	Duke	4.0
Saluda Hydroelectric Facility	Duke	2.4
Turner Shoals Hydroelectric Facility	Duke	5.4
Ada Dam	MISO	1.4
Adrian Landfill	MISO	2.4
Carleton Farms Landfill	MISO	11.2
Cascade Dam	MISO	1.6
City of Ann Arbor Landfill	MISO	0.8
City Sand Landfill	MISO	1.6
Fallasburg	MISO	0.9
French Landing Dam	MISO	1.6
Heat Recovery Coke Facility	MISO	94.6
Ironside	MISO	48.0
Little Quinnesec Falls Hydro Project	MISO	9.0
Morrow Dam	MISO	0.9
North Lake	MISO	88.0
Pine Tree Acres Landfill	MISO	8.8
Plum Point Energy Station <sup>3</sup>	MISO	720.0
Portside Energy	MISO	61.0
Riverview Energy Systems I	MISO	6.6
Riverview Energy Systems III	MISO	2.4
Zimmerman Energy - County Line	MISO	6.0



<b>Plant Name</b>	<b>BAA</b>	<b>Nameplate Capacity (MW)</b>
Brooklyn Navy Yard Cogeneration <sup>4</sup>	NYISO	322.0
Colonie LFGTE Facility	NYISO	4.8
DANC LFGTE Facility	NYISO	6.4
Fulton LFGTE Facility	NYISO	3.2
Linden Units 1-5	NYISO	761.6
Model City Energy Facility	NYISO	5.6
Modern Innovative Energy Project	NYISO	6.4
Ontario County Project	NYISO	11.2
Seneca Falls Project	NYISO	17.6
<b>Total First Tier-BAAs</b>		<b>2,223.3</b>
<b>Total AEIF (excluding OCEC)</b>		<b>4,582.0</b>

**Notes:**

- <sup>1</sup> The interconnection service agreement between Oregon Clean Energy, ATSI, and PJM provides for two 313 MW gas combustion turbines and a 336 MW steam turbine, for a total capacity of 962 MW. The maximum facility output under the interconnection service agreement is 960 MW. Conservatively, the indicative screen analyses herein use a capacity of 962 MW.
- <sup>2</sup> The Newark Energy Center did not enter commercial operation until September 2015. The indicative screen analyses herein conservatively include it for the entire 2014/15 Study Year.
- <sup>3</sup> AEIF owns jointly with John Hancock Life Insurance Company a 56.85 percent undivided interest in the 720 MW Plum Point facility. The indicative screen analyses herein conservatively attribute the entire capacity of the Plum Point facility to Applicants and Affiliates.
- <sup>4</sup> All of the output of the Brooklyn Navy Yard project is sold to ConEd under long-term contractual arrangements that convey control to ConEd.

**Sources:** EV Power; AEIF

**Generation Capacity Owned by I Squared  
in PJM and First-Tier BAAs**

Plant Name	BAA	Nameplate Capacity (MW)
<b>PJM BAA</b>		
<b>Oregon Clean Energy Center (OCEC)<sup>1</sup></b>	<b>PJM</b>	<b>962.0</b>
Allegheny Lock & Dam No. 5	PJM	9.2
Allegheny Lock & Dam No. 6	PJM	9.2
Dam No. 4	PJM	1.9
Dam No. 5	PJM	1.0
Lake Lynn Hydroelectric Station	PJM	51.2
Luray	PJM	1.6
Mahoning Creek Hydroelectric Project	PJM	6.0
Millville Project	PJM	2.8
Newport	PJM	1.4
NJ Oak Solar	PJM	10.0
Shenandoah	PJM	0.9
Warren	PJM	0.8
York Haven Hydroelectric Project	PJM	19.6
<b>Total PJM BAA (excluding OCEC)</b>		<b>115.6</b>
<b>First-Tier BAAs</b>		
Glen Park Hydroelectric Project	NYISO	32.6
Little Falls Project	NYISO	13.0
Lyonsdale Project	NYISO	3.0
Falls Hydro <sup>2</sup>	Yadkin	31.4
High Rock Hydro <sup>2</sup>	Yadkin	33.0
Narrows <sup>2</sup>	Yadkin	108.8
Tuckertown Hydro <sup>2</sup>	Yadkin	42.0
<b>Total First Tier-BAAs</b>		<b>263.8</b>
<b>Total I Squared (excluding OCEC)</b>		<b>379.4</b>

**Note:**

<sup>1</sup> The interconnection service agreement between Oregon Clean Energy, ATSI, and PJM provides for two 313 MW gas combustion turbines and a 336 MW steam turbine, for a total capacity of 962 MW. The maximum facility output under the interconnection service agreement is 960 MW. Conservatively, the indicative screen analyses herein use a capacity of 962 MW.

<sup>2</sup> An affiliate of I Squared has applied to the Commission in Docket No. EC16-157 to acquire the four Yadkin Project hydroelectric facilities currently owned by Alcoa Power Generating Inc. These facilities are conservatively attributed to Applicant and Affiliates in the indicative screen analyses herein, notwithstanding that they are not yet affiliated with Oregon Clean Energy. Furthermore, these facilities are located in their own generation-only BAA that is interconnected with the Duke Energy Carolinas and Duke Energy Progress BAAs, both of which are first-tier to PJM. Therefore, these facilities are treated as first-tier to PJM in the indicative screen analyses herein.

**Sources:** EV Power; I Squared

**Part I - Pivotal Supplier Analysis**  
**Applicant: Oregon Clean Energy, LLC**  
**Study Area: PJM BAA**  
**Data Year: Dec 2014-Nov 2015**

Row		MW	Reference
<b>Generation</b>			
<b>Seller and Affiliate Capacity</b>			
A	Installed Capacity (from inside the study area)	3,436	Workpaper - Generation
A1	Remote Capacity (from outside the study area)	0	Workpaper - Generation
B	Long-Term Firm Purchases (from inside the study area)	0	Workpaper - Generation
B1	Long-Term Firm Purchases (from outside the study area)	0	Workpaper - Generation
C	Long-Term Firm Sales (in and outside the study area)	0	Workpaper - Generation
D	Uncommitted Capacity Imports	123	Workpaper - Imported Power
<b>Non-Affiliate Capacity</b>			
E	Installed Capacity (from inside the study area)	199,064	Workpaper - Generation
E1	Remote Capacity (from outside the study area)	2,001	Workpaper - Generation
F	Long-Term Firm Purchases (from inside the study area)	0	Workpaper - Generation
F1	Long-Term Firm Purchases (from outside the study area)	0	Workpaper - Generation
G	Long-Term Firm Sales (in and outside the study area)	0	Workpaper - Generation
H	Uncommitted Capacity Imports	6,132	Workpaper - Imported Power
I	Study Area Reserve Requirement	7,425	Workpaper - Reserves
J	Amount of Line I Attributable to Seller, if any	0	Workpaper - Reserves
K	Total Uncommitted Supply (A+A1+B+B1+D+E+E1+F+F1+H-C-G-I-M)	81,732	
<b>Load</b>			
L	Balancing Authority Area Annual Peak Load	143,633	Workpaper - Load
M	Average Daily Peak Native Load in Peak Month	121,600	Workpaper - Load
N	Amount of Line M Attributable to Seller, if any	0	Workpaper - Load
O	Wholesale Load (L-M)	22,034	
P	Net Uncommitted Supply (K-O)	59,699	
Q	Seller's Uncommitted Capacity (A+A1+B+B1+D-C-J-N)	3,560	
<b>Result of Pivotal Supplier Screen</b>	(Pass if Line Q < Line P) (Fail if Line Q > 0 and Line Q > Line P) <sup>1</sup>	<b>PASS</b>	
R	Total Imports (Sum D, H), as filed by Seller	6,256	
	% of SIL for Sellers' imported capacity (D/R)	2%	
	% of SIL for Others' imported capacity (H/R)	98%	
S	SIL value	6,256	
	Do Total Imports exceed the SIL value? (is R ≤ S)	No	

Note:

<sup>1</sup> Formulation in Appendix A of Order No. 816 adjusted to ensure that an applicant with zero or negative uncommitted capacity does not fail the pivotal supplier analysis.

**Part II - Market Share Analysis**  
**Applicant: Oregon Clean Energy, LLC**  
**Study Area: PJM BAA**  
**Data Year: Dec 2014-Nov 2015**

Row		Winter (MW)	Spring (MW)	Summer (MW)	Fall (MW)	Reference
<b>Seller and Affiliate Capacity</b>						
A	Installed Capacity (from inside the study area)	3,436	3,436	3,436	3,436	Workpaper - Generation
A1	Remote Capacity (from outside the study area)	0	0	0	0	Workpaper - Generation
B	Long-Term Firm Purchases (from inside the study area)	0	0	0	0	Workpaper - Generation
B1	Long-Term Firm Purchases (from outside the study area)	0	0	0	0	Workpaper - Generation
C	Long-Term Firm Sales (in and outside the study area)	0	0	0	0	Workpaper - Generation
D	Seasonal Average Planned Outages	136	424	72	421	Workpaper - Planned Outages
E	Uncommitted Capacity Imports	177	75	122	195	Workpaper - Imported Power
<b>Capacity Deductions</b>						
F	Average Peak Native Load in the Season	112,387	94,917	117,821	95,173	Workpaper - Load
G	Amount of Line F Attributable to Seller, if any	0	0	0	0	Workpaper - Load
H	Amount of Line F Attributable to Others, if any	112,387	94,917	117,821	95,173	Workpaper - Load
I	Balancing Authority Area Reserve Requirement	7,055	6,068	7,224	6,101	Workpaper - Reserves
J	Amount of Line I Attributable to Seller, if any	0	0	0	0	Workpaper - Reserves
K	Amount of Line I Attributable to Others, if any	7,055	6,068	7,224	6,101	Workpaper - Reserves
<b>Non-Affiliate Capacity</b>						
L	Installed Capacity (from inside the study area)	208,411	207,644	199,354	199,454	Workpaper - Generation
L1	Remote Capacity (from outside the study area)	2,001	2,001	2,001	2,001	Workpaper - Generation
M	Long-Term Firm Purchases (from inside the study area)	0	0	0	0	Workpaper - Generation
M1	Long-Term Firm Purchases (from outside the study area)	0	0	0	0	Workpaper - Generation
N	Long-Term Firm Sales (in and outside the study area)	0	0	0	0	Workpaper - Generation
O	Seasonal Average Planned Outages	8,473	26,188	4,233	24,921	Workpaper - Planned Outages
P	Uncommitted Capacity Imports	9,838	4,388	6,133	11,256	Workpaper - Imported Power
<b>Supply Calculation</b>						
Q	Total Competing Supply (L+L1+M+M1+P-H-K-N-O)	92,335	86,861	78,211	86,517	
R	Seller's Uncommitted Capacity (Greater of 0 and A+A1+B+B1+E-C-D-G-J) <sup>1</sup>	3,477	3,087	3,487	3,210	
S	Total Seasonal Uncommitted Capacity (Q+R)	95,812	89,948	81,697	89,727	
T	<b>Seller's Market Share (R/S)<sup>1</sup></b>					
	Results (Pass if < 20%)	3.6%	3.4%	4.3%	3.6%	
	(Fail if ≥ 20%)	<b>PASS</b>	<b>PASS</b>	<b>PASS</b>	<b>PASS</b>	
U	Total Imports, as filed by Seller (E+P)	10,015	4,463	6,256	11,451	
V	SIL value	10,015	4,463	6,256	11,451	
	Do Total Imports exceed SIL value? (is U≤V)	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	

Note:

<sup>1</sup> Formulation in Appendix A of Order No. 816 adjusted to require value to be nonnegative.

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Oregon Clean Energy, LLC**

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**Docket No. ER16-\_\_-000**

**Affidavit of Eric Korman**

Eric Korman, being first duly sworn, deposes and says that he has read the foregoing Affidavit of Eric Korman, and that the matters and things set forth therein are true and correct to the best of his knowledge, information and belief.

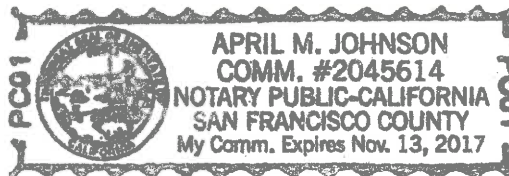


\_\_\_\_\_  
Eric Korman

Subscribed and sworn (or affirmed) before me this 18 day of August, 2016, by Eric Korman, proved to me on the basis of satisfactory evidence to be the person who appeared before me.



\_\_\_\_\_  
Notary Public



FERC rendition of the electronically filed tariff records in Docket No. ER16-02462-000

Filing Data:

CID: C005347

Filing Title: Application for Market Based Rate

Company Filing Identifier: 706

Type of Filing Code: 400

Associated Filing Identifier:

Tariff Title: Market Base Rate Tariff

Tariff ID: 948

Payment Confirmation:

Suspension Motion:

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

FERC Electric Tariff, Market Based Rate Tariff, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 1

Tariff Record Collation Value: 1000000 Tariff Record Parent Identifier: 0

Proposed Date: 2016-10-21

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

### **Oregon Clean Energy, LLC Market Based Rate Tariff**

1) Availability: Oregon Clean Energy, LLC (“Seller”) makes electric energy, capacity, and ancillary services available under this tariff to any purchaser, except as prohibited below.

2) Applicability: This tariff is applicable to all wholesale sales of electric energy and capacity and/or ancillary services by Seller.

3) Rates: All sales shall be made at rates established by agreement between the purchaser and Seller.

4) Other Terms and Conditions: All other terms and conditions for any sales under this tariff shall be established by agreement between the purchaser and Seller.

5) Seller Category: Seller is a Category 2 seller in the Northeast region and a Category 1 seller in all other regions, as those categories are defined in 18 CFR § 35.36(a).

6) Compliance with Commission Regulations: Seller shall comply with the provisions of 18 CFR Part 35, Subpart H, as applicable, and with any conditions the Commission imposes in its orders concerning seller’s market-based rate authority, including orders in which the Commission authorizes seller to engage in affiliate sales under this tariff or otherwise restricts or limits the seller’s market-based rate authority. Failure to comply with the applicable provisions of 18 CFR Part 35, Subpart H, and with any orders of the Commission concerning seller’s market-based rate authority, will constitute a violation of this tariff.

7) Limitations and Exemptions Regarding Market-Based Rate Authority: Seller has received waiver of: Subparts B and C of Part 35, except for sections 35.12(a), 35.13(b), 35.15 and 35.16; Part 41, Part 101, and Part 141, except sections 141.14 and 141.15; and received blanket approval under Part 34. *Oregon Clean Energy, LLC*, ER16-\_\_\_\_-000, at \_\_\_\_ (\_\_\_\_, 2016)(unpublished letter order).

8) Ancillary Services:

PJM: Seller offers regulation and frequency response service, energy imbalance service, and operating reserve service (which includes spinning, 10-minute, and 30-minute reserves) for sale into the market administered by PJM Interconnection, L.L.C. ("PJM") and, where the PJM Open Access Transmission Tariff permits, the self-supply of these services to purchasers for a bilateral sale that is used to satisfy the ancillary services requirements of the PJM Office of Interconnection.

New York: Seller offers regulation and frequency response service, and operating reserve service (which include 10-minute non-synchronous, 30-minute operating reserves, 10-minute spinning reserves, and 10-minute non-spinning reserves) for sale to purchasers in the market administered by the New York Independent System Operator, Inc.

New England: Seller offers regulation and frequency response service (automatic generator control), operating reserve service (which includes 10-minute spinning reserve, 10-minute non-spinning reserve, and 30-minute operating reserve service) to purchasers within the markets administered by the ISO New England, Inc.

California: Seller offers regulation service, spinning reserve service, and non-spinning reserve service to the California Independent System Operator Corporation ("CAISO") and to others that are self-supplying ancillary services to the CAISO.

MISO: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Midcontinent Independent System Operator, Inc. ("MISO") and to others that are self-supplying ancillary services to MISO.

Southwest Power Pool: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Southwest Power Pool, Inc. ("SPP") and to others that are self-supplying ancillary services to SPP.

Ancillary services – Third Party Provider: Third-party ancillary service: Seller offers Regulation and Frequency Response Service, Reactive Supply and Voltage Control Service, Energy and Generator Imbalance Service, Operating Reserve-Spinning, and Operating Reserve-Supplemental. Sales will not include the following: (1) sales to an RTO or an ISO, i.e., where that entity has no ability to self-supply ancillary services but instead depends on third parties; and (2) sales to a traditional, franchised public utility affiliated with the third-party supplier, or sales where the underlying transmission service is on the system of the public utility affiliated with the third-party supplier. Sales of Operating Reserve-Spinning and Operating Reserve-Supplemental will not include sales to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers, except where the Commission has granted authorization. Sales of Regulation and Frequency Response Service and Reactive Supply and Voltage Control Service will not include sales to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers, except at rates not to exceed the buying public utility transmission provider's OATT rate for the same service or where the Commission has granted authorization.

9) Effective Date: This Rate Schedule shall be effective as of the date specified by the Federal Energy Regulatory Commission.



## Asset Appendix: Generation Assets

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]
Filing Entity and Its Energy Affiliates	Docket # where MBR authority was granted	Generation Name (Plant or Unit Name)	Owned By	Controlled By	Date Control Transferred	Location		In-Service Date	Capacity Rating: Nameplate (MW)	Capacity Rating: Used in Filing (MW)	Capacity Rating: Methodology Used in [K]: (N)ameplate, (S)easonal, 5-yr (U)nit, 5-yr (E)IA, (A)lternative	End Note Number (Enter text in End Note Tab)
						Market / Balancing Authority Area	Geographic Region					
Kleen Energy Systems, LLC	ER10-308-000	Kleen Energy Systems Project	Kleen Energy Systems, LLC	CL&P / Constellation	N/A	ISO-NE	Northeast	07/2011	693	693	N	
Berkshire Power Company, LLC	ER99-3502-000	Berkshire Power	Berkshire Power Company, LLC	Hess Corporation	N/A	ISO-NE	Northeast	09/1999	289	289	N	
Brooklyn Navy Yard Cogeneration Partners, L.P.	ER97-886-000	Brooklyn Navy Yard Cogeneration	Brooklyn Navy Yard Cogeneration Partners, L.P.	Consolidated Edison of New York, Inc.	N/A	NYISO	Northeast	03/1996	322	322	N	
Seneca Energy II, LLC	ER11-2042-000	Seneca Falls Project	Seneca Energy II, LLC	Seneca Energy II, LLC	N/A	NYISO	Northeast	03/1996	17.6	17.6	N	
Seneca Energy II, LLC	ER11-2042-000	Ontario County Project	Seneca Energy II, LLC	Seneca Energy II, LLC	N/A	NYISO	Northeast	11/2003	11.2	11.2	N	
Innovative Energy Systems, LLC	ER11-2041-000	NA	Aria Energy	Aria Energy	N/A	NA	NA	NA	NA	NA	NA	
Innovative/Colonie, LLC	QF05-155-000	Colonie LFGTE Facility	Innovative Energy Systems, LLC	Innovative Energy Systems, LLC	N/A	NYISO	Northeast	02/2006	4.8	4.8	N	
Innovative/DANC, LLC	QF08-698-000	DANC LFGTE Facility	Innovative Energy Systems, LLC	Innovative Energy Systems, LLC	N/A	NYISO	Northeast	10/2008	6.4	6.4	N	
Innovative/Fulton, LLC	QF08-699-000	Fulton LFGTE Facility	Innovative Energy Systems, LLC	Innovative Energy Systems, LLC	N/A	NYISO	Northeast	06/2010	3.2	3.2	N	
Model City Energy, LLC	QF01-122-000	Model City Energy Facility	Model City Energy, LLC	Model City Energy, LLC	N/A	NYISO	Northeast	06/2001	5.6	5.6	N	
Modern Innovative Energy, LLC	QF05-126-000	Modern Innovative Energy Project	Modern Innovative Energy, LLC	Modern Innovative Energy, LLC	N/A	NYISO	Northeast	02/2006	6.4	6.4	N	
Cogen Technologies Linden Venture, L.P.	ER06-738-000	Linden 1-5	Cogen Technologies Linden Venture, L.P.	Consolidated Edison Company of New York, Inc.	N/A	NYISO	Northeast	03/1992	761.6	761.6	N	
East Coast Power Linden Holding, L.L.C.	ER06-739-000	Linden 6	East Coast Power Linden Holding, L.L.C.	East Coast Power Linden Holding, L.L.C.	N/A	PJM	Northeast	01/2002	212.5	212.5	N	
Chambers Cogeneration, Limited Partnership	ER06-758-000	Chambers Cogeneration LP	Chambers Cogeneration, Limited Partnership	Chambers Cogeneration, Limited Partnership	N/A	PJM	Northeast	03/1994	285	285	N	
Edgecombe Genco, LLC	ER06-635-000	Edgecombe Genco LLC	Edgecombe Genco, LLC	Edgecombe Genco, LLC	N/A	PJM	Northeast	10/1990	114.8	114.8	N	
Schoolfield Hydroelectric Facility	QF89-194-000	Schoolfield Dam	EIF Northbrook II, LLC	EIF Northbrook II, LLC	N/A	PJM	Northeast	10/1990	4.5	4.5	N	
Logan Generating Company, L.P.	ER95-1007-000	Logan Generating Company LP	Logan Generating Company, L.P.	Logan Generating Company, L.P.	N/A	PJM	Northeast	09/1994	242.3	242.3	N	

## Ares EIF Management, LLC - Appendix B-1-Market-Based Rate Authority and Assets

LES Project Holdings, LLC - I-95 Municipal Landfill	QF91-127-000 QF93-10-000	I-95 Municipal Landfill	LES Project Holdings, LLC	LES Project Holdings, LLC	N/A	PJM	Northeast	01/1992	6.4	6.4	N	1
Morgantown Energy Associates	QF89-25-000	Morgantown Energy Facility	Morgantown Energy Associates	Monongahela Power Company	N/A	PJM	Northeast	11/1991	68.9	68.9	N	
MRPC Holdings, LLC - Ocean County (MRPC)	QF95-277-000	Ocean County (MRPC)	MRPC Holdings, LLC	MRPC Holdings, LLC	N/A	PJM	Northeast	02/1997	4.8	4.8	N	
Ocean Energy Holdings, LLC - Ocean Energy Corp (OEC)	QF06-341-000	Ocean Energy Corp (OEC)	Ocean Energy Holdings, LLC	Ocean Energy Holdings, LLC	N/A	PJM	Northeast	06/2006	9.6	9.6	N	
RC Cape May Holdings, LLC	ER07-30-000	B.L. England Generating Station	RC Cape May Holdings, LLC	RC Cape May Holdings, LLC	N/A	PJM	Northeast	08/1961	347.6	347.6	N	2
Scrubgrass Generating Company, L.P.	ER13-821-000	Scrubgrass Generating Company	Scrubgrass Generating Company, L.P.	Scrubgrass Generating Company, L.P.	N/A	PJM	Northeast	06/1993	94.7	94.7	N	
Spruance Genco, LLC	ER06-634-000	Spruance Genco, LLC	Spruance Genco, LLC	Spruance Genco, LLC	N/A	PJM	Northeast	05/1992	229.6	229.6	N	
EIF Northbrook II, LLC - Dixon Hydroelectric Facility	QF05-36-000	Dixon Hydroelectric Dam	EIF Northbrook II, LLC	EIF Northbrook II, LLC	N/A	PJM	Northeast	06/1925	3	3	N	
Newark Energy Center, LLC	ER14-2500-000	Newark Energy Center	Newark Energy Center, LLC	Newark Energy Center, LLC	N/A	PJM	Northeast	09/2015	735	735	N	
EIF Newark, LLC	ER14-2498-000	NA	EIF Newark, LLC	EIF Newark, LLC	N/A	PJM	Northeast	NA	NA	NA	NA	
Adrian Energy Associates, LLC	QF94-25-000	Adrian Landfill	Adrian Energy Associates, LLC	Adrian Energy Associates, LLC	N/A	MISO	Central	12/1994	2.4	2.4	N	
EIF Northbrook II, LLC	QF88-150-000	Ada Dam	EIF Northbrook II, LLC	EIF Northbrook II, LLC	N/A	MISO	Central	03/1984	1.4	1.4	N	
EIF Northbrook II, LLC	QF88-152-000	Cascade Dam	EIF Northbrook II, LLC	EIF Northbrook II, LLC	N/A	MISO	Central	12/1986	1.6	1.6	N	
EIF Northbrook II, LLC	QF05-39-000	Fallasburg	EIF Northbrook II, LLC	EIF Northbrook II, LLC	N/A	MISO	Central	08/1993	0.9	0.9	N	
EIF Northbrook II, LLC	QF85-713-000	Morrow Dam	EIF Northbrook II, LLC	EIF Northbrook II, LLC	N/A	MISO	Central	01/1986	0.92	0.92	N	
EIF Northbrook II, LLC	QF84-452-000	French Landing Dam	EIF Northbrook II, LLC	EIF Northbrook II, LLC	N/A	MISO (DTE)	Central	12/1988	1.6	1.6	N	
LES Project Holdings, LLC	QF95-246-000	City of Ann Arbor Landfill	LES Project Holdings, LLC	LES Project Holdings, LLC	N/A	MISO (DTE)	Central	01/1998	0.8	0.8	N	
Riverview Energy Systems, A Michigan General Partnership - Riverview Energy Systems I	QF87-677-000	Riverview Energy Systems I	Riverview Energy Systems, A Michigan General Partnership	Riverview Energy Systems, A Michigan General Partnership	N/A	MISO (DTE)	Central	01/1988	6.6	6.6	N	
Riverview Energy Systems, A Michigan General Partnership - Riverview Energy Systems III	QF95-264-000	Riverview Energy Systems III	Riverview Energy Systems, A Michigan General Partnership	Riverview Energy Systems, A Michigan General Partnership	N/A	MISO (DTE)	Central	11/1995	2.4	2.4	N	
Sumpter Energy Associates, LP - Carleton Farms Landfill	QF91-91-000	Carleton Farms Landfill	Sumpter Energy Associates, LP	Sumpter Energy Associates, LP	N/A	MISO (DTE)	Central	01/1998	11.2	11.2	N	3
Sumpter Energy Associates, LP - City Sand Landfill	QF91-91-000	City Sand Landfill	Sumpter Energy Associates, LP	Sumpter Energy Associates, LP	N/A	MISO (DTE)	Central	07/1992	1.6	1.6	N	4
Sumpter Energy Associates, LP - Pine Tree Acres Landfill	QF95-26-000	Pine Tree Acres Landfill	Sumpter Energy Associates, LP	Sumpter Energy Associates, LP	N/A	MISO (DTE)	Central	06/1998	8.8	8.8	N	
Northbrook Wisconsin LLC	QF06-80-000	Little Quinnesec Falls Hydro Project	Northbrook Wisconsin LLC	Northbrook Wisconsin LLC	N/A	MISO (ATC-WE)	Central	12/1900	9	9	N	5

## Ares EIF Management, LLC - Appendix B-1-Market-Based Rate Authority and Assets

Plum Point Energy Associates, LLC	ER08-451-000	Plum Point Energy Station	Plum Point Energy Associates, LLC	Plum Point Offtakers	N/A	MISO	Central	09/2010	720	720	N	6
Plum Point Services Company, LLC	ER10-505-000	NA	Plum Point Services Company, LLC	Plum Point Services Company, LLC	N/A	MISO	Central	NA	NA	NA	NA	7
Zimmerman Energy, LLC	QF14-826-000	Zimmerman Energy - County Line	Zimmerman Energy, LLC	Northern Indiana Public Service Company and Wabash Electric Cooperative	N/A	MISO	Central	11/2014	6	6	N	
Portside Energy, LLC	QF06-98-000	Portside Energy	Portside Energy, LLC	U.S. Steel (Retail)	N/A	MISO	Central	09/1997	61	61	N	
CokEnergy LLC	QF06-94-000	Heat Recovery Coke Facility	CokEnergy LLC	ArcelorMittal (Retail)	N/A	MISO	Central	04/1998	94.6	94.6	N	
Ironside Energy LLC	QF06-95-000	Ironside	Ironside Energy LLC	ArcelorMittal (Retail)	N/A	MISO	Central	12/2001	48	48	N	
North Lake Energy LLC	QF06-97-000	North Lake	North Lake Energy LLC	ArcelorMittal (Retail)	N/A	MISO	Central	05/1996	88	88	N	
Salt Lake Energy Systems, LLC	QF06-170-000	Salt Lake Valley Landfill	Salt Lake Energy Systems, LLC	Salt Lake Energy Systems, LLC	N/A	PacifiCorp East	Northwest	06/2006	3.2	3.2	N	
EIF Northbrook II, LLC	QF88-151-000	Sugarloaf Hydro Plant	EIF Northbrook II, LLC	EIF Northbrook II, LLC	N/A	Public Service Company of Colorado	Northwest	11/1985	2.5	2.5	N	
Timberline Energy, LLC	QF09-47-000	Erie	Timberline Energy, LLC	Xcel Energy	N/A	Public Service Company of Colorado	Northwest	03/2009	3.2	3.2	N	
EIF Northbrook II, LLC	QF97-35-000	Boyd's Mill Hydroelectric Facility	EIF Northbrook II, LLC	EIF Northbrook II, LLC	N/A	Duke	Southeast	03/1909	1.4	1.4	N	
EIF Northbrook II, LLC	QF05-35-000	Holidays Bridge Hydroelectric Facility	EIF Northbrook II, LLC	EIF Northbrook II, LLC	N/A	Duke	Southeast	01/1906	4	4	N	
EIF Northbrook II, LLC	QF05-37-000	Saluda Hydroelectric Facility	EIF Northbrook II, LLC	EIF Northbrook II, LLC	N/A	Duke	Southeast	10/1905	2.4	2.4	N	
EIF Northbrook II, LLC	QF05-38-000	Turner Shoals Hydroelectric Facility	EIF Northbrook II, LLC	EIF Northbrook II, LLC	N/A	Duke	Southeast	01/1925	5.4	5.4	N	
Salem Energy Systems, LLC	QF94-161-000	City of Winston-Salem Landfill	Salem Energy Systems, LLC	Salem Energy Systems, LLC	N/A	Duke	Southeast	07/1996	4.5	4.5	N	
Brevard Energy, LLC	QF07-390-000	Brevard Landfill	Brevard Energy, LLC	Brevard Energy, LLC	N/A	Florida Power & Light	Southeast	04/2008	9.6	9.6	N	
Seminole Energy LLC	QF07-388-000	Seminole Landfill	Seminole Energy, LLC	Seminole Energy, LLC	N/A	Florida Power & Light	Southeast	11/2008	6.4	6.4	N	
Trail Ridge Energy, LLC	QF07-389-000	Trail Ridge Landfill Gas Recovery	Trail Ridge Energy, LLC	Trail Ridge Energy, LLC	N/A	Florida Power & Light	Southeast	12/2008	9.6	9.6	N	
Indiantown Cogeneration, L.P.	QF90-214-000	Indiantown Cogeneration	Indiantown Cogeneration, L.P.	Indiantown Cogeneration, L.P.	N/A	Florida Power & Light	Southeast	12/1995	395.4	395.4	N	
Landfill Energy Systems Florida, LLC	QF14-827-000	Sarasota County	Landfill Energy Systems Florida, LLC	Jacksonville Electric Authority	N/A	Florida Power & Light	Southeast	11/2014	4.8	4.8	N	
Timberline Energy LLC - Hernando	QF07-151-000	Hernando	Timberline Energy LLC	Seminole Electric Cooperative	N/A	Florida Power & Light	Southeast	06/2008	1.6	1.6	N	
Pio Pico Energy Center, LLC	ER16-711-000	Pio Pico Energy Center	Pio Pico Energy Center, LLC	San Diego Gas & Electric	N/A	CAISO	Southwest	03/2016	318	318	N	
Burney Forest Products, A Joint Venture	QF88-218-000	Burney Forest Products	Burney Forest Products, A Joint Venture	Pacific Gas & Electric	N/A	CAISO	Southwest	10/1989	31	31	N	8
Panoche Energy Center LLC	ER09-1020-000	Panoche Energy Center	Panoche Energy Center LLC	Panoche Energy Center LLC	N/A	CAISO	Southwest	06/2009	432	432	N	
EIF Northbrook II, LLC	QF88-409-000	Kanaka Hydroelectric	EIF Northbrook II, LLC	EIF Northbrook II, LLC	N/A	CAISO	Southwest	12/1988	1.1	1.1	N	
EIF Northbrook II, LLC	QF89-262-000	Kekawaka Hydroelectric	EIF Northbrook II, LLC	EIF Northbrook II, LLC	N/A	CAISO	Southwest	12/1989	4.9	4.9	N	
EIF Haypress, LLC	QF85-232-000	Middle Haypress	EIF Haypress, LLC	EIF Haypress, LLC	N/A	CAISO	Southwest	08/12/82	5	5	N	

## Ares EIF Management, LLC - Appendix B-1-Market-Based Rate Authority and Assets

EIF Haypress, LLC	OF85-233-000	Lower Haypress	EIF Haypress, LLC	EIF Haypress, LLC	N/A	CAISO	Southwest	08/06/82	5	5	N	
Kiefer Landfill Generating II, LLC	OF06-171-000	Kiefer Landfill II	Kiefer Landfill Generating II, LLC	Kiefer Landfill Generating II, LLC	N/A	CAISO	Southwest	03/2006	6.1	6.1	N	
Sunshine Gas Producers, L.L.C.	ER14-1317-001	Sunshine Gas Producers	Sunshine Gas Producers, L.L.C.	Sunshine Gas Producers, L.L.C.	N/A	CAISO	Southwest	08/2014	23.6	23.6	N	
EIF Channelview Cogeneration, LLC	OF01-86-000	Channelview Cogeneration Plant	EIF Channelview Cogeneration, LLC	EIF Channelview Cogeneration, LLC	N/A	ERCOT	ERCOT	08/2001	918.3	918.3	N	





## Asset Appendix: End Notes

## End Notes for Entries in the Generation, Long-term PPA and Transmission Lists

[A] End Note Number	[B] List (Generation, PPA or Transmission)	[C] Explanatory Note
1	Generation	Phase 1 (QF91-127) and Phase 2 (QF93-10) of the I-95 Municipal Landfill Project have different QF docket numbers.
2	Generation	AEIF does not manage or control the B. L. England Station. Atlantic City Electric Co., 117 FERC ¶ 62,161 (2006).
3	Generation	City Sand and Carlton Farms were self-certified under the same docket number. Carleton Landfill was last certified under Docket No. QF91-91.
4	Generation	City Sand and Carlton Farms were self-certified under the same docket number. City Sand Landfill was last certified under Docket No. QF91-91.
5	Generation	This project was recertified under a new docket (Docket No. QF08-136-000).
6	Generation	The Plum Point facility and PPSC are both co-owned by South Mississippi Electric Power Association, Empire District Electric Company, and Municipal Electric Utility Commission.
7	Generation	The Plum Point facility and PPSC are both co-owned by South Mississippi Electric Power Association, Empire District Electric Company, and Municipal Electric Utility Commission.
8	Generation	Facility is both a cogeneration facility (QF88-218-007) and a small power production facility (QF12-88-000).

I Squared Capital Advisors and Affiliates	Docket # Where MBR Granted	Generation Name	Owned By	Controlled By	Date Control Transferred	Location		In-Service Date	Capacity Rating: Nameplate (MW)
						Market / Balancing Authority Area	Geographic Region		
Cube Yadkin Generation LLC ("Cube Yadkin Generation")	ER16-____ (instant petition)	Narrows	Cube Yadkin Generation	Cube Yadkin Generation	N/A	YAD	Southeast	07/1917 12/1924	108.8
Cube Yadkin Generation	ER16-____ (instant petition)	Falls Hydro	Cube Yadkin Generation	Cube Yadkin Generation	N/A	YAD	Southeast	09/1919 03/1922	31.4
Cube Yadkin Generation	ER16-____ (instant petition)	High Rock Hydro	Cube Yadkin Generation	Cube Yadkin Generation	N/A	YAD	Southeast	11/1927	33
Cube Yadkin Generation	ER16-____ (instant petition)	Tuckertown Hydro	Cube Yadkin Generation	Cube Yadkin Generation	N/A	YAD	Southeast	4/1962	42
All Dams Generation, LLC ("All Dams")	ER13-2318	Allegheny Lock & Dam No. 5 Hydroelectric Project	All Dams	All Dams	N/A	PJM	Northeast	10/1988	9.2
All Dams	ER13-2318	Allegheny Lock & Dam No. 6 Hydroelectric Project	All Dams	All Dams	N/A	PJM	Northeast	11/1988	9.2
Kendall Green Energy LLC ("Kendall")	ER01-1273	Kendall Square Generating Plant	Kendall	Kendall	N/A	ISO-NE	Northeast	06/1949 01/1951 08/1958 09/1970 12/2002	273.6
Lake Lynn Generation, LLC ("Lake Lynn")	ER13-2317	Lake Lynn Hydroelectric Station	Lake Lynn	Lake Lynn	N/A	PJM	Northeast	05/1926 06/1926 09/1926 07/1929	51.2
Little Falls Hydroelectric Associates ("Little Falls")	N/A (QF)	Little Falls Project	Little Falls	Little Falls	N/A	NYISO	Northeast	1/1987	13
Lyonsdale Associates, LLC ("Lyonsdale")	N/A (QF)	Lyonsdale Project	Lyonsdale	Lyonsdale	N/A	NYISO	Northeast	7/1984	3
Mahoning Creek Hydroelectric Company, LLC ("Mahoning Creek")	N/A (QF)	Mahoning Creek Hydroelectric Project	Mahoning Creek	Mahoning Creek	N/A	PJM	Northeast	12/2013	6
MAS ASB Cogen, LLC ("MAS ASB")	N/A (QF)	Atlanta Syrup Branch	MAS ASB	MAS ASB	N/A	Southern Company	Southeast	2012	6.5
MAS Georgia LFG, LLC ("MAS Georgia")	N/A (QF)	Pine Ridge LFCTE	MAS Georgia	MAS Georgia	N/A	Southern Company	Southeast	5/2016	6.5
MAS Georgia	N/A (QF)	Richland Creek LFCTE	MAS Georgia	MAS Georgia	N/A	Southern Company	Southeast	2016	10.9
MAS Georgia	N/A (QF)	Oak Grove LFCTE	MAS Georgia	MAS Georgia	N/A	Southern Company	Southeast	7/2016	6.5
NJ Oak Solar, LLC ("NJ Solar Oak")	N/A (QF)	NJ Oak Solar	NJ Oak Solar	NJ Oak Solar	N/A	PJM	Northeast	12/2011	10
PE Hydro Generation, LLC ("PE Hydro")	ER13-2319	Dam No. 4	PE Hydro	PE Hydro	N/A	PJM	Northeast	01/1909 01/1919 09/1991	1.9
PE Hydro	ER13-2319	Dam No. 5	PE Hydro	PE Hydro	N/A	PJM	Northeast	1/1919	1
PE Hydro	ER13-2319	Luray	PE Hydro	PE Hydro	N/A	PJM	Northeast	1/1927	1.6
PE Hydro	ER13-2319	Newport	PE Hydro	PE Hydro	N/A	PJM	Northeast	1/1923	1.4
PE Hydro	ER13-2319	Shenandoah	PE Hydro	PE Hydro	N/A	PJM	Northeast	4/1905	0.9
PE Hydro	ER13-2319	Warren	PE Hydro	PE Hydro	N/A	PJM	Northeast	4/1905	0.8
PE Hydro	ER13-2319	Millville Project	PE Hydro	PE Hydro	N/A	PJM	Northeast	01/1913 12/1938 12/1939	2.8
York Haven Power Company, LLC ("York Haven Power")	N/A (QF)	York Haven Hydroelectric Project	York Haven Power	York Haven Power	2015	PJM	Northeast	12/1905	19.6
Northbrook New York, LLC	ER99-3911	Glen Park Hydroelectric Project	Northbrook New York, LLC	Northbrook New York, LLC	N/A	NYISO	Northeast	10/1999	32.6



Capacity Rating: Used in Filing (MW)	Capacity Rating: Methodology Used in [K]: (N)ameplate, (S)easonal, 5-yr (U)nit, 5-yr (E)IA, (A)lternative	End Note Number (Enter text in End Note Tab)
108.8	N	
31.4	N	
33	N	
42	N	
9.2	N	
9.2	N	
273.6	N	
51.2	N	
13	N	
3	N	
6	N	
6.5	N	
6.5	N	1
10.5	N	2
6.5	N	3
10	N	
1.9	N	
1	N	
1.6	N	
1.4	N	
0.9	N	
0.8	N	
2.8	N	
19.6	N	
32.6	N	

<b>I Squared Capital Advisors and Affiliates</b>	<b>Docket # where MBR granted</b>	<b>Seller Name</b>	<b>Amount of PPA (MW)</b>	<b>Market / Balancing Authority Area</b>	<b>Geographic Region</b>	<b>Start Date (mo/da/yr)</b>
N/A	N/A	N/A	N/A	N/A	N/A	N/A

<b>End Date (mo/da/yr)</b>	<b>End Note Number (Enter text in End Note Tab)</b>
N/A	N/A

I Squared Capital Advisors and Affiliates	Cite to Order Accepting OATT or Approving Transfer to	Asset Name and Use	Owned By	Controlled By	Date Control Transferred	Loca
						Balancing Authority Area
Cube Yadkin Transmission LLC ("Cube Yadkin Transmission")	N/A	Transmission lines interconnecting the Yadkin BAA to first- tier markets	Cube Yadkin Transmission	Cube Yadkin Transmission	N/A	YAD

tion <b>Geographic Region</b>	<b>Size</b>	<b>End Note Number</b>
Southeast	21 miles of 13.8 kv and 100 kv transmission lines	4

<b>End Note Number</b>	<b>List (Generation, PPA, or Transmission)</b>
1	Generation
2	Generation
3	Generation
4	Transmission

**Explanatory Note**

QF self-certification was filed with FERC on April 4, 2016, operations began on May 27.

QF self-certification was filed with FERC on April 4, 2016, operations are expected to commence in mid-August.

QF self-certification was filed with FERC on April 4, 2016, operations began on July 21.

part of the Transaction described in the accompanying petition, Cube Yadkin Transmission will acquire from Aloc Power Generating Inc. - Yadkin Division (APGI) 21 miles of 13.8 kv and 100 kv transmission lines that interconnect the Yadkin BAA to its first-tier markets. See Docket No. [EC16-\_\_-000]. Upon consummating the Transaction, Cube Yadkin Transmission will succeed to APGI's OATT and provide a citation to this filing in this chart.

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