

MARKET-BASED RATE TARIFF

1. Availability: SR South Loving LLC (“Seller”) makes electric energy and capacity available under this FERC electric tariff to any purchaser for resale. Seller also makes available, to any purchaser, ancillary services except as prohibited below:

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.

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.

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.

Midcontinent ISO. 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. (“Midcontinent ISO”) and to others that are self-supplying ancillary services to Midcontinent ISO.

Third-Party Ancillary Services. Seller offers Regulation and Frequency Response Service, Reactive Supply and Voltage Control Services, 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 a 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.

2. Applicability: This Tariff is applicable to all wholesale sales of electric energy, capacity and/or ancillary services by Seller not otherwise expressly subject to another rate schedule of Seller.
3. Rates: All sales under this Tariff 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. Effective Date: This Tariff shall be effective upon the date authorized by the Federal Energy Regulatory Commission.
6. Compliance With Commission Regulations. Seller shall 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. Failure to comply with the applicable provisions of 18 C.F.R. 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 no additional limitations on its market-based rate authority. The Commission granted Seller the following exemptions in Docket No. ER17-____-000: (i) waiver of the accounting and reporting requirements contained in 18 C.F.R. Parts 41, 101, and 141, except Sections 141.14 and 141.15, and with the exception that waiver of the provisions of Part 101 that apply to hydropower licenses is not granted with respect to licensed hydropower projects; (ii) waiver of 18 C.F.R. Part 35, Subparts B and C, except Sections 35.12(a), 35.13(b), 35.15, and 35.16; and (iii) blanket authorization for the issuance of securities or the assumption of liabilities pursuant to 18 C.F.R. Part 34.
8. Seller Category: Seller is a Category 1 seller, as defined in 18 C.F.R. § 35.36(a), in the following regions: Central, Northeast, Southeast, Northwest, Southwest and SPP.

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

SR South Loving LLC)
) Docket No. ER17-___-000
)

**APPLICATION FOR MARKET-BASED RATE AUTHORIZATION
UNDER SECTION 205 OF THE FEDERAL POWER ACT,
REQUEST FOR WAIVERS AND BLANKET APPROVALS, AND
REQUEST FOR EXPEDITED CONSIDERATION**

Pursuant to Section 205 of the Federal Power Act (“FPA”)¹, Rule 205 of the Rules of Practice and Procedure of the regulations of the Federal Energy Regulatory Commission (“Commission” or “FERC”),² and Part 35 of the Commission’s regulations,³ SR South Loving LLC (“SR South Loving” or “Applicant”) hereby requests that the Commission grant it authority to make market-based wholesale sales of capacity, energy, and ancillary services pursuant to the market-based rate tariff (“Tariff”) included herewith. Applicant respectfully requests that the Commission permit this Tariff to become effective December 5, 2016, and grant such waivers and blanket approvals as are further described in this Application, which the Commission has routinely granted to entities with market-based rates.

I. LIST OF DOCUMENTS SUBMITTED WITH FILING

Exhibit A – Tariff

Exhibit B – Asset Appendix

¹ 16 U.S.C. § 824d (2016).

² 18 C.F.R. §§ 385.204, 385.205.

³ 18 C.F.R. Part 35.

II. COMMUNICATIONS

All communications and service related to this application should be directed to the individuals listed below. Applicant respectfully requests waiver to allow more than two persons to be placed on the Commission's service list.

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III. DESCRIPTION OF APPLICANT AND RELEVANT AFFILIATES

A. Applicant

SR South Loving is a limited liability company that will construct, own, and operate a 52 MW solar-powered electric generating facility (the "Facility") located in Jeff Davis County, Georgia. SR South Loving is solely in the business of developing, owning, and operating the Facility, which will interconnect with the transmission facilities of Georgia Transmission Corporation (An Electric Membership Corporation) ("GTC"). SR South Loving filed a "Notice of Certification of Qualifying Facility Status for a Small Power Production or Cogeneration Facility" on October 3, 2016, as

supplemented on October 26, 2016.⁴ SR South Loving entered into an interconnection agreement with GTC on December 15, 2015 (“Interconnection Agreement”). Likewise, SR South Loving entered into a Power Purchase Agreement on September 23, 2015 (“Power Purchase Agreement”) with Green Power Electric Membership Corporation (“Green Power EMC”) for the entire capacity of the Facility for a term of thirty (30) years from the commercial operation date of the project.⁵

Applicant is a direct subsidiary of SR South Loving Holdings Tier B, LLC (“SR South Loving Holdings”) and an indirect wholly-owned subsidiary of Silicon Ranch Corporation (“Silicon Ranch”). Silicon Ranch is in the business of, among other things, developing solar generation facilities in the United States. Silicon Ranch is a Delaware corporation owned by collection of individuals, succession-planning trusts, and private equity investment vehicles, none of which is an electric utility company. As of the effective date of the Tariff,⁶ SR South Loving Holdings will have three members: SR South Loving Holdings Tier A, LLC (“SR Holdings Tier A”), which is SR South Loving Holdings’ managing member and owns 100% of its Class A interests; Firststar Development, LLC, owning 10% of the Class B interests; and USB RETC Fund 2016-9, LLC, owning the remaining 90% of the Class B Interests. SR Holdings Tier A is wholly

⁴ See Self-Certification of SR South Loving LLC, Docket No. QF17-9 (Oct. 3, 2016), as supplemented on Oct. 26, 2016.

⁵ Accordingly, Applicant will make an informational filing confirming the termination date within 30 days of that being determined, in accordance with Order Nos. 816 and 816-A. See *Refinements to Policies & Procedures for Mkt.-Based Rates for Wholesale Sales of Elec. Energy, Capacity & Ancillary Servs. by Pub. Utils.*, Order No. 816, 153 FERC ¶ 61,065 (2015) at P 44 (“Order No. 816”), *order on reh’g*, Order No. 816-A, 155 FERC ¶ 61,188 at P 16 (2016) (“Order No. 816-A”).

⁶ The upstream ownership listed for SR South Loving reflects changes due to a tax-equity transaction, which are anticipated to occur prior to the requested effective date of the Tariff. In the event the tax-equity transaction does not close, SR South Loving will notify the Commission of the correct upstream ownership for SR South Loving.

owned by SR SunCo II, LLC, which is a direct, wholly-owned subsidiary of Silicon Ranch.

B. Relevant Affiliates

Through Silicon Ranch, SR South Loving is affiliated with the following entities that own or control generating facilities in the Southern Company and Tennessee Valley Authority (“TVA”) balancing authority areas (“BAAs”) within the southeast region, the Southwestern Power Administration BAA within the central region, and the Western Area Power Administration – Rocky Mountain Region BAA located in the northwest region:⁷

- SR Pulaski, LLC, the owner of a 1.0 MW (nameplate rating) QF⁸ solar generation facility whose output is fully committed to TVA;
- Commerce Way, LLC, the owner of two, 0.2 MW (nameplate rating) QF solar generation facilities whose output are both fully committed to TVA;
- Elkton, LLC, the owner of two, 0.2 MW (nameplate rating) QF solar generation facilities whose output are both fully committed to TVA;
- Silicon Ranch Investments, LLC, the owner of a 0.2 MW (nameplate rating) QF solar generation facility whose output is fully committed to TVA;
- SR Harvest, LLC, the owner of a 0.2 MW (nameplate rating) QF solar generation facility whose output is fully committed to TVA;
- SR Park Plaza, LLC, the owner of two, 0.2 MW (nameplate rating) QF solar generation facilities whose output are both fully committed to TVA;

⁷ SR South Loving is also affiliated with certain behind-the-meter generation facilities, including a 9.6 MW QF facility owned by SR Enterprise South, LLC whose output is fully committed, behind-the-meter, to Volkswagen as the end user of the facility’s capacity. In accordance with the Commission’s clarification in Order No. 816, this capacity does not appear in the appended chart of assets and is not relevant to the Commission’s horizontal market power analysis. *See* Order No. 816 at PP 253-255.

⁸ For any affiliate listed herein that does not have a citation to its QF self-certification, such affiliate has a net power production capacity of 1 MW or less and, therefore, is exempt from the requirement to file a self-certification as a QF. *See* 18 C.F.R. § 292.203(d).

- SR Memphis, LLC, the owner of a 0.8 MW (nameplate rating) QF solar generation facility whose output is fully committed to TVA;
- SR Agricenter, LLC, the owner of a 1.0 MW (nameplate rating) QF solar generation facility whose output is fully committed to TVA;
- Simon Solar Farm, LLC, the owner of a 30.0 MW (nameplate rating) QF⁹ solar generation facility with market-based rate authority¹⁰ whose output is fully committed to Georgia Power Company;
- HKCR, LLC, the owner of a 0.8 MW (nameplate rating) QF¹¹ solar generation facility whose output is fully committed to TVA;
- PJLD, LLC, the owner of a 0.8 MW (nameplate rating) QF¹² solar generation facility whose output is fully committed to TVA;
- JMR, LLC, the owner of a 0.8 MW (nameplate rating) QF¹³ solar generation facility whose output is fully committed to TVA;
- SR Columbus, LLC, the owner of a 0.8 MW (nameplate rating) QF¹⁴ solar generation facility whose output is fully committed to TVA;
- SR Walker East, LLC, the owner of a 0.5 MW (nameplate rating) QF¹⁵ solar generation facility whose output is fully committed to TVA;
- SR Hazlehurst, LLC, the owner of a 19.8 MW (nameplate rating) QF¹⁶ solar generation facility whose output is fully committed to Green Power EMC;
- SR Camden, LLC, the owner of a 12.0 MW (nameplate rating) QF¹⁷ solar generation facility whose output is fully committed to Arkansas Electric Cooperative Corporation;

⁹ See Self-Certification of Simon Solar Farm, LLC, Docket No. QF13-353 (April 17, 2013).

¹⁰ *Simon Solar Farm, LLC*, Docket No. ER13-2490 (Nov. 22, 2013) (Delegated Letter Order).

¹¹ See Self-Certification of HKCR, LLC, Docket No. QF15-198 (Dec. 15, 2014).

¹² See Self-Certification of PJLD, LLC, Docket No. QF15-200 (Dec. 15, 2014).

¹³ See Self-Certification of JMR, LLC, Docket No. QF15-199 (Dec. 15, 2014).

¹⁴ See Self-Certification of SR Columbus, LLC, Docket No. QF16-187 (Nov. 12, 2015).

¹⁵ See Self-Certification of SR Walker East, LLC, Docket No. QF16-186 (Nov. 12, 2015).

¹⁶ See Self-Certification of SR Hazlehurst, LLC, Docket No. QF15-894 (July 17, 2015), as supplemented on Aug. 18, 2015.

¹⁷ See Self-Certification of SR Camden, LLC, Docket No. QF15-881 (July 7, 2015), as supplemented on July 20, 2015.

- SR Clinch, LLC, the owner of two, 3.9 MW (nameplate rating) QF¹⁸ solar generation facilities whose output are both fully committed to Poudre Valley Rural Electric Association, Inc. (“Poudre Valley REA”);
- SR Skylark B, LLC, the owner of a 2.6 MW (nameplate rating) QF¹⁹ solar generation facility whose output is fully committed to Poudre Valley REA;
- SR Jenkins, LLC, the owner of a 13.2 MW (nameplate rating) QF²⁰ solar generation facility whose output is fully committed to United Power;
- Ripley SEPI, LLC, the owner of a 1.0 MW (nameplate rating) QF²¹ solar generation facility whose output is fully committed to TVA;
- Energize Ripley, LLC, the owner of a 1.0 MW (nameplate rating) QF²² solar generation facility whose output is fully committed to TVA;
- PS Lauderdale, LLC, the owner of a 1.0 MW (nameplate rating) QF²³ solar generation facility whose output is fully committed to TVA; and
- SR Ripley, LLC, the owner of a 1.0 MW (nameplate rating) QF²⁴ solar generation facility whose output is fully committed to TVA.

Additional details on Applicant and its affiliates’ contractual arrangements—including the information required by Order No. 816²⁵—can be found in the Asset Appendix attached hereto as Exhibit B.

¹⁸ See Self-Certification of SR Clinch, LLC, Docket Nos. QF16-261 and QF16-262 (Dec. 21, 2015).

¹⁹ See Self-Certification of SR Skylark B, LLC, Docket No. QF16-1276 (Sept. 20, 2016).

²⁰ See Self-Certification of SR Jenkins, LLC, Docket No. QF16-521 (March 8, 2016).

²¹ See Self-Certification of Ripley SEPI, LLC, Docket No. QF16-1275 (Sept. 20, 2016).

²² See Self-Certification of Energize Ripley, LLC, Docket No. QF16-1271 (Sept. 20, 2016).

²³ See Self-Certification of PS Lauderdale, LLC, Docket No. QF16-1273 (Sept. 20, 2016).

²⁴ See Self-Certification of SR Ripley, LLC, Docket No. QF16-1274 (Sept. 20, 2016).

²⁵ Order No. 816 at P 39 (2015) (“[The] Commission clarifies here that when all of a seller’s generation capacity is sold on a long-term firm basis to one or more buyers, the seller has no uncommitted capacity and in such cases will not be required to file the indicative screens. Sellers may explain that their generation capacity is fully committed in lieu of including indicative screens in their filings in order to satisfy the Commission’s market-based rate requirements regarding horizontal market power in instances where all generation owned or controlled by a seller and its affiliates in the relevant balancing authority areas or markets, including first-tier balancing authority areas or markets, is fully committed. We clarify that to qualify as fully committed, a seller must commit the capacity to a non-affiliated buyer so that none of it is available to the seller or its affiliates for one year or longer. We also adopt the proposal that for those sellers claiming that all of their relevant capacity is fully committed they must include the following

IV. REQUEST FOR BLANKET AUTHORIZATION TO SELL ELECTRICITY AT MARKET-BASED RATES

SR South Loving respectfully requests authorization to sell electric energy, capacity, and ancillary services at market-based rates pursuant to the attached Tariff. The Commission will grant authority to sell electric energy (including capacity and ancillary services) at market-based rates if the seller and each of its affiliates does not have, or has adequately mitigated, horizontal²⁶ and vertical²⁷ market power in generation or transmission and cannot erect other barriers to entry in the relevant market or markets. SR South Loving meets the Commission's requirements for receiving authority to make sales of electric energy, capacity, and ancillary services at market-based rates, as discussed below.

A. Applicant Does Not Have Horizontal Market Power

The Commission requires that an applicant proposing to sell power at market-based rates show its lack of horizontal market power by demonstrating that it (including consideration of its relevant affiliates) passes the pivotal supplier and the market share screens (collectively, the "Indicative Screens") in the applicable geographic markets.²⁸ If the applicant fails either screen, then the applicant can provide other evidence showing

information: the amount of generation capacity that is fully committed, the names of the counterparties, the length of the long-term contract, the expiration date of the contract, and a representation that the contract is for firm sales for one year or longer. In order to qualify as fully committed, the commitment of the generation capacity cannot be limited during that 12-month consecutive period in any way, such as limited to certain seasons, market conditions, or any other limiting factor.") (emphasis added).

²⁶ See *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs., ¶ 31,252, at PP 13-20, *clarified*, 121 FERC ¶ 61,260 (2007) ("Order No. 697"), *order on reh'g*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268, *clarified*, 124 FERC ¶ 61,055, *order on reh'g*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008), *order on reh'g*, Order No. 697-D, FERC Stats. & Regs. ¶ 31,305 (2010).

²⁷ Order No. 697 at PP 397-99.

²⁸ See, e.g., Order No. 697; 18 C.F.R. § 35.37.

lack or mitigation of horizontal market power.²⁹ If the applicant passes both screens, there is a rebuttable presumption that the applicant does not possess horizontal market power in the relevant geographic markets.

The Commission has authorized the submission of streamlined applications and the use of simplifying assumptions.³⁰ In Order No. 816, FERC stated, “[When] all of a seller’s generation capacity is sold on a long-term firm basis to one or more buyers, the seller has no uncommitted capacity and in such cases will not be required to file the [I]ndicative [S]creens.”³¹ Additionally, FERC has clarified the information a seller must provide to demonstrate that all of its relevant capacity is fully committed, which includes: the amount of generation capacity that is fully committed, names of the counterparties, length of the long-term contract, expiration date of the contract, and a representation that the contract is for firm sales for one year or longer.³²

SR South Loving meets these requirements because: (1) all 52 MW of its generation capacity is fully committed; (2) SR South Loving has a long-term contract with Green Power EMC; (3) the Green Power EMC contract is for a duration of 30 years; (4) the contract expires thirty years from the date of commercial operation of the project, which remains under construction and has produced no electric energy at this time;³³ and (5) Applicant represents that the contract is for firm sales for one year or longer. As a

²⁹ Order No. 697 at PP 33–44; 18 C.F.R. § 35.37.

³⁰ Order No. 697 at P 337; *see also* *AEP Power Mktg., Inc.*, 107 FERC ¶ 61,018 at PP 113-117 (2004).

³¹ Order No. 816 at P 39; *see also supra* note 25.

³² *Id.*

³³ Accordingly, Applicant will notify the Commission of the termination date as soon as it can be determined. *See* Order No. 816 at P 44 and Order No. 816-A at P 16.

result, Applicant meets the requirements of Order No. 816 to demonstrate that its capacity is fully committed.

Additionally, as demonstrated in Section III above and in the Asset Appendix attached hereto as Exhibit B, Applicant and its affiliates have provided similar information for all of Applicant's affiliates to demonstrate that all of Applicant's and its affiliates' capacity is committed under long-term agreements to unaffiliated third-parties, as required by the Commission in Order No. 816. Similarly, as shown in the Exhibit B Asset Appendix, Applicant confirms that all of its and its affiliates' capacity is fully committed to non-affiliated buyers under long-term firm contracts for a period of greater than one year.³⁴ Therefore, pursuant to Order No. 816, Applicant need not provide Indicative Screens.

B. Applicant Does Not Have Vertical Market Power

In determining whether an applicant possesses vertical market power, the Commission will consider whether the applicant has, or has adequately mitigated, transmission market power and whether the applicant can erect barriers to entry in the relevant market.³⁵ None of Applicant or its affiliates owns or controls any transmission facilities that are used for the transmission of electricity in interstate commerce in the United States, other than limited and discrete interconnection facilities solely used to interconnect individual generation facilities to the transmission grid. Applicant affirms that each of Applicant and its affiliates that owns or controls limited and discrete

³⁴ As shown in the Asset Appendix attached hereto as Exhibit B, all of Applicant and its affiliates have long-term contracts with a duration of at least 20 years.

³⁵ See Order No. 697 at PP 397, 399.

transmission facilities qualifies for the blanket open access transmission tariff (“OATT”) waiver pursuant to section 32.28(d)(2) of the Commission’s regulations.³⁶

Other than as set forth in the Asset Appendix attached hereto as Exhibit B or as described herein, neither Applicant nor any of its affiliates owns a 10% or greater voting interest in or control any inputs to electric power production in the United States, including intrastate natural gas transportation, intrastate natural gas storage or distribution facilities, physical coal supply sources, and ownership of or control over who may access transportation of coal supplies. Applicant affirms that Applicant and its affiliates have not erected barriers to entry in the relevant market and will not erect barriers to entry in the relevant market. Therefore, Applicant and its affiliates do not have vertical market power.

C. There Is No Potential for Affiliate Abuse

Order No. 697 requires that any seller with market-based rate authority must comply with the affiliate power sales restrictions and other affiliate restrictions.³⁷ Accordingly, Applicant has included in its proposed Tariff a provision requiring compliance with the affiliate restrictions set forth in Section 35.39 of the Commission’s regulations.³⁸

³⁶ 18 C.F.R. 32.82(d)(2) (as amended by *Open Access and Priority Rights on Interconnection Customer’s Interconnection Facilities*, Order No. 807, 80 Fed. Reg. 17,654 (Apr. 1, 2015), FERC Stats. & Regs. ¶ 31,367 at P 55 (2015)).

³⁷ Potential for affiliate abuse is no longer a separate “prong” of the market-based rate analysis; instead, affiliate restrictions are now codified in the Commission’s regulations and must be satisfied on an ongoing basis as a condition of obtaining and retaining market-based rate authority. *See* Order No. 697 at P 23.

³⁸ 18 C.F.R. § 35.39.

V. SELLER CATEGORY

In Order No. 697, the Commission created two categories of sellers: (1) Category 1 Sellers that are exempt from the requirement to automatically update the applicable market power analysis; and (2) Category 2 Sellers. Category 1 Sellers are defined in the Commission's regulations as a seller that:

- (i) 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;
- (ii) does not own, operate or control transmission facilities other than limited equipment necessary to connect individual generating facilities to the transmission grid (or has been granted waiver of the requirements of Order No. 888, FERC Stats. & Regs. ¶31,036);
- (iii) is not affiliated with anyone that owns, operates or controls transmission facilities in the same region as the Seller's generation assets;
- (iv) is not affiliated with a franchised public utility in the same region as the Seller's generation assets; and
- (v) does not raise other vertical market power issues.³⁹

Category 2 Sellers are defined as “any Sellers not in Category 1.”⁴⁰

Consistent with the Commission's regulations, SR South Loving should be designated as a Category 1 Seller for the southeast region because SR South Loving: owns, controls, or is affiliated with less than 500 MW of electric generation in the southeast region; does not own, operate, or control transmission facilities (other than limited equipment necessary to connect individual generating facilities to the transmission grid); is not affiliated with anyone that owns, operates or controls transmission facilities in the same region as the seller's generation assets; is not affiliated with a franchised public utility in the same region as the seller's generation assets; and does not raise other vertical market power issues.

³⁹ 18 C.F.R. § 35.36(a)(2).

⁴⁰ *Id.* at § 35.36(a)(3).

SR South Loving is also a Category 1 Seller for all other regions, including the central, northeast, southwest, northwest and Southwest Power Pool, Inc. (“SPP”) regions.⁴¹

VI. REQUEST FOR MARKET-BASED RATE AUTHORIZATION TO SELL CERTAIN ANCILLARY SERVICES

Applicant seeks authorization to sell ancillary services in various organized markets where FERC routinely authorizes sales of ancillary services at market-based rates by generators that are not affiliated with electric utilities.⁴² SR South Loving has included in its Tariff the Commission’s standard tariff provisions for the proposed sales of ancillary services described herein.

VII. NOTIFICATION OF PRICE REPORTING STATUS

Section 35.41(c) of the Commission’s regulations⁴³ requires that a seller with market-based rate authority notify the Commission whether it engages in the reporting of transactions to publishers of electricity or natural gas price indices. Applicant hereby notifies the Commission that it will not engage in reporting of electric transactions to publishers of electricity or natural gas price indices.

⁴¹ SR South Loving: (1) does not own, control, and is not affiliated with 500 MW or more of generation in the central, northeast, southwest, northwest and SPP regions; (2) does not own, operate, or control, and is not affiliated with any entity that owns, operates, or controls, transmission facilities in the central, northeast, southwest, northwest and SPP regions (other than limited equipment necessary to interconnect with individual generating facilities with the transmission grid); (3) is not affiliated with any franchised public utility in the central, northeast, southwest, northwest and SPP regions; and (4) does not present any other vertical market power concerns in the central, northeast, southwest, northwest and SPP regions. *See Id.* at § 35.36(a)(2).

⁴² *Avista Corp.*, 87 FERC ¶ 61,223, *order on reh’g*, 89 FERC ¶ 61,136 (1999); *see also* Order No. 697 at PP 1058-61; *Third Party Provision of Ancillary Services; Accounting and Financial Reporting for New Electric Storage Technologies*, Order No. 784, FERC Stats. & Regs. ¶ 31,349 at PP 200-201 (2013), *order on reh’g*, 146 FERC ¶ 61,114 (2014); *Third-Party Provision of Primary Frequency Response Service*, Order No. 819, 80 Fed. Reg. 73,965 (Nov. 27, 2015), 153 FERC ¶ 61,220 at PP 70-71 (2015).

⁴³ 18 C.F.R. § 35.41(c).

VIII. REQUEST FOR WAIVERS AND ADDITIONAL BLANKET AUTHORITY

Applicant requests waivers and authorizations from the Commission consistent with those which have been granted to other power marketers and independent power producers with market-based rate authority. In particular, Applicant requests:

- Waiver of subparts B and C of Part 35, regarding the filing of rate schedules, except sections 35.12(a), 35.13(b), 35.15, and 35.16;
- Waiver of Parts 41, 101, and 141 of the Commission's regulations regarding accounts, records, and memoranda, except sections 141.14 and 141.15, and with the exception that waiver of the provisions of Part 101 that apply to hydropower licenses is not granted with respect to licensed hydropower projects;
- Blanket authorization for all future issuances of securities or assumptions of liabilities pursuant to Section 204 of the Federal Power Act, 15 U.S.C. § 824e, and Part 34 of the Commission's regulations, 18 C.F.R. § 34; and
- Such other further relief as the Commission may deem appropriate.

Applicant notes that they qualify for the blanket waiver from FPA section 204 because, consistent with the Commission's statements in Order No. 697, Applicant is not a public utility providing electric service to customers under cost-based rates and is seeking market-based rate authority through this Application.⁴⁴

IX. ASSET APPENDIX

Section 35.37 of the Commission regulations⁴⁵ requires market-based rate sellers to include an appendix of assets in the form provided in Appendix B of Order No. 697⁴⁶ when submitting a market power analysis. Pursuant to Order No. 816,⁴⁷ an asset

⁴⁴ Order No. 697 at P 999.

⁴⁵ 18 C.F.R. § 35.37.

⁴⁶ See Order No. 697, FERC Stats. & Regs. ¶ 31,352, App. B.

⁴⁷ See Order No. 816 at P 305.

appendix for Applicant and its affiliates is being submitted in workable spreadsheet format in Exhibit B to this filing.

X. EFFECTIVE DATE AND REQUEST FOR EXPEDITED CONSIDERATION

Applicant requests that the Commission accept Applicant's proposed Tariff to become effective December 5, 2016 (*i.e.*, 30 days after the date of this filing). Pursuant to Section 35.11 of the Commission's regulations, Applicant requests a waiver of the 60-day notice requirement⁴⁸ in order to permit its proposed Tariff to become effective on December 5, 2016. Good cause exists to grant such waiver because Applicant does not possess horizontal or vertical market power.⁴⁹ Moreover, allowing a market-based rate tariff to become effective within 45 days of filing is consistent with Commission precedent.⁵⁰

XI. COMPLIANCE WITH FILING REQUIREMENTS

Applicant will comply with applicable reporting requirements for entities with market-based rates, including submission of change in status notices pursuant to the requirements set forth in 18 C.F.R. § 35.42 of the Commission's regulations and submission of Electric Quarterly Reports pursuant to the requirements set forth in 18 C.F.R. Part 35 of the Commission's regulations.

⁴⁸ 18 C.F.R. § 35.37 (2015).

⁴⁹ *See Central Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106 at 61,339 (articulating a policy under which waiver of the prior notice filing requirement will be granted for good cause provided the proposed rate schedule is filed prior to commencement of service), *order on reh'g*, 61 FERC ¶ 61,089 (1992).

⁵⁰ *See, e.g., Trailstone Power, LLC*, Docket No. ER14-1439 (May 1, 2014) (granting request for market-based rate tariff to become effective one day after filing).

XII. CONCLUSION

WHEREFORE, Applicant respectfully requests that the Commission: (1) grant it blanket authority to make sales of capacity, energy, and ancillary services pursuant to the Tariff attached hereto as Exhibit A; (2) accept the Tariff for filing with an effective date of December 5, 2016 (*i.e.*, 30 days after the date of this filing); and (3) grant such waivers and blanket authorizations as the Commission has granted in the past to other entities with market-based rate authority.

Respectfully submitted,

Dated: November 4, 2016

Christopher R. Jones
Christopher R. Jones
Troutman Sanders LLP
401 9th Street, NW, Suite 1000
Washington, DC 20004

Counsel for SR South Loving LLC

EXHIBIT A

MARKET BASED RATE TARIFF

MARKET-BASED RATE TARIFF

1. Availability: SR South Loving LLC (“Seller”) makes electric energy and capacity available under this FERC electric tariff to any purchaser for resale. Seller also makes available, to any purchaser, ancillary services except as prohibited below:

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.

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.

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.

Midcontinent ISO. 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. (“Midcontinent ISO”) and to others that are self-supplying ancillary services to Midcontinent ISO.

Third-Party Ancillary Services. Seller offers Regulation and Frequency Response Service, Reactive Supply and Voltage Control Services, 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 a 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.

2. Applicability: This Tariff is applicable to all wholesale sales of electric energy, capacity and/or ancillary services by Seller not otherwise expressly subject to another rate schedule of Seller.
3. Rates: All sales under this Tariff 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. Effective Date: This Tariff shall be effective upon the date authorized by the Federal Energy Regulatory Commission.
6. Compliance With Commission Regulations. Seller shall 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. Failure to comply with the applicable provisions of 18 C.F.R. 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 no additional limitations on its market-based rate authority. The Commission granted Seller the following exemptions in Docket No. ER17-____-000: (i) waiver of the accounting and reporting requirements contained in 18 C.F.R. Parts 41, 101, and 141, except Sections 141.14 and 141.15, and with the exception that waiver of the provisions of Part 101 that apply to hydropower licenses is not granted with respect to licensed hydropower projects; (ii) waiver of 18 C.F.R. Part 35, Subparts B and C, except Sections 35.12(a), 35.13(b), 35.15, and 35.16; and (iii) blanket authorization for the issuance of securities or the assumption of liabilities pursuant to 18 C.F.R. Part 34.
8. Seller Category: Seller is a Category 1 seller, as defined in 18 C.F.R. § 35.36(a), in the following regions: Central, Northeast, Southeast, Northwest, Southwest and SPP.

EXHIBIT B

ASSET APPENDIX

(Filed separately in native, workable spreadsheet format)

FERC rendition of the electronically filed tariff records in Docket No. ER17-00311-000

Filing Data:

CID: C005484

Filing Title: Market-Based Rate Tariff

Company Filing Identifier: 502

Type of Filing Code: 400

Associated Filing Identifier:

Tariff Title: Market-Based Rate Tariff

Tariff ID: 588

Payment Confirmation:

Suspension Motion:

Tariff Record Data:

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

MBR 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: 2016-12-05

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

MARKET-BASED RATE TARIFF

1. **Availability:** SR South Loving LLC (“Seller”) makes electric energy and capacity available under this FERC electric tariff to any purchaser for resale. Seller also makes available, to any purchaser, ancillary services except as prohibited below:

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.

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.

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.

Midcontinent ISO. 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. (“Midcontinent ISO”) and to others that are self-supplying ancillary services to Midcontinent ISO.

Third-Party Ancillary Services. Seller offers Regulation and Frequency Response Service, Reactive Supply and Voltage Control Services, 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 a 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.

2. Applicability: This Tariff is applicable to all wholesale sales of electric energy, capacity and/or ancillary services by Seller not otherwise expressly subject to another rate schedule of Seller.
3. Rates: All sales under this Tariff 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. Effective Date: This Tariff shall be effective upon the date authorized by the Federal Energy Regulatory Commission.
6. Compliance With Commission Regulations. Seller shall 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. Failure to comply with the applicable provisions of 18 C.F.R. 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 no additional limitations on its market-based rate authority. The Commission granted Seller the following exemptions in Docket No. ER17-____-000: (i) waiver of the accounting and

reporting requirements contained in 18 C.F.R. Parts 41, 101, and 141, except Sections 141.14 and 141.15, and with the exception that waiver of the provisions of Part 101 that apply to hydropower licenses is not granted with respect to licensed hydropower projects; (ii) waiver of 18 C.F.R. Part 35, Subparts B and C, except Sections 35.12(a), 35.13(b), 35.15, and 35.16; and (iii) blanket authorization for the issuance of securities or the assumption of liabilities pursuant to 18 C.F.R. Part 34.

8. Seller Category: Seller is a Category 1 seller, as defined in 18 C.F.R. § 35.36(a), in the following regions: Central, Northeast, Southeast, Northwest, Southwest and SPP.

Silicon Ranch Corporation

Asset Appendix: Generation Assets

[A]	[B]	[C]	[D]	[E]	[F]	[G] [H] Location		[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	Market / Balancing Authority Area	Geographic Region	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 Notes Sheet)
SR Pulaski, LLC	N/A	Pulaski Phase I	SR Pulaski, LLC	SR Pulaski, LLC	N/A	TVA	Southeast	02/09/12	1.0	1.0	N	2
Commerce Way, LLC	N/A	Pulaski Phase II	Commerce Way, LLC	Commerce Way, LLC	N/A	TVA	Southeast	02/07/12	0.2	0.2	N	1, 2
Elkton, LLC	N/A	Pulaski Phase III	Elkton, LLC	Elkton, LLC	N/A	TVA	Southeast	02/07/12	0.2	0.2	N	1, 2
Silicon Ranch Investments, LLC	N/A	Pulaski Phase IV	Silicon Ranch Investments, LLC	Silicon Ranch Investments, LLC	N/A	TVA	Southeast	12/20/13	0.2	0.2	N	2
Commerce Way, LLC	N/A	Pulaski Phase V	Commerce Way, LLC	Commerce Way, LLC	N/A	TVA	Southeast	12/20/13	0.2	0.2	N	1, 2
Elkton, LLC	N/A	Pulaski Phase VI	Elkton, LLC	Elkton, LLC	N/A	TVA	Southeast	09/10/15	0.2	0.2	N	1, 2
SR Harvest, LLC	N/A	2nd Harvest	SR Harvest, LLC	SR Harvest, LLC	N/A	TVA	Southeast	03/01/12	0.2	0.2	N	2
SR Park Plaza, LLC	N/A	HCA Building 3	SR Park Plaza, LLC	SR Park Plaza, LLC	N/A	TVA	Southeast	04/05/12	0.2	0.2	N	1, 2
SR Park Plaza, LLC	N/A	HCA Building 4	SR Park Plaza, LLC	SR Park Plaza, LLC	N/A	TVA	Southeast	04/05/12	0.2	0.2	N	1, 2
SR Memphis, LLC	N/A	Bioworks	SR Memphis, LLC	SR Memphis, LLC	N/A	TVA	Southeast	04/15/12	0.8	0.8	N	2
SR Agricenter, LLC	N/A	Agricenter	SR Agricenter, LLC	SR Agricenter, LLC	N/A	TVA	Southeast	04/03/12	1.0	1.0	N	2
Simon Solar Farm, LLC	ER13-2490	Social Circle	Simon Solar Farm, LLC	Simon Solar Farm, LLC	N/A	Southern Company	Southeast	12/30/13	30.0	30.0	N	N/A
HKCR, LLC	N/A	Okolona 1	HKCR, LLC	HKCR, LLC	N/A	TVA	Southeast	12/23/14	0.8	0.8	N	2
PJLD, LLC	N/A	Okolona 2	PJLD, LLC	PJLD, LLC	N/A	TVA	Southeast	12/23/14	0.8	0.8	N	2
JMR, LLC	N/A	Okolona 3	JMR, LLC	JMR, LLC	N/A	TVA	Southeast	12/23/14	0.8	0.8	N	2
SR Columbus, LLC	N/A	Columbus 1	SR Columbus, LLC	SR Columbus, LLC	N/A	TVA	Southeast	12/22/15	0.8	0.8	N	2
SR Walker East, LLC	N/A	Columbus 2	SR Walker East, LLC	SR Walker East, LLC	N/A	TVA	Southeast	12/22/15	0.5	0.5	N	2
SR Hazlehurst, LLC	N/A	Hazlehurst 1	SR Hazlehurst, LLC	SR Hazlehurst, LLC	N/A	Southern Company	Southeast	11/06/15	19.8	19.8	N	2
SR Camden, LLC	N/A	Aerojet	SR Camden, LLC	SR Camden, LLC	N/A	Southwestern Power Administration	Central	11/25/15	12.0	12.0	N	2
SR Clinch, LLC	N/A	Carey A	SR Clinch, LLC	SR Clinch, LLC	N/A	WAPA - Rocky Mountain Region	Northwest	12/23/15	3.9	3.9	N	1, 2
SR Skylark B, LLC	N/A	Carey B	SR Skylark B, LLC	SR Skylark B, LLC	N/A	WAPA - Rocky Mountain Region	Northwest	09/30/16	2.6	2.6	N	2
SR Clinch, LLC	N/A	Windsor	SR Clinch, LLC	SR Clinch, LLC	N/A	WAPA - Rocky Mountain Region	Northwest	12/23/15	3.9	3.9	N	1, 2
SR Jenkins, LLC	N/A	Fort Lupton	SR Jenkins, LLC	SR Jenkins, LLC	N/A	WAPA - Rocky Mountain Region	Northwest	05/25/16	13.2	13.2	N	2
Ripley SEPI, LLC	N/A	Ripley 1	Ripley SEPI, LLC	Ripley SEPI, LLC	N/A	TVA	Southeast	07/28/16	1.0	1.0	N	2
Energize Ripley, LLC	N/A	Ripley 2	Energize Ripley, LLC	Energize Ripley, LLC	N/A	TVA	Southeast	07/28/16	1.0	1.0	N	2
PS Lauderdale, LLC	N/A	Ripley 3	PS Lauderdale, LLC	PS Lauderdale, LLC	N/A	TVA	Southeast	07/28/16	1.0	1.0	N	2
SR Ripley, LLC	N/A	Ripley 4	SR Ripley, LLC	SR Ripley, LLC	N/A	TVA	Southeast	08/04/16	1.0	1.0	N	2

Silicon Ranch Corporation

Asset Appendix: End Notes

End Notes for Entries in the Generation, Long-Term Firm PPA and Transmission/Natural Gas Assets Sheets

[A] End Note Number	[B] Sheet (Generation, PPA or Transmission / Natural Gas)	[C] Explanatory Note
1	Generation	Each of Commerce Way, LLC, Elkton, LLC, SR Park Plaza, LLC, and SR Clinch, LLC is the upstream owner of two generation projects. projects are each separately listed in the generation assets tab as each is a different facility.
2	Generation	This facility is a qualifying facility that is smaller than 20 MW, meaning it need not have market-based rate authority under the CO regulations. See 18 C.F.R. § 292.601(c)(1).

Document Content(s)

502-972c5344-9f15-4f62-924d-6012bfec42ea.DOCX.....	1-2
502-71153a84-587a-4c2e-bc97-1e384cd7c838.PDF.....	3-21
FERC GENERATED TARIFF FILING.RTF.....	22-24
502-17e7dcec-a1e2-440d-a559-6399614666a4.XLSX.....	25-28