



**Department of Energy**  
Washington, DC 20585

Order No. 202-17-1

Pursuant to the authority vested in me by section 202(c) of the Federal Power Act (FPA), 16 U.S.C. § 824a(c), and section 301(b) of the Department of Energy Organization Act, 42 U.S.C. § 7151(b), and for the reasons set forth below, I hereby determine that an emergency exists in Oklahoma due to a shortage of electric energy, a shortage of facilities for the generation of electric energy, and other causes, and that issuance of this order will meet the emergency and serve the public interest.

On April 11, 2017, the Grand River Dam Authority (GRDA), an agency of the state of Oklahoma, filed a *Request for Emergency Order Pursuant to Section 202(c) of the Federal Power Act* with the United States Department of Energy (Department) to ensure electric system reliability. The GRDA Grand River Energy Center has three generation units: coal-fired Unit No. 1, coal-fired Unit No. 2, and natural gas combined cycle Unit No. 3. GRDA planned to retire Unit No. 1 effective April 16, 2017, because it is not compliant with the Environmental Protection Agency's (EPA) Mercury and Air Toxics Standards, 40 C.F.R. part 63 subpart UUUUU. GRDA was granted two one-year extensions for compliance, but the EPA is barred under the Clean Air Act from issuing further extensions. 42 U.S.C. § 7413(a)(4). Unit No. 1 is needed, however, because the other Grand River Energy Center units are unavailable. Due to a lightning-caused fire, Unit No. 2 is currently offline for repairs, and due to flooding in Louisiana, Unit No. 3's construction is delayed until mid-July at the earliest. Unit No. 1 is thus GRDA's only available unit to provide dynamic reactive power support to the region's Reliability Coordinator, the Southwest Power Pool, Inc. (SPP), during low-load, high-voltage events.

GRDA's application includes a March 1, 2017 letter of support from SPP in which SPP stated it "concur[s] with GRDA's assessment regarding GRDA Unit 1's importance for reliability." SPP observed that, in the past, it has needed "to commit GRDA Unit 1 for relief from high voltages" and noted that SPP created a Temporary Operating Guide for October 15-November 4, 2014, when Unit No. 2 was undergoing maintenance, to ensure Unit No. 1 would be available during light load conditions. SPP stated Unit No. 1 "will be a critical resource in maintaining proper system voltage."

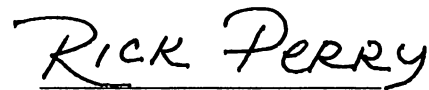
Without sufficient reactive power support, electric system reliability is at risk because excessive voltage could force transmission lines offline, consequently leading to other reliability problems, or could cause electric arcing that would damage transmission facilities. The Federal Energy Regulatory Commission, through the North American Electric Reliability Corporation, regulates grid reliability through mandatory reliability standards, several of which are implicated if Unit No. 1 is unavailable to SPP. These include Reliability Standard VAR-001-4.1 (Voltage and Reactive Control) and transmission operations standards.

FPA section 202(c)(2) requires the Secretary of Energy to ensure that any 202(c) order that may result in a conflict with a requirement of any environmental law be limited to the “hours necessary to meet the emergency and serve the public interest, and, to the maximum extent practicable,” be consistent with any applicable environmental law and minimize any adverse environmental impacts. The provision of reactive power support necessitates operation of Unit No. 1, but at levels far below maximum output. The Department has consulted with the EPA and reviewed emissions data provided by GRDA. This Order will continue the operational limitations described in EPA Administrative Compliance Order AED-CAA-113(a)-2016-002, as amended.<sup>1</sup> To minimize adverse environmental impacts and remain consistent with the approach taken by the EPA, this Order limits operation of Unit No. 1 to the provision of dynamic reactive power support and not real power generation, and only when called upon by SPP for reliability purposes.

Based on my determination set forth above, I hereby order:

From April 16, 2017 to (1) July 15, 2017, or (2) the date on which GREC Unit No. 3 or No. 2 is brought online, whichever is earlier, in the event that SPP determines that generation from Unit No. 1 is needed to maintain grid reliability, I direct GRDA to generate electricity to provide dynamic reactive power support from Unit No. 1 of the Grand River Energy Center, subject to the requirement that Unit No. 1 remain offline unless requested to generate by SPP. GRDA and SPP are directed to adopt a Temporary Operating Guide for the period of this Order based on the 2014 guide in Attachment B of the April 11 application, with the additional operational limitations set forth above. GRDA is further required to report to the Department all dates on which Unit No. 1 is run during the effectiveness of this Order and the estimated emissions associated with running Unit No. 1.

Issued in Washington, D.C. at 2:35 pm this 14th day of April, 2017.



Rick Perry  
Secretary of Energy

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<sup>1</sup> Specifically, Unit No. 1 shall achieve a total annual capacity factor of not more than 80% during the period from July 15, 2016, through July 15, 2017.