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Public Utility Commission of Texas
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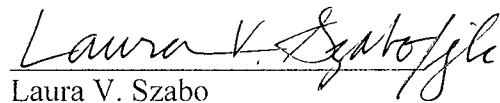
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FEDERAL ENERGY REGULATORY COMMISSION

Dear Sir or Madam:

As required under 18 C.F.R. §366.7(a) of the Federal Energy Regulatory Commission's ("FERC") regulations, enclosed is copy of the Notice of Self-Certification of Exempt Wholesale Generator ("EWG") status that Samson Solar Energy III LLC filed (on the same date of this letter) with the FERC pursuant to FERC's EWG rules under the Public Utility Holding Company Act of 2005.

Sincerely,


Laura V. Szabo

Counsel for Samson Solar Energy III LLC

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

Samson Solar Energy III LLC

)
) Docket No. EG21-__-000
)

**NOTICE OF SELF-CERTIFICATION OF
EXEMPT WHOLESALE GENERATOR STATUS**

Pursuant to Section 366.7(a) of the Federal Energy Regulatory Commission's (the "Commission") rules¹ implementing the Public Utility Holding Company Act of 2005 ("PUHCA 2005"), enacted by the Energy Policy Act of 2005 §§ 1261 *et seq.*,² Samson Solar Energy III LLC ("Samson III") hereby submits this notice of self-certification that it is an exempt wholesale generator ("EWG") as defined in Section 366.1 of the Commission's rules.³

I. CORRESPONDENCE AND COMMUNICATIONS

All communications and correspondence regarding this notice should be sent to the following persons who are authorized to receive service:

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¹ 18 C.F.R. § 366.7(a).

² Pub. L. No. 109-58, 119 Stat. 594 (2005)

³ 18 C.F.R. § 366.1.

II. DESCRIPTION OF SAMSON III

A. Samson III Ownership Structure

Samson III is an indirect, wholly-owned subsidiary of Invenenergy Renewables LLC.⁴

B. Samson III's Existing and Potential Proposed Activities

1. The Samson III Project and Power Sales

Samson III is constructing and will own and operate an up to approximately 250 MW solar generation project that will be located in Lamar County, Texas (the "Samson III Project"). Samson III will sell electric energy, capacity and/or ancillary services exclusively at wholesale.⁵ The Samson III Project is estimated to begin test power operations in the future.

Through interconnection facilities in which Samson III will own interests, the Samson III Project will include limited electric interconnection facilities necessary to effectuate wholesale power sales from the Samson III Project.⁶ The Samson III Project will be interconnected to transmission facilities owned by Oncor Electric Delivery Company ("Oncor").

2. Potential Co-Tenancy Arrangements

Samson III has entered into a co-tenancy agreement with Samson Solar Energy LLC ("Samson I") and three (3) other third-parties (each such other third-party is referred to herein as a "Future Co-Tenant" and collectively as "Future Co-Tenants"), which will, as described below,

⁴ While Samson III is a subsidiary of Invenenergy Renewables LLC at the time of the filing of this notice, in the future, Samson III's upstream ownership may change.

⁵ Such sales will be made to third-parties through bilateral agreements or through a power exchange. The Commission has determined that sales through a power exchange are considered wholesale sales for EWG purposes. See *Southern California Edison Co.*, 80 FERC ¶ 61,262 (1997). Samson III may also purchase power and resell it at wholesale to third parties. An EWG is permitted to resell at wholesale power that it has not generated. See *CNG Power Services Corp.*, 71 FERC ¶ 61,378 (1995).

⁶ Samson III may occasionally obtain from third-parties back-up power that Samson III may need for station power to operate its Samson III Project when Samson III is not self-supplying its station power load. Such back-up or station power would be delivered to the Samson III Project over the interconnection facilities in which Samson III will own interests. EWGs may use their interconnection facilities to transmit back-up power to their generation facilities. See *Zond Systems, Inc.*, 81 FERC ¶61,001 (1997).

govern their proposed joint ownership and use of certain interconnection facilities. Samson I is constructing and owns limited interconnection facilities that will connect its approximately 250 MW solar generation located in Lamar County, Texas (the “Samson I Project”) to transmission facilities owned by Oncor, which such interconnection facilities consist of 34.5 kV collection lines, a collection line substation, transformers, an approximately 18.52 mile generator tie-line and related facilities. The Samson III Project and the generation projects that the Future Co-Tenants are planning to develop, own and operate will be located in the vicinity of the Samson I Project. Samson I has filed with the Commission a notice of self-certification of EWG status.⁷ Samson III and the Future Co-Tenants plan to interconnect their respective projects to Oncor’s transmission facilities through shared interconnection facilities that will include certain interconnection facilities currently planned to be initially constructed and owned by Samson I (“Shared Interconnection Facilities”).

On or after the operative date of the co-tenancy agreement, each of Samson III and the Future Co-Tenants will have the right, in accordance with the terms of the agreement, to acquire an undivided ownership interest in Shared Interconnection Facilities, however, their acquisition of their respective potential ownership interests may not occur at that same time.⁸ As the co-tenancy joint ownership arrangements are implemented, Samson III’s ownership interests in the interconnection facilities it needs to connect to Oncor transmission facilities will be as follows: (i)

⁷ Samson I filed its notice of self-certification of EWG status on March 22, 2021, in Docket No. EG21-113-00. Each Future Co-Tenant plans to develop, construct, own and operate a solar generation project (each a “Co-Tenant Solar Project” and collectively, the “Co-Tenant Projects”) and associated facilities and equipment necessary for the sale of power at wholesale. Each Future Co-Tenant plans to be an EWG and plans to file in the future an EWG notice of self-certification.

⁸ After the operative date of the co-tenancy agreement, each of Samson III and a Future Co-Tenant may, prior to the time it acquires its ownership interests in Shared Interconnection Facilities to which it proposes to jointly own, have the right during the period of construction of its generation facilities to access and use such proposed Shared Interconnection Facilities to connect its generation facilities and deliver power therefrom over such interconnection facilities pursuant to a temporary access easement.

Samson III will solely own the 34.5 kV power collection lines and related equipment and facilities that it separately needs to connect its power project to Shared Interconnection Facilities; and (ii) Samson I, Samson III and each Future Co-Tenant, as applicable, will jointly own undivided interests in Shared Interconnection Facilities as Samson III and such Future Co-Tenant acquires its respective ownership interests in such facilities.⁹ Samson I and Samson III need access to the Shared Interconnection Facilities in order to interconnect their respective power projects to the transmission facilities owned by Oncor, which would be necessary for each of Samson I and Samson III to effectuate its respective wholesale power sales from its respective power project. Likewise, each Future Co-Tenant will need access to such facilities in order to interconnect its Future Co-Tenant Project to the Shared Interconnection Facilities, which would be necessary to effectuate the Future Co-Tenant's wholesale power sales from its power project.

The co-tenancy agreement will also address joint ownership and/or use by Samson I, Samson III and the Future Co-Tenants of land that the companies need in connection with the development, ownership and operation of their respective power projects.

Pursuant to the co-tenancy agreement, (i) the costs to operate and maintain the property jointly owned by Samson I, Samson III and/or the Future Co-Tenants will be shared among them based on the pro rata share of the undivided ownership interest each holds in such property, and (ii) if one company incurs costs in order to support the other company's compliance with other agreements or to execute and deliver documents required by such other company in connection

⁹ Each of Samson I, Samson III and the Future Co-Tenants will separately and solely own certain interconnection facilities (i.e., collection lines and related equipment) for its own use (i.e., not jointly owned) to connect its respective power project to the Shared Interconnect Facilities.

with jointly owned property, such supporting company will be reimbursed for costs it incurs in connection with providing such support.¹⁰

Samson III's undivided joint ownership of Shared Interconnection Facilities (as described herein) with other EWGs,¹¹ which Samson I, Samson III and the Future Co-Tenants need for the ownership and operation of their respective power projects and wholesale power business, is consistent with Commission EWG precedent.¹² Also, Samson III's granting of access and use of its radial interconnection facilities to the Future Co-Tenants before a Future Co-Tenant acquires its ownership interests in the applicable facilities so that it can connect its generation facilities to the grid to deliver its wholesale power before it obtains its interests in the proposed jointly owned interconnection facilities is consistent with EWG precedent.¹³

¹⁰ Also, as a Future Co-Tenant acquires its interests in property covered in the co-tenancy agreement in which Samson III owns an interest, it is expected that it will make a payment to Samson III to acquire its interests in such property.

¹¹ As indicated above, Samson I has filed a notice of self-certification of EWG status with the Commission and the Future Co-Tenants plan to be EWGs.

¹² See, e.g., Notice of Self-Certification of EWG Status filed by Blooming Grove Wind Energy Center LLC on January 29, 2020, in Docket No. EG20-71-000 (hereafter referred to as the "*Blooming Grove Certification*") (The *Blooming Grove Certification* was granted and described that it would own undivided joint ownership interests in interconnection facilities and other property with other EWGs); Notice of Self-Certification of EWG Status filed by Santa Rita Wind Energy LLC on April 7, 2017, in Docket No. EG17-96-000 (hereafter referred to as the "*Santa Rita 2017 Certification*") (The *Santa Rita Company 2017 Certification* was granted and described that it would own undivided joint ownership interests in interconnection facilities and other property with other EWGs); Notice of Self-Certification of EWG Status filed by Prairie Breeze Wind Energy LLC on February 18, 2015, in Docket No. EG15-50-000 (hereafter referred to as the "*PB Company 2015 Certification*") (The *PB Company 2015 Certification* was granted and described that it would own undivided joint ownership interests in interconnection facilities and other property with other EWGs); Notice of Self-Certification of EWG Status filed by Beech Ridge Energy LLC on September 9, 2014, in Docket No. EG14-93-000 (hereafter referred to as the "*BR Company 2014 Certification*") (The *BR Company 2014 Certification* was granted and described that it would own undivided joint ownership interests in interconnection facilities and other property with other EWGs); Notices of Self-Certification of EWG Status filed by Grand Ridge Energy LLC, Grand Ridge Energy II LLC, Grand Ridge Energy III LLC, Grand Ridge Energy IV LLC and Grand Ridge Energy V LLC (collectively the "GR Companies") on June 25, 2009, in Docket Nos. EG09-60-000, EG09-61-000, EG09-62-000, EG09-63-000 and EG09-64-000 (hereafter referred to as the "*GR June 2009 Certifications*") (The GR Companies' EWG self-certifications were granted and described that they would own undivided joint ownership interests in interconnection facilities and other property with other EWGs (each other)). See also *Buffalo Gap Wind Farm 2, LLC*, 118 FERC ¶ 61,069 (2007) (hereafter referred to as "*Buffalo Gap 2*") (The Commission granted EWG status to a company that would own undivided interests in interconnection facilities and other property with other EWGs.).

¹³ See, e.g., *Blooming Grove Certification*, *supra* (EWG certification was granted, which described the granting of

During the term of the co-tenancy agreement there may be occasions when small amounts of power produced by Samson III for its wholesale power sales may be used by a Samson I or a Future Co-Tenant for its station power use if Samson I's power facilities or such Future Co-Tenant's power facilities, as applicable, are not operating, which will occur as an incidental effect of the physical configuration of the Shared Interconnection Facilities (i.e., the collection lines owned individually by Samson I, Samson III and a Future Co-Tenant will feed the power produced by each company into the Shared Interconnection Facilities before being transferred to the Oncor-owned transmission facilities). Thus, when Samson I's power facilities or a Future Co-Tenant's power facilities, as applicable, are not generating enough power to self-supply its station power needs, it could possibly draw power produced by the Samson III Project for Samson III's wholesale power transactions that passes through the Shared Interconnection Facilities. Samson III will not receive any payments from Samson I or a Future Co-Tenant for the provision of such incidental back-up power.

The provision by Samson III of such back-up power to Samson I or a Future Co-Tenant for its station power needs is consistent with EWG precedent where the Commission permits EWGs to provide back-up power to other companies as an incident to interconnected operations to enable such company to continue to provide wholesale power to its customers.¹⁴

such access); *Santa Rita 2017 Certification*, *supra* (same); *Certification PB Company 2015 Certification*, *supra* (same); *BR Company 2014 Certification*, *supra* (same); *GR June 2009 Certifications*, *supra* (same).

¹⁴See, e.g., *Blooming Grove Certification*, *supra* (EWG certification was granted, which described back-up power arrangements); *Santa Rita 2017 Certification*, *supra* (same); *PB Company 2015 Certification*, *supra* (same); *BR Company 2014 Certification*, *supra* (same); *GR June 2009 Certifications*, *supra* (same); *Erie Boulevard Hydropower, L.P.*, *supra* (An EWG was permitted to provide another company with blackstart power for consumption by that company so that it could continue to provide power to its retail and wholesale power customers); *Duke Energy Hot Spring, LLC*, 98 FERC 161,287 (2002) (EWG was permitted to supply back-up power to an interconnected utility for consumption by a substation owned by the utility, which both the EWG and the utility needed to be operational to accommodate their respective electric businesses.); see also *Astoria Generating Co., L.P.*, EG99-206-000, Letter Order (Aug. 17, 1999) (EWG status granted to a company that would provide stand-by and start-up electric service to another company for such company's use to start its generation facilities.).

3. Samson III's Other Potential Incidental Activities

In connection with developing, owning and operating the Samson III Project, Samson III may also engage in the following incidental activities that the Commission has found to be permissible EWG activities:

- sell ancillary services available from the Samson III Project which are incidental to, and by-products of, the Samson III Project's operations as a wholesale power generator;¹⁵
- reassign excess transmission capacity consistent with the Commission's requirement that such reassignment of excess transmission capacity be limited to transmission capacity Samson III originally obtained for the purpose of affecting a specific wholesale sale of electric energy;¹⁶
- purchase and sell congestion revenue rights that Samson III needs for the Samson III Project's power sale operations;¹⁷
- resell excess fuel supplies or assign its excess fuel transportation capacity provided that such sales be made only if such fuel supplies or transportation were originally contracted by Samson III to operate the Samson III Project;¹⁸
- trade emission allowances consistent with the Commission's limitation that an EWG may only engage in such trading so long as the emission allowances were originally obtained in the normal course of operating the Samson III Project;¹⁹
- sell "green" power certificates or credits consistent with the Commission's limitation that an EWG may sell such certificates or credits where they are associated with power produced by the Samson III Project;²⁰
- lease or rent property to third parties but to the extent a lease arrangement is not reasonably necessary to Samson III's wholesale power business and a rental fee is received above a nominal amount, Samson III will, consistent with EWG precedent, donate or transfer such rental revenues to a non-affiliated entity;²¹

¹⁵ The ancillary services that Samson III may sell would include reactive power and voltage support, regulation and frequency response services, load following, energy balancing services, spinning and supplemental reserves, blackstart capability, and/or any other ancillary services consistent with the Commission's rules or as otherwise permitted by the Commission. See, e.g., *Duke Energy Oakland, LLC*, 83 FERC ¶ 61,304 (1998); *Sithe Framingham, LLC*, 83 FERC ¶ 61,106 (1998).

¹⁶ See *CNG Power Services Corp.*, 71 FERC ¶ 61,026, at 61,103-04 (1995).

¹⁷ See *Duquesne Power, LP*, 106 FERC ¶ 61,104 (2004).

¹⁸ See *Selkirk Cogen Partners, L P*, 69 FERC ¶ 61,037, 61,168-69 (1994).

¹⁹ See *UGI Development Co.*, 89 FERC ¶ 61,192 (1999).

²⁰ See *Madison Windpower, LLC*, 93 FERC ¶ 61,270 (2000).

²¹ See, e.g., *Duke Energy Hot Spring, LLC*, 98 FERC ¶ 61,287 (2002); *PSEG Fossil, LLC, et al.*, 95 FERC ¶ 61,405

- engage in project development activities associated with the Samson III Project. Such project development activities may include, but are not necessarily limited to, the following activities: due diligence; site investigations; feasibility studies; preliminary design and engineering; licensing and permitting; negotiation of asset and land acquisitions; negotiation of contractual commitments with lenders, equity investors, governmental authorities and other project participants and such other activities as may be necessary to financially close on eligible facilities; negotiation of power sales contracts; equipment purchases; fuel supply; engineering, construction, interconnection, and related matters; preparation and submission of bid proposals; and development of financing programs related to owning or operating the Samson III Project and/or additional electric generation facilities that satisfy the criteria for EWG status;²² and
- engage in other activities incidental to the sale of electric energy at wholesale that are consistent with the Commission's EWG precedent.

III. SAMSON III'S REPRESENTATIONS REGARDING EXEMPT WHOLESALE GENERATOR STATUS

Samson III makes the following representations in order to demonstrate that it meets the Commission's definition of an EWG under Section 366.1 of the Commission's regulations.

A. Samson III will be engaged directly and exclusively in the business of owning or operating, or both owning and operating, all or part of one or more Eligible Facilities²³ and selling electric energy at wholesale. The Samson III Project, including the interconnection facilities described in Sections II.B.1 and 2 above, satisfy the definition of Eligible Facilities because they will be used for the generation of electric energy exclusively for sale at wholesale. Consistent with the Commission's EWG precedent, the activities described in Sections II.B.2 and

(2001).

²² See, e.g., *Empresa Valley Hermoso, S.A.*, 72 FERC ¶ 61,306 at 62,288 (1995). Samson III will, to the extent required by the Commission, file a new notification of EWG status if it acquires ownership and/or operating interests in any additional Eligible Facilities not described herein or EWGs.

²³ Section 366.1 of the Commission's regulation adopts by reference Section 32(a)(2) of the Public Utility Holding Company Act of 1935 ("PUHCA 1935"), 15 U.S.C. § 79z-5a(a)(2), which defines the term eligible wholesale facilities ("Eligible Facilities"). Thus, the term Eligible Facilities as used herein has the meaning ascribed to it in Section 32(a)(2) of PUHCA 1935.

3 above that Samson III may engage in will be incidental to the wholesale generation business and will not violate the EWG exclusivity requirement.

B. Samson III will not make any foreign sales of power at retail.

C. Samson III will only own or control interconnection facilities that will be necessary to effectuate the Samson III Project's wholesale power sales.

D. No rate or charge for, or in connection with, the construction of the Samson III Project or for electric energy produced by the Samson III Project was in effect under the laws of any state as of October 24, 1992. Accordingly, no state commission determinations pursuant to Section 32(c) of the Public Utility Holding Company Act of 1935 are required.

E. Except for other EWGs, no portion of the Samson III Project will be owned or operated by an Electric Utility Company that is an Affiliate or Associate Company²⁴ of Samson III.²⁵

In accordance with Section 366.7(a) of the Commission's regulations,²⁶ a copy of this notice of self-certification was concurrently served upon the Public Utility Commission of Texas.

IV. CONCLUSION

For the reasons set forth in this notice of self-certification, Samson III satisfies the requirements for EWG status.

²⁴ The terms "Electric Utility Company," "Affiliate" and "Associate Company" have the meanings ascribed to them in Section 366.1 of the Commission's regulations.

²⁵ See *Buffalo Gap 2*, *supra*, at P 13 (interpreting Section 32(d)(1) of PUHCA 1935, incorporated into the definition of "exempt wholesale generator" in Section 366.1 of the Commission's regulations, "as not precluding co-ownership (or joint operation) by affiliated EWGs".)

²⁶ 18 C.F.R. §366.7(a).

Dated: April 16, 2021

Respectfully submitted,

DocuSigned by
Michael Baird

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Name: Michael Baird

Title: Vice President of Samson Solar
Energy III LLC

CERTIFICATE OF SERVICE

I hereby certify that Shannon's Employment for LLC's foregoing notice of Self-Certification of "Group A" below, "Executive Positions and Services of ^{off} Mr. [redacted], First-class mail, postage provided upon the following:

Public Affairs Commission of Texas
1701 West 26th Street
P.O. Box 13326
Austin, TX 78711-0026

Laura V. Doyle/jdc
Laura V. Doyle