Comments to PAC Agenda Item 3d on Coordinated Planning Process

The Environmental Sector appreciates MISO's continued work to develop and clarify processes to implement tariff provisions for the evaluation of generator interconnection network upgrades and ensure that the planning processes result in the most cost-effective transmission solutions for utilities, generators, and consumers. We offer the following responses to MISO's feedback requests and some additional comments on the presentations and this ongoing work.

Screening Criteria for GI Upgrades to Qualify as Market Efficiency Projects (MEPs)

At this point we support MISO's proposal to evaluate only those interconnection network upgrades that have signed GIAs. This is an important step forward in implementing the tariff requirements for this evaluation. But it should not be considered an adequate long-term solution and MISO must continue to develop a more holistic evaluation process to fully comply with its obligations under the tariff. In many cases, the projects that are most likely to qualify as MEPs are so costly that generators will not make it to signed GIAs. While we understand that developing a process to evaluate identified network upgrades in the middle of the GI process is complicated, this is also an important part of fully implementing the tariff provision. We look forward to continuing to work with MISO and stakeholders in the future on how this evaluation can be reasonably accomplished for GI upgrades prior to the time of signed GIAs.

We support the voltage and cost thresholds proposed by MISO as these are the tariff requirements for any project to qualify as a MEP. If the MEP thresholds change in the future, these criteria for screening GI network upgrades should also be changed.

We do not, however, think that a cost/MW threshold higher than $50,000/MW is needed to limit which GI upgrades will be evaluated. The $50,000 threshold is a reasonable threshold to make GI upgrade evaluations manageable for MISO and stakeholders. While MISO has identified $100,000/MW as an "implied cost threshold" beyond which interconnection customers generally do not proceed to a signed GIA, this is not the only, or even the most critical, consideration for when GI upgrades should be evaluated for MEP status. If the potential exists for significant benefits of a project to flow to stakeholders other than the GI customer, then that project should be evaluated for MEP status. In fact, if $100,000/MW is the "implied threshold" beyond which GIAs are generally not signed, it would be unlikely that many GI network upgrades would be evaluated as MEPs if this were the threshold. We believe the $50,000 threshold is reasonable to both capture that potential and bound the workload of MISO and stakeholders.

That said, if MISO and other stakeholders believe that a higher cost threshold is needed, such as $75,000/MW, we encourage MISO to allow staff, using their knowledge of the system and good engineering judgement, to identify projects for evaluation that do not meet this higher threshold but show a strong likelihood of qualifying as an MEP, assuming the GI customers do not wish to opt out.

Lastly, we agree that interconnection facilities and interconnection substations should not be included in the MEP evaluation. However, rebuilds that meet the above criteria should qualify to be evaluated for MEP status. Neither MISO nor stakeholders have provided a sufficient rationale for excluding rebuilds from this process.

Robustness Testing

We agree that it may be appropriate to run robustness tests on GI upgrades being evaluated as MEPs, as this is the practice for evaluation of other MEPs. With regard to GI upgrade evaluation, however, it is critical that MISO not reduce the amount of new generation in the model during robustness testing. Since these upgrades are identified to support new generation projects that have signed GIAs, we should assume that, at a minimum, that amount of generation in reasonably similar locations is included in the models. In general, we continue to urge MISO to provide more clarity on the process for determining what robustness tests will be run and more bounds on what can be considered for these sensitivity studies. While robustness tests have in the past been discussed and decided on in the SPMs, we also request that the scope and assumptions of all robustness tests be reviewed and approved by the PAC.

Straw Proposal for Comprehensive Review for All Long-Term Needs

The Environmental Sector appreciates MISO's proposal on the new "all long-term system needs assessment" (ALTSNA) that proposes to cross-check needs, potential solutions, and their business justification across three planning silos: reliability, economic, and GI ("Three Silos"). We will need to further understand the mechanics of how the information in the ALTSNA would be imported and exported through the other three silos, and how this coordination of needs and consideration of consolidated projects will be accomplished across the planning processes. To that end, we request MISO host additional stakeholder discussions on the design of the ALTSNA so that MISO can receive input before offering proposals for stakeholder response. We look forward to continued discussion on this proposal and how to ensure its effectiveness.

Modeling Assumptions and Potential Analyses for Assessment of Long-Term Needs

The Environmental Sector has more questions than comments about the proposed assumptions and analysis for the ALTSNA:

1. How would this analysis differ from what is currently being done in the Three Silos?

2. How would this analysis result in designing solutions that would address multiple needs either of the same type (e.g. multiple reliability needs) or of different types (e.g. both identified reliability and economic needs)?
3. When referencing the years 5 and 10, does this include the TO identified projects in years 6-9 and 11-15 respectively?
4. Does MISO anticipate requiring the TO's to identify potential projects throughout the time period designated in years 5 and 10?
5. How will non-transmission alternatives be considered in the ALTSNA? Is there an opportunity also to consider where transmission investments can defer investment in generation assets that lead to lower costs for customers in a region?

We look forward to exploring these questions - and inevitably others that will arise - in the coming months as we flesh out the details of an effective and holistic ALTSNA.

Solar/Wind Dispatch Implementation

The Environmental Sector appreciates MISO's consideration of stakeholder comments and its flexibility in determining that implementation of Solar/Wind Dispatch changes can occur in the 2019 DPP cycles with minimal impact. We appreciate MISO's balanced approach and sincere effort in meeting diverse stakeholder needs.

Unsolicited Comments - Solutions to Address Coordinated Planning

MISO staff have indicated that they see the new Long Range Transmission Planning (LRTP) process as a key part of the solution to allowing MISO, its transmission owners, and stakeholders identify the most cost effective and efficient solutions to address multiple transmission issues or drivers at the same time. We agree that LRTP is an important step forward and a part of this solution, but LRTP must be an ongoing process that is completed at least every 2-3 years for it to effectively address coordinated planning issues that have hampered MISO's ability to be responsive to member and customer needs. To date, we have not gotten an indication from MISO that the LRTP is intended to be more than a multi-year, one-off process.

We also note that while LRTP may be sufficient to address the needs for coordination and consolidation of larger transmission needs, there still must be in place a clear process that allows MISO and stakeholders to identify the best solutions to transmission needs that come from the bottom-up transmission owner planning, as well as transmission planning processes that typically identify solutions to discrete needs such as the GI process and the transmission service study process.

In sum - while we support the LRTP and believe it is necessary to put MISO on a more effective path to meeting the needs of the system, we do not see it as a complete, long term solution to the transmission planning issues MISO currently faces and we encourage MISO to continue working with stakeholders to address the multitude of issues across its planning processes in search of durable, long-term, holistic solutions that will maximize the benefits to the system, MISO members and ultimately consumers.

We appreciate all of MISO's work with stakeholders to find solutions to these complex issues, and we look forward to doing our part to move this forward quickly and effectively.