

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

Midcontinent Independent System Operator, Inc.

Docket No. ER22-995-000

**COMMENTS OF AMERICANS FOR A CLEAN ENERGY GRID**

Pursuant to Section 212 of the Commission's regulations,<sup>1</sup> Americans for a Clean Energy Grid (ACEG)<sup>2</sup> submits these Comments in support of the February 4, 2022 filing by the Midcontinent Independent System Operator, Inc. (MISO), proposing revisions to the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (MISO Tariff) to change the current cost allocation methodology for Multi-Value Projects (MVPs).

**I. INTRODUCTION AND SUMMARY**

MISO proposes to revise the current MVP cost allocation methodology to provide a sub-regional cost allocation option for MVP projects that provide benefits to one sub-region. The MISO Tariff currently provides that MVP projects must be allocated on a system-wide basis. According to MISO, the current system-wide cost allocation methodology presents challenges for some MVP projects that provide benefits only to one of the MISO sub-regions, *i.e.*, the MISO Midwest sub-region or the MISO South sub-region. The proposed tariff changes will allow MISO to allocate transmission costs to a sub-region, while still preserving

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<sup>1</sup> 18 C.F.R. § 385.212 (2021).

<sup>2</sup> ACEG represents a diverse coalition of stakeholders focused on the need to expand, integrate and modernize the high-voltage grid in the United States. The ACEG coalition includes utilities that develop, own, and operate transmission, trade groups that include transmission owners and transmission equipment manufacturers among their members, renewable energy trade groups and advocates, environmental advocacy organizations, buyers of energy, labor unions, and energy policy experts. ACEG seeks to educate the public, opinion leaders, and public officials about the needs and potential of the transmission grid. These comments do not necessarily reflect the views of individual members.

the system-wide cost allocation for projects that provide system-wide benefits.

ACEG supports MISO's proposed sub-regional cost allocation methodology. The proposed tariff changes represent a pro-active, multi-benefit planning effort that will ensure that needed transmission gets built. MISO's proposed tariff changes are a good example of the type of cost allocation flexibility that the Commission should encourage on a region-by-region basis to address the specific cost allocation hurdles that all too often prevent needed regional transmission infrastructure from being developed.

## II. COMMENTS

### A. **MISO's Proposed Tariff Revisions Address an Existing Roadblock to Regional Transmission Development Similar to Many Areas in the U.S.**

The MISO MVP transmission planning and cost allocation methodology is unique to the MISO region, but the difficulty of allocating the costs of regional transmission facilities is a problem facing many areas in the U.S. It is one of the significant issues that must be resolved for the U.S. to meet the changing needs of the electric grid.

MISO states that its proposed revisions are consistent with its prior efforts to ensure that the MVP cost allocation process continues to be responsive to new challenges.<sup>3</sup> According to MISO, the region is facing significant challenges due to the "favorable economics, technological advances, state policies, and consumer preferences for carbon-free energy[.]"<sup>4</sup> As a result, like many areas in the U.S., the MISO region is increasingly fueled by renewable resources. As MISO acknowledges, this trend is bringing benefits to the electric grid as well as challenges, in the form of an urgent need for transmission expansion.

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<sup>3</sup> *Midcontinent Independent System Operator, Inc.*, Proposed Revisions to MISO Tariff to Modify Cost Allocation for Multi-Value Projects, Transmittal Letter at 3, Docket No. ER22-995-000 (Feb. 4, 2022) (MISO Filing).

<sup>4</sup> *Id.*

MISO's proposed changes will make the MVP category accessible for the Long Range Transmission Planning (LRTP) initiative, which is designed to address the challenges being faced in the region. MISO's proposed tariff changes, which allow for sub-regional cost allocation of MVP project costs, including projects identified in the LRTP, are an important step toward the goal of expanding the transmission grid and should be approved.

**B. The Commission Should Encourage the Type of Pro-Active, Multi-Benefit Transmission Planning that MISO's Proposed Tariff Revisions Represent.**

MISO's LRTP is an example of the kind of pro-active, multi-benefit transmission planning that ACEG supports. The Commission should allow flexibility for regions to make cost allocation proposals that will enable such plans to gain stakeholder support, such as the MISO proposal in this proceeding. ACEG supports this kind of flexibility that reduces roadblocks for new transmission development.

In its comments in the Commission's transmission planning ANOPR proceeding,<sup>5</sup> ACEG provided a comprehensive list of the transmission planning process requirements that the Commission should require.<sup>6</sup> MISO's proposed tariff provisions in this proceeding meet many of these process requirements:

1. Transmission plans should pro-actively plan for future generation and load by incorporating (not just considering) the anticipated generation mix, publicly stated utility plans, public policy directives, load levels, and load profiles over the lifespan of the transmission investment.

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<sup>5</sup> *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Advanced Notice of Proposed Rulemaking, Docket No. RM21-17 (ANOPR).

<sup>6</sup> ACEC's Initial Comments on the ANOPR were filed on Oct. 12, 2021; ACEG's Reply Comments were filed on Nov. 30, 2021.

2. Transmission plans should account for the full range of transmission project benefits. They should use multi-value planning to identify investments that address all categories of needs and benefits, such as reliability, resilience, reduced need for generation, production cost reduction, and other power system benefits.
3. Transmission plans should address uncertainties and high-stress grid conditions through scenario-based planning. Scenario planning that considers possible severe weather and other threats enables an evaluation of the value of transmission in these situations and the insurance value that transmission provides.
4. Transmission plans should use comprehensive transmission network portfolios to address system needs. Portfolios that consider all technologies are more efficient and reliable than a single project-by-project approach.
5. Transmission plans should require joint planning (not simply coordination) between neighboring interregional systems. They should also require a minimum amount of interregional capacity among power systems to protect against a variety of risks that can cause local generation shortfalls.
6. Transmission planners should select the transmission plan that maximizes expected net benefits, not the ratio of benefits to costs.
7. Transmission planners should provide relevant information to interested stakeholders. Currently, the planning regions possess and report disparate information on transmission needs and investments and some regions do not publish cost information for approved project. This limits stakeholders' ability to assess such projects and determine the most efficient interconnection location.

ACEG supports cost allocation flexibility if it enables regions to gain stakeholder support for new transmission expansion. MISO's filing paves the way for MISO to move ahead with LRTP projects, potentially starting this year, which could result in significant new regional transmission in MISO. Its filing also offers a model for how other regions could develop cost allocation agreements to comply with a potential planning rule resulting from the Commission's ANOPR proceeding. MISO's proposed methodology appropriately reflects the broad benefits provided by regional transmission and offers a reasonable path forward for much needed regional development.

### III. CONCLUSION

As discussed above, ACEG supports MISO's proposal to revise the current cost allocation methodology for MVP projects to allow for sub-regional cost allocation for certain MVP projects that provide only sub-regional benefits. ACEG requests that the Commission approve MISO's proposed revisions.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the above-referenced proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Washington, D.C. this 7<sup>th</sup> day of March 2022.

/s/ Leah Kaiser

Leah Kaiser

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