

SPP-MISO January IPSAC Meeting Notes

January 21, 2014
Doubletree near Galleria
Dallas, TX

Introductions and Overview

SPP welcomed everyone to the meeting¹. SPP reviewed the numerous joint stakeholder meetings which were focused on developing with stakeholders the proposed Order 1000 interregional planning process filed with FERC on July 10, 2013. SPP stressed the importance of stakeholder participation in the SPP-MISO Coordinated System Plan (CSP) Study.

Issues Review

MISO reviewed a summary of the transmission issues provided by stakeholders and staff. While many of the submissions included suggested transmission solutions, the initial focus is on transmission issues. Twelve entities responded to the issues request. SPP and MISO provided stakeholders with the opportunity to present and discuss the issues they submitted. Eight stakeholders chose to present their issues. The discussion during the issues review resulted in significant stakeholder input into the types of issues that should be included in the CSP study. After stakeholders presented their issues, SPP presented the issues that were submitted by stakeholders but were not presented by the respective stakeholder. After a review of the stakeholder submitted issues, the staff submitted issues were presented. The submittal forms and other information related to the submitted issues can be found with the meeting materials.²

During the issues review discussion several questions were asked by stakeholders. Nebraska Public Power District (NPPD), asked how the MISO system would be modeled, specifically the dispatch between MISO Midwest and MISO South. MISO replied that it will be one dispatch. NPPD continued by asking if MISO would consider a Market Efficiency Project (MEP) that interconnected MISO Midwest to MISO South. MISO replied that they would.

Wind Coalition commented that through the discussion of the issues it has become apparent that there are two types of issues. The first type focuses on those at a local or granular level and secondly those of a more macro nature. Both are valid and should be considered.

¹ 121 individuals participated either in-person or via the WebEx at the 1/21 meeting

² <http://www.spp.org/publications/SPP-MISO%20IPSAC%20110613%20Meeting%20Materials.zip>
<https://www.misoenergy.org/Events/Pages/SPPIPSAC20140121.aspx>

2014 SPP-MISO Coordinated System Plan Study Timeline

SPP presented the proposed SPP-MISO CSP Study timeline. SPP mentioned that the timeline has not changed from what has been previously presented. As the CSP Study scope is developed, a more granular timeline will be shared with stakeholders. Several stakeholders expressed concern with the length of the study. Their comments focused on the length of time it would take for a proposed interregional transmission project to be evaluated in the CSP and then again in the regional planning process. MISO commented that a proposed project would be evaluated in the MISO Transmission Expansion Plan (MTEP) in parallel with the CSP so there should not be a significant amount of time after the conclusion of the CSP for a project to be considered in MISO's MTEP. SPP stated that the timeline limits regional consideration to within 6 months after the conclusion of the CSP unless a waiver is granted by the Joint Planning Committee (JPC). SPP continued by stating that SPP's process is such that regional approval would occur within that six month window and that a proposed interregional project would not have to be evaluated in SPP's Integrated Transmission Planning (ITP) in order to be approved within SPP. Stakeholders expressed a desire to see a visual representation of how the interregional study process timeline fits in with both RTO's regional planning process timeline.

Futures Discussion

MISO began the futures discussion by reviewing how the futures are developed in the MTEP process as well as what futures are being used in the current MTEP analysis. More information on MISO's MTEP process can be found in the appendix of the presentation included with the meeting materials.

SPP presented SPP's process for futures development in the SPP ITP as well as what futures are being used in the current ITP analysis. More information on SPP's ITP process can be found in the presentation included with the meeting materials.

MISO reviewed SPP and MISO's previous efforts at developing a joint and common future that was coincident in both the MISO and SPP planning processes. The joint future process started in December 2011 with the first joint MISO Planning Advisory Committee and SPP Economic Studies Working Group meeting. The meeting focused on futures selection and definition. A joint stakeholder meeting was held in July 2012 to review the development process and discuss how the models would be used. The joint future agreed upon by the respective staff and stakeholders represented a business-as-usual scenario.

Scope Development Discussion

As an introduction to discuss the CSP scope development, SPP added that before the study gets started and before a scope is developed it is important to determine what success looks like. Wind on the Wires stated that success would be a plan on which the RTOs are willing to act. This would mean that projects identified in the study would be approved, constructed, and cost allocated. She continued by stating that it would be important to have evaluated the proposed transmission project using a variety of futures and sensitivities. AEP agreed with comments by Wind on the Wires on a successful study, though he is unsure regarding the magnitude of futures. He added that simply getting agreement on a future is partial success itself. AEP stated that there should be coordination and consistency with the ITP and the MTEP. He stated that each region uses different metrics and has different project criteria. Since MISO's criteria is more limiting it will be MISO's criteria that controls what projects will be built. AEP suggested

that there needs to be consistency in metrics and criteria and that the RTOs should consider reliability and public policy projects.

SPP continued the discussion on scope development by asking stakeholders what type of future, or futures, do they want to evaluate. SPP stated that if the CSP were to evaluate sensitivities on a business-as-usual future instead of utilizing multiple futures, in SPP's process the stakeholders and the SPP Board of Directors are flexible enough such that they could gather enough information from that analysis to make an informed decision. MISO stated that they are willing to evaluate additional futures and sensitivities that go beyond what is used for MISO's regional cost allocation. OGE stated that most of the issues presented during the issues discussion represented issues that are seen today. They continued by saying that the analysis does not have to look too far out or at varying futures to identify the issues and potential solutions. OGE said that he would prefer not to evaluate futures in addition to a business-as-usual future as there are plenty of issues, many of which have already been discussed, that can be evaluated in the business-as-usual future. The Wind Coalition asked if there was a way to evaluate the near-term and business-as-usual issues using the previously developed "joint future". They stated that it would be a way to provide a screening analysis without the large resource expense of developing a future. They then added that it was very important that the CSP look beyond the business-as-usual future. Clean Line Energies stated that based on their involvement in multiple processes over the years that there is always tension between transmission planning and scenario planning.

ITC Great Plains stated that he generally agrees with OGE, however he added that we will be "missing the boat" if we don't look beyond business-as-usual. NPPD said that the CSP should focus on near-term issues as many of the issues presented at the meeting included near-term issues, including those focused on the MISO South integration. SPP summarized the discussion saying there seems to be two points of view on futures. The first is that it is important to evaluate issues using futures beyond business as usual and the need to leverage multiple futures. The second view focuses on limiting the analysis to one future to focus on issues that are already seen along the seam today.

SPP then moved on to discuss benefits. He asked "what benefits should be used to evaluate transmission projects?" While Adjusted Production Cost (APC) will be used for cost allocation, other benefits can be considered when determining whether or not a project should be approved as an interregional project. ITC stated that the hurdles for an interregional project should not be higher than those for a regional project. The benefits considered should at least be similar to those used in each region. The interregional process should not be any more complicated than the processes set up to evaluate projects regionally. The Wind Coalition added that the regions should continue to evaluate how to more accurately distribute costs based on a more holistic accounting of the benefits. Empire stated that we can't revise the cost allocation at this time. The focus needs to be on the "low-hanging fruit" if there is any. Empire mentioned that they are concerned that we could get caught up in the futures development but that we have already heard where there are issues that should be easily addressed. Empire summarized by saying that we should first focus on the items that are easy.

During the issues evaluation discussion, staff asked stakeholders what particular issues that were discussed today should be included in the study scope. ITC stated that of the 34 issues presented, 22 of them dealt with the MISO South integration. Therefore it should be a major focus of the CSP study.

Discussion of Next Steps and Future Meetings

MISO reviewed the CSP next steps. The next meeting is scheduled for April 8 at MISO's office in Carmel, IN. The Wind Coalition requested that the IPSAC meetings be held in a location that is more convenient. MISO stated that staff would consider alternative locations for future meetings. AEP stated that it may be valuable to hold a conference call in March to provide an additional opportunity for stakeholders to provide input on the scope. By waiting until April it may be too late to incorporate any significant input from stakeholders. MISO replied by stating that it will take time for staff to develop a solid draft that would be appropriate for stakeholder review. Additional stakeholders echoed AEP's comments. SPP and MISO staff will consider a March conference call.