MISO Comments for the DOE Congestion Workshop

December 8,2011

MISO Guiding Principles from BOD

- **Guiding Principle 1:** Make the benefits of an economically efficient energy market available to customers by providing access to the lowest electric energy costs.
- **Guiding Principle 2:** Provide a transmission infrastructure that safeguards local and regional reliability and supports interconnection-wide reliability.
- **Guiding Principle 3:** Support state and federal energy policy objectives by planning for access to a changing resource mix.
- **Guiding Principle 4:** Provide an appropriate cost mechanism that ensures the realization of benefits over time is commensurate with the allocation of costs.
- **Guiding Principle 5:** Develop transmission system scenario models and make them available to state and federal energy policy makers to provide context and inform the choices they face.

Conditions Precedent to Build Transmission

- A robust business case for the plan.
- Increased consensus around regional energy policies.
- A regional tariff matching who benefits with who pays over time.
- Cost recovery mechanisms to reduce financial risk.

Transmission Corridor Identification Process Using the Congestion Study Information

- **Set of planning principles**
  - EISPC-State regulatory, Governor's offices inputs
  - National policy ?
- **Studies provide information to make decisions for the above processes**
  - 2012 Congestion Study- actual and regional study results to show where the congestion is and the cost of congestion
  - EIPC-future congestion evaluations
- **Conditions precedent for transmission construction-Regions**
  - The regions will study inter-regional transmission as a part of FERC Order 1000
  - Regional tariffs, state regulation involved in process, FERC

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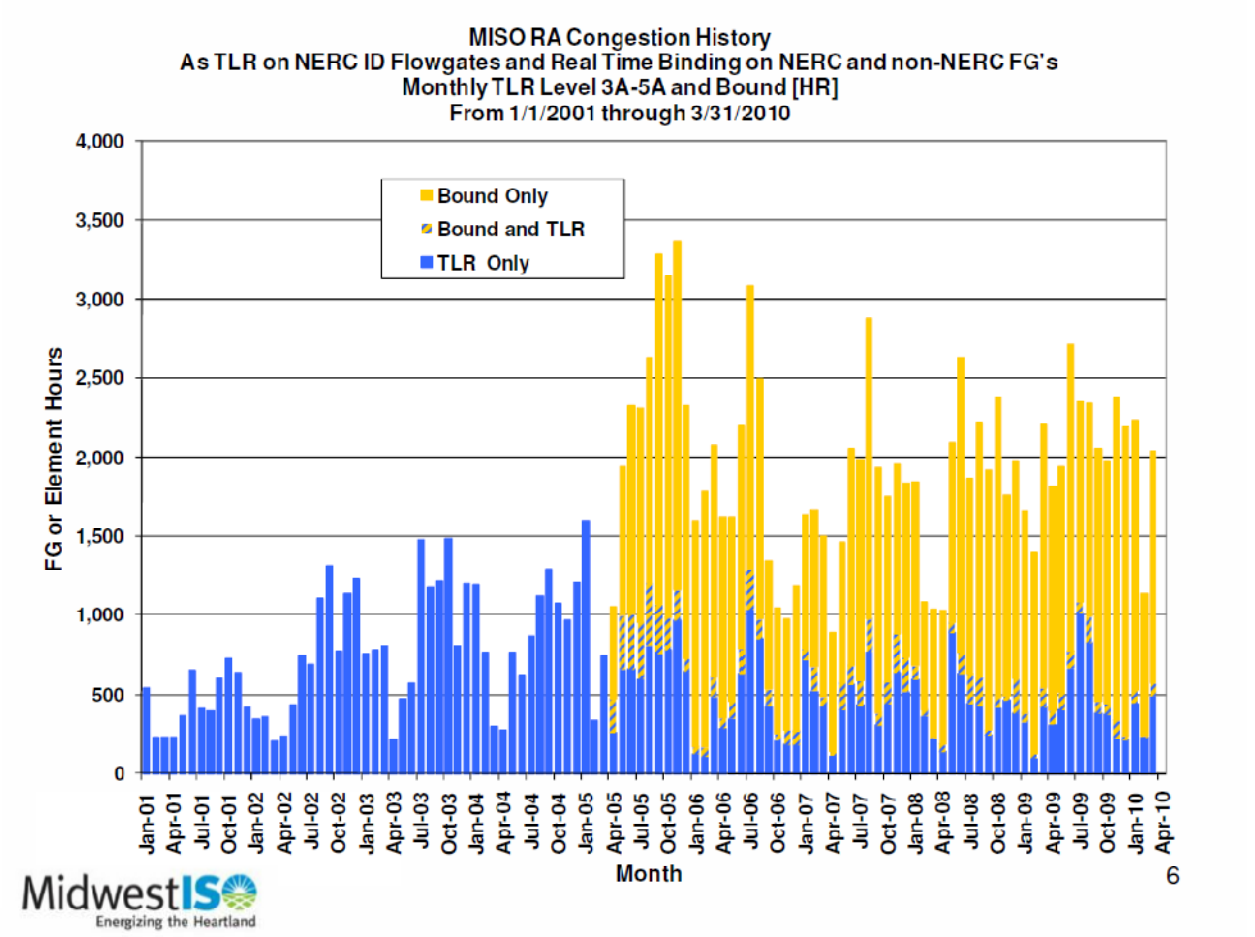
Question

Based on current conditions, analyses and recent developments in your region, do you think your area has become more or less congested, and why?

Answer

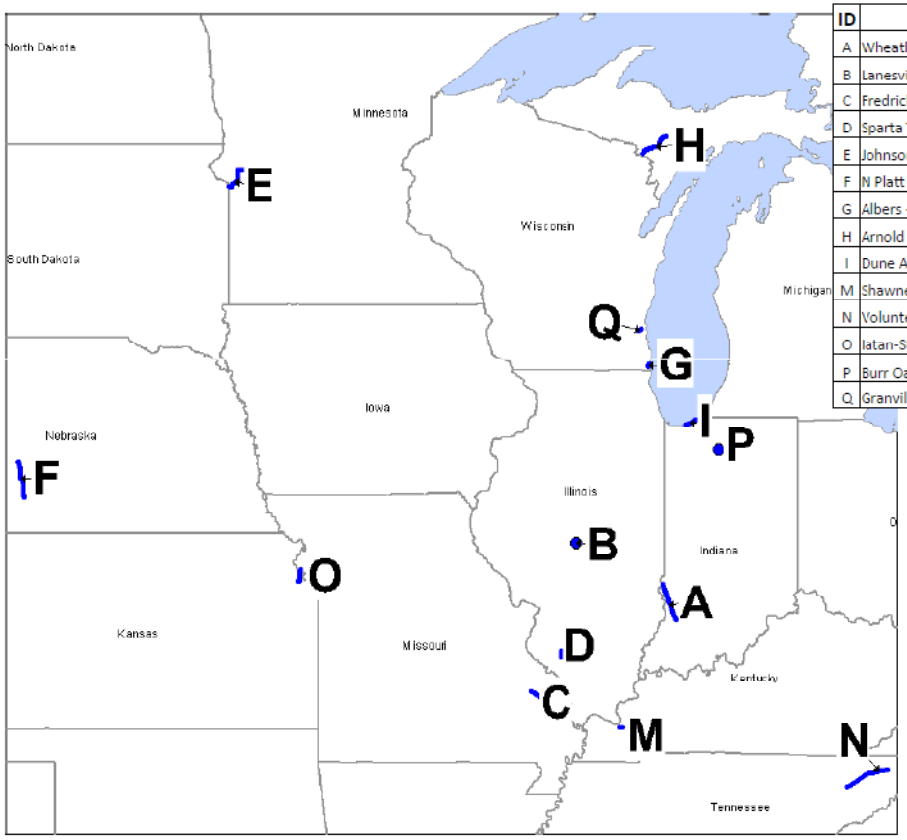
MTEP 10,11 contain congestion analysis..
The Top 10 Congested Flowgate Report is an annual report.
The Market Monitor report addressed congestion.
References are provided

MISO Congestion Trends from MTEP 10



Top 10 Congested Flowgates from current study

2011 TCFS Updated Flowgates



ID	Flowgate
A	Wheatland - Breed 345kV
B	Lanesville 345/138kV Transformer
C	Fredricktown - Fredricktown Tap 161kV
D	Sparta Tap - Tilden 138kV
E	Johnson Jct. - Ortonville 115kV
F	N Platt - Stockville 115kV
G	Albers - Kenosha 138kV
H	Arnold - Plains 138kV
I	Dune Acres-Michigan City - LaPorte 138kV
M	Shawnee – Marshall 500kV (Contingencies)
N	Volunteer – Phipps Bend 500kV (Contingencies)
O	Iatan-Stranger Creek 345kV
P	Burr Oak 345/138 Transformer
Q	Granville – Butler 138kV

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Top Congested Flowgates from MISO-PJM Cross Border Study

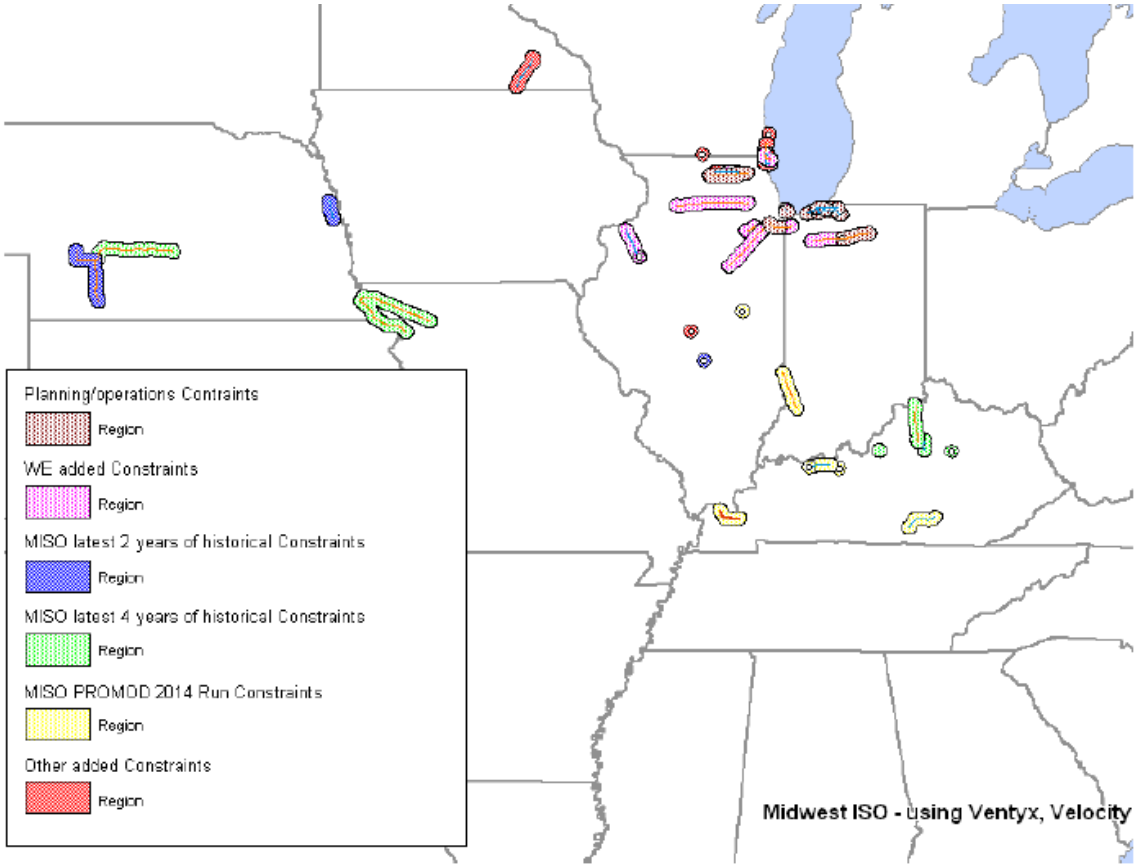

Figure 8.5-1: Top Congested Flowgates from Various Sources

MISO Transmission Approved for Construction
And
Recommended for Construction-MTEP 11
Approval Date by MISO BOD for MTEP 11 is December 8, 2011

MTEP 11 is the first year for Multi Value Projects of which one Criterion is Economics (congestion relief)

Note the lag time from approval to in service

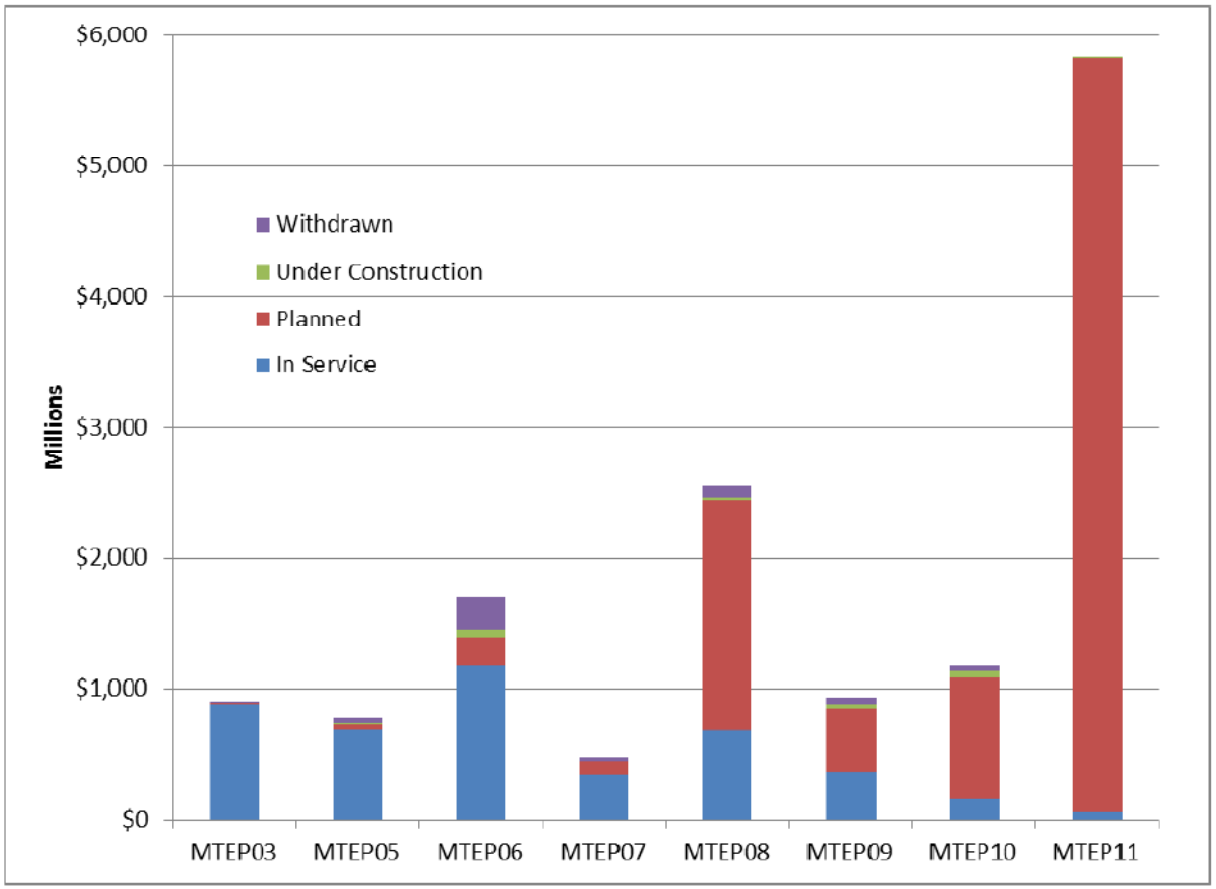

Figure 3.2-2: Approved MTEP investment by facility status

Question

- **What factors should DOE look at when evaluating congestion and identifying**
- **congestion areas in this region?**
- **How might each factor affect future congestion in this region?**

Answer

The processes used in MTEP 10, 11 identify MISO's processes for evaluating congestion.

MISO found that evaluation of congestion as one of the criteria in a **portfolio** of transmission expansions produced superior results to evaluation of projects by themselves.

Include all factors simultaneously in the analysis an not split the analysis Into factors.

Congestion relief is the largest component for justifying transmission, but it is not the only component of benefits.

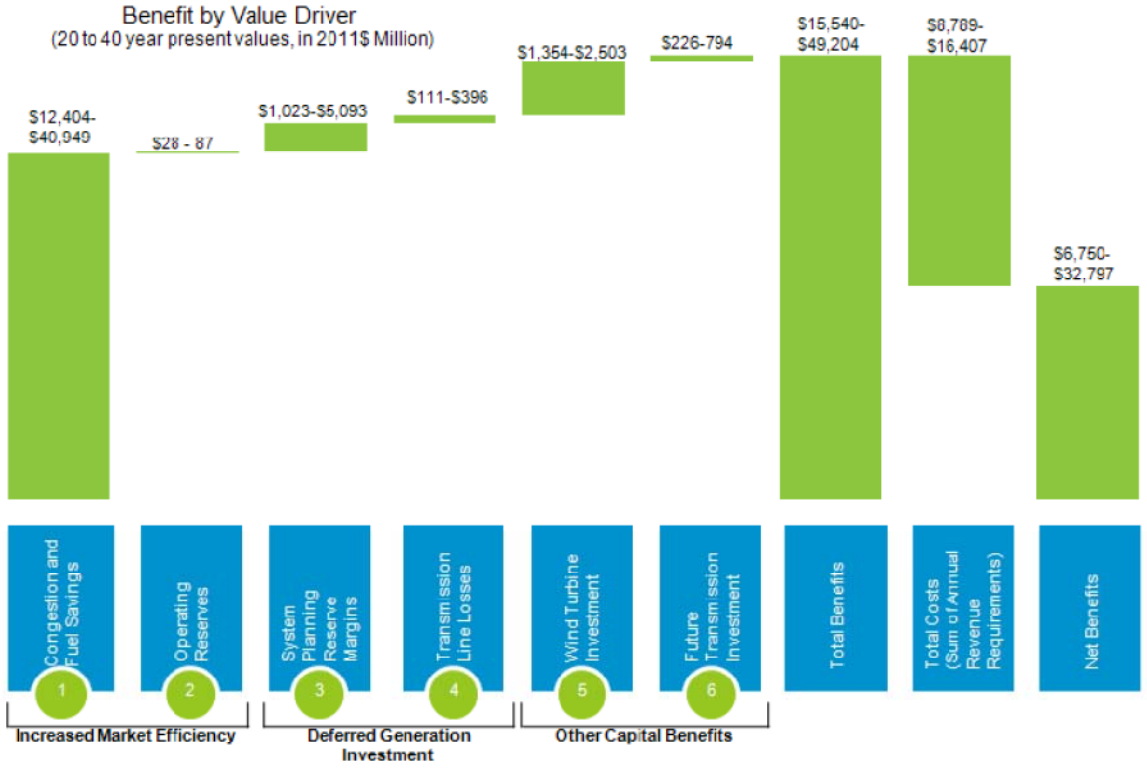

Figure 4.1-13: Proposed MVP portfolio economic benefits

Question

In its 2009 Congestion Study, DOE found that the entire Mid-Atlantic region remained a Critical Congestion Area and that there were large portions of the East with rich renewable resource development potential that merited recognition as Conditional Congestion Areas. The Study also found that the New England area no longer merited recognition as a Congestion Area of Concern.

Do you think that the 2009 study came to the appropriate conclusions regarding congestion in this region in 2009-10?

Answer

Public data sources and the RTO websites contain the information to determine the answer to the question.

Question

Is there current or conditional congestion in your area or region today?

Yes

What evidence -- quantitative or qualitative -- supports your conclusions regarding current or conditional congestion in your area or region today? (Please provide such evidence, or direct us to appropriate source materials.)

Answer

References provided

Question

To the extent that you believe your region has conditional congestion of national significance, what are the factors or conditions upon which that conclusion rests and how likely are these conditions likely to materialize?

Answer

EPA rule uncertainty will make it difficult to address congestion in a meaningful manner for the next few years. If the MVPs are approved, waiting to see if the process works and transmission is constructed is probably the best course regarding MISO.

Question

If current or conditional congestion exists in your area, what are its consequences in terms of reliability, resource options, wholesale competition and market power, cost of electricity to consumers, environmental quality, or other?

Answer

Market Monitor and MTEP reports supply the information. References supplied.

Question

Are these consequences so significant that this congestion should be mitigated?

Answer

If the MTEP 11 MVPs are approved December 8, 2011, the answer is yes.

If not, the answer is no.

Question

Assuming that it would not be economic or practical to mitigate all congestion, what is the range of options for mitigating severe congestion?

Answer

MISO has analytical processes, previously documented, that address congestion and cost allocation.

The processes are evolving and being tested.
References sited.

Question

Are there particular data sources, analyses and organizations that DOE should look at for expertise and source material in preparing the 2012 congestion study?

Answer

The MISO studies have been sited.
Market Monitor reports have been sited.
Price differences for information of congestion have been sited.

Question

In particular, how should DOE best use the expertise and insight offered by the Eastern Interconnection States Planning Council (EISPC) and the Eastern Interconnection Planning Collaborative (EIPC)?

Answer

The EIPC is a long range inter-regional study.
The EIPC probably will not supply congestion data for the 2012 report.
The value of EIPC and EISPC is that regions are participating in a joint planning process. Developing the communications, regulation coordination, and initial studies that have a potential for providing information about inter-regional transmission expansion in the future to address congestion and other issues.
It takes at least 5 years to develop and refine regional planning processes.
One should expect EIPC to take longer as it is more complex.

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