

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

Managing Transmission Line Ratings)

Docket No. AD19-15-000

**POST-TECHNICAL CONFERENCE COMMENTS
OF THE ORGANIZATION OF MISO STATES**

On September 10th and September 11th, 2019, Federal Energy Regulatory Commission (“Commission”) staff convened a technical conference to discuss what transmission line ratings and related practices might constitute best practices, and what, if any, Commission action in these areas might be appropriate. The Organization of MISO States (“OMS”) appreciates the opportunity to respond. In short, the OMS believes that Transmission Owners (“TOs”) should be encouraged to use Ambient Adjusted Ratings (“AARs”) under the circumstances set forth below and that the line rating methodologies used should be public.

I. COMMENTS

1. Discussion of a Possible Requirement for Transmission Owners to Implement AARs

- a. Should transmission owners be required to implement AARs? If so, to which lines would the requirement apply? What criteria (e.g., congestion, facility age) and process would be used to determine to which lines the requirement would apply? What would be the benefits or drawbacks to such a requirement?**

The Commission should encourage TOs to implement AARs. The Market Monitor for MISO has estimated that had MISO implemented temperature adjusted and short-term emergency ratings it could have reduced production costs by \$127 million in 2017¹ and \$145 million in 2018.² As long as AARs can be utilized cost-effectively and do not impact the reliability of the bulk power

¹ Potomac Economics, *2017 State of the Market Report for the MISO Electricity Markets* at vi (June 2018).

² Potomac Economics, *2018 State of the Market Report for the MISO Electricity Markets* at viii (June 2019).

system their use should be encouraged. ERCOT and PJM already use AARs,³ and MISO is already able to accommodate the use of AARs. Therefore, their use should be one of the easier ways to achieve market efficiency benefits for customers.

AARs could initially be utilized on the most highly congested lines, where implementation may be the most cost-effective. Lines that are congested by wind output could also be a logical place to start, as congestion from wind output could be partially offset by increased transmission capacity from windy conditions. However, simply focusing on the most congested lines under normal conditions could hide other opportunities to use AARs such as during extreme events or during planned line outages. Lines that may provide the most value during these events might not be the lines that are congested under typical peak conditions. AARs could also be used to alleviate congestion along the seams between the RTOs.

b. If AARs are required, should they be required for modeling in both the day ahead and real-time markets?

The Day Ahead market tries to predict the actual conditions in the real-time market. As such, if AARs are expected to be used, their use should be modeled in both markets based on the best information available at the time. This will help ensure that these markets remain fair for all market participants.

c. What type of forecasting (e.g., how frequently, how granularly, and of what variables) is needed to incorporate AARs and DLRs into both real-time and day-ahead markets? If forecasts submitted in day-ahead markets differ from the real-time rating, how should the difference be treated by the transmission system operator? Who is liable if forecasted ratings are wrong?

The OMS recognizes the complexity associated with developing, and then relying upon, accurate wind and weather forecasts in order to use AARs in the day ahead market. However, the

³ FERC Staff, *Managing Transmission Line Ratings* at 7, Docket No. AD19-15-000 (August 2019).

MISO region has significant experience with wind and weather forecasting given the prevalence of renewable energy generation. In addition, weather forecasting is a key component of daily load projections.

Ratings ranges can sufficiently capture the majority of differences between day ahead forecast and real-time conditions while also enabling the transmission system operator to have confidence that any uncertainty in the day ahead forecast will not lead to reliability concerns in real time. In other words, the AAR structure can be sufficiently conservative enough to mitigate reliability concerns.

Changes in system conditions between day ahead and real-time should not create any type of new legal liability should forecasts prove to be wrong. Instead, market participants should be able to hedge against uncertainty in the Financial Transmission Rights markets as they do now. Should any type of event occur so that a line could not utilize an AAR at particular time, that line could revert to a seasonal rating.

- 4. Discussion of Transparency of Transmission Line Rating Methodologies**
 - a. Should transmission owners' transmission line rating methodology be made more transparent? If so, how and how much additional transparency? Should underlying assumptions be made available? Should transmission line ratings be made more transparent? If so, how? For both transmission line rating methodologies and resulting ratings, who should have access to such information?**

Transmission line rating methodologies should be as transparent as possible. Currently RTOs have visibility into load-forecasting methodologies used by load serving entities within their footprints and are able to review these forecasts to ensure they meet a set of basic requirements. The same approach should be taken for transmission line rating methodologies. Further, the MISO

Market Monitor has argued that if AARs were required in a particular RTO that transparency would be essential.⁴

b. Should transmission owners or other entities (e.g., NERC regional entities or RTOs/ISOs) be required to develop a database to document each transmission facility's most limiting element?

The OMS is concerned with ensuring that no market participant has any advantage over another market participant. Some TOs already provide this information publicly. Having an open database would also allow outside parties to verify the effectiveness of AAR on particular flow gates.

II. CONCLUSION

The OMS submits these comments because a majority of its members have agreed to generally support them.⁵ Individual members reserve the right to file separate comments regarding the issues discussed in this docket.

Respectfully submitted,

/s/ Marcus Hawkins

Marcus Hawkins
Executive Director
Organization of MISO States
699 Walnut Street, Suite 468
Des Moines, IA 50309
marcus@misostates.org

Dated November 1, 2019

⁴ Potomac Economics, *FERC Technical Conference on Managing Line Ratings: AD19-15 Panel 3* at 2, Docket No. AD19-15-000 (September 10, 2019).

⁵ The Manitoba Public Utilities Board did not participate in the vote.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list prepare by the Secretary for the above-captioned docket in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure. 18 C.F.R. § 385.2010 (2019).

DATED at Madison, Wisconsin this the 1st day of November, 2019.

/s/ Marcus Hawkins

Marcus Hawkins
Executive Director
Organization of MISO States
699 Walnut Street, Suite 468
Des Moines, IA 50309
marcus@misostates.org

Document Content(s)

AD19-15 -- OMS DLR Comments.PDF.....1-5