

the Commission to express the positions of the OMS member agencies.

Service of pleadings, documents, and communications in this proceeding should be made on the following:

Marcus Hawkins
Executive Director
Organization of MISO States
811 E. Washington Avenue, Suite 400
Madison, WI 53703
marcus@misostates.org

Brad Pope
Director of Legal & Regulatory Affairs
Organization of MISO States
811 E. Washington Avenue, Suite 400
Madison, WI 53703
brad@misostates.org

I. SUMMARY OF COMMENTS

OMS strongly endorses the NOPR’s focus on and promotion of Long-Term Regional Transmission (“LTRT”) Planning through scenario-based modeling while simultaneously recognizing the important role of states in the planning, siting, and determination of cost allocation for regional transmission projects.³ OMS’s broad support for the NOPR’s overall objective is embodied in OMS’s Long-Range Transmission Planning Principles (“LRTP Principles”), which were approved by the OMS Board on June 13, 2019.⁴ The introduction to the LRTP Principles states this alignment succinctly: “[OMS] supports regional, coordinated, long-range transmission planning, and will provide a leadership role in its development...”⁵ OMS has actively pursued this principle through its long-standing involvement in and support for MISO’s transmission planning process. From OMS’s perspective, it is critically important to note at the outset that MISO’s regional planning process already reflects many of the elements and features contained in the proposed rule, and it should be looked to as a model for other regions to emulate.

³ The use of the term “states” in these comments is meant to include all OMS Members Council of the City of New Orleans and The Manitoba Public Utilities Board.

⁴ OMS, Organization of MISO States Statement of Principles: Long-Range Transmission Planning, available at: https://www.misostates.org/images/20190613_Long-Range_Transmission_Planning_Principles_-_Approved_Combined.pdf (“LRTP Statement of Principles”). “... [OMS] supports regional, coordinated, long-range transmission planning, and will provide a leadership role in its development.”

⁵ *Id.*

Considering the LRTP Principles and the NOPR’s recognition that regional transmission planning processes must be consistent with the provision of Commission-jurisdictional services at just, reasonable, and not unduly preferential rates, terms, and conditions, OMS is encouraged by the prospect of developing cost-effective LTRT Facilities that will enhance reliability, accommodate the changing resource mix where applicable, and serve the anticipated growth in electricity demand. Still, we reiterate our comments made in response to the ANOPR that any future rule changes derived from this NOPR must preserve the ability of MISO to develop appropriate solutions through a robust stakeholder process while accommodating the essential role of states in implementing their respective legal requirements. OMS also cautions the Commission that overly prescriptive requirements or the imposition of duplicative processes as a result of this NOPR may stall or impede the progress MISO has made in developing and approving long-term transmission projects. Striking the appropriate balance of advancing the NOPR’s laudable objectives while ensuring regional flexibility in reaching them will ultimately determine its effectiveness.

II. LONG-TERM REGIONAL TRANSMISSION PLANNING

In the NOPR, the Commission proposes to require public utility transmission providers to “conduct regional transmission planning on a sufficiently long-term, forward-looking basis to identify and plan for transmission needs driven by changes in the resource mix and demand.”⁶ OMS endorses the Commission’s commitment to ensuring that long-term transmission planning in Regional Transmission Organizations (“RTOs”) accounts for the evolving generation mix, where applicable. The Commission must recognize that in a footprint as large as MISO, there will be different drivers within and across subregions (MISO North/Central and MISO South) resulting

⁶ NOPR at P 56.

in differing generation mix changes. Accordingly, the final rule should preserve appropriate flexibility in the development of future scenarios, benefit metrics, planning horizons, and study frequency.

It should be noted initially that the Commission and OMS have previously recognized that MISO is a leader in scenario-based planning among the national transmission providers. The success of MISO's long-term planning process is evidenced by both its 2011 Multi-Value Project ("MVP") Transmission Portfolio and current Long-Range Transmission Planning ("LRTP") initiative. The 2011 MVP Portfolio ultimately resulted in 17 distinct transmission facilities totaling \$5.2 billion that considered reliability, economic, and public policy drivers in the development of transmission solutions that provide benefits in excess of costs throughout the MISO North and Central footprint.⁷ On July 25, 2022, MISO's Board of Directors approved Tranche 1 of MISO's LRTP initiative. This portfolio of MVPs includes 18 projects totaling \$10.3 billion that will enable state and utility resource plans and goals along with a great deal of reliability and economic benefits.

The experience gained through these two processes highlights why flexibility in LRTP Planning is critical to the development of LRTP Facilities. The 2011 MVPs and the MVPs identified through MISO's LRTP processes have key differences, including the studies that led to their creation, the number of future scenarios considered, the granularity of cost allocation, and the types of benefit metrics used to develop the business case for the projects. However, the success of these planning processes was in part the result of the flexibility MISO and stakeholders were able to exercise in undertaking such complicated long-range planning activities to accommodate

⁷ Sixteen of the 17 MVP projects are constructed and in-service. The remaining project, Cardinal-Hickory Creek in Iowa and Wisconsin, is under construction but is in litigation.

the rapidly changing environment in the MISO North/Central sub-region. This flexibility was needed to gain perhaps the most important ingredient for success – buy-in from the benefiting states.

The Commission should enable regions to meet key objectives with regional flexibility to develop appropriate processes. These objectives should include requirements that scenario-based planning occur on regular intervals and within an appropriate study window that ensures that the assumptions used to predict future resources and transmission needs are reasonably accurate and based on the “best available data inputs.”⁸ OMS also supports flexibility regarding which benefits are evaluated to reflect changing circumstances but requests guidance from the Commission on how best to identify and quantify vague concepts such as resilience and reliability that are not tied to NERC criteria.

A. Development of Long-Term Scenarios for Use in LTRT Planning

As discussed above, OMS strongly supports the inclusion of long-term, scenario-based planning in the development of regional transmission project proposals. For decades, MISO has undertaken scenario-based planning to identify and analyze transmission solutions that would be beneficial across a range of future scenarios. While OMS supports the requirement that transmission providers and stakeholders develop more than one distinct future scenario to evaluate potential regional transmission projects, OMS opposes establishing a specific number of scenarios (e.g., four). Significant time and effort are required from the transmission provider, states, and stakeholders to build the models and gather the data necessary for each future scenario. For

⁸ When developing Long-Term Scenarios, the NOPR states, “best available data inputs” are developed using diverse and expert perspectives, adopted via a process that satisfies the transparency planning principle, and that reflect the factors public utility transmission providers must incorporate into Long-Term Scenarios. NOPR at PP 130-31.

instance, MISO and stakeholders developed three Futures for the LRTP process, and they still took months to develop with stakeholders.⁹

OMS disagrees with the NOPR's proposal to require that at least one of the Long-Term Scenarios accounts for uncertain operational outcomes that determine the benefits of or need for transmission facilities during high-impact, low-frequency events.¹⁰ OMS believes analyzing system performance during extreme weather is appropriate for *all* scenarios, captured in an economic model or assessment of benefits. The examination of extreme events should not be tied to a distinct set of inputs and assumptions of a particular scenario but instead should be used to analyze system performance under a variety of scenarios, thereby enhancing understanding of the benefits projects may provide under extreme conditions. For example, MISO's LRTP modeling utilized three futures spanning various levels of generation fleet change and electrification load change. OMS believes that system performance during extreme weather needs to be assessed under all three of those futures to ensure reliability, regardless of the pace or ultimate result of generation and/or load changes.

In the NOPR, the Commission identified a useful list of minimum categories that must be considered in the development of scenarios while also recognizing the central role that state and local plans and regulations play in the proposed scenario development.¹¹ All seven of these categories have historically been accounted for in MISO's planning activities, and the OMS has supported their inclusion in MISO's scenarios. OMS supports and is engaged in this work and is encouraged that the Commission is proposing to allow a great deal of flexibility to arrive at the final list of inputs for scenario development. This planning must be transparent, objective, and

⁹ A description of MISO's three current Futures can be found in the MISO Futures Report (April 2021), available at: <https://cdn.misoenergy.org/MISO%20Futures%20Report538224.pdf> ("MISO Futures Report").

¹⁰ NOPR at P 124.

¹¹ *Id.* at P 104.

based on the best available data. The best available data may be procured from a variety of reliable and valid sources, including data from state planning processes; however, data from state planning processes should not be a limiting element.

OMS supports the inclusion of scenarios in LTRT Planning to account for the inherent uncertainty involved in identifying transmission needs driven by changes in regional and sub-regional resource mixes and demand. OMS believes a key method to reduce this uncertainty is to draw upon as much information as possible from states and their regulated utilities. MISO undertakes much of the scenario-based planning that the Commission envisions to develop a set of scenarios that identify transmission expansion projects that would be beneficial across a range of future scenarios. Nothing in a subsequent final rule should diminish the role of the states in the development of scenario-based planning or the obligation of MISO to rely on critical planning information provided by the states. While scenario-based planning is a useful tool to address uncertainty, we recommend the Commission not overprescribe specific changes to established and successful planning processes as the requirements could hinder the meaningful work already underway.

B. Evaluation of Benefits of Regional Transmission Facilities

In the NOPR, the Commission suggests 12 examples of potential LTRT Benefits that may be useful in evaluating potential transmission facilities for selection in regional transmission plans.¹² OMS appreciates this list of benefits and the associated descriptions as well as the Commission's clear statement that it is not requiring their use.¹³ OMS has taken the position that any candidate benefit metric must satisfy the criteria contained in Principle #2 of OMS's Cost

¹² *Id.* at P 185.

¹³ *Id.* at P 186.

Allocation Principles Committee (“CAPCom”), which states, “Cost allocation should be as granular and accurate as possible. Benefit-cost analysis should use metrics that are quantifiable, capable of replication, non-duplicative, and forward-looking.”¹⁴ OMS supports neither a minimum nor maximum set of benefit metrics but does support a requirement that those metrics satisfy these minimum criteria to ensure that projects that result from LRTP Planning processes provide at least the forecasted benefits.

MISO’s 2011 MVP process and its current LRTP process both utilized portfolios of projects that allowed for agreement on regional cost allocation. OMS requests that the Commission clarify what degree of specificity and granularity public utility transmission providers must include in their Open Access Transmission Tariffs to describe how they will analyze the benefits of regional transmission facilities under a portfolio approach. Currently, the MISO Tariff includes a list of benefits that could be used to justify MVPs, including “any other financially quantifiable benefit to Transmission Customers resulting from an enhancement to the Transmission System and related to the provisions of Transmission Service.”¹⁵ The Commission should clarify that MISO and other transmission providers will have flexibility to utilize different sets of benefit metrics in different planning cycles to justify projects required by a subsequent final rule.

Again, OMS appreciates the Commission’s embrace of flexibility in this area by declining to prescribe a set of benefits or how best to account for those benefits. OMS also supports the

¹⁴ OMS, Organization of MISO States Statement of Principles: Cost Allocation for Long Range Transmission Planning Projects, available at:

https://www.misostates.org/images/PositionStatements/OMS_Position_Statement_of_Principles_Cost_Allocation_for_LRTPs.pdf (“OMS CAPCom Statement of Principles”).

¹⁵ MISO Tariff, Rate Schedule 1 – Transmission Owners Agreement, Appendix K, Section II.E.3 (“The OMS Committee shall have the right to request and MISO shall file for a new or an amendment of any regional cost allocation methodology provided for under the Tariff that would be identified as an OMS Committee proposed filing....”).

Commission's recommendation that transmission providers analyze the benefits and costs of regional transmission facilities over a time-horizon at a minimum of 20 years.¹⁶

C. Consideration of Grid Enhancing Technologies

OMS supports the evaluation of advanced technologies in LTRT Planning processes. Advanced technologies may include but are not limited to dynamic line ratings, advanced power flow control devices, topology optimization, and storage as a transmission asset. While these technologies may make better use of current transmission infrastructure, transmission providers and relevant stakeholders should retain the ability to independently assess the value of advanced technologies as operational tools. Rather than being a mandate, it should be addressed as an item for their consideration in the planning process.

III. REGIONAL TRANSMISSION COST ALLOCATION FOR LTRT FACILITIES

In the NOPR, the Commission identified that reforms to Order No. 1000's cost allocation paradigm for transmission facilities selected through LTRT Planning processes are needed to ensure that rates associated for LTRT Facilities are just and reasonable.¹⁷ OMS supports the Commission's proposed reforms to cost allocation for LTRT Facilities, particularly regarding the flexibility provided and the level of involvement afforded state regulatory agencies. OMS also supports a requirement that transmission providers first identify beneficiaries of transmission projects prior to the assignment of regional transmission development costs to both transmission customers and new interconnecting generators that are proportional to benefits each receive.

¹⁶ NOPR at P 227.

¹⁷ *Id.* at P 299.

A. State Involvement in Cost Allocation for LTRT Facilities

In the NOPR, the Commission envisions an enhanced state engagement process by the transmission provider regarding the determination of cost allocation for LTRT Facilities. OMS appreciates the Commission's recognition of the critical role states must have in this process and the optionality the NOPR affords through a variety of different cost allocation methods. Maintaining flexibility to develop appropriate cost allocation methodologies for LTRT Facilities is essential to realizing the NOPR's overall objectives of cost-effective regional transmission expansion.

At the outset, OMS supports the Commission recognizing the paramount principle that transmission costs should be allocated commensurate with benefits (i.e., the cost causation-beneficiary pays principle). This legal standard has withstood judicial scrutiny and remains the foundation of cost allocation discussions.¹⁸ Furthermore, the beneficiary pays concept is consistent with past OMS positions and serves as the foundation for OMS's CAPCom Principle #1, which states, "The costs of new transmission projects should be allocated to cost causers and beneficiaries in a manner that is at a minimum roughly commensurate with, and preferably proportional to, the costs caused and benefits of those projects."¹⁹ OMS supported the sub-regional postage stamp for Tranche 1 in part because MISO showed that it satisfied this standard, and future cost allocation approaches would need to meet it as well. Likewise, the beneficiary pays standard is consistent with past Commission orders regarding transmission cost allocation and should continue to be a guiding principle as the Commission reviews its rules and policies to ensure just and reasonable transmission rates.²⁰

¹⁸ *S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

¹⁹ OMS CAPCom Statement of Principles.

²⁰ Order No. 1000, 136 FERC P 61,051 at PP 622, 639.

Under the so-called *ex ante* approach, transmission providers would be required to seek the agreement of relevant state entities within the transmission planning region regarding the cost allocation methods that will apply to LTRT Facilities *before* they are selected in the regional process. However, OMS believes the process in place within MISO today achieves this agreement without requiring states to formally weigh in. In the MISO process, states are heavily involved in the development of cost allocation methodologies and are afforded the ability to lead and establish the timing and scope of stakeholder discussions on cost allocation. MISO does not have to prove that it sought the agreement of states as the dialogue is continuous and states formally weigh in on cost allocation at the Commission after the transmission provider files proposed modifications. The agreement of states should be central to an RTO's calculus behind any proposed cost allocation methodology, but there does not need to be a complicated process to demonstrate how that agreement was sought. The OMS experience has demonstrated that state authority over transmission siting is more than sufficient motivation for MISO to seek the agreement of states. We agree with the NOPR's proposed requirement that relevant state authorities continue to have an integral role in the development of cost allocation methodologies prior to filing and selection but question the need for a formal process.

To date, MISO has only utilized the *ex ante* approach in the development of its MVP and LRTP cost allocation methodologies. For instance, MISO proposed a sub-regional cost allocation for LRTP-driven MVPs in MISO North/Central projects that was based on an energy withdrawal methodology. MISO submitted this methodology to the Commission for consideration on February 4, 2022, while the projects were still under consideration, and OMS filed comments in support.²¹

²¹ *Midcontinent Indep. Sys. Operator, Inc.*, "Proposed Revisions to MISO Tariff to Modify Cost Allocation for Multi-Value Projects" Docket No. ER22-995-000 (February 4, 2022) ("LRTP Cost Allocation Filing").

The Commission approved MISO’s sub-regional cost allocation filing on May 19, 2022, and the final suite of LRTP-driven MVP projects was recently approved by MISO’s Board of Directors on July 25, 2022.

When considering rules for regional cost allocation, the Commission should preserve the ability of regions to develop regionally appropriate methods to seek agreement. OMS discussed several of the topics raised in the NOPR through a committee of regulators focused solely on cost allocation for long-range projects. The Commission should consider initiatives, such as this committee developed by OMS, to understand how flexibility can enable retail regulators to be responsive to their region’s specific needs. This committee finalized a set of principles that many of the propositions in these comments are based on, some of which are noted below:

- The costs of new transmission projects should be allocated to cost causers and beneficiaries in a manner that is at a minimum roughly commensurate with, and preferably proportional to, the costs caused and benefits of those projects.
- Cost allocation should be as granular and accurate as possible. Benefit-cost analysis should use metrics that are quantifiable, capable of replication, non-duplicative, and forward-looking.
- Costs should not be allocated to parties that receive negligible or negative benefits.
- Generators and load each can be considered cost causers, beneficiaries, or both and should be allocated costs accordingly.²²

OMS recommends that these principles remain front of mind as potential cost allocation reforms are considered.

B. Varieties of State Agreement Processes

OMS appreciates the Commission’s attempt to advance cost-effective LTRT Facilities through a formalized cost allocation process *following* their selection in regional transmission planning (i.e., the NOPR’s State Agreement Process).²³ However, OMS believes it is unnecessary

²² OMS CAPCom Statement of Principles.

²³ NOPR at P 302, fn. 509.

for transmission providers to explicitly define such a process in their tariff. OMS also notes that while a State Agreement Process could occur *ex post*, as envisioned in the NOPR, nothing prevents such a process from occurring *ex ante*.

OMS also has concerns with the State-Negotiated Alternate Cost Allocation Method that is proposed as part of *ex ante* cost allocation. OMS believes that 90 days may not afford sufficient time for states to reach such an agreement memorialized in writing.²⁴ It may be useful for the Commission to recommend that transmission providers establish periodic reporting requirements during the 90-day period with an option to extend the deliberations another 90 days for good cause shown.

OMS again stresses that regional flexibility must be preserved as overly prescriptive directives may constrain innovative solutions. For instance, MISO's Targeted Market Efficiency Projects along the PJM seam were broadly supported and effective but did not strictly comply with Order No. 1000. Another conceivable scenario that necessitates regional flexibility would be a portfolio of LTRT Facilities that is selected in a regional transmission plan for purposes of cost allocation with an established *ex ante* agreement and that contains a single project subject to *ex post* cost allocation due to its much larger contribution to a local need or policy goal.

C. **Identifying the Benefits and Beneficiaries of LTRT Facilities**

OMS supports the Commission's proposal to allow for flexibility in determining the appropriate definitions of benefits and beneficiaries for the purposes of selecting LTRT Facilities.²⁵ This flexibility allows transmission planners to consider changes in the resource mix, public policies, transmission topography, reliability needs, and economics of their planning areas.

²⁴ *Id.* at PP 319-323.

²⁵ *Id.* at P 183-185.

Planning processes should incorporate the best data available to ensure that all realistic benefits are identified and quantified. To ensure a high degree of confidence in the development and identification of benefits, the data, assumptions, and models must be available to all stakeholders in a transparent and readily accessible manner. OMS reiterates CAPCom Principle #2 that benefits should be “quantifiable, capable of replication, non-duplicative, and forward-looking” to ensure that costs are appropriately allocated.²⁶ State input is particularly important and should be relied upon for information related to new resources, retiring resources, and changes in load.

IV. CONSTRUCTION WORK IN PROGRESS INCENTIVE²⁷

In the NOPR, the Commission proposes to make LTRT Facilities ineligible for the construction work in progress (“CWIP”) incentive in rate base.²⁸ CWIP is an accounting method designated in the FERC Uniform System of Accounts through which developers are authorized to recover project costs in rate base in certain circumstances prior to the project being placed in service. As such, inclusion of CWIP in rate base is an exception to the general rule that utility plant must be “used and useful” before it will be included in rate base. In lieu of the CWIP incentive, the NOPR affords transmission providers the opportunity to “book costs incurred during the pre-construction and construction phase as [Allowance for Funds Used During Construction] and only recover those costs after the project is in service to customers....”²⁹

Given the uncertainty that LTRT Facilities may not become “used and useful,” OMS supports the Commission’s preliminary finding that additional protections for ratepayers with respect to these projects may be necessary to balance consumers’ interest in just and reasonable

²⁶ OMS CAPCom Statement of Principles.

²⁷ The South Dakota Public Utilities Commission and the Minnesota Public Utilities Commission support the retention of the CWIP incentive as a potential accounting method in certain circumstances but do not believe that it should be required for all LTRT Facilities. The Council for the City of New Orleans abstains from this section.

²⁸ NOPR at P 333.

²⁹ *Id.*

rates against investors' interest in earning a return on their investment. OMS agrees that the CWIP Incentive primarily benefits public utility transmission providers and their shareholders during construction of a project while ratepayers mainly receive the benefits from completed transmission facilities under a more stable rate environment.³⁰ Under the CWIP paradigm, ratepayers directly finance construction of the facilities while receiving no immediate benefits. OMS views this as a departure from the "used and useful" standard given that there is no guarantee the facility will ultimately be placed in service. As such, OMS agrees with the NOPR's proposal to render LTRT projects ineligible for CWIP in rate base while still affording AFUDC treatment. This approach appropriately removes the burden on ratepayers of financing a project that may not ultimately be placed in service.

V. TRANSPARENCY IN LOCAL PLANNING AND RIGHT-SIZING REPLACEMENT

In the NOPR, the Commission highlights the need for greater transparency of local transmission planning inputs in the regional transmission planning process and for identifying potential opportunities to right-size replacement transmission facilities.³¹ OMS recognizes this need as well through its experience in the MISO stakeholder process and supports these proposed changes.

A. Enhanced Transparency and Coordination

OMS members have varying levels of oversight and visibility into the utility-driven, local planning processes that are incorporated into the overall MISO transmission expansion plan.³² Despite the lack of uniformity, OMS believes that MISO and transmission developers share the common goal of ensuring that regional and local transmission expansion identifies optimal

³⁰ *Id.* at P 331.

³¹ *Id.* at PP 398-414.

³² ANOPR Reply Comments at P 2.

transmission solutions for customers. By enhancing transparency into both local and regional planning processes, retail regulators can more effectively participate in achieving this shared objective of identifying the best set of projects to meet both local and regional needs.

Given the increasing investments in annual transmission planning, retail regulators must be empowered with the tools necessary to ensure the transmission system is expanded in a cost-effective manner to meet the needs of customers in their jurisdictions. In the context of transmission planning, transparency is achieved by providing stakeholders with information regarding transmission plan assumptions and drivers and the opportunity to inquire about transmission planning decisions.

OMS supports the NOPR's proposed requirement that transmission providers revise the regional transmission planning process to enhance transparency of: (1) the criteria, models, and assumptions that utilities use in their local transmission planning process; (2) the local transmission needs that they identify through that process; and (3) the potential local or regional transmission facilities that they will evaluate to address those local transmission needs.³³ OMS also supports the reforms that require public utility transmission providers to establish an iterative process that would ensure that stakeholders have meaningful opportunities to participate and provide feedback on local transmission planning throughout the regional transmission planning process.³⁴

B. Utility Self-Approved Projects and Stakeholder Input

In an effort to enhance transparency and stakeholder review, the Commission proposes a Stakeholder Review process regarding regional planning of local transmission projects.³⁵ OMS welcomes this reform but suggests that the Commission go a step further to require that all local

³³ NOPR at P 400.

³⁴ *Id.*

³⁵ *Id.* at PP 400-402, 404.

transmission projects be evaluated and approved as part of regional transmission planning processes with the opportunity for meaningful input from retail regulators. As currently conceived, the Stakeholder Review Process would offer “needed additional transparency into local transmission planning processes,” but it would not require transmission owners to consider stakeholder input or to reach agreement on the “local transmission planning information” that the transmission owner ultimately provides to the grid operator.³⁶ This enhancement will ensure that increased transparency enables meaningful participation by state regulators while properly respecting transmission owners’ abilities to maintain their systems as outlined in Order No. 1000.³⁷

C. Right-Sizing Transmission Replacement Projects

OMS supports the requirement for transmission providers to provide a list of facilities at or above 230kV that they anticipate needing to replace over the next ten years for review and consideration as part of the LTRT Planning process.³⁸ The requirements that any project selected for right-sizing through LTRT Planning meet all applicable needs of the public utility transmission provider and meets all LTRT selection criteria is an appropriately high bar for this type of project.

Furthermore, ensuring that transmission owners are not incentivized to rebuild and replace facilities without considering other opportunities and instead have a level playing field to consider solutions that could address multiple needs (including those outside of the local system) is critical. The Commission rightfully addresses this potential misalignment of incentives for any transmission line that is selected to be right-sized, which will help ensure the accessibility of accurate information and provide for identification of optimal solutions.

³⁶ *Id.* at P 401-402.

³⁷ *Id.* at P 411. “[N]othing in the reforms that we propose here alters existing law concerning a public utility transmission provider’s existing rights and responsibilities with respect to maintaining, and when necessary replacing, existing transmission facilities.”

³⁸ *Id.* at P 404.

A review of OMS member involvement in local planning processes confirms that most state commissions have very limited to no oversight or authority over the replacement of existing facilities. These proposed reforms are a step in the right direction to help ensure that cost-effective opportunities are not missed to build out the grid. OMS is particularly supportive of the evaluation process for in-kind replacements that the Commission outlined in Paragraphs 407 and 408 of the NOPR.

VI. INTERREGIONAL TRANSMISSION COORDINATION AND COST ALLOCATION

OMS has been a proponent of interregional coordination for years and is encouraged by the Commission’s prioritization of interregional transmission planning in the NOPR, especially considering the limited interregional transmission project development to date. The OMS Seams Policy stipulates that “OMS supports the promotion of efficient and economic transmission development whether the projects are interregional or regional. Both should be considered, coordinated, and executed with equal priority....”³⁹ OMS’s continued support is grounded in the understanding that increased interregional transmission planning will be crucial to the reliable operation of the electric grid during extreme weather events and under a variety of future generation mix scenarios. The lack of interregional transmission buildout can be attributable to several factors.⁴⁰ As such, the Commission is uniquely suited to lead in this area.

At this time, OMS believes that the primary objectives of interregional planning and project development should be to support system reliability. Recent experience has shown that interregional coordination is crucial to maintaining system reliability during extreme weather

³⁹ OMS, Organization of MISO States Seams Policy, https://www.misostates.org/images/stories/Policies/Item_6_OMS_SEAMS_POLICY_approved_9_22_2016.pdf. (“OMS Seams Policy”).

⁴⁰ These factors include: parochial interests of transmission developers and states, inconsistent regional planning processes, disagreements over cost assignment, and differing benefit calculations between regions.

events. Secondary to reliability and resilience attributes, interregional transmission planning may offer widespread and diverse economic benefits for consumers, market participants, and grid operators. Studies show that economic benefits include reduced congestion, the integration of low-cost generation, and the promotion of public policy.⁴¹

OMS also values the NOPR's proposition that existing interregional coordination procedures be reformed to include: (1) the sharing of information regarding the respective regional transmission needs and solutions identified in each regions' LTRT Planning process; and (2) the identification and joint evaluation of interregional transmission facilities that may be more efficient or cost-effective than regional transmission facilities to address transmission needs identified through LTRT Planning.⁴²

OMS continues to be a strong advocate for interregional transmission coordination including the equitable allocation of costs under a "beneficiary pays" standard. In the OMS Seams Policy regarding interregional planning, OMS recognized the importance of aligning modeling assumptions and timing of interregional and regional planning processes. OMS also supported MISO's collaboration with other RTOs or similar planning entities to help facilitate interregional planning if beneficial projects exist. While the lack of interregional coordination and development to date is unacceptable and exacerbates avoidable risks to system reliability, MISO and its stakeholders have made some progress with its neighbors on the seams through two sets of Targeted Market Efficiency Projects with PJM in 2017 and 2018, one Interregional Market Efficiency Project in 2020, and its ongoing Joint Targeted Interconnection Queue study with SPP. Furthermore, the so-called triple hurdle was viewed by many as a barrier to interregional

⁴¹ The Value of Inter-Regional Coordination and Transmission in Decarbonizing the US Electricity System, Massachusetts Institute of Technology, Patrick R. Brown & Audun Botterud (Dec. 11, 2020), available at: [cell.com/joule/fulltext/S2542-4351\(20\)30557-2](http://cell.com/joule/fulltext/S2542-4351(20)30557-2).

⁴² NOPR at P 427.

coordination. With its elimination as a result of the NIPSCO Order, OMS is optimistic that more progress will be achieved.⁴³

VII. CONCLUSION

OMS submits these Comments because a majority of OMS members support this filing. However, these Comments should not be construed to mean that all OMS members agree with all the Comments. Individual OMS members reserve the right to file separate comments. In recognition of such, the following members generally support this filing:

The Arkansas Public Service Commission
The Illinois Commerce Commission
Indiana Utility Regulatory Commission
Iowa Utilities Board
Kentucky Public Service Commission
Michigan Public Service Commission
Minnesota Public Utilities Commission
Missouri Public Service Commission
The Council of the City of New Orleans
North Dakota Public Service Commission
South Dakota Public Utilities Commission
The Public Service Commission of Wisconsin

The Manitoba Public Utilities Board and the Montana Public Service Commission did not participate in the vote on this filing.

The Louisiana Public Service Commission, the Mississippi Public Service Commission, and the Public Utility Commission of Texas abstained.

Respectfully submitted,

/s/ Marcus Hawkins

Marcus Hawkins
Executive Director
Organization of MISO States
811 E. Washington Ave., Suite 400
Madison, WI 53703
marcus@misostates.org
Dated: August 17, 2022

⁴³ *N. Ind. Pub. Serv. Co. v Midcontinent Indep. Sys. Operator*, Docket No. EL13-88-000, 155 FERC ¶ 61,058 at p. 131 (2016) (April 2016 Order), *aff'd on reh'g and clarified*, 158 FERC ¶ 61,049 (2017).

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list prepared 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.

DATED at Madison, Wisconsin this the 17th of August 2022.

/s/ Marcus Hawkins

Marcus Hawkins
Executive Director
Organization of MISO States
811 E. Washington Ave., Suite 400
Madison, WI 53703
marcus@misostates.org