

Responses to OMS questions on MISO-SPP Seams Whitepaper

Introduction

The Regional State Committees of the MISO and SPP regions (OMS and SPP RSC) have established a collaborative framework to analyze issues along the RTO seams and identify potential solutions. The Commissioner-led initiative seeks to increase benefits to ratepayers of RTO participation, ensure proper interregional planning processes are in place, and support RTO efforts to improve resource interconnection. The effort is led by four Commissioners from each region known as the “Liaison Committee” with the support from the OMS and SPP RSC boards of directors.

At the request of the Liaison Committee, MISO and SPP prepared a whitepaper summarizing the history of important seams issues, their current status, and ongoing efforts to make improvements. The paper also highlighted several areas of philosophical differences and outstanding disagreement. A copy of the whitepaper can be found on the SPP RSC website

at: <https://www.spp.org/organizational-groups/regional-state-committee/spp-rscoms-liaison-committee/> or the OMS website

at: http://misostates.org/images/stories/Filings/SPP_RSC_Documents/SPP-MISO-RSC-OMS-Response_SPP_MISO-FINAL-on-website-Nov13.pdf.

The Liaison Committee now seeks input from a wider group of stakeholders. Interested stakeholders are asked to provide their reaction to the whitepaper, responses to the specific questions listed below, and any additional information they believe would be helpful for the Liaison Committee to consider. Wherever possible, please try to quantify the economic impact of issues. **Please direct written responses and questions to Adam McKinnie**

at adam.mckinnie@psc.mo.gov by January 10th. Responses are limited to 5 pages in length.

Questions

1. What do you believe to be the single most important/impactful seams issue and what barriers are preventing resolution? If applicable, include two to four additional priority items the regulators should focus on.

Interregional planning is by far the most important issue to be addressed by the RTOs. The existing process is not working and has resulted in **zero** interregional projects. The RTOs are aware of the issues and have recommended changes to the process; however, they have not committed to implement necessary changes to address historical real-time congestion which is not identified by production costing simulations. We recommend that changes proposed by the RTOs be monitored closely to determine if the desired results are achieved and a process similar to the PJM-MISO TMEP be implemented in the SPP-MISO interregional planning process.

Another important issue to be addressed by the RTOs is the Contract Path “sharing” which has played a key role in the Emergency events implemented in the MISO South sub-region in the last couple of years. Our view is that the existing process to allow MISO to use non-firm capacity, provided by the neighbors, above 1,000MW on the North-South Contract Path is only a temporary solution and a permanent robust solution needs to be developed to mitigate reliability risks in MISO South and neighboring systems. We strongly encourage the RTOs to look at this issue with fresh eyes and develop a solid long-term solution rather than implementing short-term band aids.

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2. How should the RTOs weigh the benefits of more efficient seams operation against focusing on maximizing intra-RTO efficiencies and operation?

By reducing or eliminating barriers between the RTOs, a more efficient use of transmission and generation resources across MISO & SPP footprints would be achieved which will yield a more optimum operation of the markets and interregional planning processes. The benefits would be tangible and could be measured as economic and reliability benefits in both RTOs by comparing results that would be obtained with and w/o interregional barriers.

3. What areas of the whitepaper do you agree and disagree with? Why?

The SPP-MISO Seams Whitepaper is a good first step in documenting and informing stakeholders of the progress and challenges on seams issues between MISO & SPP. It would have been helpful to have more details (flowgate specific) on the M2M congestion issues and potential solutions. Additionally, little or no information is provided on Interface Pricing methodology and potential implementation of a Coordinated Transaction Scheduling (CTS) system between the RTOs.

4. Are there seams issues that you believe were left out?

We believe that the current voltage threshold, i.e., 300kV or higher, for interregional projects is a significant barrier to developing efficient projects to address interregional issues. We strongly encourage the RTOs to implement the same voltage threshold as the MISO-PJM seam, i.e., 100kV or higher.

The whitepaper does not discuss rate pancaking between RTOs and potential implementation of a CTS system.

5. What seams issue(s) require additional analysis and study prior to solution identification? What should the goal of such an analysis/study be and what metrics or other measurable information should it include?

As stated in answer# 1, a permanent solution to the Contract Path issue is much needed. The main goal should be to develop an efficient transmission solution to significantly increase the Contract Path capacity on a permanent (firm) basis. To properly evaluate potential solutions, all economic and reliability benefits provided by such solutions should be taken into account.