

STAKEHOLDER FEEDBACK: QUESTION 3

What are your guiding principles for cost allocation?

All 13 responses
posted on SharePoint.

Stakeholders shared common principles

Beneficiaries should pay

- Many cited Order 1000 to support the idea that costs should be allocated at least roughly commensurate with benefits
 - Four noted that cost causers and beneficiaries are the same
- Others believed the inverse should be included as well. Those that do not benefit should not be allocated costs.

No retroactive cost allocation changes

- Ameren, ITC, MidAm, Xcel: allowing retroactive cost allocation would produce more opposition to transmission expansion
- CGA/Environmental Groups: retroactive adjustment could be harmful
- Big Rivers group – beneficiaries may change but reallocation of costs is too tough
- Transmission Owners do not support review of projects after cost allocation is determined.

Stakeholders shared common principles

More metrics could be beneficial

- ABATE group: MISO should explore new metrics if they are objective and quantifiable
- Ameren, ITC, MidAm, Xcel: qualitative benefits could build support for projects
- CGA/Enviro Groups: conservative ways of measuring benefits could reduce overall customer benefits

All projects should be allocated similarly

- ABATE group: principles should be honored for all projects regardless of voltage.
- CGA/Enviro: same principles and metrics for all projects regardless of project type
- NIPSCO: Majority of congestion is on lower-voltage lines. Lower-voltage projects should be allocated to beneficiaries.

Stakeholders shared common principles

More granular allocation is desired

- ABATE: MISO has the modeling capability to allow for more granular allocation
- Big Rivers group – allocated to beneficiaries at finest granularity possible
- However, WEC said that if the Futures are not balanced, an accurate and granular allocation of costs is not possible

Support for Sub-regional Allocation

- Ameren, ITC, MidAm, Xcel: sub-regional allocation could mitigate free rider concerns
- Big Rivers group – MISO's shape makes footprint-wide benefits unlikely
- Transmission Owners are divided. Some want postage stamp on regional level. Others don't want to use postage stamp at all.

Other Individual Feedback

ABATE, IIEC, LEUG, TIEC

- MISO's method should not result in *negative* benefits
- Cost allocation based on Load-Ratio Share is too restrictive.

Ameren, ITC, MidAm, Xcel

- Called for the use of quantifiable metrics
 - Qualitative metrics could be used to build support among stakeholders for certain projects

Other Individual Feedback

CGA and Environmental Sector

- The distinction between beneficiary and cost causer is without merit.
- Cost allocation should not impede development of developing transmission infrastructure.
- 1.25 b/c ratio and 20-year benefit measurement may be overly conservative in some instances.
- Interconnections that improve the network should be allocated as such
- After placement in appendix A but before approval by the Board, projects should be allowed to be recategorized as MEPs

Big Rivers, Springfield IL, Hoosier, S. Illinois

- Load Ratio share is not a remedy for remodeling uncertainty and should not be universally used in cost allocation
- Tx project costs are demand-related and should not be allocated based on energy

Other Individual Feedback

Transmission Owners

- This effort should not duplicate the recent MEP conversations
- Existing project types should be kept
- The use of hypothetical projects could be helpful in identifying and evaluating cost allocation methodology options

WEC Energy Group

- Supports further evaluation of energy withdrawal billing
- TOs should be able to decline to pursue a lower voltage MEP. Other beneficiaries should be able to fund these projects through participant funding.

STAKEHOLDER FEEDBACK: QUESTION 4

Have you designed a cost allocation proposal (either revising the existing methodology or creating a new methodology) that you would like OMS and MISO to consider?

Full responses posted on
[SharePoint](#) and [OMS Website](#)



STAKEHOLDER FEEDBACK: QUESTION 4

AWEA

- Jointly funded network upgrades – GI upgrades above cost/voltage threshold would be evaluated for MEP eligibility
 - If fully meet MEP, approve as MEP
 - If fails to meet B/C, approved as MEP if GI customers agree to pay portion until 1.25 B/C for load is achieved
- “Strong” MEP projects that fall short of 1.25 B/C evaluated for quantity of generation enabled, and allow GI customers to pay and connect

Environmental Sector

- Should add benefits to MEP to ensure all material benefits are recognized for MTEP21.
 - Results in improved alignment of cost allocation
 - Focus on 1 or 2 additional metrics in Q1 ‘21
- Develop additional LRTP allocation approach, either:
 - Modified MVP
 - Universal cost allocation proposal to replace all project types

STAKEHOLDER FEEDBACK: QUESTION 4

MISO TOs

- Premature to develop cost allocation proposals until there is a sense of the projects they would be used for
- It will be easier to judge the ability of the current Tariff to allocate properly costs of projects developed through the LRTP initiative after we have a better idea what these projects are. Any decisions made now on cost allocation will be made with incomplete information.

Montana-Dakota Utilities

- For projects needed achieve carbon reduction goals, modify existing MVP cost allocation with weighting for states/utilities that have set carbon goals & weighting for generators that are supplying load in other Transmission Pricing Zones

STAKEHOLDER FEEDBACK: QUESTION 4

Prairie Power, Inc.

- N/A

PSC of Wisconsin

- LRTP projects should be evaluated as existing project type if it is a clear fit
- If LRTP nearly fits existing project types, a modified cost allocation that more properly evaluates benefits and fairly allocates costs should be pursued
- If no fit, MISO should propose an appropriate method on a timely basis and allow stakeholder opportunity to engage and review and be subject to cost allocation principles

STAKEHOLDER FEEDBACK: QUESTION 4

Vectren

- No, recent improvements are adequate.

WEC Energy

- Consider voluntary funding options
 - Recently occurred for Rochester-Wabaco economic “other” project
 - Allows for those that believe they benefit from a project to step forward