

FERC Technical Conference
Docket No. AD16-18-000
Competitive Transmission Development Rates
Panel 4: Interregional Transmission Coordination Issues

Opening Remarks of Commissioner Angela Weber
Indiana Utility Regulatory Commissioner and Vice-President of the Organization of MISO
States

Good afternoon and thank you for the opportunity to participate in this technical conference. My name is Angela Weber and I am a Commissioner with the Indiana Utility Regulatory Commission. Indiana utilities are currently members of both the Midcontinent ISO (MISO) and the PJM Interconnection (PJM). Today I am speaking on behalf of my Commission and in my role as Vice-President of the Organization of MISO States (OMS). The Organization of MISO States is the Regional State Committee for the Midcontinent ISO state and local regulators.

OMS follows seams issues, including interregional planning, very closely because they affect all OMS members. Nearly every jurisdiction in MISO has a seam within or adjacent to it, so seams issues are important to the regulators. More recently, seams dialogue has become more prominent in OMS because of new entrants into the RTOs—new seams have been created and new viewpoints have been introduced into the discussion. Thus, OMS began an initiative in May to develop a seams policy for the organization, and we hope to finalize it in the next few months. We look forward to sharing the results of that initiative with you, but for now I will share some observations that have resulted from OMS discussions and filings to FERC and MISO, as well as some of my thoughts as a Commissioner in a state that has been struggling with some core seams issues for a number of years.

Notably, not a single interregional transmission project has been approved between MISO and SPP or PJM. While the lack of projects alone may not be the indicator of how well the interregional transmission rules are working, it may be an indicator that rules are not producing cost-effective solutions to identified problems. Some OMS members believe the lack of interregional projects is insufficient to support the notion that the current rules and processes aren't working. OMS does believe, however, that the interregional planning process and rules should not inhibit the construction of beneficial projects that can save money for customers, and they should not favor interregional projects over regional.

While I know the seams complaint involving the Northern Indiana Public Service Company is before you and therefore inappropriate for discussion today, I would like to make a general statement about OMS members. Some members currently support revisions to the interregional planning and cost-allocation rules across RTOs so that interregional projects that efficiently solve an identified need can be constructed, while others would like to see more data and evidence before concluding that beneficial projects are in fact not being built under the current rules and processes. There is agreement, however, that cost allocation for lower voltage

interregional projects should be evaluated as the rules change to ensure that only the beneficiaries of projects pay for costs. Discussions concerning the cost allocation of lower voltage interregional projects are underway at MISO, and this will certainly result in robust discussion during the OMS seams policy effort.

Recently, progress has been made between MISO and the Southwest Power Pool (SPP) and PJM to collaborate more closely for better evaluation of potential interregional projects. Specifically, the RTOs are working to align their respective modeling so that the joint studies will be more effective in identifying potential interregional projects. OMS appreciates this effort and believes this type of collaboration and alignment is necessary to create effective interregional planning processes.

There have also been initiatives between the RTOs to better align the timing between the regional and interregional planning processes. The lack of alignment between the approval of a project in regional and interregional processes results in significant delays in evaluating and constructing viable interregional projects. OMS supports this initiative and continues to encourage greater cooperation between the RTOs to identify and approve projects that will accrue benefits to ratepayers.

With respect to competitive transmission procurement, only one project subject to competition has been approved in MISO to date. Because that process is still in the initial bidding phase, OMS has yet to establish a collective view on the efficacy of that process. Staff continues to closely follow the development of this process. OMS is aware that the competitive procurement processes are different in each RTO, and in the event a project is interregional, we are hopeful that neighboring RTOs will work cooperatively with each other to identify the most beneficial project.

In conclusion, I want to thank the FERC for allowing me to participate in this panel to provide the regulatory perspective on interregional planning. The impact on ratepayers of the costs of providing safe and reliable service is important to regulators. The cooperation between RTOs on interregional planning will serve to minimize those costs when possible.