# UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

	)		
	)	Docket Nos.	ER20-857
	)		ER20-858
<b>Midcontinent Independent System</b>	)		ER20-862
Operator, Inc.	)		ER16-1969
	)		EL13-88
	)		
	)		Not consolidated

# MOTION TO INTEVENE, COMMENTS AND LIMITED PROTEST OF THE AMERICAN WIND ENERGY ASSOCIATION, CLEAN GRID ALLIANCE AND THE SOLAR COALITION

Pursuant to Rules 211, 213, and 214 of the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure, the American Wind Energy Association ("AWEA"), Clean Grid Alliance ("CGA"), and the Solar Council (collectively, the "Clean Energy Entities") move to intervene and offer these comments and limited protest in response to the Midcontinent Independent System Operator, Inc.'s ("MISO") January 21, 2020 filings and January 22, 2020 filing under Section 205 of the Federal Power Act ("FPA") to change the cost allocation methodologies for regional Market Efficiency Projects ("Regional Proposal") and Interregional Economic Projects ("Interregional Proposal"). These proposals regarding cost allocation for economically driven transmission additions contain much of the same material and

<sup>&</sup>lt;sup>1</sup> 18 C.F.R. §§ 385.211, 213, 214 (2018).

the issues are similar and related. Therefore, the Clean Energy Entities submit this one set of comments to address areas of support and concern in all dockets indicated above.

#### I. COMMUNICATIONS

The following persons (indicated by an asterisk) should be included on the official service list in this proceeding and should be served with all communications concerning this docket:

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#### II. MOTION TO INTERVENE

AWEA is a national trade association representing a broad range of entities with a common interest in encouraging the expansion and facilitation of wind energy resources in the United States. AWEA members include wind turbine manufacturers, component suppliers, project developers, project owners and operators, financiers, researchers, renewable energy supporters, utilities, marketers, customers, and their advocates.

Clean Grid Alliance ("CGA") is a 501(c)(3) nonprofit organization based on St. Paul, Minnesota that works to advance renewable energy in the Midwest. CGA is an active participant in the MISO stakeholder process and is a member of MISO's Environmental Sector. CGA's members are comprised of wind and solar developers, environmental organizations, public interest groups, clean energy advocates, farm groups and businesses providing good and services to the wind and solar industries.

The Solar Council is a group of companies participating in AWEA's RTO Advisory Council that own, operate, develop, and finance solar projects and act, in coordination with AWEA, to advance joint goals before the Commission and the nation's regional transmission organizations and independent system operators.

AWEA, CGA, and the Solar Council move to intervene in this proceeding and request that their motion for leave to intervene be granted pursuant to Rule 214 of the Commission's Rules of Practice and Procedure. The outcome of this proceeding will directly affect their members, who, as generators, have a vital interest in this proceeding and in ensuring MISO's tariff provisions regarding transmission planning and cost allocation will enable the construction of a robust transmission grid to serve the market. Thus, the Clean Energy Entities have a direct and substantial interest in the outcome of this proceeding that cannot be adequately represented by any other party.

#### III. INTRODUCTION

MISO's cost allocation methodologies have experienced an evolution since the inception of the ISO. Those methodologies have come to include cost allocation for separate categories of reliability driven projects, economically driven projects and projects that have multiple drivers called Multi-Value Projects, among others. MISO's Regional Proposal and Interregional Proposal are based on proposed changes to cost allocation for economically driven projects called Market Efficiency Projects ("MEPs"), and Interregional Economic Projects ("IEPs"). MISO also proposes to create a new category of transmission upgrade called Local Economic Projects ("LEPs") that are economically driven, which would have a different cost allocation

methodology than MEPs and which would not recognize any regional benefits when evaluating the benefit-to-cost ("B/C") ratio and when assigning costs to beneficiaries.

MISO's proposals are the result of several years of stakeholder process that were initiated to address concerns about applying MISO's existing cost allocation methodologies following the end of the transition period for the addition of the MISO South subregion to the MISO market, after which the full MISO footprint would be treated the same way with regard to cost allocation. This stakeholder process was extended even further when FERC rejected a recent version of this proposal in 2019.<sup>2</sup> CGA has been an active participant in this stakeholder process in the RECB Working Group since 2016. While the Clean Energy Entities do believe it was a robust process overall, several aspects of MISO's proposals still lack a consensus of support. In these comments and limited protest, the Clean Energy Entities offer support for many aspects of MISO's proposals, but protest the proposed LEP cost allocation methodology. The proposed LEP methodology does not meet the Commission's Order 1000 Cost Allocation Principles, and is likely to result in otherwise economically beneficial projects not being approved for inclusion the MISO's Transmission Expansion Plan ("MTEP").

The Clean Energy Entities note the importance of reviewing cost allocation given various industry changes as mentioned in MISO's filing,<sup>3</sup> and support MISO's plan to review these cost allocation changes following three years of application in the MTEP process. The Clean Energy

<sup>&</sup>lt;sup>2</sup> See Midcontinent Independent System Operator, Inc., 167 FERC ¶ 61,259 (2019).

<sup>&</sup>lt;sup>3</sup> While MISO's cost allocation methodology for network upgrades required for interconnection is not within the scope of this proceeding, it is critical the Commission understand that it is time for MISO and stakeholders to review and update that cost allocation methodology as well. Costs for network upgrades required for interconnection are assigned 100% to the interconnection customer(s), except in the case that the required upgrade is 345kV or higher, when 90% of the costs are assigned to interconnection customers and 10% are assigned to load. As more and more high voltage upgrades are being identified as needed through the interconnection process, upgrades that bring benefits to the MISO footprint well beyond simply interconnecting new generators, the costs assignment of these upgrades should be reevaluated, as they are overly burdensome on generators and costs are not being assigned commensurate with benefits.

Entities urge the Commission to require MISO to file an informational report after that review by a date certain to describe for the Commission MISO's and its stakeholders' evaluation how well these proposed changes are working, and whether they should be revised, even if that process results in no contemplation of further cost allocation changes. The Commission should also require annual informational filings that provide updates regarding the effectiveness of these proposed changes and any issues or concerns that arise, as MISO has indicated it will make adjustments if needed even prior to its Triennial Review.

#### IV. COMMENTS

The Clean Energy Entities offer general support for MISO's efforts to revise the MEP cost allocation methodology for regional and interregional economic projects. The lower voltage threshold and additional benefits metrics for MEPs are important steps towards more opportunities for regionally beneficial transmission infrastructure development. The Clean Energy Entities are concerned, however, that it has taken so long to address these issues. Since the beginning of this stakeholder process, at least three more MTEP cycles have been completed and no MEPs or IMEPs have been approved for inclusion in the MTEP reports. One economically beneficial project<sup>4</sup> was identified in the MTEP19 process, however, it was a lower voltage project at 138kV, and therefore does not have any cost allocation defined. Thus, it was not approved in December of 2019, as it would have been, during the MISO Board of Directors approval of MTEP19 and the associated Appendix A projects. Instead, this project is delayed, and the benefits this project would bring to consumers are also delayed, as the region continues

<sup>&</sup>lt;sup>4</sup> Rebuilding the Michigan City to Trail Creek to Bosserman 138kV lines was identified as the best performing project to address congestion in that area. The project had B/C ratios above 3.0 for both MISO and PJM regions. https://cdn.misoenergy.org/20190920%20IPSAC%20Presentation383497.pdf

to argue over the appropriate cost allocation for these lower voltage, economically beneficial projects.

The Clean Energy Entities briefly offer support for some important aspects of the filing and urge the Commission to support those as well. MISO proposes lowering the voltage threshold for MEPs from 345kV to 230kV. While the Clean Energy Entities believe that a single voltage threshold of 100kV is a better solution, as described in more detail below, MISO's proposed use of 230kV as the voltage threshold is an improvement and should to allow more economic upgrades to qualify for regional cost sharing.

In addition, the Clean Energy Entities support MISO's proposed inclusion of two additional benefit metrics - Avoided Reliability Project Savings and MISO-SPP Settlement Agreement Costs - beyond the use of the currently-applied Adjusted Production Cost metric to evaluate the regional benefits of upgrades and to assign costs commensurate with those benefits. The Clean Energy Entities support holistic evaluation of the numerous benefits of transmission projects, and incorporating these two new categories represents an improvement over the status quo. The Clean Energy Entities also believe that more benefit metrics are reasonable, and that MISO should prioritize moving forward with evaluating and including those benefit metrics in the MEP cost allocation methodology with an additional Tariff filing made this year. The region needs economic upgrades to address the high cost of congestion and curtailment. Incorporating additional benefit metrics increase the chances that economically beneficial projects will be approved.

Though the Clean Energy Entities offer support for these two key aspects of MISO proposal above, these comments also protest the exclusion of regional economic benefits in the cost allocation methodology for the proposed Local Economic Project Category. The Clean

Energy Entities request that the Commission reject this aspect of the LEP proposal. The lack of inclusion of regional benefits in evaluating the B/C ratio of economical beneficial projects below 230kV has the potential to result in otherwise beneficial projects not getting approved for inclusion in the MTEP. In addition, this aspect of the proposal does not comply with the Commission's Order 1000 cost allocation principles as discussed in more detail below.

#### A. MISO's Proposed Voltage Threshold Change for Market Efficiency Projects

MISO's proposed reduction of the voltage threshold for MEPs from 345kV to 230kV is a positive change, which the Commission should support. As stated in MISO's Cost Allocation White Paper, "MISO believes it is possible for projects below 345kV to provide congestion relief benefits to more than one pricing zone." The Clean Energy Entities agree with this statement. Combined with specific analysis MISO completed during the RECB stakeholder process that showed examples of projects at voltage levels below 345kV did in fact show benefits to multiple pricing zones, this provides support for MISO's proposed change. Since projects at voltages lower than the current 345kV voltage threshold can have regional economic benefits, a cost sharing methodology that reasonably assigns costs to beneficiaries for these projects meets the requirements of Order 1000.

However, the Clean Energy Entities do not believe MISO's proposed voltage threshold at 230kV goes far enough. The White Paper goes on to state, "Furthermore, favorable lower-voltage economic projects that are identified run the risk of becoming stalled or opposed in the approval process because there is no allocation method to regionally cost share these projects to

<sup>&</sup>lt;sup>5</sup> MISO Cost Allocation White Paper pp. 6-7.

<sup>&</sup>lt;sup>6</sup> "Project Benefit Distribution" presentation made to MISO's RECB Working Group on September 28, 2017.

all who benefit."<sup>7</sup> The Clean Energy Entities agree. Yet, MISO's proposed change only addresses this risk for economic upgrades at 230kV and above, not for lower voltage projects included in MISO's proposed LEP category. LEPs could still be stalled because of conflict over cost allocation when analysis shows beneficiaries outside of the local Transmission Pricing Zone ("TPZ"), because the proposed LEP category would allocate all costs to the local TPZ. The Clean Energy Entities do not believe the separate LEP cost allocation category for economically beneficial projects between 100 kV and 230 kV is necessary or appropriate, as discussed further below.

#### **B.** Additional Benefit Metrics

The Clean Energy Entities support MISO's proposed inclusion of additional metrics for the evaluating project benefits and beneficiaries for MEPs and LEPs. The Clean Energy Entities agree with MISO that "The (proposed) benefit metrics also will allow for more precise cost allocation to benefitting Transmission Customers, because more benefits will be considered both in determining beneficial projects and assessing the magnitude of benefits to beneficiaries." Including additional metrics in the evaluation of the benefits of potential transmission upgrades provides a more accurate estimate of the benefits that are expected to come from such additions. And using additional benefit metrics to allocate the costs of new transmission additions can help MISO assign costs to beneficiaries in a more accurate way.

MISO had initial discussions with stakeholders about adding even more benefit metrics to the MEP cost allocation methodology but held off pursuing development of those metrics as the rest of this cost allocation discussion progressed. MISO should be encouraged to work with stakeholders to develop methodologies for evaluating more benefit metrics as soon as possible.

<sup>&</sup>lt;sup>7</sup> Draft Cost Allocation Issues Whitepaper (Sept. 14, 2015), pp.6-7.

<sup>&</sup>lt;sup>8</sup> Regional Filing, page 4.

The analysis of total benefits of a proposed transmission upgrade is critical to whether or not that project meets the required B/C ratio, and thus whether the project is approved for construction. Thus, it is critical that the most accurate evaluation of a project's benefits be undertaken. Neither MISO's existing nor its proposed MEP cost allocation methodologies include consideration of <u>all</u> potential benefits in its MEP evaluations. And while the proposed two new benefit metrics are a step in the right direction, it should be a top priority of MISO and the Commission for MISO to submit an additional filing this year that includes more metrics to analyze the benefits of MEPs in order to support the approval of beneficial projects so customers will not continue paying more than they should.

### C. Removal of the Postage Stamp

The Clean Energy Entities do not support MISO's complete removal of the postage stamp aspect of the cost allocation methodology for MEPs. Using a postage stamp approach to allocate some portion of the costs of regionally beneficial projects is appropriate to account for benefits that are not easily quantified, to address the facts that benefits and beneficiaries change over time, and to acknowledge that membership in an integrated market brings benefits to all market participants. Other proposals such as a reduction of the percentage of costs assigned through a postage stamp approach, as well as the use of a subregional postage stamp were discussed in the earlier stakeholder process and would be appropriate ways to address the points above. Inclusion of a wide range of further additional benefit metrics may help to reduce the need for a portion of costs to be allocated via postage stamp. But at this time, it is still appropriate to allocate a small portion of MEP costs via postage stamp to the full MISO footprint, or on a subregional basis.

## D. The Proposed Evaluation of Benefits and Beneficiaries for Local Economic Project Category is Unjust and Unreasonable

The Clean Energy Entities appreciate that MISO has not ignored economically beneficial projects between 100kV and 230kV and has proposed an approach to formalize a process for evaluating and cost allocating projects at lower voltages. However, the proposed evaluation of benefits and beneficiaries, and associated cost allocation, for the Local Economic Project ("LEP") category is unjust and unreasonable.

The Clean Energy Entities first note that the LEP category is not necessary to allocate the costs of lower voltage economically beneficial transmission upgrades. The MEP category can adequately address projects at these lower voltages as well. In fact, MISO has proposed that the same MEP benefit metrics be used to evaluate the benefits of projects from 100kV up to 230kV. MISO's analysis of economically beneficial projects shows that projects at these lower voltages can provide benefits to Transmission Pricing Zones outside of the zone in which a project is located. Because there can be multiple beneficiaries for economically beneficial projects at the 100kV voltage level, it is appropriate for the costs of those projects to be allocated to the beneficiaries, as is the proposed practice for MEPs from 230kV and above. Alternatively, if the analysis shows that only one TPZ benefits from the addition of a project between 100kV and 230kV, the MEP methodology would thus assign all the costs to that TPZ. A separate LEP cost allocation methodology is not needed to assign all costs to one benefitting TPZ, and MISO has not provided real evidence to show that the methodology for evaluating beneficiaries of MEPs is not reasonable for lower voltage projects as well. Creating a separate category for LEPs is not necessary, introduces the opportunity for harm and inefficiency, and complicates MISO's overall cost allocation approach adding yet one more category to its many transmission upgrade types.

<sup>&</sup>lt;sup>9</sup> "Project Benefit Distribution" presentation made to MISO's RECB Working Group on September 28, 2017.

MISO states in its filing that the LEP category establishes a clear path forward for "economically beneficial projects that are not Market Efficiency Projects." But LEPs are identified through MISO's Market Congestion Planning Study ("MCPS") process, the same process that identifies MEPs. The Clean Energy Entities' understanding is that this planning process does not distinguish between an effort to identify projects that bring local economic benefits versus an effort to identify projects that bring regional economic benefits. This process instead identifies areas of significant economic congestion on MISO's system and seeks to evaluate potential projects that can cost effectively address that congestion. It is not just and reasonable then that certain projects identified through this planning process have costs allocated with a different methodology.

Having separate MEP and LEP cost allocation methodologies is contrary to the Commission's sixth cost allocation principle in Order No. 1000, which provided that a transmission planning region may choose a different cost allocation method for different types of transmission facilities that may be planned for different purposes, such as transmission facilities needed for reliability, congestion relief, or to achieve Public Policy Requirements. 11 Order No. 1000 states "there can only be one cost allocation methodology for each type;" 12 additionally, the Commission qualified its position on allowing varying cost allocation methods by stating that "[i]t may be appropriate to have different cost allocation methods for transmission facilities that are planned for different purposes or planned pursuant to different regional transmission planning processes, provided that these methods are applied consistently." 13 Finally, the

<sup>&</sup>lt;sup>10</sup> Regional Proposal, page 35.

<sup>&</sup>lt;sup>11</sup> Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities, 136 FERC ¶ 61,051 at P685 (2011).

<sup>&</sup>lt;sup>12</sup> Id. P686.

<sup>&</sup>lt;sup>13</sup> Id., P687.

Commission's statement in the Order that "a method, such as a highway-byway method for a reliability project, may itself further distinguish types of facilities, for example by voltage, and allocate costs differently for each type" suggests that all economically driven transmission upgrades in MISO should fall under one project type, such as MEPs, and that any further distinctions in facilities based on voltage should still fall under this one project type.

However, the MEP and LEP categories are <u>not</u> transmission facilities planned for different purposes. Both are primarily intended to reduce economic congestion, and both are identified through MISO's MCPS process. As proposed, MISO's MEP and LEP project types do not meet the intent of the Commission's sixth cost allocation principle. The distinction between the purposes and methodologies for cost allocation of these project types appears to be arbitrary, internally inconsistent, and unsupported.

When explaining the basis for modifying the voltage threshold, MISO's filing claims that "Lower voltage projects can provide some economic congestion relief, but the impacts of those projects tend to stay more localized and because these benefits are generally smaller and more locally concentrated, they are more volatile and sensitive to assumptions used to forecast Adjusted Production Cost savings". <sup>15</sup> It seems this is some of the justification MISO is using to treating economically beneficial projects lower than 230kV differently than higher voltage projects. Yet, MISO provides no data or analysis to back to this claim, or to show that this volatility and sensitivity is more the case for lower voltage projects than higher voltage projects. Instead, MISO rightly states in its filings that the Adjusted Production Cost ("APC") methodology is just and reasonable and is "one of the most reliable measures of the net economic

<sup>&</sup>lt;sup>14</sup> Id., n.513.

<sup>&</sup>lt;sup>15</sup> Regional Proposal, Moser Testimony, Tab A, page 33.

impact of a planning decision on energy cost in MISO"<sup>16</sup>. As one of the most reliable methods for analyzing economic benefits, it can be used to assess both the benefits and beneficiaries of economically beneficial projects of all voltage levels. And MISO should not ignore APC benefits to TPZs beyond the local zone. If lower voltage projects, on the other hand, bring only local benefits, the APC methodology should show this result as well.

Because MISO is not including regional benefits identified by the APC analysis as well as those that would accrue to the local TPZ, the proposed LEP category does not consider all benefits or beneficiaries of these projects. This aspect of the proposal has the potential to result in otherwise regionally beneficial projects not meeting the LEP B/C ratio and thus not being approved for construction. Not considering all benefits and beneficiaries does not meet the Commission's "reasonably commensurate" standard.

If only local benefits are used to evaluate the B/C ratio of a LEP, a lower voltage project that is economically beneficial potentially would not meet the 1.25 B/C ratio threshold for LEPs. For example, if a LEP has a cost of \$100 million dollars and the local benefits are only \$110 million, the project would not be approved. But if the project brings an additional \$15 million benefits to non-local TPZs, whether they are economic, reliability, or reductions in the MISO-SPP settlement charges, that project would not be approved, though it would then have an overall B/C ratio of 1.25. This result is unjust and unreasonable as customers would not receive the benefits of such a project. Additionally, not assigning a portion of the costs of a LEP to other TPZs that also benefit from the project does not meet the requirement that costs be assigned "reasonably commensurate" with benefits.

<sup>&</sup>lt;sup>16</sup> Regional Proposal, page 37.

In fact, there are recent examples from the MISO planning process that show that lower voltage economically beneficial projects can have significant levels of regional benefits as shown by higher regional B/C than the local B/C. 17 While these examples meet the requirement for the local B/C ratio, it is very possible that a lower voltage project that could meet a regional B/C ratio requirement of 1.25 would not be able to meet the LEP B/C ratio hurdle, and thus would not be approved for construction. The Wabaco to Rochester example was a project pushed forward by MISO and required to be built by the local TO under the "Other" category of transmission upgrades, because at that time the LEP category was not approved. Yet there was significant conflict in the stakeholder process, because the local TO was being asked to pay in full for an upgrade that clearly provided economic benefits to parties outside the local TPZ. This exemplifies the potential for conflict over projects that have regional beneficiaries, but where LEP costs are assigned only to the local TPZs. The potential for significant additional regional benefits from the examples also shows that if all costs are assigned to the local TPZ, costs will not be allocated in a manner roughly commensurate with benefits, because other beneficiaries outside of the local TPZ will not be allocated any costs.

Indeed, there can be other beneficiaries for all types of LEP benefit metrics. MISO uses APC analysis to determine the economic benefits of a transmission upgrade but is planning in the case of LEPs to disregard any TPZ receiving APC benefits other than the local TPZ or TPZs where the project is physically located. In Appendix C of the Regional Filing MISO provides several example analyses of the APC benefits to a number of TPZs. But the example APC benefit analysis for LEPs shows that there are other TPZ that may benefit, but those other

<sup>&</sup>lt;sup>17</sup> See slides 3 and 5 in the MISO presentation posted at

https://cdn.misoenergy.org/20180926%20PAC%20Item%2005a%20MCPS%20Project%20Recommendation277610 .pdf. The Wabaco to Rochester line shows a 6.79 B/C ratio for MISO's North/Central region, yet the B/C ratio for the local TPZ is significantly lower at only 1.53.

benefits are zeroed out with a "N/A" in the table, rather than including what may be the actual result of APC analysis.

To be included in the Avoided Reliability Projects benefit metric for LEP, the Avoided Reliability Project must be physically located in the TPZ where the LEP is also located. This disregards the possibility that a LEP could result in the removal of the need for a reliability project in a neighboring TPZ. But if that is the case, the neighboring TPZ would not be charged for the benefit it is receiving.

In terms of the MISO-SPP Settlement Agreement Costs metric, MISO will include only that portion of the benefit calculated for the TPZ where the LEP is located. In the examples provided by MISO in Appendix C of the Regional Filing, MISO shows Table C-3<sup>18</sup> how the MISO-SPP Settlement Charge benefit is calculated for several TPZs. In explaining how the same metric will be calculated for LEPs, MISO points back to this same table but indicates that only the benefits for TPZ A will be used in calculating the benefits and allocating the costs of a LEP. In this example, some other TPZs have even higher settlement benefits than TPZ A where the example project is located. The proposed LEP cost allocation methodology that zeroes out any benefits (whether they be APC, Avoided Reliability Project, or MISO-SPP Settlement benefits), that accrue to any TPZs other than the TPZ where the LEP is located does not align costs with beneficiaries, and thus should be rejected.

MISO notes that "The Commission's cost allocation principles encourage precision and granularity, whenever attainable, to ensure that the costs of proposed projects are borne by their beneficiaries." MISO then claims that the revised MEP criteria comport with these

<sup>&</sup>lt;sup>18</sup> Regional Filing, Appendix C, page3.

principles.<sup>19</sup> The Clean Energy Entities agree that these statements should apply to the MEP cost allocation methodology; however, the MISO LEP proposal is inconsistent with the Commission's direction on granularity, in that LEP benefits and beneficiaries beyond the local TPZ (while attainable) will not be recognized. And then only one beneficiary, the local TPZ, will be allocated costs.

MISO further complicates the LEP cost allocation when it is used to allocate the costs of certain lower voltage Interregional Economic Projects ("IEPs"). In the case where an IEP is located wholly outside the MISO footprint, MISO proposes to use the Line Outage Distribution Factor ("LODF") methodology to determine which TPZs are impacted based on the change in flow distribution on existing facilities in those TPZs. Then, MISO proposes to assign the costs of the upgrades only to the TPZ with the highest LODF factor. Again, this lack of recognition of other beneficiaries in the cost allocation methodology does not assign costs commensurate with benefits. In addition, MISO argues that LODF is not a new concept and is used to determine beneficiaries in its generator interconnection process. But LODF is used in that case to determine beneficiaries with regard to deliverability and reliability. MISO does not typically use LODF to identify economic beneficiaries, but instead has relied on APC savings. LEPs are upgrades that are driven primarily to address economic congestion and APC is the most appropriate methodology for determining economic beneficiaries.

The Clean Energy Entities protest the LEP cost allocation methodology as it does not meet the Commission's cost allocation principles and in particular will not allocate costs commensurate with benefits. The lack of consideration of regional benefits for these lower voltage, economically beneficial projects has the potential in some cases to result in otherwise

<sup>&</sup>lt;sup>19</sup> Interregional filing, pp. 21-22.

beneficial projects not meeting the LEP B/C ratio and thus not being approved. This result is not just and reasonable because customers in the MISO footprint will be deprived of the benefits that such an upgrade likely would bring in the form of reduced congestion costs borne in rates.

Given the concerns the Clean Energy Entities have raised related to the LEP category, the Commission should reject the LEP category and require MISO to include all economically beneficial upgrades 100kV and above in the MEP category.

#### III. CONCLUSION

WHEREFORE, for the reasons set forth above, the Clean Energy Entities respectfully request that the Commission reject MISO's proposed cost allocation methodology for Local Economic Projects, and approve the other elements of MISO's proposed cost allocation methodology in the above-captioned dockets. Additionally, the Clean Energy Entities urge the Commission to require MISO to i) file an informational report by a date certain to describe for the Commission MISO's and its stakeholders' evaluation how well these proposed changes are working, and whether they should be revised, and ii) make annual informational filings that provide updates regarding the effectiveness of these proposed changes and any issues or concerns that arise with cost allocation stemming from the above-captioned dockets.

Respectfully submitted,

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### **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, DC this 11th day of February 2020.

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