

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Midcontinent Independent System Operator, Inc.

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ER20-170-001

**COMMENTS OF THE
AMERICAN WIND ENERGY ASSOCIATION,
CLEAN GRID ALLIANCE, AND THE SOLAR COUNCIL**

Pursuant to Rule 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“FERC” or the “Commission”),¹ the American Wind Energy Association (“AWEA”), Clean Grid Alliance (“CGA”), and the Solar Council (“Council”) (collectively, the “Clean Energy Entities”) respectfully submit these comments on the Midcontinent Independent System Operator’s (“MISO’s”) January 21, 2020 filing of the MISO Transmission Owners (“MISO TOs”) response² to the Commission’s deficiency letter³ in the above-captioned proceeding. In its initial filing, MISO and the MISO TOs had proposed a new Schedule 50 for cost recovery of operating and maintenance (“O&M”) expenses for Transmission Owner Interconnection Facilities (“TOIFs”).⁴ The Clean Energy Entities filed timely comments protesting the Schedule 50 Filing.⁵ For the reasons discussed below, the Clean Energy Entities strongly urge the Commission to reject the Schedule 50 Filing as being patently unfair and unjust,

¹ 18 C.F.R. § 385.213 (2018).

² Midcontinent Independent System Operator, Inc. and the MISO Transmission Owners, Submission of Response to Deficiency Letter, Docket NO. ER20-170-001, (Jan. 21, 2020) (“Deficiency Response”).

³ Letter informing MISO of Deficiency and Requesting Additional Information, Docket NO. ER20-170-001 (Dec. 19, 2019)(“Deficiency Letter”).

⁴ Midcontinent Independent System Operator, Inc., Filing of Schedule 50, Docket No. ER20-170, Oct 23, 2019 (“Schedule 50 Filing”).

⁵ Mot. To Intervene and Comments of AWEA et. Al., Docket No. ER20-170 (Nov. 13, 2019)(“Protest”).

particularly in light of the new information that has been provided by the MISO Transmission Owners in this proceeding regarding the feasibility of tracking actual TOIF O&M costs.

I. COMMENTS

MISO and the MISO Transmission Owners proposed to add Schedule 50 to the MISO tariff to recover O&M expenses on TOIFs. While the Clean Energy Entities recognize that interconnection customers are responsible for paying the costs of O&M performed on TOIFs, we continue to strongly oppose the application of a formal rate schedule for this fee, as this is unnecessary and less precise than simply billing for costs under individual generator interconnection agreements. As noted in our previous comments, “maintenance costs on these facilities are easy to directly calculate and minimal compared to other O&M fees included in the rate, while the proposed schedule rate includes O&M fees for multiple unrelated services.”⁶ Additionally, the Clean Energy Entities’ Protest made clear that the Schedule 50 Filing would likely result in unjust and unreasonable, as well as unduly discriminatory, rates, terms, and conditions of service. The Deficiency Response further reinforces these arguments by providing concrete examples of direct assignment of O&M costs for TOIFs.

The Schedule 50 Filing is premised on the argument that it is infeasible to charge interconnection customers the specific O&M costs associated with the TOIF under their generator interconnection agreements, and that it would be “extremely expensive and burdensome” for the MISO Transmission Owners to revise their accounts systems and business practices to adopt such practices.⁷ However, the Deficiency Response shows that it is in fact possible, apparently without any extreme cost expenditures, to directly assign TOIF O&M costs.

⁶ Protest at 2.

⁷ Schedule 50 Filing, Transmittal Letter at 12.

The Deficiency Response describes how International Transmission Company, d/b/a ITC Transmission, ITC Midwest LLC, and Michigan Electric Transmission Company (collectively “ITC Companies”) currently recover TOIF-related O&M expenses from interconnection customers with an established process of “direct assignment and allocation”⁸ of costs. Under this method, the costs of periodic maintenance and repair of TOIF equipment are allocated to the individual interconnection customer. However, it is not practical to directly assign costs related to “maintenance activities and inspections that are intermingled with non-TOIF equipment and conducted at the same time.” Instead, such costs are allocated, based on historical cost and time estimates, between interconnection customers and other customers. This is described in a straightforward manner in the Deficiency Response, which does not indicate that developing these practices was “extremely expensive and burdensome” for the ITC Companies.

The Deficiency Response thus makes clear that direct assignment has already been implemented in MISO and appears to be no more burdensome than the Schedule 50 method, and without the significant flaws that render proposed Schedule 50 unjust and unreasonable. The MISO Transmission Owner response undermines their own claims about the infeasibility of direct assignment of TOIF O&M costs.

The Clean Energy Entities consider the approach taken by the ITC Companies to be fair and transparent, and support broader implementation by other transmission owners in MISO. In particular, the ITC Companies’ approach avoids double-charging interconnection customers for unnecessary overhead costs unrelated to TOIF O&M costs.⁹ MISO’s Deficiency Response does not offer sufficient justification, let alone any supporting evidence or documentation, to support

⁸ See Deficiency Response at Exhibit A, Page 1 of 6.

⁹ As noted in our Protest at pp.4-6, the Schedule 50 Filing risks including non-TOIF related power outage restoration and the costs for TO representatives to participate in various MISO stakeholder processes in the rate paid by interconnection customers.

Schedule 50. The Clean Energy Entities respectfully submit that the already-successful approach of ITC Companies should lead the Commission to conclude that Schedule 50 is unjust and unreasonable as proposed. Accordingly, the Clean Energy Entities urge the Commission to reject the Schedule 50 Filing without prejudice to a future MISO filing utilizing the direct assignment approach for TOIF O&M costs.

II. CONCLUSION

WHEREFORE, the Clean Energy Entities respectfully submit these comments for the Commission's consideration and urge the Commission to reject Schedule 50, with clear direction to MISO and the MISO TOs that direct assignment of *actual* O&M of TOIF facilities is a just and reasonable alternative.

Respectfully submitted,

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