

STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD

IN RE:) DOCKET NO. INU-2021-0001
)
INVESTIGATION INTO A)
COMPREHENSIVE PLAN FOR)
IOWA’S TRANSMISSION GRID)
OF THE FUTURE)

**MIDAMERICAN ENERGY COMPANY’S COMMENTS IN RESPONSE TO
ORDER SETTING WORKSHOP AGENDA AND WORKSHOP INFORMATION**

MidAmerican Energy Company, by and through its representative, appears and submits the following comments in response to the “Order Setting Workshop Agenda” (“Agenda”), issued by the Iowa Utilities Board (“Board”) on August 25, 2021 in the above captioned proceeding, and information presented at the August 30, 2021 workshop.

I. BACKGROUND

On July 2, 2021, the Board issued an “Order Initiating Investigation, Requesting Comments, and Setting Date for Workshop” (“Order”) in this proceeding, seeking to “gather information regarding Iowa’s transmission grid, the plans for expansion of the transmission grid, the plans for expansion of generation in Iowa, and how the plans reasonably relate to an overall plan for transmitting electricity in the public interest.”¹ The Joint Parties² submitted comments in

¹ Order at p. 4.

² The Joint Parties include MidAmerican, certain subsidiaries of NextEra Energy Resources, LLC (Crystal Lake Wind Energy I, LLC, Crystal Lake Wind Energy II, LLC, Crystal Lake Wind Energy III, LLC, Heartland Divide Wind Project, LLC, Heartland Divide Wind II, LLC, Cerro Gordo Wind, LLC, Story County Wind, LLC, Garden Wind, LLC, Hancock County Wind, LLC, Endeavor Wind I, LLC, and Endeavor Wind II, LLC), the Iowa Association of Electric Cooperatives and its member generation and transmission cooperatives (Associated Electric Cooperative, Inc., Basin Electric Power Cooperative, Central Iowa Power Cooperative, Corn Belt Power Cooperative, Dairyland Power Cooperative, L & O Power Cooperative, Northeast Missouri Electric Power Cooperative, Northwest Iowa Power Cooperative, and NW Electric Power Cooperative, Inc.), the Iowa Conservative Energy Forum, the Iowa State Conference of the IBEW, the Iowa Association of Municipal Utilities, the American Clean Power Association, the

response to the Order on July 30, 2021 (“Joint Comments”). The Joint Comments explained that the Board should participate in the existing regional planning processes, which support and consider state and federal policy, and that the export of energy and renewable energy development benefits Iowa, such that a separate or distinct “statewide” overall plan is not needed because the existing planning processes encompass and consider the issues and concerns highlighted by the Board. The Joint Comments expressed that, in fact, a “statewide” transmission plan that does not consider factors such as regional power markets, regional generation resource transitions, regional transmission development, and federal policy could disadvantage the state without providing additional value.

In light of comments submitted in response to the Order, including the Joint Comments, the Board offered a clarifying statement at the outset of the August 30, 2021 workshop. Specifically, the Board clarified that the proceeding was not intended to limit or delay the development of transmission lines or their approval, stop the development of renewable energy projects, alter transmission owners’ rights to seek eminent domain, or usurp regional or federal authority over transmission planning, but, rather, to clarify statutory requirements and understand what constitutes an “overall plan” as described in the Iowa Code. The Board indicated that additional comments in light of the Agenda or information provided at the workshop could be filed no later than September 10, 2021. In response to the Board’s request for information in the Agenda and in light of the Board’s clarifying statements at the workshop, MidAmerican offers the following additional comments, which are organized in sections that correspond to the specific topics listed in the Board’s Agenda:

Clean Grid Alliance, Interstate Power and Light Company, Scout Clean Energy, LLC, Silver Queen Wind Farm, LLC, ITC Midwest LLC (“ITC Midwest”), National Grid Renewables, and the Iowa Utility Association.

A. What the Transmission Owner Believes is the Overall Plan for Transmitting Electricity in the Public Interest.

Interpreting “an overall plan” as a single, “statewide plan,” is inconsistent with the Iowa Legislature’s intent in drafting Iowa Code section 478.3 and would, to Iowa’s detriment, miss the broader, regional considerations necessary to ensure electricity is transmitted in the public interest. The term “overall plan” appears in chapter 478, which contains the legal standards that the Board must consider in granting electric transmission franchises. Specifically, the term is used in section 478.3 of the Iowa Code, which states that the Board must find that a transmission line (as opposed to a generating facility) “represents a reasonable relationship to *an overall plan* for transmitting electricity in the public interest.”³ The phrase “an overall plan” itself belies the concept of a single statewide or state specific plan, as the legislature could have used the term statewide plan and would have specifically entrusted development of the plan to a single or lead entity if it had intended such a result.⁴ More to the point, the legislature appropriately recognized that an overall plan must encompass planning at multiple levels, both local and regional, to guide effective delivery of transmission facilities and services. Accordingly, rather than authorizing the creation

³ Iowa Code § 478.3(2)(a).

⁴ *Cf.*; e.g., Iowa Code §§ 15H.2 (authorizing the Iowa Commission on Volunteer Service to develop and implement a statewide plan for promoting volunteer involvement and citizen participation); 135.27 (requiring the Iowa Department of Public Health to develop a statewide comprehensive plan to support the Iowa healthy communities initiative); 256.9(61) (requiring the Iowa Department of Education to develop and implement a statewide kindergarten through grade 12 computer science instruction plan); 273.2 (requiring the area education agency board to jointly develop a three-year statewide strategic plan); 303.1 (requiring the Iowa Department of Cultural Affairs to design a comprehensive, statewide long-range plan to develop arts in Iowa); 306D.1 (requiring the Iowa Department of Transportation to establish a scenic route program that follows a statewide plan); 455B.173 (requiring the Iowa Natural Resources Commission to adopt a statewide plan for the provision of safe drinking water in emergency circumstances); 306D.2 (requiring the Iowa Department of Transportation to prepare a statewide, long-range program for a statewide scenic highways program); 307A.2 (requiring the Iowa Transportation Commission to develop a comprehensive transportation policy and plan for the state); 314.22 (requiring the Iowa Department of Transportation to develop and implement a statewide integrated roadside vegetation management plan); 464A.11 (requiring the Iowa Department of Natural Resources to develop a water trails and low head dam public hazard statewide plan); 465A.2 (requiring the Iowa Department of Natural Resources to prepare a statewide, long-range plan for the acquisition and protection of significant open space lands); 465B.63 (requiring the Iowa Department of Natural Resources the Iowa Economic Development Authority, and the Iowa Department of Cultural Affairs to assist the Iowa Department of Transportation in developing a statewide plan for recreational trails).

of a single statewide plan, the legislature, through section 478.3, established a set of criteria to assess whether a proposed transmission line “represents a reasonable relationship to an overall plan of transmitting electricity in the public interest.”⁵ The criteria and how MidAmerican meets those criteria in its many transmission line franchise petitions include:

1. *The relationship of the proposed project to present and future economic development of the area.* To meet this criterion, MidAmerican typically provides evidence of the importance of the transmission line to serve present and future economic development in the area where the line is being built; the local and broader reliability benefits of the line because a reliable transmission system is critical for a thriving economy; and the benefits of the line in terms of enabling generation development locally and over a broader region.
2. *The relationship of the proposed project to comprehensive electric utility planning.* To meet this criterion, MidAmerican typically provides evidence of how the transmission line fits into other transmission facilities already in operation or planned for construction; the status of the line in the Midcontinent Independent System Operator, Inc. (“MISO”) transmission expansion planning process; and the effect of the line in terms of allowing generation resources to be optimally dispatched.
3. *The relationship of the proposed project to the needs of the public presently served and future projections based on population trends.* To meet this criterion, MidAmerican typically provides evidence of how the line will provide transmission capacity to improve the ability to reliably serve the needs of the public and to serve

⁵ Iowa Code § 478.3(2)(a).

population growth; how the line enables new large power loads that provide significant economic development by directly providing jobs for Iowans, as well as driving development of services that support these new large power customers; how the line will result in the creation of construction jobs for the line, as well as operating and maintenance jobs in Iowa; and the extent to which the line enables utilities to meet state and/or federal energy policy requirements.

4. *The relationship of the proposed project to the existing electric utility system and parallel existing utility routes.* To meet this criterion, MidAmerican typically provides evidence of how the line utilizes existing routes and, where applicable, the benefits in terms of land-use and improvement in through-put capability of the existing line of moving from existing double-pole structures to single-pole, double-circuit structures.
5. *The relationship of the proposed project to any other power system planned for the future.* To meet this criterion, MidAmerican typically provides evidence of how the transmission line fits into a broader plan of serving area needs, including what other transmission lines and substation additions/modifications are to be constructed; and how the totality of all contemplated projects provides benefits that exceed the benefits of any one line taken by itself.
6. *The possible use of alternative routes and methods of supply.* To meet this criterion, MidAmerican typically provides evidence of how the route study it completed led to the particular route selected and requested in the franchise petition; why alternative routes were not selected (e.g., limited access for maintenance, increased disruption of productive property); and why co-locating lines may or may not be

feasible, including consideration of factors such as the cost of rebuilding the existing line, line rating impacts or other negative effects associated with co-locating facilities, as well as any applicable joint-pole use agreements or arrangements with other utilities.

7. *The relationship of the proposed project to the present and future land use and zoning ordinances.* To meet this criterion, MidAmerican typically provides evidence of how the route study takes these factors into consideration; and how land use impact is minimized by locating structures along the edge of tillable ground, using fewer structures through increased span lengths, and eliminating structures in the case of replacing existing two-pole structures with single-pole, double-circuit structures.
8. *The inconvenience or undue injury which may result to property owners as a result of the proposed project.* To meet this criterion, MidAmerican typically provides evidence of how the line meets the Board's safety standards and other industry standards; how any issues raised by Board staff concerning the detailed exhibits have been addressed; and how specific landowner concerns or requests have been addressed. Efforts to minimize impacts on landowners are discussed in more detail in Section D.

Although this statute predates modern planning, wholesale markets, and regional transmission organizations like MISO, it is broad and flexible enough to encompass these evolutions and remains relevant today. As the Joint Comments explain, regional transmission planning is not only practically necessary to ensure a resilient and reliable grid that flexibly facilitates the export and import of energy as needed, it is also critical to facilitate the most cost

effective and efficient dispatch of generation resources to serve load across a broad region through the interstate transmission system. MidAmerican's participation in the MISO planning processes demonstrates a "reasonable relationship to an overall plan for transmitting electricity in the public interest" because it produces good and efficient planning for the regional grid that serves Iowa and the public interest; encompasses local planning considerations and state policy, including the eight criteria set forth in section 478.3; and assures transmission development that meets current and future electric load requirements without overbuilding the system.⁶ These are the elements of an appropriate and effective overall plan that results in reliable, cost-effective services to customers in Iowa and across the region.

B. The Transmission Owner's Overall Plan for Generation and Transmission in the Next One, Two, and Five Years.

MISO's Transmission Expansion Plan ("MTEP"), approved each December by MISO's Board of Directors, is the culmination of MidAmerican's transmission planning processes.⁷ The MTEP contains the set of projects in Iowa to be constructed by MidAmerican⁸ and ITC Midwest, as well as other MISO transmission owners (such as the City of Ames, Atlantic Municipal Utilities, Cedar Falls Utilities and Muscatine Power and Water), as of the snapshot in time when the MTEP is approved by MISO's Board of Directors each year.

⁶ See MISO's BPM-020-r24, Section 2.1, which can be found at <https://www.misoenergy.org/legal/business-practice-manuals/>

⁷ MISO's webpage on the MTEP can be found here: <https://www.misoenergy.org/planning/planning/>

⁸ MidAmerican notes that at the workshop, Board Member Lozier indicated information on which facilities MISO maintains functional control over would be helpful. A list of the facilities MidAmerican transferred functional control over to MISO can be found here: <https://www.misoenergy.org/legal/transferred-transmission-facilities/#t=10&p=0&s=&sd=>. Additionally, MidAmerican directs the Board to its Docket Nos. SPU-2009-0003 and SPU-2011-0005, in which MidAmerican applied to become a transmission-owning member of MISO and for redelineation of certain local distribution facilities to transmission, respectively.

The MTEP also considers generation interconnection projects from MISO's generation interconnection queue⁹, where an interconnection customer has signed a generator interconnection agreement and, by so doing, has committed to funding the interconnection facilities and related network upgrades of a generation project. Such generation projects are likely to proceed to construction, making the associated transmission projects (i.e., interconnection facilities and network upgrades) necessary. However, generation planning remains separate and distinct from transmission planning. To that point, the vast majority of MidAmerican's transmission facility additions and changes each year are completed for reasons other than generation. Most of the transmission projects that MidAmerican completes are for reasons such as serving new large loads and growing communities, reinforcing the transmission system to accommodate aggregate load growth, increasing reliability performance or replacing aging infrastructure.

Because of the ever-evolving nature of electric load growth, new technologies, expanding renewable generation, and changing weather patterns, the United States Congress, the Federal Energy Regulatory Commission ("FERC"), and regional transmission organizations ("RTOs") like MISO approach long-term planning with flexibility, which is similar to the Iowa legislature's approach. However, flexible in no way means haphazard. Existing regional transmission planning processes and Iowa Code section 478.3 alike recognize that a rigid or narrowly focused approach cannot account for the various types of projects necessary to preserve, maintain, and update the transmission grid. As described in the Joint Comments, this flexibility allows RTOs like MISO to establish processes, guidance, and rules applicable to different types of projects that become necessary or appropriate to account for either new generation interconnections, reliability, load growth or aging infrastructure.

⁹ Information related to MISO's interconnection queue can be found here:
https://www.misoenergy.org/planning/generator-interconnection/GI_Queue/

C. How and To What Extent Iowa’s Transmission Owners Collaborate Among Themselves and With Other Companies in the Planning Process

MidAmerican actively collaborates with other Iowa transmission owners and utilities through numerous avenues. For example, as noted above, Iowa utilities participate in MidAmerican’s local transmission planning process as outlined in detail in Attachment FF of the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (“OATT” or “Tariff”). MidAmerican invites the Board, the Office of Consumer Advocate (“OCA”), and other stakeholders to participate as well. Separately, MidAmerican also coordinates with many other utilities in Iowa on transmission planning. MidAmerican has ad hoc meetings throughout the year, as well as annual planning coordination meetings with other transmission owners in Iowa and throughout neighboring states and regions.

The Joint Comments outline in detail how the MTEP is developed through a coordinated stakeholder effort, which includes the input of not only utilities like MidAmerican and ITC Midwest, but also the input of state regulators and other stakeholder input, such as the input of public consumer groups like the OCA.¹⁰ Importantly, one of the principles of MISO’s transmission planning process is consideration of state and federal policy, with such consideration occurring as state regulators provide input into the planning process at various stages. MISO has an open and transparent planning process that provides many opportunities for all stakeholders to participate in any of 12 different sectors and MidAmerican encourages the Board to take advantage of such opportunities.

D. How and To What Extent Iowa’s Transmission Owners Work to Minimize the Impact Transmission Lines Have on Iowa Landowners and Whether There is More That Can Be Done.

¹⁰ A video explaining who is considered a MISO stakeholder can be found on MISO’s website here: <https://www.misoenergy.org/stakeholder-engagement/> (direct link to video: <https://youtu.be/ZidzkeZafTQ>).

Collaborating with landowner partners is key to MidAmerican's transmission operations, and MidAmerican does not take lightly the impact transmission lines have on landowners. MidAmerican considers landowners a key stakeholder in its continued operation and maintenance of each transmission line. Maintaining good landowner relations is critical to the reliable operation of the transmission system as a whole.

Mitigating landowner impact starts with the Board's safety-related rules, which are met through the franchise process and, importantly, ensure public safety and safety for landowners. Additionally, the eight criteria outlined in Iowa Code section 478.3 described above address impacts to landowners and MidAmerican addresses those criteria in each petition for a franchise. Iowa Code section 478.2 and 199 IAC Chapter 11 also require an entity seeking a franchise to host an informational meeting at least 30 days but not more than two years in advance of filing a petition for franchise, in each county in which real property or rights will be affected. At such informational meetings, the franchise-seeking entity must make a presentation that includes various information for landowners, such as utility service requirements and planning that have resulted in the proposed construction, when the line will be constructed, the physical construction, appearance and typical location of poles and conductors with respect to property lines, and the rights the entity shall seek to acquire by easements, among other things. The statute also prohibits the entity seeking a franchise from "negotiat[ing] or purchas[ing] . . . any easements or other interests in land in any county known to be affected by the proposed project prior to the informational meeting."¹¹ As explained by ITC Midwest in its Additional Comments, the statutory franchise process balances landowners' ability to be fully informed while negotiating with those seeking franchises against landowners' ability to have input into transmission routes, while also considering customers'

¹¹ Iowa Code § 478.2(4).

interests in keeping the franchise process cost-effective. Any changes to the statutory process implicate a shift in that balance that could result in unintended consequences elsewhere in the franchise or transmission planning process and increase costs to customers. MidAmerican believes the existing process strikes the appropriate balance and adequately protects landowners' and customers' interests.

E. How the Board Can Foster a More Collaborative Process to Facilitate Better Long-Term Planning.

The transmission system serving the state of Iowa is interdependent by design. It helps avoid situations like those that occurred in Texas in February 2021 during the extreme cold weather event, where utilities and grid operators were unable to meet energy demands, in part due to the inability to receive assistance from neighboring states. MidAmerican remains concerned that creating an additional or separate transmission planning process would result in unnecessary duplication of efforts and would, in contradiction with the Board's clarifying statements at the workshop, impact the timely planning of transmission facilities – many of which need to be constructed within a precise timeline to meet customer and generation needs and to respond to evolving reliability and resilience requirements. Thus, rather than initiating a state-specific plan, the Board should engage in the existing local and regional processes applicable to each separate transmission owner to better understand the impact to the overall plan for transmitting electricity, not only in Iowa, but in the Midwest and the entire MISO footprint. MidAmerican also recommends that the Board continue to host quarterly meetings, like the one hosted in March 2021, with Iowa utilities, MISO, the Southwest Power Pool (“SPP”), and other stakeholders to discuss items of interest related to MISO and SPP, including emerging matters or issues and staying up to date on current initiatives. The Board and OCA should actively participate in MidAmerican's local planning process, as well as the various stakeholder processes at MISO to complete the MTEP

annually. MidAmerican welcomes the opportunity for additional coordination, discussions, and informational meetings with the Board to support the Board in engaging in existing transmission planning processes.

Dated this 10th day of September 2021.

Respectfully submitted,

By /s/ Kady J. Alexander
Kady J. Alexander
666 Grand Avenue, Suite 500
Des Moines, Iowa 50309
Telephone: (515) 242-3456
E-mail: kady.alexander@midamerican.com

ATTORNEY FOR MIDAMERICAN
ENERGY COMPANY