

**STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD**

IN RE: INVESTIGATION INTO A COMPREHENSIVE PLAN FOR IOWA'S TRANSMISSION GRID OF THE FUTURE	DOCKET NO. INU-2021-0001
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**REPLY COMMENTS OF THE MIDCONTINENT INDEPENDENT
SYSTEM OPERATOR, INC.**

The Midcontinent Independent System Operator, Inc. (“MISO”) submits these Reply Comments in response to the September 10, 2021 Post Workshop Comments filed in the above-captioned proceeding by the Office of Consumer Advocate (“OCA”).¹ MISO will not restate its prior comments in this docket,² but will respond to and to provide clarification on certain points raised in the OCA Comments to ensure a complete record and to assist the Iowa Utilities Board (“the Board”) with its decision-making in this proceeding.

I. The MISO Planning Process is Open and Transparent.

MISO’s regional transmission planning process is open, transparent and provides significant benefits to the footprint.³ State utility commissions have the opportunity to participate individually and through the Organization of MISO States (“OMS”), which has specific rights and

¹ IN RE: INVESTIGATION INTO A COMPREHENSIVE PLAN FOR IOWA’S TRANSMISSION GRID OF THE FUTURE, Docket No. INU-2021-0001, Post Workshop Comments of the Office of Consumer Advocate (Sept. 10, 2021) (“OCA Comments”).

² IN RE: INVESTIGATION INTO A COMPREHENSIVE PLAN FOR IOWA’S TRANSMISSION GRID OF THE FUTURE, Docket No. INU-2021-0001, Comments of the Midcontinent Independent System Operator, at (August 2, 2021) (“MISO Comments”).

³ *Id.*, at 8-12.

responsibilities under the MISO Tariff⁴ and MISO Transmission Owners Agreement.⁵ Through these processes state regulators have an effective communication channel with MISO.⁶ Similar to the state regulators, state consumer advocate groups have a voice and voting rights in the MISO stakeholder process through the Public Consumer sector of MISO’s Advisory Committee, of which OCA is a part.⁷ MISO is subject to the jurisdiction and oversight of the Federal Energy Regulatory Commission (“FERC”) under the Federal Power Act (“FPA”), which provides appropriate remedies to ensure that MISO’s transmission planning processes remain just and reasonable.⁸

The inputs to the planning process are part of those stakeholder discussions and FERC-approved processes. These inputs are carefully documented by MISO and are available for review by stakeholders, subject to the requirements of the MISO Tariff. In particular, the “Futures,” which serve as the foundation of the current Long Range Transmission Planning (“LRTP”) effort, were the result of about 18 months of stakeholder process and resulted in a published report available to all on the MISO website.⁹ These Futures scenarios establish different ranges of economic, policy, and technological possibilities – such as load growth, electrification, carbon policy, generator retirements, renewable energy levels, natural gas price, and generation capital cost – over a twenty-year period. While there is always some uncertainty involved in any economic forecasting, the Futures hedge this uncertainty by utilizing an economic resource

⁴ The term “Tariff” or “MISO Tariff” refers to MISO’s Open Access Transmission, Energy and Operating Reserve Markets Tariff, *available at*: <https://www.misoenergy.org/legal/tariff/>. See Tariff, Attachment FF, Section I and related subsections.

⁵ Tariff, Rate Schedule 1, Appendix B, Sections II and VI and IX.

⁶ MISO Comments at 3.

⁷ See MISO Stakeholder Group Participants at 9, *available at*: <https://cdn.misoenergy.org/Stakeholder%20Group%20Participation95902.pdf>.

⁸ 16 U.S.C. § 824e.

⁹ See MISO Futures Report (April 2021), at 2, *available at*: <https://cdn.misoenergy.org/MISO%20Futures%20Report538224.pdf>

expansion analysis, which forecasts the fleet mix that meets MISO's Planning Reserve Margin at the lowest cost while adhering to policy objectives.

In discussing MISO's Futures report, the OCA Comments appear to question some of its assumptions while also expressing concerns that "the current processes are not enabling full participation."¹⁰ For example, the OCA notes the incorporation of "state and utility goals relative to carbon and renewable energy percentages into the models"¹¹ and states that "MISO's EGEAS modeling for MISO LRTP Futures development apparently relied heavily on MidAmerican's goal of 100% renewable energy in 2021 for Iowa and Illinois."¹² The OCA also notes a "significant price tag" associated with some Futures scenarios and states that "utility preferences and goals appear to be significant drivers of projected new resources and resource retirements" for Local Resource Zone ("LRZ") 3.¹³

Such out-of-context remarks do not provide an accurate picture of MISO's Futures analysis. While utility goals are a driver of the resource expansion within the Futures,¹⁴ there are other drivers as well. Those other drivers assessed in the Futures include: the progress of the generator interconnection queue, assumed wind repowerments, assumptions of the economic resource expansion process, which includes a renewable energy trajectory, carbon emission trajectory, economic costs to construct and operate new resources (including tax implications such as the investment tax credit and production tax credit for renewable resources), and the ability of

¹⁰ OCA Comments at 7.

¹¹ *Id.*, at 6.

¹² *Id.*

¹³ *Id.*, at 6-7.

¹⁴ MidAmerican, Alliant, and Dairyland each have stated renewable energy and/or carbon reduction goals modeled within the Futures resource expansion process for the state of Iowa.

new resources to meet the load and Planning Reserve Margin. The Futures also incorporate regional assumptions, such as de-carbonization, renewable energy penetration, and electrification.

In Future 3, the total resource expansion in the MISO portion of Iowa totals 28,309 MW and is comprised of 1,976 MW of resources that finished the generator interconnection queue, 2,897 MW of assumed wind repowerments, and 23,436 MW of resources added through MISO resource expansion analysis utilizing the Electric Generation Expansion Analysis System (EGEAS)¹⁵ tool to economically determine the most economical expansion to meet the load (peak and hourly), Planning Reserve Margin, carbon emission trajectory, and the renewable energy trajectory of Iowa.¹⁶ Therefore, approximately 83% of the resource expansion within the MISO portion of Iowa in Future 3 is driven by the EGEAS economic resource analysis, in which it optimizes the most economical way to meet the Planning Reserve Margin, load, carbon, and renewable energy constraints. The next 10% of the expansion comes from repowering of wind with the remaining 7% added from the MISO generator interconnection queue. Total thermal generation for Future 3 of the MISO portion of Iowa was 1,084 MW (3.8% of total Iowa additions). While OCA also states that “Iowa utility plans also seem to drive rather low projections of new thermal generating resources in the EGEAS expansion modeling for LRZ 3,”¹⁷ these projections are consistent with expectations for the state and the optimization of the resource mix to serve future needs.

¹⁵ EGEAS is a modular production costing and generation expansion software package used for generation planning simulation and optimization models.

¹⁶ Data is publicly posted on MISO’s website in the MISO Futures siting workbook. Since some of the units are jointly owned, there are several units in the workbook that are duplicative (to reflect each owner) that needs to be filtered out in order to view the total expansion amount, the duplicate units need to be removed by removing duplicates that share the same description, short name, and category. The MISO Futures siting workbook is located at: <https://cdn.misoenergy.org/20201111%20PAC%20Item%2003a%20MISO%20Futures%20Resource%20Siting496757.xlsx>.

¹⁷ OCA Comments at 7.

The OCA's next concern is that "distributed solar and battery deployment in the long transmission range plan also appear to be relatively constrained in Iowa's LRZ 3."¹⁸ It is unclear what OCA finds to be "relatively constrained." OCA does not acknowledge that resources added through the EGEAS resource expansion analysis are optimized to be the lowest cost (construction + operating) while meeting load (peak and hourly), Planning Reserve Margin, carbon emission goals, and renewable energy goals. MISO has made publicly available extensive detail on resource addition under the Futures scenarios (including distributed solar and battery resources).¹⁹

Future 3 resource additions for the MISO footprint within Iowa totaled 28,309 MW and included: 572 MW of distributed solar (2% of total Iowa additions); 2,215 MW of stand-alone battery storage (8% of total Iowa additions); 2,600 MW of Solar + Battery hybrid (9% of total Iowa additions); 1,533 MW of utility-scale solar (5% of total Iowa additions); 20,305 MW of wind (72% of total Iowa additions); 811 MW of natural gas combined cycle (3% of total Iowa additions); and 273 MW of natural gas combined cycle with carbon capture and sequestration (1% of total Iowa additions).²⁰

To be clear, MISO is prepared to work with the Board, the OCA and all other interested parties as part of the stakeholder process and in other venues. The LRTP initiative is a significant step in the right direction that will benefit the entire MISO footprint, including Iowa. While the OCA suggests that it needs more information regarding the LRTP, it is not clear what additional

¹⁸ OCA Comments at 7.

¹⁹ See MISO Futures Resource Siting, available at: <https://cdn.misoenergy.org/20201111%20PAC%20Item%2003a%20MISO%20Futures%20Resource%20Siting496757.xlsx>. See also n.19 (noting need to filter out duplicate units).

²⁰ Data available at: <https://cdn.misoenergy.org/20201111%20PAC%20Item%2003a%20MISO%20Futures%20Resource%20Siting496757.xlsx>.

information is required, particularly in light of the confidential data access processes discussed in the following section.

II. MISO Has a FERC-Approved Process for Allowing Access to Protected Data.

The OCA states that it was unable to obtain access to certain non-public data “because a non-disclosure agreement for critical energy infrastructure information is required.”²¹ As a FERC-regulated “public utility,” MISO is required to abide by the specific requirements of its Tariff and FERC regulations that govern access to non-public information. MISO cannot deviate from these FERC-filed requirements and parties must meet the specific conditions set forth by FERC and the MISO Tariff in order to access protected information.

When the OCA reached out to MISO in January 2021, MISO’s representative promptly responded that conditions had not been met to permit the mutual execution of MISO’s Universal Non-Disclosure and Confidentiality Agreement for Authorized Agencies (UNDA) as well as OCA access to the requested MTEP Sharefile.²² However, MISO invited the OCA to contact MISO’s legal department to discuss means by which the OCA might obtain the requested information; it does not appear that OCA continued to pursue the matter through the Authorized Agency approach that is set out in the MISO Tariff. MISO is available to work with OCA to review its ability to access data.

The reason for MISO’s response that OCA is not an appropriate entity under the UNDA is because the OCA did not present to MISO the information required before an “Authorized Agency” request for information may be processed.²³ To obtain Authorized Agency status, the

²¹ OCA Comments at 7.

²² OCA Comments, attach. A at 1.

²³ OCA Comments, attach. A at 3.

OCA had to demonstrate that it is “a state agency that has both access to documents in the possession of a state public utility commission pursuant to state statute and the ability to protect those documents in accordance with the Non-Disclosure Agreement.”²⁴ The OCA was also required to verify that it meets the requirements set out in MISO Tariff Section 38.9.4.1, including the provisions for the protection of sensitive information. MISO’s verification of the requirements “may rely conclusively upon either an order of such Authorized Agency or a certification from counsel to such Authorized Agency”²⁵ MISO’s website contains a form under its “Stakeholder” tab that may be used by an agency making an application to become an Authorized Agency qualified to receive sensitive information.²⁶ Review and approval of these application materials would provide the OCA the opportunity to execute an appropriate non-disclosure agreement for Authorized Agencies and qualify its Authorized Requestors to request sensitive information from MISO.²⁷ Such execution is at the back-end of the process, rather than the first step.

Further, obtaining information used in the MISO transmission planning process may no longer require the steps noted above. On June 2, 2021, MISO filed with FERC the proposed Tariff revisions mentioned by the OCA.²⁸ FERC approved the adjustments on July 13, 2021,²⁹ which importantly provide that “[e]ntities that are members of any stakeholder sector of the Advisory Committee shall, upon request and subject to execution of the appropriate NDA(s), be provided

²⁴ MISO Tariff, Module A, Section 1.A.

²⁵ MISO Tariff, Module C, Section 38.9.4.1.c.

²⁶ The MISO web page contains a form, entitled “Counsel Certificate for Authorized Agency,” that can be accessed using the following: <https://www.misoenergy.org/stakeholder-engagement/client-services/>.

²⁷ An Authorized Requestor must also execute an appropriate non-disclosure agreement, which is also posted on MISO’s web page.

²⁸ See OCA Post-Workshop Comments at 13 (“MISO is considering remedies. . . .”); see also *Midcontinent Independent System Operator, Inc.*, Filing to Enhance Transparency in Developing the MISO Transmission Expansion Plan by Specifying the Release of Planning Information in the Tariff to Include an Expanded Stakeholder Audience, Docket No. ER21-2066-000 (June 2, 2021).

²⁹ *Midcontinent Independent System Operator, Inc.*, letter order, Docket No. ER21-2066-000 (July 13, 2021).

with access to the data used by the Transmission Provider to develop the MISO Transmission Expansion Plan”³⁰ The effective date was August 2, 2021.³¹ Implementation of these provisions, along with their requirements, should be addressed by the OCA communicating with MISO’s Client Services and Readiness personnel at Help@misoenergy.org. Also, Alison Archer, Regional Director-State Regulator Affairs, is available to OCA to facilitate further discussions on data access.

III. Conclusion

WHEREFORE, MISO respectfully requests that the Iowa Utilities Board consider these Reply Comments in its decision-making in the above-captioned docket.

Respectfully submitted,

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³⁰ MISO Tariff, Attachment FF, Section 1.C.12.

³¹ *Midcontinent Indep. Sys. Op., Inc.*, Attachment FF Tariff Modifications, Order at 1, FERC Docket No. ER21-2066 (July 13, 2021).