



# Competitive Transmission Update

Planning Advisory Committee (PAC)

May 27, 2022

# Purpose & Key Takeaways

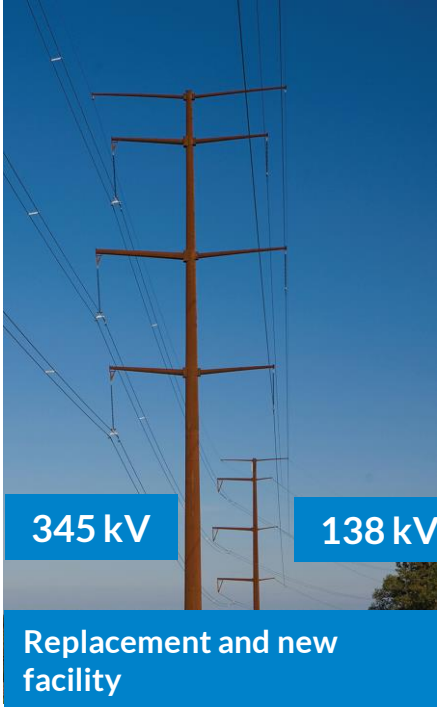


Purpose: To communicate changes to facility eligibility in the Competitive Transmission Process that will reduce uncertainties and to enable more efficient design, implementation, and operation of those facilities

## Key Takeaways:

1. A review of the LRTP Tranche 1 portfolio has identified scopes of work for some new facilities that are not best suited for competition
2. These identified new facilities involve “short segments” and “conductor only”
3. Application of the Competitive Transmission Process for these types of facilities creates inefficiencies throughout the lifecycle of these facilities
4. MISO will make filing at FERC on May 24 to classify these facilities as “upgrades” by adopting SPP’s 80/20 approach

Currently, a project involving the replacement of a facility and the addition of new circuit is bifurcated between competitive and upgrade components.



**Project Name:** Endor to Kef Bir  
**Project Description:** Replace existing 138kV single circuit structures with double-circuit structures capable of supporting 1-138kV circuit, and 1-345kV circuit

Facility scope of work	Outcome (by facility)
<u>Replace existing 138kV single circuit structures with double-circuit structures capable of supporting 1-138kV circuit, and 1-345kV circuit</u>	<u>Upgrade</u>
<u>Install new 345kV single circuit transmission line</u>	<u>Competitive</u>

Facility eligible for the competitive process is “conductor only”





# Replacement of existing facilities, an upgrade, may require “short segments” of new facilities to complete the circuit



For example: a proposed transmission project could be mostly a replacement of an existing facility, but have a short segments with new facilities in order to interconnect into the substation at the right bus location

Legend:

-  New transmission
-  Replacing existing transmission facilities

# Application of the Competitive Transmission Process to “short segments” and “conductor only” facilities creates inefficiencies throughout its lifecycle

## Competitive Process

- Increases uncertainties since facility scope is entwined with and dependent on work of the Transmission Owner adding to process inefficiencies
- Adds time and complexity as involuntary partners need a joint agreement
- Strikes an appropriate balance between process cost/time and a facility's size

## Design

- Eliminates or reduces the opportunities to optimize the design by the owner and/or developer – efficiencies of scale and cost
- Limited differentiation between proposals for “conductor only”

## Project Implementation

- Increases risk and complexity to the permitting processes, multiple permits, and interests may not be aligned
- Increases complexity in application process and explanation of role and responsibilities to permitting entities
- Increases inefficiencies during construction – schedule, labor, and administration

## Operation and Maintenance

- Adds inefficiencies as result of the balkanizing the maintenance, outage coordination, and emergency response and requires complex coordination arrangements
- Less efficient through duplicate equipment and administration

# MISO intends to file with FERC on May 24 to amend Attachment FF

- Proposal leverages FERC approved SPP Tariff language (Attachment Y, Section III.2) consistent with FERC guidance in MISO's Order No. 1000 compliance proceeding, *Midwest Indep. Trans. Sys. Oper., et. al.*, 150 FERC ¶ 61,037 (2015) at P 52
  - 2) For transmission projects involving both a Rebuild of existing facilities and the construction of new transmission facilities, the Transmission Provider shall designate the Transmission Owner(s) as follows:
    - a. If 80% or more of the total cost of a project consists of the Rebuild of existing facilities, then the Transmission Provider shall designate the Transmission Owner(s) for the project...; or
    - b. Otherwise, the Transmission Provider shall divide the project into two or more segments based upon whether that portion of the project is a Rebuild of existing facilities or new facilities...
- Proposal revises Attachment FF, Section VIII.A.2—Upgrades to Existing Transmission Facilities
- 80/20 language applies to all upgrades. It will not exempt all short segment or conductor projects from competition, but does mitigate impacts where value from competitive process is low
- MISO will seek 60-day Tariff effective date



# Questions?

Contact:

Brian Pedersen, Sr. Manager – Competitive Transmission Administration

Phone: 651-632-8541 Email: [bpedersen@misoenergy.org](mailto:bpedersen@misoenergy.org)