I. Stakeholder Feedback on MISO/PJM Regional Processes and Metrics

MISO and PJM reviewed their regional planning processes and metrics at the October 2nd IPSAC meeting. To facilitate a productive stakeholder discussion at the October 24th IPSAC meeting, MISO and PJM are soliciting feedback on what issues are priorities and potential steps to further the discussion.

- Please designate the following areas as “important” or “unimportant” to resolve for interregional coordination
  - Should joint metrics continue to be calculated
  - If joint metrics are needed, how many and what is their use
  - How JOA metrics are calculated
  - Data assumptions issues in coordinated planning
  - Regional planning difference issues
  - Other, please list
- For each “important” item:
  - rank their criticality and priority to coordinated planning
  - briefly describe an approach to advance the discussion
- For reference:
  - Metrics: currently MTEP/RTEP/JOA combinations of Production Cost and Load Cost and Adjustments
  - Process: MTEP/RTEP reliability coordination
  - Process: MTEP/RTEP MEP coordination
  - Process: Interregional JOA coordination

Submit feedback to:  
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Submit feedback by:  
October 16, 2014

Stakeholder feedback:

**Priority 1- Reduce differences between interregional and regional planning processes.**

**Categories:** Should joint metrics continue to be calculated, How JOA metrics are calculated-, Regional planning difference issues, All Important.

Within MISO and PJM’s interregional planning, compromise has been required to bridge the differences between the two RTOs’ regional planning metrics, and this compromise is represented in the joint metrics. Therefore, joint metrics are needed and should continue to be calculated until the differences between MISO’s and PJM’s regional metrics are eliminated. One of the goals for this MISO-PJM JOA Metrics and Process Review is to better sync interregional planning processes with regional processes. On this topic, we recommend the following solutions:

- **Reduce the $20 million project cost threshold JOA metric to $5 million so that it is better synced with MISO’s and PJM’s regional planning thresholds.**
  MISO’s Market Efficiency Project cost threshold is $5 million, and PJM does not have a minimum cost threshold for its regional economic transmission enhancements. Given that both RTO’s regional criteria are less stringent, the JOA cost threshold is an unnecessary barrier to approving joint projects.

- **Reduce MISO’s regional voltage threshold for Market Efficiency Projects from 345 kV to 100 kV, so that it is consistent with the JOA and PJM’s planning metrics.**
  The latest MISO-PJM joint study found significant benefits for two lower voltage solutions. These projects passed all the JOA criteria and would have been recommended as interregional projects but for MISO’s 345 kV MEP voltage threshold. Lowering the MEP threshold will help unclog the interregional planning process and lead to approval of lower-voltage projects that have shown to provide significant interregional benefits. Since it is part of MISO’s regional planning criteria, this issue should be assigned to and resolved through MISO’s Regional Expansion Criteria and Benefits (RECB) Task Force.

Regarding the timeline for the next joint study- we believe another joint study should commence in 2015 immediately after this metrics review process successfully comes to an end, since the last joint study failed to produce any transmission solutions. The congestion along the seam will become more acute as project approvals continue to be delayed.
Priority 2- Achieve clarity and agreement on joint futures development process
Category: Data Assumptions Issues in Coordinated Planning, Important

The joint futures development methodology employed during the last joint study posed challenges. We offer the following solutions:

- **Achieve agreement and clarity upfront on how the joint futures will be evaluated against proposed solutions later in the process.**
  MISO’s MTEP process has successfully demonstrated the value of employing a broad range of futures. Likewise, multiple futures should continue to be utilized in MISO-PJM studies. Testing transmission solutions against a broad range of futures builds a more robust business case and achieves greater confidence in the long-term value of transmission in an uncertain economic and policy landscape. Utilizing multiple futures does not make it more difficult for transmission projects to gain approval. In fact, it makes it easier for good projects to achieve approval, because it provides more opportunities for a project to demonstrate its value.

  The joint futures approach currently being taken in the MISO-SPP joint study involves a single Business-As-Usual future, with sensitivities exploring various economic and policy changes. Since these sensitivities have no formal impact on a project’s prospects for approval, this methodology fails to capture the benefits provided by multiple futures. If MISO and PJM are unable to agree on multiple futures, then an appropriate compromise would be to allow each RTO to pick one future from their regional process to include in addition to the BAU, for a total of three futures. This approach would increase consistency between regional and interregional processes while realizing the benefits of multiple futures.

  Additionally, there needs to be upfront clarity regarding how the futures will be used in the study. Stakeholders cannot effectively develop solution ideas without knowing which future(s) the RTOs will be evaluating their proposals against. The MISO MTEP stakeholder process for joint future development and weighting is clearly described in MISO’s tariff and Business Practice Manual. Likewise, PJM has developed similar methodological clarity on their futures development. No such clarity currently exists in the JOA.

- **Include existing public policies in the Business-As-Usual joint future, including levels of renewables mandated by state renewable portfolio standards.**
  In Future 1 of the last joint study, PJM employed a queue-based wind generation expansion approach, which resulted in a renewable energy expansion that was 10 GW short of levels mandated by state renewable portfolio standards in PJM’s footprint. This scenario is unrealistic because it does not even reflect BAU public policy requirements in the PJM states. For the next joint study, the BAU future should include at a minimum the expansion of renewable energy required under existing state laws.

- **Include a future which models the amount of renewables and energy efficiency for each state required by the Clean Power Plan.**

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**Legal name of organization submitting feedback:** Great Plains Institute, Sustainable FERC Project, Environmental Defense Fund, Fresh Energy, Wind on the Wires

**MISO/PJM sector membership:** Environmental/Other Stakeholder Organizations

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