

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

Managing Transmission Line Ratings) Docket No. RM20-16-000

**COMMENTS OF THE
MISO TRANSMISSION OWNERS**

Pursuant to the Federal Energy Regulatory Commission's ("Commission") November 19, 2020 Notice of Proposed Rulemaking,¹ the MISO Transmission Owners² submit these Comments addressing the Commission's proposal to revise its *pro forma* Open Access Transmission Tariff ("OATT") and regulations to require transmission

¹ *Managing Transmission Line Ratings*, Notice of Proposed Rulemaking, 173 FERC ¶ 61,165 (2020) ("NOPR").

² The MISO Transmission Owners for this filing consist of: Ameren Services Company, as agent for Union Electric Company d/b/a Ameren Missouri, Ameren Illinois Company d/b/a Ameren Illinois and Ameren Transmission Company of Illinois; American Transmission Company LLC; Big Rivers Electric Corporation; City Water, Light & Power (Springfield, IL); Cleco Power LLC; Cooperative Energy; Dairyland Power Cooperative; Duke Energy Business Services, LLC for Duke Energy Indiana, LLC; East Texas Electric Cooperative; Entergy Arkansas, LLC; Entergy Louisiana, LLC; Entergy Mississippi, LLC; Entergy New Orleans, LLC; Entergy Texas, Inc.; Great River Energy; GridLiance Heartland LLC; Hoosier Energy Rural Electric Cooperative, Inc.; Indiana Municipal Power Agency; Indianapolis Power & Light Company; International Transmission Company d/b/a ITC*Transmission*; ITC Midwest LLC; Lafayette Utilities System; Michigan Electric Transmission Company, LLC; MidAmerican Energy Company; Minnesota Power (and its subsidiary Superior Water, L&P); Missouri River Energy Services; Montana-Dakota Utilities Co.; Northern Indiana Public Service Company LLC; Northern States Power Company, a Minnesota corporation, and Northern States Power Company, a Wisconsin corporation, subsidiaries of Xcel Energy Inc.; Northwestern Wisconsin Electric Company; Otter Tail Power Company; Prairie Power, Inc.; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company (d/b/a Vectren Energy Delivery of Indiana); Southern Minnesota Municipal Power Agency; Wabash Valley Power Association, Inc.; and Wolverine Power Supply Cooperative, Inc.

providers to implement seasonal ratings and ambient adjusted ratings (“AAR”)³ on transmission facilities and related requirements. As explained below, developing appropriate transmission line ratings is important to reliable and efficient transmission system operations, and implementing AARs and seasonal ratings, where appropriate, can provide value in increased transfer capability and reduced congestion. While the MISO Transmission Owners support certain aspects of the NOPR and, indeed, have been working diligently to develop a cost-beneficial AAR construct within the Midcontinent Independent System Operator, Inc. (“MISO”) regional transmission organization (“RTO”)⁴ footprint, some aspects of the NOPR are overly broad and will not yield benefits that are sufficient to justify the increased cost and complexity of adopting the broad-based requirements proposed in the NOPR. Accordingly, the Commission should consider instead proposing broad guidelines for implementation of appropriate transmission line ratings and allow for regional flexibility in any requirements it adopts in this proceeding. In addition, consistent with its past practices in other rulemaking proceedings, the Commission should allow transmission providers to propose alternative compliance approaches that are consistent with or superior to the final rule.

³ The NOPR proposes to define an AAR “as a transmission line rating that: (1) applies to a time period of not greater than one hour; (2) reflects an up-to-date forecast of ambient air temperature across the time period to which the rating applies; and (3) is calculated at least each hour, if not more frequently.” NOPR at P 3 n.3.

⁴ Except whether otherwise noted, references in these comments to “RTO” also encompass independent system operators.

I. EXECUTIVE SUMMARY

The NOPR correctly appears to recognize that deployment of seasonal ratings and AARs can provide benefits to transmission system and energy market operations, and that a widespread requirement to implement dynamic line ratings (“DLR”) will not result in benefits that exceed the cost and complexity of doing so. Notwithstanding the benefits of implementing AARs and seasonal ratings in certain circumstances for certain purposes, the proposal to require eventual implementation of AARs on at least an hourly basis on all transmission facilities for use in day-ahead and longer-term analysis is overly broad and will not yield benefits in MISO that are sufficient to justify the added cost, effort, complexity, and operational challenges associated with the proposal. Recognizing the benefits of AARs, the MISO Transmission Owners have launched an effort in coordination with MISO to identify candidate transmission facilities where the targeted development and use of AARs will provide significant economic and operational benefits to MISO and its market participants and customers. The Commission’s final rule in this proceeding should respect regional differences and promote such voluntary efforts rather than adopt prescriptive one-size-fits-all mandates that bear no relationship to the unique circumstances of each region, each transmission owner, and each transmission system.

Additionally, while AAR implementation on targeted facilities should provide benefits to real-time operations and markets, broader deployment as proposed in the NOPR (including extending AARs to day-ahead and so-called “near-term” transmission service and requiring hourly or more frequent AAR updating) will not yield significantly greater benefit but instead will add costs and complexities and present operational challenges that will undermine the Commission’s goal of promoting economic and beneficial use of AARs. The Commission should focus its mandates, and the efforts and resources of transmission

owners and transmission providers, on developing AAR programs that are focused on where AAR deployment will provide the most benefit. The Commission also should recognize in any final rule in this proceeding that, while AARs are a tool that market and transmission system operators can use to maximize transmission system capability at certain times, AARs and seasonal ratings are not a substitute for long-term transmission planning and investment.⁵ Implementing adjustable line ratings, whether in the more limited, targeted, and net-beneficial fashion advocated in these comments or in the broad scope proposed in the NOPR, will not address the long-term needs of the transmission system brought about by a changing resource mix and evolving demands.⁶

As it has done often in the past, the Commission should acknowledge that regional differences exist and it should provide broad guidance to the industry to implement line ratings programs that are tailored to address regional needs and reflect regional preferences.

II. BACKGROUND

In September 2019, the Commission convened a Staff-led technical conference to “discuss issues related to transmission line ratings, with a focus on dynamic and ambient-adjusted line ratings . . . [and] explore what transmission line rating methodologies and

⁵ *MISO’s Response to the Reliability Imperative*, Midcontinent Independent System Operator, Inc. 3, 13-14 (Feb. 2020) (“MISO Reliability Imperative”) (discussing the need for long range transmission planning to assess the region’s future transmission needs amid a dramatic shift in the resource mix), <https://www.misoenergy.org/about/miso-strategy-and-value-proposition/miso-reliability-imperative/>.

⁶ *See generally MISO’s Renewable Integration Impact Assessment (RIAA)*, Midcontinent Independent System Operator, Inc. (Feb. 2021) (discussing the MISO region’s significant resource portfolio changes and related challenges), <https://cdn.misoenergy.org/RIIA%20Summary%20Report520051.pdf>.

related practices might constitute best practices, and what, if any, Commission action in these areas might be appropriate.”⁷ Numerous industry and stakeholder representatives participated in that conference, including a representative on behalf of the MISO Transmission Owners.⁸ Commission Staff also issued a paper addressing transmission line rating issues that discussed the various types of transmission line ratings, potential benefits, disadvantages, and limitations of the different transmission line rating methods.⁹ The Staff Paper also indicated that adjusting a transmission line’s rating may provide a means to manage congestion.¹⁰

On November 19, 2020, the Commission issued the NOPR, proposing to require:

1. That transmission providers use AARs as the basis for evaluation of transmission service requests that will end within ten days of the request; and as the basis for the determination of the necessity of certain curtailment, interruption, or redispatch of transmission service that is anticipated to occur within those ten days;¹¹
2. That transmission providers use seasonal line ratings as the basis for evaluation of longer-term (beyond ten days) transmission service requests

⁷ *Managing Transmission Line Ratings*, Supplemental Notice of Technical Conference, Docket No. AD19-15-000, at 1 (Sept. 4, 2019).

⁸ See Statement of Dennis D. Kramer, Senior Director of Transmission Policy and Stakeholder Relations, Ameren Services Company on Behalf of the MISO Transmission Owners, *Panel 3: Discussion of Possible Requirement for Transmission Owners to Implement AARs* (Sept. 10, 2019); Statement of Dennis D. Kramer, Senior Director of Transmission Policy and Stakeholder Relations, Ameren Services Company on Behalf of the MISO Transmission Owners, *Panel 5: Discussion of Transparency of Transmission Line Rating Methodologies* (Sept. 11, 2019).

⁹ *Managing Transmission Line Ratings*, A Staff Paper by the Federal Energy Regulatory Commission Staff, Docket No. AD19-15-000, at 4-10 (Aug. 23, 2019) (“Staff Paper”).

¹⁰ *Id.* at 12, 17-18.

¹¹ NOPR at PP 3, 84-87, 89, 95.

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