

June 14, 2018

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Missouri Public Service Commission
Morris L. Woodruff, Secretary of the Commission
PO Box 360
Jefferson City, MO 65102

SUBJECT: Case No. EX-2018-0189: In the Matter of the Amendment of the
Commission's Rule Regarding Applications
for Certificates of Convenience and Necessity

Dear Mr. Woodruff:

Wind on the Wires submits these comments in the above referenced case regarding the Amendment of the Commission's Rule Regarding Applications for Certificates of Convenience and Necessity that was published in the Missouri Register (Vol. 43, No. 10) on May 15, 2018.

Wind on the Wires is a not-for-profit, collaborative organization dedicated to education and advocacy in support of utility-scale renewable energy resources' fair access to the electric transmission system and market in the Midwest Region. Our Board of Directors and members are comprised of wind, solar and battery storage developers, environmental organizations, renewable energy experts, clean energy advocates, and businesses providing goods and services to the renewable energy industry, some of whom have offices in or provide services within Missouri.

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SUBSECTION (1)(D)(3): Electric Transmission Projects Whose Need is Determined by a Regional Transmission Organization and Whose Costs are Shared Pursuant to a Federal Tariff Should be Exempt from a Determination of Need

Subsection (1)(D) lists types of electric plant construction that are excluded from a certification of need. Provision (D)(3) of subsection (1) is as follows:

3. Transmission projects where the only relationship to Missouri ratepayers is through the regional transmission organization/independent system operator cost allocation process.

The exact scope of electric transmission projects covered by this provision is unclear. If the reference to “cost allocation process” in the provision above is intended to exclude Midcontinent Independent System Operator (MISO) determined Market Efficiency Projects, Multi-Value Projects, Generator Interconnection projects that are cost shared, and inter-regional

electric transmission projects (between MISO and SPP)¹ from the scope of “Construction,” then Wind on the Wires supports such an interpretation.

On an annual basis MISO approves new electric transmission projects to be built across its footprint². MISO’s annual transmission expansion plan (MTEP) is conducted pursuant to a tariff approved by the Federal Energy Regulatory Commission and detail provisions contained in MISO’s Business Practice Manual³. An MTEP can include any of the following categories of transmission projects: Baseline Reliability, Generation Interconnection, Transmission Delivery Service, Other, Market Efficiency, Multi-Value, Market Participant Funded, and inter-regional⁴. Schedule A of these comments provides descriptions of MISO transmission projects from its BPM. These descriptions identify the types of electric transmission projects that are cost shared and those that are not.⁵ Of the types of projects listed above, Market Efficiency Projects, Multi-Value Projects, Generator Interconnection projects at 345kV or larger, and inter-regional projects are cost shared.

The need for these electric transmission projects are determined pursuant to a process approved by FERC. Electric transmission projects within MISO that are cost shared, are identified, analyzed and selected through the MISO planning process in accordance with its federal tariff (Attachment FF) and its BPM. Inter-regional projects are identified, analyzed and selected in accordance with its federal tariff (Attachment FF), its BPM and the Joint Operating Agreement with SPP. MISO’s analysis and approval of these lines determines the need for these types of lines

¹ Wind on the Wires is a stakeholder at Midcontinent Independent System Operator (MISO), and these comments reflect our experience within MISO and not the Southwest Power Pool (SPP).

² Ameren Missouri is within its footprint, but Empire District, Kansas City Power and Light, and Kansas City Power and Light – Greater Missouri Operations are not part of MISO.

³ MISO, BPM 20 available here: file:///C:/Users/sbrady/AppData/Local/Temp/7zO0773C65E/BPM-020-r17%20Transmission%20Planning_Clean.pdf

⁴ An inter-regional transmission line is between two independent system operators or regional transmission operators.

⁵ See Schedule A for BPM 20 descriptions of these transmission projects.

under federal law, therefore, the Commission does not need to re-evaluate their need under proposed subsection (2)(A).⁶

While a language change may not be needed to this provision, Wind on the Wires recommends that the Commission clarify in its Order the scope of this provision. For the reasons discussed above, subsection (1)(D)(3) should encompass MISO's Market Efficiency Projects, Multi-Value Projects, Generator Interconnection projects that are cost shared, and inter-regional projects.

SUBSECTION (5)(J): A Competitive Bidding Process is Beneficial but the Proposed Rules Lack of Defined Standards for a Competitive Bidding Process May Prove to be Problematic Over Time

Provision (J) of subsection (5) is as follows:

(J) Evidence that the electric utility utilized a non-discriminatory, fair, and reasonable competitive bidding process to evaluate whether purchased power capacity or suppliers of alternative energy would be a reasonable resource in lieu of the construction proposed; and

Wind on the Wires supports the use of a competitive bidding process to evaluate whether the utility should add electric generating capacity or enter into a power purchase agreement to purchase the needed energy.

Under the proposed language above, it appears that the determination of whether a competitive bidding process was fair, reasonable and non-discriminatory will be made on a case-by-case basis. As this provision is applied over a number of cases, Wind on the Wires encourages the Commission to monitor how incumbent electric providers demonstrate that the competitive bidding process was fair, reasonable and non-discriminatory, and watch for the need to establish

⁶ Wind on the Wires does not take a position on the need for reviewing the siting/routing of the transmission project.

standards to define the sufficiency of the bidding process. Some of the key attributes of a fair, reasonable and non-discriminatory competitive bidding process are: the use of an independent administrator to evaluate and select the winning bid; if a utility is recommending a plant be built that the utility submit its bid for building that plant at the same time as bids are submitted from independent power producers; that criteria other than bid price be used to select a project and that the criteria are transparent to bidders.

NEW SECTION (8): Applicants Should Have the Ability to Propose an Expedited Process

The Proposed Rule does not expressly state that an applicant may request an expedited review process, subject to Commission approval. There are certain instances in which a utility may need an expedited review. One example would be the review and approval of the utility constructing either a wind or solar facility that qualifies for the Production Tax Credit or Investment Tax Credit.

In December 2015, Congress passed a bill phasing out the availability of the production tax credit. In 2016, the Internal Revenue extended the application of the PTC for four years for projects in which at least 5% of the construction of a facility was completed (IRS Notice 2016-31). If a Missouri utility wants to build or purchase a wind farm that qualifies for the PTC, it might need a CCN issued by a date that allows the project to be placed in-service within the timeframes of the IRS Notice. Thus, the utility may need the Commission to review and approve the CCN under an expedited hearing schedule.

Proposed Language Addition to rule:

(8) An applicant may request expedited treatment in conformance with the Commission's Practice and Procedure (4 CSR 240-2.XXX).

Conclusion

Wind on the Wires respectfully requests that the Commission revise the proposed rule regarding applications for the certificate of necessity consistent with our comments, recommendations and proposed language revisions provided herein.

Sincerely,

/s/

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