

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Docket No. RM21-17-000

Building for the Future Through Electric Regional Transmission Planning and Cost
Allocation and Generation Interconnection

COMMENTS OF THE NEBRASKA POWER REVIEW BOARD IN RESPONSE
TO THE INVITATION TO PROVIDE COMMENTS IN THE ADVANCE NOTICE
OF PROPOSED RULEMAKING

The Nebraska Power Review Board (NPRB) is the agency of the State of Nebraska with primary jurisdiction over electric suppliers operating in Nebraska. The Board appreciates the opportunity to submit these comments on the important topic of regional transmission planning, cost allocation, and generator interconnection. With one exception, the NPRB will provide general comments in response to the ANOPR without addressing the many individual questions the Commission poses. The one specific question the NPRB will address will be in response to the Commission's comments in paragraph 64 concerning regional state committees. The Board also wishes to express that it supports the comments submitted by the Southwest Power Pool's (SPP) Regional State Committee (RSC) in this proceeding.

The NPRB appreciates FERC reviewing the topics raised in the ANOPR. The issues of regional transmission planning and cost allocation are critically important to the electric industry. However, the NPRB believes that the established structures in regions with regional transmission organizations are generally working well and should be the primary mechanism through which the issues of regional transmission planning, cost allocation and generation interconnection are addressed. The entire State of Nebraska is within the operating area of the Southwest Power Pool (SPP). The SPP has a highly collaborative process whereby its member utilities, state regulators, private developers, special interest groups and the independent board of directors work together to address complex and difficult issues. Some of the topics raised in the ANOPR are similar to ones under consideration by the SPP's Strategic and Creative Reengineering of Integrated Planning Team (SCRIPT), including regional transmission planning, generation interconnection, and cost allocation. The SPP utilizes a process whereby all interested

parties have input. Recommendations from the SCRIPT are expected in the next two to four months.

One issue addressed in the ANOPR is the backlog of projects in the regional transmission organization interconnection queues. This is a major concern to the SPP, its member utilities and the applicable state regulators. The SPP recognizes, as is pointed out in the ANOPR, that many projects in the queue are speculative, causing significant delays in the evaluation of projects that are needed. The NPRB believes that, at least in the SPP region, these issues are best addressed at the regional level and are being examined in the SCRIPT process. The NPRB urges FERC to allow the regional processes in place to move forward and determine the solutions that are best suited for that region.

Although the NPRB acknowledges the reality of the changing generation mix, and the importance of addressing challenges caused by it, reliability must remain as the paramount priority. Cost allocation methodologies should not be designed that will have the effect of prejudicing dispatchable generation resources. As recent events such as Winter Storm Uri in February 2021 have demonstrated, dispatchable generation resources are critical to the health, safety and welfare of ratepayers, as well as the economic wellbeing of our society. Any policies developed to address issues related to regional transmission planning and cost allocation methodologies must be carefully crafted to avoid a result that some states end up subsidizing the policies in other states in that region. The NPRB believes these issues are best addressed at the regional level by the applicable utilities, state regulators and other interested parties.

The NPRB also points out that SPP and the Midcontinent Independent System Operator (MISO) are already working to address seams issues. A Seams Liaison Committee made up of SPP RSC members and MISO Organization of MISO States (OMS) members was put in place several months ago and continues to examine areas of improvement between the two RTOs. The NPRB does not believe federal intervention is necessary at this time.

The needs and solutions for each region can be varied. Due to this a one-size-fits-all approach created by FERC would not be the best method to address the issues raised in the ANOPR. FERC should instead work with the RTOs and provide guidance or perhaps require the RTOs to address certain topics, but allow the RTOs to tailor solutions that best address the needs of their members, ratepayers and other stakeholders.

Although NPRB acknowledges the discussion in the SPP RSC's comments, and agrees with those comments, the NPRB would like to emphasize one issue. FERC's potential reforms could have the unintended consequences for a state or region with considerable renewable resources that could therefore have generation and transmission resources that far exceed the needs of the local load. The NPRB wants to ensure that costs associated with those resources do not place an unfair burden on local utilities, and ultimately ratepayers, for resources that they do not need. The benefits flow to other areas that need the electricity, and the costs should likewise reflect that reality. To emphasize a point made in the SPP RSC's comments, great care needs to be taken to ensure that customers of load serving entities are not burdened with the costs of transmission facilities not needed in the local zone, but rather are built to accommodate the need to move energy to other zones or regions, usually large load centers geographically distant from the renewable-rich resource zone.

With regard to paragraph 64, for purposes of convenience and clarity the NPRB restates paragraph 64, followed by the NPRB's comments in response to the issues raised in that paragraph.

64. In addition, we seek comment on whether, and if so, how a regional states committee or other organized body of state officials should participate in the development and evaluation of assumptions or criteria used for regional transmission planning and cost allocation and interregional coordination and cost allocation for transmission needs related to future scenarios, including for anticipated future generation or geographic generation zones.

NPRB Comment: Nebraska's largest utilities with generation resources are members of the Southwest Power Pool (SPP). Due to this, the NPRB has a Board member designated to represent Nebraska on the SPP's RSC. The RSC is responsible for the cost allocation process at the SPP. The NPRB believes the collaborative model used by the SPP, with a high degree of involvement by State regulatory officials, has worked well for the SPP, the states, the utilities, and ultimately for the ratepayers in SPP's operating area. SPP has dealt with many complex and controversial issues and now even utilities in the western interconnection are engaged in the process to join SPP.

The issues raised in paragraph 64 seem to assume that FERC should develop and establish the assumptions and criteria to be used for regional transmission planning and cost allocation methodologies for transmission that would serve future scenarios, including anticipated future generation or geographic generation zones. The NPRB does

not share in this assumption. The NPRB believes the regional transmission organizations, in close collaboration with their Regional State Committees or similar organized bodies of state regulatory officials, are in the best position to evaluate the needs of that region and the individual states (or portions thereof) that comprise the region and develop appropriate solutions. The NPRB respectfully submits that if FERC were to decide it is necessary to require that assumptions or criteria must be developed for transmission planning and cost allocation that addresses future generation or geographic zones, it should direct that the organized body of state regulatory officials in each region should be the entity that develops those assumptions or criteria. Using SPP as an example, the necessary structure already exists for this action. At least in the regions with a regional transmission organization that already incorporate state regulatory officials in the process, FERC should take advantage of the existing structure that has worked well to promote the best interests of the electric ratepayers.

For the Board,

A handwritten signature in black ink, appearing to read 'FRANK REIDA', written over a horizontal line.

Frank Reida

Chairman

Nebraska Power Review Board

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