ITC Midwest LLC • 444 Cedar Street, Suite 1020 • St. Paul, MN 55101

March 22, 2013

Dr. Burl W. Haar

Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101
RE: In the Matter of the Application of ITC Midwest for a Certificate of Need for the Minnesota-Iowa 345 kV Transmission Project in Jackson, Martin, and Faribault Counties, Docket No. ET6675/CN-12-1053

## Dear Dr. Haar:

ITC Midwest hereby submits to the Minnesota Public Utilities Commission via efiling its Application for a Certificate of Need for its Minnesota - Iowa 345 kV Transmission Project ("MN-IA Project").

In Minnesota, ITC Midwest proposes constructing a 345 kV line from its existing Lakefield Junction Substation in Jackson County, Minnesota to a new Huntley Substation, south of the existing Winnebago Junction Substation, in Faribault County. From Huntley, the 345 kV transmission line will run south to cross the Minnesota - Iowa border to interconnect with new 345 kV facilities proposed to be built in Iowa. The Minnesota portion of the MN-IA Project is approximately 75 miles long, and the Iowa portion approximately 25 miles long.

The Minnesota - Iowa 345 kV Transmission Project comprises a portion of a MVP Project 3, part of the portfolio of multi-value projects developed by the Midwest Independent Transmission System Operator, Inc. Other portions of MVP Project 3 will be constructed in Iowa by MidAmerican Energy Company.

MVP Project 3 will alleviate constraints on the transmission system in southern Minnesota and significantly increase the outlet capacity for new generation, specifically including wind generation, in southern Minnesota and northern Iowa. MVP Project 3 will also improve the reliability of the transmission system
in southern Minnesota and the region. These capacity and reliability improvements will facilitate more efficient, cost-effective delivery of energy.

Copies of this application are being served on the persons on the attached distribution list as provided in Minnesota Rules 7849.0200, subs. 2. A short summary of our application is being distributed as required by Minnesota Rules 7829.2500, subs. 3 .

A Route Permit application for the MN-IA Project will also be filed this month. (Docket No. ET6675/TL-12-1337). Pursuant to Minn. Stat. § 216B.243, subd. 4, ITC Midwest requests that the Certificate of Need and Route Permit proceedings be combined because it would be feasible, more efficient, and in the public interest.

If you have any questions regarding this filing, please call David Grover at (651) 222-1000, extension 2308. His email address is dgrover@itctransco.com. You can send mail to him at this address: ITC Midwest, 444 Cedar Street - Suite 1020, St. Paul, MN 55101.

Also enclosed with this letter is our Certificate of Need filing fee in accordance with Minnesota Rules 7849.0210. ITC Midwest looks forward to working with all interested parties in this proceeding. Our goal is to cooperatively develop the transmission facilities needed to reliably serve Minnesota and surrounding states.

Sincerely,


Douglas C. Collins
President
ITC Midwest LLC

# STATE OF MINNESOTA <br> BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION 

Beverly Jones Heydinger<br>David C. Boyd<br>Nancy Lange<br>J. Dennis O'Brien<br>Betsy Wergin

In the Matter of the Application of
ITC Midwest LLC For a Certificate
of Need for the Minnesota-Iowa
345 KV Transmission Project in
Jackson, Martin, and Faribault
Counties, Minnesota

Chair
Commissioner
Commissioner
Commissioner
Commissioner
MPUC Docket No. ET6675/CN-12-1053

SUMMARY OF<br>Certificate of Need Filing

On March 22, 2013, ITC Midwest LLC filed an application with the Minnesota Public Utilities Commission for a Certificate of Need to construct its Minnesota Iowa 345 kV Transmission Project. In Minnesota, ITC Midwest proposes to build a 345 kV line from its existing Lakefield Junction Substation in Jackson County, Minnesota to a new Huntley Substation, to be located south of the existing Winnebago Junction Substation, in Faribault County. From the Huntley Substation, the 345 kV transmission line will continue south across the Iowa border, near Elmore, Minnesota, and into Kossuth County to interconnect with new 345 kV facilities proposed to be built in Iowa. The Minnesota portion of the Minnesota - Iowa 345 kV Transmission Project is approximately 75 miles long, and the Iowa portion is approximately 25 miles long.

The Minnesota - Iowa 345 kV Transmission Project comprises a portion of MVP Project 3, part of the portfolio of multi-value projects ("MVP") proposed by the Midwest Independent Transmission System Operator, Inc. Other portions of MVP Project 3 will be constructed in Iowa by MidAmerican Energy Company.

MVP Project 3 will alleviate constraints of the transmission system in southern Minnesota and significantly increase the outlet capacity for new generation, specifically including wind generation, in southern Minnesota and northern Iowa. MVP Project 3 will also improve the reliability of the transmission system
in southern Minnesota and the region. These capacity and reliability improvements will facilitate more efficient, cost-effective delivery of energy.

A copy of ITC Midwest's Application for a Certificate of Need for the Minnesota - Iowa 345 kV Project is available at the Commission's website:

## http://www.puc.state.mn.us/PUC/index.html

On the Commission's homepage, click on the "Search e-Dockets" link, and then enter the docket number "12-1053" in the docket look up box. A copy of this Application is also available on ITC Midwest's website:
www.itctransco.com/minnesota-iowa-project


## ITC Midwest LLC

Application to the
Minnesota Public Utilities Commission for a Certificate of Need Minnesota - Iowa 345 kV
Transmission Project in Jackson, Martin, and Faribault Counties

Docket No. ET6675/CN-12-1053
March 22, 2013

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F Figure 12: Studies Identifying Need for $345 \mathrm{kV}+$ Bulk Transmission Lines in Southern Minnesota and Northern Iowa (with references)

G Upper Midwest Transmission Development Initiative, Executive Committee Final Report (Sept. 29, 2010)

H MISO Response to ITC Midwest LLC Regarding Minnesota Public Utilities Commission Order Requesting Data Dated May 15, 2012, Docket No. E001/PA-07-540

I MISO Transmission Expansion Plan 2011 (Report Only. Appendices available at https://www.midwestiso.org/Planning/TransmissionExpan sionPlanning/Pages/MTEP11.aspx )
J ITC Midwest LLC MVP Project \#3 Planning Study
K Proposed MVP Reliability Analysis of Alternative Discussion (MISO Presentation, Sept. 16, 2011) (Excerpt)
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## LIST OF ACRONYMS

161 kV Rebuild Alternative AC

ACSR
ACSS
AIMP
ALP
Brookings Project
CARP
Commission
DC
DIR
DPP
DRG

EFP

EFs
EHV
EIS
ELF
EMF

Fox Lake - Rutland - Winnebago Junction 161 kV Rebuild

Alternating Current
Aluminum Conductor Steel Reinforced
Aluminum Conductor Steel Supported
Agriculture Impact Mitigation Plan
Airport Layout Plan
Brookings County - Hampton 345 kV Project
Cost Allocation and Regional Planning Group
Minnesota Public Utilities Commission
Direct Current Lines
Dispatchable Intermittent Resources designation
Definitive Planning Phase
Dispersed Renewable Generation
Minnesota Department of Commerce, Energy
Facility Permitting
Electric Fields
Extra High Voltage
Environmental Impact Statement
Extremely Low Frequency
Electromagnetic Fields

| END | Endangered Species |
| :---: | :---: |
| EPAct 2005 | Energy Policy Act of 2005 |
| ERO | Electric Reliability Organization |
| FERC | Federal Energy Regulatory Commission |
| FPA | Federal Power Act |
| FAA | Federal Aviation Administration |
| GBCA | Grassland Bird Conservation Areas |
| ICNIRP | International Commission on Non-Ionizing Radiation Protection |
| IEEE | Institute of Electrical and Electronic Engineers |
| IPL | Interstate Power \& Light Company |
| ITC Midwest | ITC Midwest LLC |
| ITC Midwest Project Planning Study | ITC Midwest's MVP Project 3 Planning Study |
| kV | Kilovolts |
| kV/m | Kilovolts per Meter |
| L Level Descriptors | Statistical Sound Levels |
| Lakefield to Border 161 kV line | 161 kV transmission line connecting Lakefield Junction - Fox Lake - Rutland - Winnebago Junction - Faribault and continuing onto the Iowa Border |
| LGS | Lakefield Generating Station |
| LMP | Locational Marginal Pricing |
| LSE | Load-Serving Entity xi |


| MCBS | Minnesota County Biological Survey |
| :---: | :---: |
| MFs | Magnetic fields |
| mG | milliGauss |
| MidAmerican | MidAmerican Energy Company |
| Minnesota NCA | Southeast Minnesota, Northern Iowa, and Southwest Wisconsin Narrowly Constrained Area |
| MISO | Midwest Independent Transmission System Operator, Inc. |
| MN-IA Project | Minnesota - Iowa 345 kV Transmission Project |
| MnDNR | Minnesota Department of Natural Resources |
| MnDOT | Minnesota Department of Transportation |
| MPCA | Minnesota Pollution Control Agency |
| MRO | Midwest Reliability Organization |
| MTEP | Midwest ISO Transmission Expansion Plan |
| MVP | Multi-Value Projects |
| MW | Megawatts |
| MWh | Megawatt hours |
| NAC | Noise Area Classification |
| NERC | North American Electric Reliability Corporation |
| NESC | National Electric Safety Code |
| NHIS | Natural Heritage Information System |
| NLCD | USGS National Land Cover Database |


| $\mathrm{NO}_{2}$ | Nitrogen Dioxide |
| :---: | :---: |
| NOx | Oxides of Nitrogen |
| NPDES | National Pollution Discharge Elimination System |
| NRCS | Natural Resources Conservation Service |
| NREL | National Renewable Energy Laboratory |
| NRHP | National Register of Historic Places |
| NWI | National Wetland Inventory |
| NWRs | National Wildlife Refuges |
| OATT | Open Access Transmission Tariff |
| OMS | Organization of MISO States |
| PEM | Palustrine Emergent |
| PFO | Palustrine Forested |
| Project | Minnesota - Iowa 345 kV Transmission Project |
| PSS | Palustrine Shrub/Scrub |
| PUB | Palustrine Unconsolidated Bottom |
| PWI | Public Waters Inventory |
| Res | Regional Entities |
| RGOS | Regional Generator Outlet Study |
| RIM | Reinvest in Minnesota |
| RPS | State Renewable Portfolio Standards, including Renewable Energy Standards |


| RTO | Regional Transmission Organization |
| :---: | :---: |
| $\mathrm{SF}_{6}$ | Sulfur Hexafluoride |
| SHPO | Minnesota State Historic Preservation Office |
| SNA | Scientific and Natural Area |
| SPA | System Planning \& Analysis Phase |
| SPC | Species Special Concern |
| SPCC | Spill Prevention, Control and Countermeasure |
| SPSs | Special Protection Systems |
| SWPPP | Stormwater Pollution Prevention Plan |
| TEMT | Open Access Transmission and Energy Markets Tariff |
| THR | Threatened Species |
| UMTDI | Upper Midwest Transmission Development Initiative |
| USACE | United States Army Corps of Engineers |
| USFWS | United States Fish and Wildlife Service |
| USGS | United States Geological Service |
| WHO | World Health Organization |
| WMA | Wildlife Management Area |
| Working Group | Minnesota Interagency Working Group |
| WPA | Waterfowl Production Area |

### 1.0 EXECUTIVE SUMMARY

### 1.1 INTRODUCTION

ITC Midwest LLC ("ITC Midwest"), a Michigan limited liability company, proposes to construct its Minnesota - Iowa 345 kilovolt ("kV") Transmission Project ("Project" or "MN-IA Project"), creating a new 345 kV transmission tie line between Minnesota and Iowa, that will enhance the regional electrical system and relieve a constrained 161 kV line in Minnesota. The Project will also contribute to a portfolio of regional projects with significant reliability, economic, and public policy benefits in Minnesota and the greater region. ITC Midwest submits this Application for a Certificate of Need for the Project pursuant to Minnesota Statutes Section 216B. 243 and Minnesota Rules Chapter 7849.1 In a companion filing, ITC Midwest is applying for a Route Permit for the Project (MPUC Docket No. ET6675/TL-12-1337). ITC Midwest requests that the Minnesota Public Utilities Commission ("Commission") order that the two proceedings be coordinated pursuant to Minnesota Statutes Section 216B.243, subdivision 4.

### 1.2 Project Description

The MN-IA Project consists of a 345 kV transmission line and associated facilities located in Jackson, Martin, and Faribault counties in Minnesota, and Kossuth County in Iowa. In Minnesota, ITC Midwest's existing Lakefield Junction Substation will be expanded for a new 345 kV line to be constructed between the substation and a new Huntley Substation, proposed to be located south of the existing Winnebago Junction Substation. The Winnebago Junction Substation will be removed and the four existing 161 kV lines connecting to Winnebago Junction will be re-connected to the Huntley Substation. From Huntley, the 345 kV transmission line will run south to cross the Minnesota/Iowa border and connect first to a new ITC Midwest Ledyard Substation, and then to a new Kossuth County Substation owned by MidAmerican Energy Company ("MidAmerican"), both in Kossuth County, Iowa.

From the Kossuth County Substation, MidAmerican proposes to construct a 345 kV connection south to its existing Webster Substation, near Fort Dodge, Iowa. MidAmerican also proposes to construct a 345 kV line running west from

[^0]the Kossuth County Substation to its new O'Brien Substation, near Sanborn, Iowa. ITC Midwest's Project and MidAmerican's proposed 345 kV facilities are part of the Multi-Value Projects ("MVP") Portfolio of the Midwest Independent Transmission System Operator, Inc. ("MISO"), and are collectively called "MVP Project 3." In this application, the following terms will be used to describe portions of MVP Project 3. MVP Project 3 refers to all facilities included in MVP Project 3 shown in Figure 1 below. The "MN-IA Project" or "Project" refer to all facilities that ITC Midwest will construct and own in Minnesota and Iowa. The "Minnesota portion of the Project" refers to those portions of the MN-IA Project to be constructed in Minnesota.

Figure 1. MVP Project 3


ITC Midwest will construct and own the 345 kV transmission line from the Lakefield Junction Substation in Minnesota to the Kossuth County Substation in Iowa, as well as the Lakefield Junction, Huntley, and Ledyard substations.

MidAmerican will construct and own all other facilities in Iowa. All Iowa facilities must be approved by the Iowa Utilities Board.

ITC Midwest will also construct and own all 161 kV facilities that will be relocated to connect at the Huntley Substation, with the exception of the N.B.E.I. - Winnebago Junction 161 kV transmission line. That line is owned by Northern States Power Company, doing business as Xcel Energy. ITC Midwest will construct the N.B.E.I. line on common structures and Xcel Energy will own the conductor and insulators between Winnebago Junction and Huntley. None of the Project's 161 kV associated facilities requires a Certificate of Need because no new 161 kV segment is longer than 10 miles or crosses a state border. ${ }^{2}$

An overview map of the two routes ITC Midwest is proposing is shown in Figure 2. More detailed maps of the routes can be found in ITC Midwest's Route Permit Application for the Project at Appendix D (Route A and Route B) and Appendix F (associated facilities).

[^1]Figure 2. Proposed Routes for the Minnesota Portion of the MN-IA Project


Route A primarily follows the right-of-way of an existing ITC Midwest 161 kV transmission line. The existing 161 kV transmission line currently has terminations in Minnesota as follows: Lakefield Junction Substation - Fox Lake Substation - Rutland Substation - Winnebago Junction Substation - Faribault Substation. From the Faribault Substation, the 161 kV line continues to the Iowa border and terminates at the Winnco Substation in Kossuth County, Iowa. This ITC Midwest 161 kV transmission line will be referred to in this Application as the "Lakefield to Border 161 kV line". Route B primarily runs on new transmission right-of-way along existing road rights-of-way and agricultural field lines from the Lakefield Junction Substation to the Huntley Substation and then down to the Iowa border, a route which is separated from Route A by approximately two miles.

As required by the routing rules, ITC Midwest has stated a preference in its Route Permit Application for Route A. This is because Route A makes the greatest use of existing transmission right-of-way, has fewer new impacts to agricultural production lands, and minimizes impacts to the natural and cultural environment.

The proposed configuration along Route A is a $345 \mathrm{kV} / 161 \mathrm{kV}$ line design, with the new 345 kV line largely co-located with the existing Lakefield Junction to Border 161 kV line, with the exception of a few locations where co-location is not feasible. ITC Midwest proposes to construct the entire length of Route A to $345 \mathrm{kV} / 161 \mathrm{kV}$ standards, even where Route A is proposed to be co-located with a 69 kV transmission line or where no co-location is proposed.

If Route B were selected, the Project would not be co-located with the Lakefield Junction to Border 161 kV line except for a short portion of the 161 kV line that must be relocated from the Winnebago Junction Substation to the Huntley Substation. For Route B, ITC Midwest proposes a double circuit capable $345 \mathrm{kV} / 161 \mathrm{kV}$ line configuration to accommodate future expansion. The 345 kV side of the structures would be used for the Project, while the 161 kV side would be available for a new 161 kV line in the area when conditions warrant. Only the 345 kV arms would be installed initially. The 161 kV arms would not be added until such time as a 161 kV line was proposed to be located on the structures and had received all required regulatory approvals. The Lakefield to Border 161 kV line would remain in its current location except for a short portion that must be relocated to the Huntley Substation.

### 1.3 Project Length, Timing, and Cost

The Minnesota portion of the Project - from the Lakefield Junction Substation to the Iowa border - is estimated to be approximately 75 miles long. The right-ofway for the 345 kV line would be 200 feet wide, with spans between structures of approximately 600 to 1,000 feet, and an average span of approximately 900 feet. The new right-of-way needed for the 161 kV transmission lines relocated from the Winnebago Junction Substation to the Huntley Substation, other than the area where the Rutland - Winnebago Junction line will be co-located with the 345 kV Project, will be 150 feet. Where ITC Midwest proposes to locate multiple 161 kV rights-of-way in parallel between the Winnebago Junction and Huntley substation sites, a right-of-way up to 250 feet will be required. The 161 kV transmission lines will be constructed with spans between structures of approximately 400 to 700 feet. The Iowa portion of the Project, from the Iowa border to the Kossuth County Substation, is estimated to be approximately 25 miles long, and is also proposed to be constructed using $345 \mathrm{kV} / 161 \mathrm{kV}$ design. The MidAmerican portions of MVP Project 3 are approximately 120 miles long.

ITC Midwest has estimated costs for the MN-IA Project. The estimates, which are subject to revision based on the final route and design of the line, include (i) expansion of the Lakefield Junction Substation and construction of the new Huntley Substation; (ii) reconfiguration of four existing 161 kV lines and three 69 kV lines to terminate at the Huntley Substation; and (iii) decommissioning/removal of the Winnebago Junction Substation.

The estimated cost for the Minnesota portion of the MN-IA Project using Route A is approximately $\$ 206$ million, plus/minus 30 percent. The estimated cost for the Project using Route B is $\$ 194$ million plus/minus 30 percent. The cost for Route B does not include the cost to install the 161 kV arms and conductor at some time in the future if Route B were selected for the Minnesota portion of the Project.

The projected in-service date for the Project is mid-year 2017. The first segment of the Minnesota portion of the Project, connecting the Lakefield Junction and Huntley substations, is expected to be completed by early 2017. The second segment of the Project, from the Huntley Substation to the Iowa border, is expected to be completed by mid-year 2017. The Iowa Border to Kossuth County Segment is estimated to cost $\$ 77$ million, plus/minus 30 percent. The total estimated cost for ITC Midwest's MN-IA Project, based on the two routes proposed in the Route Permit application ranges from \$271 to $\$ 283$ million, plus/minus 30 percent.

The final length, cost, and in-service date for the Project are dependent on various factors. These include: the final route selected; the amount of doublecircuiting required; permitting delays; changes in component costs, including steel pricing; and various other contingencies inherent in estimating costs for a major infrastructure project several years in advance of construction.

Based on an estimated MN-IA Project cost of $\$ 283$ million and the MISO cost allocation methodologies, the estimated first year Project revenue requirement to be collected from Minnesota energy customers would be approximately $\$ 7$ million for the ITC Midwest portion of MVP Project 3. Appendix E.

### 1.4 Need for the Project

MVP Project 3 is needed to remove Minnesota and regional transmission system constraints which currently limit the ability to reliably deliver generation throughout the MISO footprint. In Minnesota, MVP Project 3 will alleviate constraints on the transmission system in southern Minnesota, including the Fox Lake - Rutland -- Winnebago 161 kV constraint, and result in three benefits. First, MVP Project 3 will significantly increase the transmission system's ability to reliably transfer generation, specifically including wind generation, throughout the MISO footprint, including Minnesota. Right now, available wind energy from existing wind generators in southwest Minnesota cannot always be delivered to load due to the existing system's constrained capacity. MVP Project 3 will enable this existing generation to be delivered while also adding an additional 1,000 megawatts ("MW") of capacity in off-peak times and 2,500 MW of capacity in peak times.

Second, MVP Project 3 will improve system reliability by relieving heavy loading on the existing 161 kV system in southern Minnesota. In southern Minnesota, MVP Project 3 will eliminate reliance on complicated system operating procedures, called Special Protection Systems ("SPSs"). These operational procedures have been necessary to enable new generators, including gas and wind generators to interconnect to the grid in the absence of needed transmission upgrades. The SPSs prevent line overloading in the case of critical contingencies.

Third, MVP Project 3 and MVP Project 4 will result in lower cost energy for Minnesota consumers. To calculate economic benefits to Minnesota, ITC Midwest had a PROMOD analysis conducted of the impact of MVP Projects 3 and 4 on the locational marginal prices ("LMP") for energy in the state. Using inputs from MISO's MVP Portfolio analysis, the PROMOD model calculated that construction of these two MVP projects will cause the average Minnesota LMP to
drop by $\$ 0.61$ and $\$ 0.70$ per megawatt hour ("MWh") in 2021, depending on studied market conditions. In 2026, the reductions are $\$ 0.71$ and $\$ 0.090$ per MWh depending on market conditions. For Minnesota, these LMP reductions result in a reduction in annual LMP payments of between $\$ 48.3$ million to $\$ 76.6$ million across the cases evaluated. The details of this analysis are included in Appendix M. ITC Midwest is continuing to evaluate the economic benefits of these MVP projects.

### 1.5 Alternatives to the Project

ITC Midwest evaluated several alternatives to confirm that MVP Project 3 is the best solution to meet the identified needs in Minnesota and within the MISO footprint. These alternatives included generation, a higher voltage line, and a new 345 kV line at the Lakefield Junction Substation that terminated at three different eastern end-points: 1) the Rutland Substation immediately north of Fairmont, Minnesota; 2) the Adams Substation, southeast of Austin, Minnesota; and 3) Mitchell County Substation northeast of Osage, Iowa. ITC Midwest also analyzed whether re-conductoring the existing 161 kV line between the Lakefield Junction and Winnebago Junction substations with higher capacity 161 kV conductor could address the needs. ITC Midwest determined that none of the alternatives performs as well as the proposed Project for Minnesota.

ITC Midwest and MISO also evaluated alternatives to address the identified regional needs and determined that MVP Project 3 is the best performing alternative to provide the transmission capacity necessary for the region.

### 1.6 Potential Environmental Effects

Chapter 9 of this Application is an inventory of the natural environment and land use features in the Project Study Area, which is shown in Figure 24 in that chapter. The Study Area consists primarily of agricultural land. It is not anticipated that any homes or businesses would be displaced by the Project.

The right-of-way for the Project totals approximately 1,770 acres of land in Minnesota whether Route A or Route B is selected ( 200 feet wide for the 345 kV line, and 150 feet wide for each 161 kV line to be relocated from the Winnebago Junction Substation to the Huntley Substation - although where 161 kV lines are constructed in parallel, a total right-of-way up to 250 feet will be required). Route A's right-of-way includes at 540 acres of existing right-of-way. Another 2.2 acres of land will be added to the fenced area of the expanded Lakefield Junction Substation. The fenced area for the new Huntley Substation will be
approximately nine acres. At the proposed Huntley Substation site, ITC Midwest owns 40 acres. At the Lakefield Junction Substation site, a minimum of approximately three acres of additional land will be needed for a buffer and for transmission line connections.

The major lakes and rivers in the Project Study Area include Fox Lake, the Chain of Lakes (i.e., a series of lakes located in a north-south line in Martin County, including Lake Charlotte), the Des Moines River, and the Blue Earth River. ITC Midwest's proposed routes do not cross Fox Lake or Lake Charlotte. Where crossing of the Des Moines River and the Blue Earth River is required, appropriate mitigation measures will be determined in consultation with state and federal agencies to minimize the Project's impacts.

No other significant environmental conditions or land use issues have been identified that would prevent construction of the Project. With appropriate construction practices, all environmental impacts can be properly mitigated.

### 1.7 Public Involvement

The public can review this Application and submit comments on the Project to the Commission. A copy of the Application is available at the Commission's website:

## http://www.puc.state.mn.us/PUC/index.html

On the Commission's homepage, click on the "Search e-Dockets" link, and then enter the docket number "12-1053" in the docket look up box. A copy of this Application is also available on ITC Midwest's website:

## www.itctransco.com/minnesota-iowa-project

In addition to determining whether the Project should be granted a Certificate of Need, the Commission must also issue a Route Permit to the Project before it can be constructed. Once filed with the Commission, the Project's Route Permit Application will also be available on the Commission website by searching docket number "12-1337" and on the ITC Midwest website.

ITC Midwest held open houses in September 2012 to provide information to members of the public who live and work in the Project area. As part of the Certificate of Need proceedings, the Commission will also hold one or more public hearings in the Project area to answer questions about the Project.

Comments from all interested persons, both oral and written, will be solicited on the Project's necessity, route, and the environmental impact.

The Minnesota Department of Commerce Energy Facility Permitting ("EFP") is responsible for conducting environmental review of the Project. The Certificate of Need rules require EFP to prepare an Environmental Report for the Certificate of Need proceeding. EFP will also prepare an Environmental Impact Statement ("EIS") for the Route Permit proceeding. EFP may elect to combine these two documents and issue one document, an EIS, which satisfies the environmental review requirements of both the Certificate of Need and Route Permit proceedings. In the course of its environmental review, EFP will conduct one or more public meetings in the Project area where interested persons may ask questions, present comments, and suggest alternatives and possible impacts to be evaluated in the EFP's environmental review. Interested persons will also be able to submit written comments to the EFP regarding the Project.

Persons interested in receiving notices and other announcements about these meetings and hearings can register their names and addresses with the Commission. Persons can register electronically at:

## http://energyfacilities.puc.state.mn.us/mailinglist.html.

The Minnesota regulatory staff members listed below can also address questions about the regulatory review process for the Project:

## Minnesota Public Utilities

Commission
Scott Ek
121 7th Place East, Suite 350
St. Paul, Minnesota 55101
651.201.2255
800.657.3782
scott.ek@state.mn.us

Minnesota Department of Commerce
Ray Kirsch, Environmental Review Manager
$857^{\text {th }}$ Place East, Suite 500
St. Paul, Minnesota 55101
651.296 .7588
800.657.3794
raymond.kirsch@state.mn.us

### 1.8 Project Meets Certificate of Need Criteria

The Commission must apply specific criteria to determine whether a proposed high voltage transmission line is needed. Those criteria are found in Section

216B. 243 and the rules promulgated by the Commission. ${ }^{3}$ Section 216B. 243 requires the Commission to consider conservation, state energy needs, benefits of the project, alternatives, and compliance with policies of state, federal and local governmental entities. For a high voltage transmission line, the Commission must also consider "the benefits of enhanced regional reliability, access, or deliverability to the extent these factors improve the robustness of the transmission system in Minnesota or lowers the cost of electricity for Minnesotans." Minn. Stat. § 216B.243, subd. 3(9).

Pursuant to Minnesota Rule 7849.0120, an applicant for a Certificate of Need must show that: (i) the probable result of denying the request would have an adverse effect on the future adequacy and reliability of the system or efficiency of energy supply to the people of Minnesota and neighboring states; (ii) a more reasonable and prudent alternative has not been demonstrated; (iii) the proposed facility will provide benefits to society compatible with protecting the environment; and (iv) the Project will comply with all applicable standards and regulations.

This Application demonstrates that the Project satisfies these four criteria:
A. Probable result of denial would be an adverse effect upon the future adequacy, reliability, or efficiency of energy supply to the applicant, to the applicant's customers, or to the people of Minnesota and neighboring states:

- MVP Project 3 will increase the transfer capacity of the transmission system in southern Minnesota, enabling transfer of existing wind generation that is currently being curtailed, and supporting development of new wind generation to serve Minnesotans and the region. It will also facilitate compliance with State Renewable Portfolio Standards or State Renewable Energy Standards ("RPS") throughout the MISO footprint.
- MVP Project 3 will remove the Fox Lake - Rutland - Winnebago 161 kV constraint on the 161 kV transmission system serving southwest Minnesota.

[^2]- MVP Project 3 will create a more robust 345 kV system connecting Minnesota and Iowa.
- MVP Project 3 will enhance the operational flexibility and reliability of the electrical system in the region, including southwest Minnesota where it will eliminate the need for two SPSs.
- In Minnesota, the construction of MVP Project 3 and MVP Project 4 will lower the cost of electricity for Minnesotans by reducing wholesale energy prices.
- If MVP Project 3 is not built, the generation outlet capacity of the transmission system in southern Minnesota will continue to be inadequate to handle existing renewable generation, and new generation needed to meet regional RPS standards will be hampered. SPSs will also have to remain in place, and energy prices will not be reduced.
B. A more reasonable and prudent alternative to the proposed facility has not been demonstrated by a preponderance of the evidence on the record.
- ITC Midwest has evaluated generation and transmission alternatives and the analysis shows that MVP Project 3 is the best performing alternative.
C. A preponderance of record evidence shows the proposed facility, or a suitable modification of the facility, will provide benefits to society in a manner compatible with protecting the natural and socioeconomic environments, including human health.
- No land use or environmental factor would prevent the proposed facilities from being constructed and operated in a manner consistent with Minnesota's strong environmental and natural resource laws.
- MVP Project 3 will facilitate economic development in southwest Minnesota by supporting new generation.
D. The record does not demonstrate that the design, construction, or operation of the proposed facility, or a suitable modification of the facility, will fail to comply with relevant policies, rules, and regulations of other state and federal agencies and local governments.
- All rules and regulation applicable to the construction and operation of the Project have been identified by ITC Midwest, and ITC Midwest can comply with all of them.


### 1.9 APPLICATION ORGANIZATION

The remaining eight chapters of the Application are organized as follows:
Chapter 2 - Project Description and Regulatory Review
Chapter 3 - Transmission Planning
Chapter 4 - Description of Need
Chapter 5 - Need Analysis
Chapter 6 - Alternatives Analysis
Chapter 7 - Construction, Restoration, and Maintenance
Chapter 8 - Operating Characteristics of Transmission Lines
Chapter 9 - Environmental Information

### 1.10 APPLICANT's REQUEST AND CONTACT INFORMATION

ITC Midwest requests that the Commission find this Application complete and, upon concluding its review of the proposal, grant a Certificate of Need for the MN-IA Project. All correspondence relating to this Application should be directed to:

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PROJECT DESCRIPTION

### 2.0 PROJECT DESCRIPTION AND REGULATORY REVIEW

### 2.1 INTRODUCTION

ITC Midwest is applying for a Certificate of Need to construct the MN-IA Project. In Minnesota, ITC Midwest proposes to construct approximately 75 miles of new 345 kV facilities from the Lakefield Junction Substation to a new Huntley Substation, south of its existing Winnebago Junction Substation, to the Iowa border near Elmore, Minnesota. The Project also includes connecting the four existing 161 kV lines that presently terminate at the Winnebago Junction Substation to the new Huntley Substation, along with three existing 69 kV lines that will be constructed to 161 kV standards. All of the 161 kV and 69 kV equipment at the Winnebago Junction Substation will also be moved to the Huntley Substation. At the Iowa border, the 345 kV line will continue south to connect to a new ITC Midwest Ledyard Substation located near Ledyard, Iowa, and then to a new Kossuth County Substation to be constructed and owned by MidAmerican near Burt, Iowa.

In Iowa, MidAmerican will build a 345 kV line south from the Kossuth County Substation to the existing Webster Substation, near Fort Dodge, Iowa. MidAmerican will also construct a 345 kV line that runs west from the Kossuth County Substation to a new O'Brien Substation, near Sanborn, Iowa.

The Minnesota portion of the Project requires ITC Midwest to obtain a Certificate of Need and Route Permit from the Commission. The Iowa portion of the Project requires ITC Midwest and MidAmerican to obtain Electric Transmission Franchises from the Iowa Utilities Board.

### 2.2 Project Ownership

ITC Midwest is a transmission-only utility that owns approximately 6,600 circuit miles of transmission lines and more than 200 transmission substations in Iowa, Minnesota, Illinois, and Missouri. ITC Midwest is a "transmission company" pursuant to Minnesota Statutes Section 216B.02, subd. 10. ITC Midwest is a public utility under Section 203 of the Federal Power Act ("FPA"). As such, ITC Midwest is subject to rate and other regulatory oversight by the Federal Energy Regulatory Commission ("FERC"). ITC Midwest is a transmission-owning member of MISO, with headquarters in Cedar Rapids, Iowa, and operating locations in Dubuque, Iowa City, and Perry, Iowa; and Albert Lea and Lakefield, Minnesota. In December 2007, ITC Midwest acquired the electric transmission assets previously owned by Alliant Energy's subsidiary, Interstate Power \&

Light Company ("IPL") (MPUC Docket No. E001/PA-07-540). ITC Midwest connects more than 700 communities over almost 54,000 square miles in Iowa, southern Minnesota, and northwestern Illinois. Figure 8 in Section 4.1 of this application is a map of ITC Midwest's transmission system in Minnesota and Iowa.

ITC Midwest is not a retail load serving entity, however, and does not have retail rate tariffs on file with the Commission. It neither owns generation nor buys capacity and energy to serve electric service end-users. Because of this, ITC Midwest does not engage in the energy power planning that retail load serving utilities engage in to ensure they have the right resources available at the right times to serve the power needs of their customers. ${ }^{4}$

ITC Midwest will construct and own the Minnesota portion of the Project requiring a Certificate of Need. ITC Midwest will also be relocating certain 161 kV lines from the Winnebago Junction Substation to interconnect with the new Huntley Substation. ITC Midwest will construct all these facilities. ITC Midwest will own all the facilities that are part of the Minnesota Portion of the Project, with the exception of the circuit of the Xcel Energy N.B.E.I.-Winnebago Junction 161 kV transmission line, which will be re-routed to terminate at the Huntley Substation on structures to be owned by ITC Midwest.

ITC Midwest will also construct and own the Project facilities from the Iowa border to the Kossuth County Substation. MidAmerican will construct and own the Kossuth County Substation and all other MVP Project 3 facilities in Iowa.

### 2.3 Project Components

### 2.3. 345 kV Transmission Line

A high voltage transmission line consists of three electrical paths known as phases. Each phase (conductor) is installed at the end of an insulator. Insulators are attached to support structures that are available in different configurations. Design constraints, voltage of the transmission line, and other considerations determine what structure configuration is used for the construction of any portion of a high voltage transmission line.

[^3]Each phase of a high voltage transmission line consists of one or more conductors. When more than one conductor is used to make up a phase, it is referred to as a "bundled" conductor. Conductors are metal cables with an inner core usually consisting of multiple steel strands with multiple aluminum strands wound around the steel strands. Shield wires are typically less than one inch in diameter and are strung above the electrical phases to prevent damage from lightning strikes. The shield wire may also include fiber optic cable to provide a communication path between substations.

A single circuit transmission line carries three phases (conductors) and shield wire(s). A double circuit transmission line carries six phases (conductors) and two shield wires. Structure variations can include single pole structures, HFrame structures, and other multiple pole structures. Transmission lines are constructed within a right-of-way, the width of which is dependent on the voltage of the high voltage transmission line, the structure type selected for its construction, and vegetation management requirements.

ITC Midwest proposes to primarily use single pole, weathering or galvanized steel double-circuit $345 \mathrm{kV} / 161 \mathrm{kV}$ structures for the Project on a 200 -foot right-of-way. The single pole structures would be placed using spans that range between approximately 600 to 1,000 feet, with an average span of approximately 900 feet. Single pole structures are typically installed on a concrete foundation. Where the 345 kV line is double-circuited with the Lakefield to Border 161 kV line or other transmission facilities, ITC Midwest proposes to use double-circuit structures with six conductors installed. Specialty structures may also be used in areas of environmental sensitivity or where construction conditions require their use. If a route not primarily following the existing Lakefield to Border 161 kV line is not selected by the Commission for the Minnesota Portion of the Project, ITC Midwest proposes to construct double-circuit $345 \mathrm{kV} / 161 \mathrm{kV}$ capable facilities, but with only the 345 kV arms and conductors installed. The other side would be fitted with 161 kV arms, insulators, and conductor when future conditions warrant addition of a 161 kV line.

Each phase will consist of two twisted pair Drake (2-795) Aluminum Conductor Steel Reinforced ("ACSR") cables, or cables of comparable capacity in a bundled configuration. Each conductor is approximately 1.8 inches in diameter (795 $\mathrm{kcmil})$. Each ACSR cable consists of a core of seven steel conductors surrounded by 26 aluminum strands. ITC Midwest proposes to use the same conductor and bundled configuration for all the 345 kV sections of the transmission line in

Minnesota and in Iowa. The 345 kV twisted pair conductors (two sets of three conductors) will have a capacity equivalent to $3,000 \mathrm{amps}$.

This conductor is ITC Midwest's standard conductor in areas where there is wind generation, and is preferred for the following reasons:

- Anti-galloping characteristics - The design of two twisted pair conductors in a bundled configuration reduces ice buildup on the conductor, therefore reducing galloping during windy and icy conditions.
- Higher ampacity ratings - bundled conductors. increase the ampacity capability by increasing the surface area of the conductor which provides greater dissipation of heat.
- Vibration Resistance - twisted pair conductors reduce low frequency vibration (Aeolian vibration) produced at relatively low wind conditions, thereby increasing service life of the conductor.

Figure 3 provides sample photos of the double-circuit $345 \mathrm{kV} / 161 \mathrm{kV}$ structures that ITC Midwest will primarily use for the Project.

## Figure 3.345 kV/161 kV Double-Circuit Sample Photos



Technical drawings of all the $345 \mathrm{kV} / 161 \mathrm{kV}$ structure types that are proposed to be used for the Project are included in Appendix D-1.

ITC Midwest will design the Project to meet or surpass all applicable local and State building codes and the National Electric Safety Code ("NESC") requirements, and additional standards developed by ITC Midwest. Appropriate safety protocols, procedures, and standards will be followed during design and construction, and after installation.

### 2.3.2 Associated Facilities

## The 161 kV Transmission Lines

The Rutland - Winnebago Junction portion of the existing Lakefield Junction to Border 161 kV line, three other 161 kV lines that currently terminate at the Winnebago Junction Substation (two of which are owned by ITC Midwest and the other by Xcel Energy), and three 69 kV transmission lines (proposed to be
constructed to 161 kV standards) will need to be reconfigured to terminate at the new Huntley Substation as part of the Project. Figure 4 shows the current locations of the existing 161 kV and 69 kV lines connecting at the Winnebago Junction Substation. The four 161 kV transmission lines that would be reconfigured are:
a. Rutland - Winnebago Junction;
b. N.B.E.I. - Winnebago Junction (owned by Xcel Energy);
c. Faribault - Winnebago Junction; and
d. Freeborn - Winnebago Junction.

The three 69 kV transmission lines that would be reconfigured and constructed to 161 kV standards as part of the Project are:
a. Winnebago Junction - Winnebago Local;
b. Blue Earth - Winnebago Junction; and
c. Walters - Winnebago Junction.

Figure 4. Current Configuration of 161 kV Associated Facilities Terminating at the Winnebago Junction Substation


The proposed routes and configurations to relocate the 161 kV associated facilities to connect at the new Huntley Substation are shown in Figure 5. The three 69 kV transmission lines that are proposed to be constructed to 161 kV standards will continue to be operated at 69 kV until conditions warrant an increase in operational voltage. These lines are proposed to be constructed to 161 kV standards to minimize future ground disturbance along the right-of-way and to minimize the need for future outages should the need to increase the operating voltage arises.

Figure 5. Proposed 161 kV Associated Facility Relocations


More detailed information on the proposed relocation and construction of the transmission lines currently terminating at the Winnebago Junction Substation can be found in the Project's Route Permit Application (Docket No. ET6675/TL-12-1337).

Where the Lakefield Junction to Border 161 kV line is co-located with the 345 kV line, ITC Midwest proposes to primarily use single pole, double-circuit capable weathering or galvanized steel structures. Single pole, single- and double-circuit structures will primarily be used for the four relocated 161 kV line and three 69 kV lines, subject to a determination in final design. ITC Midwest proposes to co-locate these associated facilities to the greatest extent feasible to minimize the right-of-way needed for their construction. For the associated transmission facilities, ITC Midwest will acquire and maintain a 150 -foot right-of-way, except where multiple trans mission lines are proposed to be located in parallel between the Winnebago Junction and Huntley substations, where a right-of-way up to 250 feet may be acquired. Figure 6 provides photograph examples of similar 161 kV facilities.

## Figure 6. 161 kV Associated Facilities Sample Photographs



161/161 kV Double Circuit


161 kV Single Circuit

Technical drawings of all the 161 kV structures types that are being considered for the Project are included in Appendix D-2.

ITC Midwest proposes to use twisted pair Drake (2-795) ACSR, or equivalent 1600 amp, cable. The N.B.E.I. - Huntley 161 kV transmission line will be constructed using Aluminum Conductor Steel Supported ("ACSS") 565 kcmil Calumet, or equivalent 1400 amp , cable per Xcel Energy's specifications.

Other specialty structures may be necessary due to environmental conditions developed in cooperation with other State or federal agencies or to accommodate particular design considerations that cannot be identified until detailed survey
work and soil sampling has been performed for the Project. Such detailed work will not likely be performed until after the Commission has issued a Route Permit for the Project to ensure that the areas where these activities are undertaken are those covered by the final route selected by the Commission.

ITC Midwest will design the 161 kV associated facilities to meet or surpass all applicable local and State building codes and NESC requirements, and additional standards developed by ITC Midwest. Appropriate safety protocols, procedures, and standards will be followed during design and construction, and after installation.

## Substations

The Project includes expanding the existing Lakefield Junction Substation, removing the existing Winnebago Junction Substation, and constructing the new Huntley Substation.
(a) Lakefield Junction Substation (existing)

ITC Midwest owns the Lakefield Junction Substation. A location plan for the expansion of the Lakefield Junction Substation is available in the Route Permit Application at Appendix E.

## (i) Current Equipment and Operation

Currently, four 345 kV transmission lines terminate at the Lakefield Junction Substation: one 345 kV transmission line owned by ITC Midwest (Lakefield Junction-Raun), two 345 kV transmission lines owned by Xcel Energy (Lakefield Junction - Nobles and Lakefield Junction - Lakefield Generation), and one 345 kV transmission line that connects the collector substation for the Lakefield Wind Project to the Lakefield Junction Substation (Hunter - Lakefield Junction). Additionally, there are four 161 kV transmission lines owned by ITC Midwest that currently terminate at the Lakefield Junction Substation. In 2011, ITC Midwest rebuilt the 345 kV portion of the substation, including a three-bay breaker-and-a-half configuration, providing six breaker positions. The 161 kV equipment is positioned on the west side of the substation with the 345 kV equipment on the east side and the $345 \mathrm{kV} / 161 \mathrm{kV}$ transformers located between the two voltage bays.
(ii) Substation Expansion Requirements

ITC Midwest is proposing to expand the Lakefield Junction Substation to the east as part of the Project. In-depth investigations into the site and existing transmission line infrastructure determined that expansion in any other direction at the site is not a reasonable alternative. The new 345 kV transmission equipment necessary for the Project is anticipated to include one additional 345 kV bay using one position, and a future bay position to allow for three future connections. This equipment must be located on the east side of the substation to avoid a costly reconfiguration of the entire substation. If the new 345 kV equipment is not located on the east side, the two $345 \mathrm{kV} / 161 \mathrm{kV}$ transformers and the entire existing 161 kV bay, along with two control buildings, would need to be reconfigured and relocated within the substation. This substantial work would require many extended transmission system outages, and coordinating those outages with the overall system would be challenging and costly.

The proposed expansion east of the Lakefield Junction Substation would require ITC Midwest to acquire an additional 160 feet of property for the length of the eastern side of the existing substation. In total, ITC Midwest proposes to acquire approximately three acres of property east of the current substation to accommodate the Project. ITC Midwest anticipates that grading will be necessary over the full area acquired, but that the fenced area will be expanded by approximately 2.2 acres to accommodate the new 345 kV equipment.

## (b) Huntley Substation (new)

As part of the Project, ITC Midwest proposes to construct a new substation approximately 1.2 miles south of the current location of the Winnebago Junction Substation. ITC Midwest owns the property where it proposes to construct the new Huntley Substation. A detailed location plan for the Huntley Substation has not yet been prepared.

## (i) New Substation Equipment and Operation

ITC Midwest will install two 345 kV breaker-and-a-half bays with three 345 kV breakers, associated switches, steel, foundations, and dead end structures. A $345 \mathrm{kV} / 161 \mathrm{kV}$ transformer will also be installed at the Huntley Substation, along with four 161 kV breaker-and-a-half bays with eleven 161 kV breakers, associated switches, steel, foundations, and dead end structures. Certain 69 kV equipment will also be installed, including two $161 \mathrm{kV} / 69 \mathrm{kV}$ transformers, three 69 kV
breakers, and associated switches, steel, foundations, and dead end structures. A control building and road access will also be constructed at the site.
(ii) New Substation Land Requirements

ITC Midwest purchased 40 acres of land for the Huntley Substation in December 2012. Within this area, ITC Midwest proposes to construct an approximately nine-acre fenced area for the Huntley Substation. ITC Midwest intends to design and grade the Huntley Substation to provide sufficient space for two additional 345 kV breaker-and-a-half bays and one additional 161 kV breaker-and-a-half bay. Additionally, this site will allow ITC Midwest to maintain a substantial buffer between the boundaries of the substation and adjacent landowners.
(c) Winnebago Junction Substation (existing)

ITC Midwest proposes to remove all existing equipment from the Winnebago Junction Substation and remove all foundations and fenced area as part of the Project. The substation is currently covered by an easement between ITC Midwest and IPL. ITC Midwest and IPL are in the process of transferring ownership of the Winnebago Junction Substation site to ITC Midwest. At the time of this Application, ITC Midwest intends to retain ownership of the Winnebago Junction Substation site, but after the existing substation equipment is removed will allow the site to return to a natural state in areas not crossed by transmission line rights-of-way. One 161 kV transmission line (N.B.E.I.Winnebago Junction) and two 69 kV transmission lines will remain on the property after the Winnebago Junction Substation is removed.

## (i) Current Equipment and Operation

ITC Midwest initially investigated the possibility of expanding the Winnebago Junction Substation site as part of the Project. ITC Midwest determined that the property it owns at this location is not sufficient in size to allow for the expansions necessary for the Project. Additionally, because of the site's proximity to the Blue Earth River, a heavily treed area, US Highway 169, and a perpetual conservation easement, the ability to acquire additional land rights was limited. Therefore, ITC Midwest determined it was appropriate to investigate a new location for the 345 kV substation and removal of the Winnebago Junction Substation.

The age of the equipment at the Winnebago Junction Substation was also of concern. The Winnebago Junction Substation was constructed in the 1950s and
contains equipment, including 69 kV breakers and 161 kV breakers, of 1950s vintage. Before MVP Project 3 was approved by MISO, ITC Midwest planned to replace this equipment as it was approaching the end of its operational life. ITC Midwest has now put these replacement projects on hold in light of this Project. Additionally, the control building on site is over 60 years old and would need to be updated if the Winnebago Junction Substation were to continue operation. ITC Midwest determined that the cost to construct a new substation with equipment to support the existing transmission infrastructure and the proposed Project was less expensive than the cost to upgrade the aged equipment at the Winnebago Junction Substation to meet the Project needs.

Based on these land and equipment replacement issues, ITC Midwest concluded that construction of a new substation south of the Winnebago Junction Substation and removal of the existing substation was the best option for the Project.
(ii) Substation Decommissioning

Although ITC Midwest will continue to own and operate transmission lines across this parcel, ITC Midwest proposes to remove all substation infrastructure at the Winnebago Junction Substation site. This includes the electrical equipment at the substation, foundations, gravel, fencing, and other materials that would no longer be necessary after the substation is removed from operation. At this time, ITC Midwest intends to own the Winnebago Junction Substation property and allow it to return to a more natural state by reestablishing vegetation on the site after removing all current substation infrastructure.

### 2.4 Project Schedule

Table 1 provides the permitting and construction schedule currently anticipated for the Minnesota portion of the Project and for the facilities between the Iowa border and the Ledyard Substation.

PROJECT DESCRIPTION

Table 1. Estimated Schedule for MN-IA Project

| Activity | Estimated Activity Dates |
| :--- | :--- |
| Minnesota Certificate of Need Issued | Spring 2014 |
| Minnesota Route Permit Issued | Spring 2014 |
| Franchise from Iowa Utilities Board Issued | Third Quarter 2015 |
| State/Federal Environmental Permits Issued for MN <br> portion of MN-IA Project | Third Quarter 2015 |
| Other State/Local Permits Issued for MN portion of <br> MN-IA Project | Third Quarter 2015 |
| Land Acquisition for MN portion of MN-IA Project | Third Quarter 2014 to <br> Second Quarter 2015 |
| Survey and Transmission Line Design for MN <br> portion of MN-IA Project | Fourth Quarter 2014 to <br> Fourth Quarter 2015 |
| Right-of-Way Clearing for MN portion of MN-IA <br> Project | Fourth Quarter 2015 |
| Construction for MN portion of MN-IA Project | First Quarter 2016 to <br> Second Quarter 2017 |
| Construction for IA portion of MN-IA Project | First Quarter 2016 to <br> Second Quarter 2017 |
| In-Service (Lakefield - Huntley) | First quarter 2017 |
| In-Service (Huntley - Ledyard ) | Second quarter 2017 |
| In-Service (Ledyard-Kossuth) | Second quarter 2017 |

### 2.5 Project Cost Analysis

The estimated costs for the Project include costs to obtain additional environmental permits, obtain road sharing and crossing permits and licenses, complete survey work, complete line and substation design work, obtain materials, acquire property for substations and transmission line rights-of-way, complete construction of the Project, complete restoration of the Study Area, and obtain a Certificate of Need and Route Permit from the Commission.

Project costs are considered to have $a+/-30$ percent accuracy because the cost of a project of the size proposed in this Application can be affected considerably by timing of construction, availability of construction crews and components, and the final design that can only be determined once a route is selected by the Commission in the Route Permit proceedings. Based on the information gathered to date, and assumptions about likely structure types and line lengths, the total cost of the Project from Lakefield Substation to the Iowa border is estimated to
range from $\$ 194$ million to $\$ 206$ million. Table 2 below provides the estimated costs for the Minnesota portion of the Project.

Table 2. ITC Midwest Estimated Costs for the Minnesota Portion of the MN-IA Project

| Project Facility | Estimated Cost <br> $(\$$ millions) |
| :--- | :---: |
| Lakefield Junction - Iowa Border 345 kV Transmission Line | $\$ 152-164^{5}$ |
| 161 kV Line Relocations | $\$ 3$ |
| Lakefield Junction Substation | $\$ 6$ |
| Huntley Substation ${ }^{\mathrm{b}}$ | $\$ 33$ |
| Total | $\$ 194-206$ |

a The estimated cost for the Lakefield - Iowa Transmission line includes the estimated cost to remove the existing Lakefield to Border 161 kV line, where necessary.
${ }^{\mathrm{b}}$ The estimated cost for the Huntley Substation includes the cost to remove the Winnebago Junction Substation infrastructure and the cost of construction of equipment to support the $345 \mathrm{kV}, 161 \mathrm{kV}$, and 69 kV systems at the Huntley Substation.

The IA Border to Kossuth County Segment is estimated to cost an additional $\$ 77$ million, plus/minus 30 percent. Adding this amount to the totals above yields a total cost in both states for the MN-IA Project ranging from $\$ 271$ million to $\$ 283$ million (based on the two routes identified), plus/minus 30 percent to account for other uncertainties.

### 2.6 Allocation of Cost Under MISO

The recovery of all but approximately $\$ 7.4$ million of the Project's costs from Minnesota ratepayers will be governed by Schedule 26-A, Multi-Value Project Usage Rate, in MISO's Tariff. The annual revenue requirement is determined pursuant to the formula rate in Attachment MM-MVP Charge in the MISO Tariff. This annual revenue requirement collected under Schedule 26-A is then paid by all MISO network and point-to-point transmission customers based on their annual energy consumption. Minnesota ratepayers share of the annual revenue requirement is determined by the percent of total MISO energy used in

[^4]Minnesota, which has been estimated at approximately 13.3 percent based on MISO's posted 2010 Energy withdrawal data. Based on the high end of the cost range for the Project of $\$ 283$ million, less the cost of 69 kV work not included in MVP Project 3 of $\$ 7.4$ million, the estimated annual first year revenue requirement for the Project would be approximately $\$ 51$ million. Of this total, $\$ 6.8$ million would be collected from Minnesota transmission customers annually. The estimated first year revenue requirement for the 69 kV facilities, recovered through the ITC Midwest zonal rate is about $\$ 200,000$, making the total cost of the Project recovered from Minnesota customers approximately $\$ 7$ million. The calculation of the annual revenue requirement and the amounts to be recovered from Minnesota utilities can be found in Appendix E.

### 2.7 MIDAMERICAN'S CONNECTING 345 KV FACILITIES IN IOWA

MidAmerican's 345 kV facilities in Iowa will interconnect with ITC Midwest's Project at the new Kossuth County Substation that will be constructed and owned by MidAmerican. MidAmerican will build a new 120-mile 345 kV line from its new O'Brien County Substation near Sanborn, in west central Iowa, east to the Kossuth County Substation, and additional 345 kV transmission south to MidAmerican's existing Webster Substation outside Fort Dodge, Iowa. Figure 1 in Section 1.2 of this Application shows MidAmerican's proposed 345 kV facilities in relation to the facilities of the MN-IA Project. It is anticipated that the MidAmerican facilities will be in service by fourth quarter 2016.

### 2.8 CERTIFICATE OF NEED REQUIREMENT AND CRITERIA

Minnesota Statutes Section 216B.243, Subdivision 2 provides that "[n]o large energy facility shall be sited or constructed in Minnesota without the issuance of a certificate of need by the commission pursuant to Minnesota Statutes Sections 216C. 05 to 216C. 30 and this section and consistent with the criteria for assessment of need." A large energy facility is defined to include "any highvoltage transmission line with a capacity of 200 kilovolts or more and greater than 1,500 feet in length." 6

The Minnesota portion of the Project includes a 345 kV transmission line approximately 75 miles long. A Certificate of Need to construct the Project is, therefore, required.

[^5]Minnesota Rule 7849.0120 sets forth four criteria that must be met for the Commission to grant a Certificate of Need:

- denial would likely have an adverse effect on the future adequacy, reliability, or efficiency of the supply of energy for the applicant, the applicant's customers, or the people of Minnesota and neighboring states;
- a more reasonable and prudent alternative to the proposed facility has not been demonstrated;
- the proposed facility will provide benefits to society in a manner compatible with protecting the natural and socioeconomic environments, including human health; and
- the design, construction, operation of the proposed facility will comply with relevant polices, rules, and regulations of other state and federal agencies and local governments.

Pursuant to Minnesota Statutes Section 216B.243, subdivision 3(9), the Commission must also consider whether the proposed project enhances regional reliability, access, or deliverability to the extent these factors improve the robustness of the transmission system in Minnesota or lowers the cost of electricity for Minnesotans. And there are other statutory criteria relating to Renewable Energy Portfolio standards and certain generation alternatives that must be considered. A completeness checklist of the informational requirements set out in Minnesota Rules for Certificate of Need applications is available in Appendix A-1 and a table of the additional informational requirements set out in Minnesota Statutes is included in Appendix A-2. The checklist and table identify where the various informational requirements are addressed in this Application.

### 2.9 CERTIFICATE OF NEED DATA EXEMPTIONS

On December 4, 2012, ITC Midwest filed a request for an exemption from certain of the data requirements in Minnesota Rules, Chapter 7849 because the data would not assist the Commission in making its determination of whether the Project is needed. For some of the data requirements, ITC Midwest proposed submitting substitute information that would be helpful to the Commission in making its Certificate of Need determination.

The Commission issued its order on ITC Midwest's request on February 8, 2013. It its order, the Commission granted all the requested exemptions from data requirements with the exception of one, relating to environmental data. A copy of ITC Midwest's Request for Exemption from Certain Certificate of Need

Application Content Requirements and the Commission's order on ITC Midwest's request are included in Appendix C. The completeness checklist in Appendix A-1 identifies all the data requirements from which ITC Midwest is exempted, and all the substitute information that it is providing instead of the exempted data.

### 2.10 Route Permit Requirement

Minnesota Statutes Section 216E.03, Subdivision 3 provides that "any person seeking to construct a . . . high voltage transmission line must apply to the commission for a . . . route permit." For the purposes of this statutory requirement, a high voltage transmission line is defined as one "designed for and capable of operation at a nominal voltage of 100 kilovolts or more and is greater than 1,500 feet in length." ${ }^{7}$

The Minnesota portion of the Project includes a 345 kV transmission line that is approximately 75 miles long. A Route Permit to construct the Minnesota portion of the Project is, therefore, required.

A Route Permit application is being filed with the Commission concurrently with this Certificate of Need Application (Docket No. ET6675/TL-12-1337). The Commission may consider the Certificate of Need and Route Permit applications together. A description of how the Commission could consider the two applications together is provided in Section 2.11 of this Application.

### 2.11 Potential Combined Certificate of Need and Route Permit Proceedings

While the Certificate of Need proceedings for a proposed facility may be handled separately from the facility's Route Permit proceedings, the Legislature has directed that they be handled together where appropriate. Minnesota Statutes Section 216B.243, Subdivision 4 provides that "[u]nless the commission determines that a joint hearing on [routing] and need under [the Certificate of Need statute] and the [Route Permit statute] is not feasible or more efficient, or otherwise not in the public interest, a joint hearing under those [statutes] shall be held." ITC Midwest has requested that the Certificate of Need and Route Permit proceedings for the Project be combined because it is feasible, more efficient, and in the public interest.

[^6]As required under Minnesota Rule 7829.2550, ITC Midwest filed a proposed plan for providing notice to local government officials, and landowners and residents reasonably likely to be affected by the Proposed Project of ITC Midwest's intention to file an application for a Certificate of Need for the Project. The Commission issued an order on December 31, 2012 approving the plan as modified by ITC Midwest and Commission staff based on comments from EFP. ${ }^{8}$ A copy of the Commission's Order Approving Notice Plan and Granting Variances is included in Appendix B-1 of this Application. Appendix B-2 also contains a copy of ITC Midwest's Notice Plan compliance filing, including affidavits of mailing and publication.

An electronic version of this Application and the Project's Route Permit Application are available on the Commission's website:

## http://www.puc.state.mn.us/PUC/index.html.

At the Commission's homepage, click the "Search e-Dockets" link and enter the docket number "12-1053" in the docket look up box to access the Certificate of Need docket. Searching for "12-1337" will retrieve the Route Permit docket. Electronic versions of the applications are also available on ITC Midwest's website:

## www.itctransco.com/minnesota-iowa-project

Upon filing, the Applications will be reviewed by the Commission for completeness. ${ }^{9}$ At the time it determines the applications are complete, the Commission will determine whether the Certificate of Need and Route Permit proceedings should be handled separately or together. Within 60 days of finding the applications complete, the Commission must hold one or more public meetings on each proceeding. If the Commission chooses to combine the Certificate of Need and Route Permit proceedings, these meetings will be held together. The purpose of the meeting(s) for the Certificate of Need proceeding is to obtain public opinion on the necessity of granting a certificate for the Project. ${ }^{10}$ The purpose of the meeting(s) for the Route Permit proceeding is to provide information to the public about the Project, answer questions, and obtain information regarding the appropriate scope of the EIS required for the Project. ${ }^{11}$

[^7]EFP is responsible for conducting environmental review of the Project. This involves preparing an Environmental Report for the Commission for the Certificate of Need proceeding, and an EIS for the Route Permit proceeding. ${ }^{12}$ EFP may elect to combine these two documents and issue one document, an EIS, which satisfies the environmental review requirements of both the Certificate of Need and Route Permit proceedings.

In the course of its environmental review of the Project, EFP will conduct one or more public meetings to develop the scope of that review, during which interested persons may ask questions and provide comments on the scope of the environmental review, and suggest that alternative routes and possible impacts be evaluated in the review. Interested persons will also be able to submit written comments to the Department regarding the Project. These scoping meeting(s) may be combined with the Commission's public meeting(s) on the scope of the EIS. ${ }^{13}$

Based on the Applications and public input, EFP will determine the scope of the environmental review and complete a Draft EIS for public review. This review includes public informational meetings on the Draft EIS where the public has the opportunity to provide oral and written comments. The Final EIS must include the EFP's response to all substantive comments received on the Draft EIS. ${ }^{14}$

The Certificate of Need and Route Permit applications will be the subject of either separate or combined contested case hearing(s), during which interested persons can submit evidence supporting or challenging the Project as proposed. Upon closing the record for the contested case(s), the administrative law judge will submit a report and recommendation to the Commission on the applications. ${ }^{15}$ The Commission will consider the administrative law judge's report and recommendation in reaching its determination whether to grant the Applications with or without modifications, or deny them. ${ }^{16}$

The Legislature has directed that a final decision on a Certificate of Need or Route Permit Application must be made within one year of the Commission's

[^8]determination that the application is complete, unless the applicant agrees more time may be taken or the Commission finds that there is good cause to do so.. ${ }^{17}$

The regulatory proceedings outlined above satisfy all the requirements of Minnesota Statutes Sections 216B. 243 and 216E.03, and the Commission's rules for Certificate of Need and Route Permit proceedings, Minnesota Rule Chapters 7849 and 7850.

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### 3.0 TRANSMISSION PLANNING

### 3.1 Transmission System Overview

The electric transmission system in the United States is comprised of a highly decentralized interconnected network of generating plants, high voltage transmission lines and distribution facilities. Electricity uses all available paths as it flows from generation to consumers. Since the electricity from all sources is commingled in the transmission system, it is impossible to know exactly where the electric power came from that lights the room of a home. Designing the transmission network and the proper implementation of new transmission facilities requires complex analysis, including modeling of power system steadystate and dynamic performance.

Today, there are 211,000 miles of extra high voltage transmission lines (230 kV and greater) in the North American bulk power system (United States and Canada). ${ }^{18}$ There are also many hundreds of thousands of miles of additional transmission lines between 100 and 200 kV . Transmission facilities also include both alternating current lines (" AC ") and direct current lines (" DC ").

The United States (excluding Alaska and Hawaii) electric transmission grid is divided into three major subsystems, called interconnections: The Eastern Interconnection, the Western Interconnection, and the Electric Reliability Council of Texas Interconnection. While very little power is exchanged across the interconnections, power is readily transferred within an interconnection.

Minnesota is a part of the largest subsystem - the Eastern Interconnection. This means that Minnesota's electric system is not only interconnected with neighboring states of North Dakota, South Dakota, Iowa and Wisconsin, but also indirectly with virtually all of the other states and Canadian provinces in the eastern two-thirds of North America. The entire electric system in the Eastern Interconnection operates as a single integrated electrical machine. The dynamics of the electrical system are also extremely complicated, and require moment-bymoment matching of generation resources and load requirements at the proper voltage across the interconnection. If the load balance or voltage is disturbed by a sudden change in generation output, transmission line availability, or customer usage, the bulk transmission system provides capacity for other generation to adjust and keep the system in balance. As a result, the operation of electrical

[^10]generators and transmission facilities in Ohio or Nebraska can potentially impact the reliability of electric service to customers in Minnesota, or vice versa.

### 3.2 Existing Upper Midwest 345 кV Transmission System

The bulk transmission system in Minnesota and surrounding states consists predominantly of 230 kV and 345 kV AC voltage facilities, with some 500 kV and DC facilities. In Minnesota, the foundation for the bulk network is a 345 kV ring around the Twin Cities developed in the 1960s along with three lines that connect the Twin Cities to adjacent regions. With the advent of larger generation plants in excess of 500 MW , transmission planners selected the 345 kV voltage class to reliably provide service in place of an overtaxed 115 kV system. In the 1960s, 345 kV transmission ties were built to connect the Twin Cities to major load centers in other states, including St. Louis, Missouri, Chicago, Illinois and Omaha, Nebraska. In the late 1970s, a 345 kV and 500 kV tie to Manitoba, Canada was constructed. These regional connections created a more robust electrical system that could better withstand outages of transmission lines and large-scale generators. In 2011, there were more than 3,000 miles of 200 kV and above transmission in the state. ${ }^{19}$

The next significant addition of 345 kV bulk transmission facilities in Minnesota is now underway. This phase of 345 kV development began in 2004 and 2005 with study work undertaken by the CapX2020 group of utilities. In 2007, the CapX2020 utilities proposed three 345 kV line projects: (i) Brookings County Hampton 345 kV Project; (ii) Fargo - Monticello 345 kV Project; and (iii) the Hampton - La Crosse 345 kV Project. The CapX2020 utilities also proposed a 230 kV transmission line between Bemidji and Grand Rapids, Minnesota. These projects were designed to enhance regional reliability, meet local load serving needs, and increase generation outlet. In 2009, the Commission granted Certificates of Need for the projects, and Route Permits were issued in subsequent proceedings. The Monticello - St. Cloud 345 kV line segment (Docket No. ET2, E002/TL-09-246) of the Fargo - Monticello 345 kV Project and the Bemidji - Grand Rapids 230 kV line have been completed and are in service. The remaining facilities (Docket Nos. ET2/TL-08-1474; ET2, E002/TL-09-1056; E002/TL-09-1448) are all under construction and expected to be in-service by 2015.

One of the substantial benefits of the CapX2020 345 kV projects is that they create additional 345 kV ties between Minnesota and North Dakota, South Dakota, and

[^11]Wisconsin. A new 345 kV tie between Minnesota and Iowa is also necessary to address the transmission system congestion in southern Minnesota and northern Iowa. Figure 7 illustrates the Project's proposed expansion of the 345 kV connections with Minnesota's neighboring states.

Figure 7. MN-IA Project's Expansion of Upper Midwest 345 kV Transmission System


### 3.3 Regulatory System Overview

Because of the importance of providing safe, adequate and reliable service to customers and the important role electric transmission plays in that service, matters pertaining to electric transmission are highly regulated. Regulatory oversight of transmission in Minnesota occurs at several levels and by several different regulatory bodies:

The Commission has authority over Certificates of Need, which must be obtained to build high voltage transmission facilities in Minnesota. If the Commission determines a transmission facility is needed, it must also determine the route for the line by issuing a Route Permit before construction can begin.

The FERC has authority over the transmission of electric energy in interstate commerce and wholesale sales of electricity, including regulating transmission rates and practices and authorizing and overseeing the operation of regional transmission organizations. Under the Energy Policy Act of 2005 ("EPAct 2005"), FERC is also responsible for oversight of mandatory electric reliability standards and for designating the Electric Reliability Organization ("ERO") for the United States.

Regional transmission organizations ("RTOs"), including MISO, oversee and coordinate regional transmission planning and regional transmission services and manage access to the transmission grid to facilitate fair and competitive wholesale electric markets.

The North American Electric Reliability Corporation ("NERC") has been designated as the ERO by FERC, aided by Regional Entities ("REs") that set standards for grid planning and operations, and monitor compliance with reliability standards. Recently the NERC reliability standards, which previously were merely voluntary, became mandatory pursuant to EPAct 2005 and FERC Order No. 693. ${ }^{20}$ Electric utilities in Minnesota must now plan, construct, operate and maintain their electric systems (both transmission and generation) in compliance with the mandatory reliability standards.

The Midwest Reliability Organization ("MRO") is the RE that implements the NERC standards for Minnesota and surrounding states. The MRO develops standards, monitors compliance, enforces standards, and assesses the reliability

[^12]of the bulk power system. The MRO operates independently of the entities subject to its jurisdiction, thus ensuring that the reliability standards developed and enforced by the MRO are fair.

### 3.4 FERC Transmission Orders

FERC has issued a number of orders over the last 15 years that affect planning for the transmission system in Minnesota. An important change has been the functional separation of transmission from generation to ensure equal access to the grid, which FERC mandated in 1996 when it issued its Order No. 888 (as recently updated by FERC Order No. 890). ${ }^{21}$ Transmission planning must now be performed separate from other utility functions in a non-discriminatory manner and transmission planning and development must be prepared to meet the needs of all regional market participants rather than just those of the individual utility's customers or a specific generation resource type.

As part of its open access policy, FERC in Order No. 888 encouraged utilities to join regional independent transmission system operators, or Independent Transmission System Operators. To that end, MISO was founded in 1998 as a voluntary association of electric transmission owners in the Midwest.

In 1999, FERC issued a second order - Order No. 2000 - further encouraging competition in the wholesale power supply market by encouraging transmissionowning utilities to voluntarily join large regional transmission organizations, or RTOs. On December 20, 2001, MISO became the first RTO in the nation to be approved by FERC. On February 1, 2002, MISO began providing "Day 1" regional transmission services under the MISO Open Access Transmission Tariff ("OATT"). On April 1, 2005, MISO implemented its Day Ahead, Real Time and Financial Transmission Rights Markets pursuant to its Open Access Transmission and Energy Markets Tariff ("TEMT"). ITC Midwest is a transmission-owning member of MISO, and is subject to the terms and conditions of MISO's tariffs.

During this same time frame, there were also new FERC policy initiatives relating to transmission planning. In 2007, FERC issued Order 890, clarifying and expanding the obligations of transmission providers to provide transmission service on a non-discriminatory basis. To remedy the potential for undue discrimination in transmission planning activities, FERC directed all

[^13]transmission providers to develop a transmission planning process that satisfies nine principles：（1）coordination；（2）openness；（3）transparency；（4）information exchange；（5）comparability；（6）dispute resolution；（7）regional participation；（8） economic planning studies；and（9）cost allocation for new projects．${ }^{22}$

The eighth principle－economic planning studies－requires transmission providers to account for economic considerations in the transmission planning process．${ }^{23}$ FERC determined that good utility practice requires transmission providers to focus on system upgrades that can reduce the overall costs of serving load，as well as those required to maintain the reliability of the transmission network．${ }^{24}$

In Order No．1000，issued in 2011，FERC expanded these planning principles to require transmission providers to（i）participate in a regional transmission planning process that produces a regional transmission plan，and（ii）include in their local and regional transmission planning processes provisions to identify and evaluate transmission needs driven by public policy requirements established by state or federal laws or regulations．${ }^{25}$

## 3．5 OVERVIEW OF MISO FUNCTIONS

MISO is a non－profit RTO responsible for the independent planning and operation of the transmission grid and wholesale energy market across 11 states and the province of Manitoba．MISO administers and manages the transmission of electricity within its footprint－approximately 53,200 miles of transmission lines．${ }^{26}$

[^14]ITC Midwest is one of 35 transmission owning members of MISO. ${ }^{27}$ There are also 98 members of MISO in other sectors, including independent power producers, transmission dependent utilities, power marketers, and state regulatory authorities. ${ }^{28}$

As noted, the dynamics of the electrical system are extremely complicated, requiring moment-by-moment matching of generation resources and load requirements at the proper voltage. If the load balance or voltage is disturbed by a sudden change in generation output, transmission line availability, or customer usage, the bulk transmission system provides capacity for other generation to adjust and keep the system in balance. Projecting the movement of power in realtime, MISO's control room staff of Reliability Coordinators and Reliability Analysts monitor and manage activity on the electric transmission system 24/7.

MISO also oversees both generation interconnection requests and transmission service requests. It is obligated to provide generators and transmission customers non-discriminatory access to the grid in accordance with its Open Access Transmission Energy and Operating Reserve Markets Tariff, on file with FERC.

### 3.5.1 MISO Wholesale Energy Market

For Summer 2012, MISO projected that it had 127,493 MW of nameplate electric generating capacity within its footprint. ${ }^{29}$ This generation is used primarily by load-serving entities that either own and operate the generators or have longterm bilateral supply arrangements with generators or other utilities, to serve their native load customer requirements.

In April 2005, MISO began operations of a centralized regional wholesale energy market, known as the "Day 2" market, where short-term and spot market transactions are available to utilities to acquire energy supply to meet load demands at lower cost than operating their own longer-term resources. Under

[^15]the MISO TEMT, participating utilities are required to purchase and sell energy within the MISO Day-Ahead and Real Time markets. MISO uses a security constraint economic dispatch that employs LMP to take into account the costs of the resources and the capacity limitations (referred to as "congestion") on the transmission system so that the least cost available generation is used to serve loads on a regional basis within MISO.

Congestion in areas of the existing transmission system in the MISO region not only decreases the operational flexibility of the system, which impacts reliability, but also results in the dispatch of higher priced generation due to the constraint. FERC approved the establishment of the Southeast Minnesota, Northern Iowa, and Southwest Wisconsin Narrowly Constrained Area ("Minnesota NCA") in 2007 because of concerns identified by MISO's independent market monitor that generators within the constrained area could exercise local market power by offering constraint-easing generation into the MISO Day 2 market at higher prices. The net result is that market energy prices in a constrained area can be higher than in neighboring areas that are not subject to such transmission constraints.

An NCA designation alters the operation of the Day Ahead and Real Time energy market in that area. Generators in an NCA face restrictions on their offer price into the MISO energy markets because they can impact the affected transmission constraints in the NCA.

NCA designation indicates the need for additional transmission to alleviate congestion and allow lower cost energy supplies to be delivered.

### 3.5.2 MISO Transmission Planning

Since its inception, MISO has conducted transmission studies of the transmission system within the MISO footprint to identify and recommend construction of projects required to address network reliability issues. Pursuant to the directives in FERC Order Nos. 890 MISO's transmission planning process has broadened to identify and recommend those projects that increase system efficiency and reduce costs, as well as those projects that meet specific state and federal public policy objectives. MISO reports on its recommended transmission projects in its annual MISO Transmission Expansion Plan ("MTEP").

MISO uses a "bottom up, top down" approach in its transmission expansion planning process. It relies on individual transmission owners to identify and report the projects they have determined are needed for their systems. MISO
then reviews all the various projects in relation to one another and the MISO system as a whole to prioritize projects based on their ability to effectively address system reliability, market efficiency, and evolving federal and state energy policy issues.

MISO's process for identifying and recommending Multi Value Projects in its annual MTEP was specifically reviewed and approved by FERC. ${ }^{30}$ In finding that the MVP process is the best way to overcome the challenges inherent in maintaining and expanding the region's grid, FERC analyzed the proposal using three interrelated factors required by its previous Order No. 890: (1) whether the proposal fairly assigns costs equitably; (2) whether the proposal presents incentives (and removes disincentives) to construct new transmission; and (3) the level of support from state regulators. ${ }^{31}$ Based on their regional nature, MISO proposed that MVP costs be allocated on a regional basis to all customers taking energy off the grid. ${ }^{32}$ FERC agreed, recognizing that broad support from state regulatory authorities was important because states may be reluctant to site regional transmission projects if they believe that costs are not being fairly allocated. ${ }^{33}$

The MVP proposal garnered broad support from state authorities, including the Organization of MISO States ("OMS"), and other stakeholders. ${ }^{34}$ The state authorities' effort was led by the OMS's Cost Allocation and Regional Planning Group ("CARP"), which worked closely with the MISO RECB Task Force. ${ }^{35}$ The result was that nine of the then- 13 OMS states, including Minnesota, supported MISO's MVP proposal before FERC. ${ }^{36}$

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### 4.0 DESCRIPTION OF NEED

### 4.1 INTRODUCTION

Constraints on the bulk transmission system affect the transmission system's reliability. Because a contingency or combination of contingencies can lead to dramatic power swings on the system, the adequacy of the system can be measured at any given time by the unused transmission line capacity remaining. Thus, if there is a large amount of available capacity on the system - i.e., the system is not constrained - an outage of certain element(s) can be handled due to the available capacity on the remaining elements. But if there is a low amount of available capacity due to constraints, the loss of certain element(s) could result in the remaining elements, which are already nearly fully utilized, to become more heavily loaded.

The system's ability to provide adequate and reliable service is at risk when equipment is heavily loaded, equipment is at risk of failing, which in turn can cause brownouts or even blackouts. In addition, the repetition of the heavy loading over time reduces its service life.

Constraints also lead to congestion which impacts the economic efficiency of the bulk electric system. When the system is sufficiently congested, the congestion will cause the re-dispatch of generation in the area to relieve the loading on the line(s) within the congested area. Re-dispatching generation - which can involve hundreds or thousands of MW depending on the situation - can result in less efficient, more costly generation being dispatched to relieve the stress on the loaded line(s).

The need for the MVP Project 3 arises from constraints on the transmission system in southern Minnesota and northern Iowa leading to congestion on the 161 kV transmission system in the area. See Figure 8.

Figure 8. Southern Minnesota/Iowa 161 kV Transmission System


There are three distinct aspects of the need arising from the current constraints and congestion of the transmission system in southern Minnesota and northern Iowa:

- Insufficient generation outlet capacity, specifically including outlet capacity for existing and planned wind generation, all of which cannot currently be reliably delivered and thus impacts the ability of Minnesota and the other states within the MISO footprint to achieve their renewable energy mandates and goals;
- Reduced operational flexibility and reliability of the transmission system due to reliance on SPSs currently in place to prevent overloading of ITC

Midwest's Fox Lake-Rutland-Winnebago 161 kV line in the event of critical contingencies; and

- Inefficient and less cost effective delivery of energy.

Each of these aspects of the need for the Project is discussed below.

### 4.2 Insufficient Generation Outlet Capacity

### 4.2.1 Renewable Generation Needed to Meet Minnesota RPS

Minnesota is a national leader in wind energy production. It currently ranks seventh for the most installed wind capacity in the nation ( 2,986 MW). In 2011, approximately 12 percent of Minnesota's electric energy came from wind, ranking it fourth in the nation for the percentage of electricity consumption from wind.

Minnesota utilities also lead the nation in wind energy purchases. For investorowned utilities, Xcel Energy currently has more wind energy purchases than any other utility ( 4,047 MW), while Great River Energy ( 465 MW) and Minnkota Power Cooperative ( 359 MW) rank second and third, respectively, for cooperatives.

Minnesota's success in this area has been heavily driven by the availability of abundant wind resources and strong policies to boost renewable energy use over the next 15 - 20 years. Minnesota Statutes Section 216B.1691, Subdivision 2a requires that utilities serving retail load in the state must provide 25 percent of their total retail electric sales from eligible renewable resources by 2025, and Xcel Energy, the state's largest utility, must provide 30 percent of its load from renewable resources by 2020, with 25 percent coming specifically from wind generation, as shown in Table 3.

Table 3. Renewable Energy Standard Milestones

| Year | Non-Nuclear Utility <br> Requirement | Xcel Energy <br> Requirement |
| :---: | :---: | :---: |
| 2012 | $12 \%$ | $18 \%$ |
| 2016 | $17 \%$ | $25 \%$ |
| 2020 | $20 \%$ | $30 \%$ (25\% from wind) |
| 2025 | $25 \%$ | $30 \%$ (25\% from wind) |

Minnesota's 2011 Biennial Transmission Projects Report includes an update on the status of Minnesota utilities' efforts to meet their short- and long-term renewable energy requirements. As shown in Figure 9 below, Minnesota utilities project that they have procured adequate renewable capacity to meet Minnesota RPS needs through the 2016 statutory milestone. In 2020, however, Minnesota utilities estimate they will need to acquire approximately $1,600 \mathrm{MW}$ to meet their Minnesota RPS and other states' RPS requirements. By 2025, the estimated gap increases to approximately 3,200 MW.

Figure 9. Renewable Energy MW Gap Analysis
Renewable Energy MW Gap Analysis -- MN RES Utilities Acquired Capacity and MW Needed for RES Compliance


According to recent utility reports, a number of Minnesota utilities have added renewable resources in 2012. Most Minnesota utilities continue to report having adequate renewable resources to meet the 2016, and in some cases, 2020 milestones. Significant additional renewable resources will still be required to meet the 2020 and 2025 RPS milestones.

Utilities are unlikely to procure all of the additional capacity in even increments, and there may be cost benefits for some utilities to acquire additional renewable resources ahead of the milestone dates. Thus, while significant additional wind resources need to be constructed to meet Minnesota utilities' RPS requirements for 2020 and 2025, utilities may choose to bring additional renewables online ahead of these milestone dates to take advantage of tax incentives, favorable pricing, or other advantages.

### 4.2.2 Southern Minnesota/Northern Iowa Premier Wind Resource

The MN-IA Project is strategically located in and adjacent to some of the region's strongest wind resources. Figure 10 and Figure 11 are $80-$ meter (m) height wind resource maps for Minnesota and Iowa published by the U.S. Department of Energy's Wind Program and the National Renewable Energy Laboratory ("NREL").

## Figure 10. Minnesota Average Wind Speed



Figure 11. Iowa Average Wind Speed


As a result of the strong wind resources, southern Minnesota and northern Iowa have been consistently identified as a key region for the development of additional renewable generation.

To take advantage of this resource, stakeholders in the regional transmission system have been looking at transmission expansion scenarios for more than 10 years. Figure 12 below summarizes the various transmission planning efforts that have identified the need to build an additional 345 kV or larger bulk transmission line through this region to enable the interconnection of additional wind resources.

## Figure 12. Studies Identifying Need for 345 kV+ Bulk Transmission Lines in Southern Minnesota and Northern Iowa



Many of the studies identified in Figure 12 were conducted as long-range planning exercises to determine the most cost effective solutions for moving high volumes of wind from Midwest states with strong wind resources to larger load centers to the east. A bulk transmission line in southern Minnesota or northern Iowa, such as the MN-IA Project, has consistently been identified among the projects critical for facilitating the transportation of wind from the Buffalo Ridge area. Appendix F contains the citations to all studies listed in Figure 12.

## UMTDI Final Report

The Upper Midwest Transmission Development Initiative ("UMTDI") was formed in 2008 by the governors of Iowa, Minnesota, North Dakota, South Dakota, and Wisconsin to identify regional transmission planning and cost allocation issues associated with the delivery of renewable energy from wind rich areas within its five-state footprint. UMTDI published its Executive Committee Final Report ("UMTDI's Final Report") on these issues on September 29, 2010, a copy of which is included as Appendix G to this Application. UMTDI's Final Report identified those areas where it was likely that wind generation would be developed, as well as the likely paths for the Extra High Voltage ("EHV") transmission lines ( 345 kV and above) that would be needed to deliver that generation to load. It identified likely wind development across southern Minnesota from the Buffalo Ridge in the southwest corner of the State along the I-90 corridor to the southeast corner of the State. UMTDI's wind zones are illustrated in Figure 13.

Figure 13. UMTDI Wind Zones


UMTDI also identified, among others, a likely west to east EHV transmission path along the border between Minnesota and Iowa to deliver the generation from the UMTDI wind zones to load. UMTDI's EHV transmission paths are shown in Figure 14.

Figure 14. UMTDI EHV Transmission Paths


UMTDI noted that this transmission corridor generally coincided with a Lakefield Junction, MN to Mitchell County, IA 345 kV transmission line that MISO had identified as a potential project in its contemporaneous regional generation outlet capacity study discussed in Section 4.2 .6 below. While UMTDI cautioned that it was not endorsing any particular project or corridor arising out of its or MISO's generation outlet studies, it affirmed its general support of the identified transmission projects and corridors because they "appear to have value in all identified reasonable futures."

## MISO Generator Interconnection Request Queue

Analysis of the current MISO generator interconnection queue requests also supports the assertion that more wind energy will be developed in southern Minnesota and northern Iowa if adequate transmission is available to deliver this power to load. Figure 15 presents the geographic dispersion of the approximately $2,500 \mathrm{MW}$ of current wind interconnection requests in Minnesota and Iowa that are in MISO's Definitive Planning Phase ("DPP"). Projects within the DPP are considered "late stage" projects likely to be built, as interconnection customers have made significant, largely nonrefundable, deposits to complete final interconnection studies.

## Figure 15. MISO Interconnection Request Queue



As shown on Figure 15, a significant number of generator interconnection queue requests are located in southern Minnesota and northern Iowa. In addition, approximately $3,400 \mathrm{MW}$ of wind remain in MISO's intermediary System Planning and Analysis Phase ("SPA"), waiting until adequate transmission is available to efficiently and economically connect to the grid before they move forward. The MVP Project 3 will enable some of these additional wind power projects in wind-rich Minnesota and Iowa to be developed.

### 4.2.3 Transmission Needed to Integrate Wind into Grid

Integration of large amounts of intermittent renewables requires a robust and flexible regional transmission system. While variability and uncertainty are common characteristics of all power systems (e.g., due to continually changing loads, imports and exports, etc.), wind generation adds to the variability and uncertainty of the power system. Numerous peer-reviewed studies have shown that power systems have much greater ability to handle variable renewable energy than commonly understood. Importantly, wind integration impacts are significantly reduced with:

- Large, liquid, and fast markets (e.g., sub-hourly, cooptimized energy and ancillary service markets);
- Large balancing areas with a strong grid that captures significant benefits from diversity (geographic, resource, load) and enables access to the physical flexibility that exists in the regional power system; and
- Forecasting wind generation to reduce uncertainty and costs.

Minnesota regulators have long-recognized that building sufficient transmission is an essential component to reliably integrate the wind generation needed to meet Minnesota's RPS. For example, the 2006 Wind Integration Study focused on the operational impacts of the variability of wind generation. The study found that the addition of wind generation to supply 20 percent of Minnesota retail electric energy sales can be reliably accommodated by the electric power system, but only if sufficient transmission investments are made to support it.

In support of this finding, the Wind Integration Study incorporated the MISO West Regional Study Group Study, which specifically assumed that additional 345 kV transmission lines would be built in southern Minnesota and northern Iowa. In particular, a 345 kV upgrade between the Lakefield and Winnebago substations was listed among the assumed transmission facilities supporting integration of a 20 percent wind scenario.

The 2008 and 2009 Minnesota Dispersed Renewable Generation ("DRG") studies focused on power flow for dispersed renewable generation (wind plants of 10 to $40 \mathrm{MW})$. The DRG studies found that the Minnesota transmission system is at its design capacity and that there are limited opportunities to interconnect new wind generation, even if it is dispersed around the state in smaller projects, without significant additional transmission investments.

In combination, these and other studies have shown that interconnection and integration of large amounts of wind generation for Minnesota and regional customers requires the addition of new high voltage transmission lines. ${ }^{37}$

[^17]Within MISO, there are a number of efforts underway to make sure wind is appropriately integrated into the market. For example, MISO market rules for wind generation are evolving to reflect the significant role that wind generation now has in the Midwest. An example of a new rule that more fully integrates wind generation into the MISO market is the Dispatchable Intermittent Resources designation ("DIR"), implemented in June 2011. DIR is designed to provide many system benefits, including improved market efficiency through economic dispatch and better market signals, improved system reliability through better congestion management, by enabling wind generation to more fully participate in the real time market. What DIR does not do, however, is solve the fundamental problem of congestion-driven wind curtailments. Solving this problem requires new and expanded regional transmission.

### 4.2.4 Transmission Needed to Reduce Curtailment of Existing Wind Generation

In addition to helping to reliably interconnect new wind generation to the grid, high voltage transmission is also needed to relieve constraints that prevent existing generators from fully delivering wind energy to the market. The Fox Lake - Rutland 161 kV line has historically been one of the most frequent sources of manual curtailment for wind facilities. While the implementation of DIR has made it more difficult to pinpoint problem constraints, existing wind generators continue to report significant curtailment in the area of southern Minnesota and northern Iowa.

MISO has analyzed the ability of the existing transmission system to support the generation needed for utilities to comply with states' respective RPS mandates and goals. The analysis showed that without the 17 projects in MISO's MVP Portfolio, $34,711,578 \mathrm{MWh}$ of wind energy would need to be curtailed. This sum is equivalent to 63 percent of the $55,010,629 \mathrm{MWh}$ of renewable energy needed to cover the RPS mandates and goals that have been established by states within MISO's footprint. ${ }^{38}$

When existing wind generation is curtailed, ratepayers lose the benefit of costeffective renewable energy. In addition, Minnesota landowners and local governments receive less revenue in the form of wind lease and easement payments and wind energy production taxes. Another consequence of congestion in areas of high wind energy production is that offsetting generation

[^18]must be run, typically fossil fuel generation, thereby reducing the potential environmental benefits associated with wind generation.

The existing system limitations have a negative effect on the local economies in the wind-rich areas of southwestern Minnesota; in 2012, the constraint resulted in nearly $\$ 500,000$ of additional generation costs that ratepayers paid as a result of the constraint. ${ }^{39}$

### 4.2.5 Socioeconomic Benefits of Enhancing Outlet Capacity for Wind Generation

States have recognized that investment in wind energy is an investment in jobs and increases family incomes, particularly in rural areas. In Minnesota alone, the wind industry supports, directly or indirectly, approximately 3,000 jobs, more than $\$ 7.5$ million in annual wind energy production tax payments to local governments, and more than $\$ 8$ million in annual lease payments to Minnesota landowners. In Jackson County, for example, wind production taxes enabled a property tax cut for the 2012 budget. According to Jackson County Coordinator Jan Fransen, Jackson County is currently planning to issue bonds for construction of a new highway department facility based on the expected revenue the county will receive from wind energy production taxes. ${ }^{40}$ In Iowa, the statistics are even more impressive: approximately 7,000 jobs, annual property tax payments of $\$ 19.5$ million, and annual lease payments approaching $\$ 13$ million. Other MISO states share similar success stories.

### 4.2.6 Insufficient Transmission Support for State RPS Mandates and Goals Within MISO Footprint

Looking beyond Minnesota, ten of the eleven MISO states have established policies supporting renewable or other forms of clean generation. For instance North Dakota, South Dakota, and Wisconsin each have 10 percent renewable portfolio goals. Ohio has a 12.5 percent requirement by 2024 , and Illinois has a 25

[^19]percent requirement by the year 2025. Figure $16^{41}$ below provides a summary of the MISO states' renewable portfolio requirements analyzed in MTEP11.42

Figure 16. MISO State Renewable Portfolio Requirements.


To meet the collective renewable portfolio standards within the MISO states, MISO estimates that an additional nearly 48 million MWh of renewables will need to be added by 2021, and approximately 55 million MWh will be needed by 2026.43 The MISO states continue to add new renewable generation to meet this demand. On November 23, 2012, MISO reported that it reached a new wind peak, with a peak output of 10,012 megawatts. ${ }^{44}$ This peak represented more than 25 percent of the generation output being used at that time. ${ }^{45}$

[^20]
## Regional Generation Outlet Study

Beginning in 2008, MISO, in conjunction with state utility regulators and industry stakeholders, initiated a collaborative effort to determine how to build the transmission facilities that would meet the significant renewable energy requirements within MISO at the lowest delivered cost per megawatt hour. This study, the Regional Generator Outlet Study ("RGOS"), laid the primary foundation for the portfolio of MVP projects approved by the MISO Board of Directors in December 2011, including MVP Project 3.

A key early task of the RGOS process was the identification of areas where wind generation would likely be sited, in turn pointing to where development of additional high voltage transmission lines should be focused. In addition to looking at areas with the highest wind speeds, other factors were considered, such as the existing available transmission capacity, types of turbines likely to be used, transportation considerations, and individual states' desires to ensure that at least some (and in some cases all) wind development occur within its borders. ${ }^{46}$

RGOS identified "wind zones" in each state utilizing a ranking system consisting of weighted capacity factors, the distance of the zone to a significant load center, wind variability, and the distance of the zone to existing infrastructure (e.g., existing transmission railroads, major highways, etc.). With input from UMTDI and other stakeholders, MISO then evaluated how the MISO states' RPS could be met effectively and cost-efficiently from generation development within (i) "local" wind zones where the wind would serve in-state or localized load; (ii) "remote" or "regional" zones that would utilize higher capacity factor areas along longer transmission corridors to serve larger, more distant load; and (iii) a combination of wind zones that would serve both local and more remote load. ${ }^{47}$ Figure 17 shows the regional wind zones that MISO identified. ${ }^{48}$

[^21]Figure 17. Regional Wind Zone Identification ${ }^{49}$


The RGOS identified a 345 kV line running from Lakefield Junction Substation in Minnesota to Mitchell County Substation in Iowa, and another 345 kV line running from the Sheldon to the Hazleton Substations in Iowa as two of five transmission lines in the Upper Midwest which were considered "no regrets" projects because they would meet identified needs and provide ancillary benefits in a variety of likely future generation scenarios. ${ }^{50}$

## MISO's MTEP11

The wind zones MISO identified in RGOS were then subjected to further analysis in MISO's 2011 transmission planning process. That analysis concluded that the distribution of wind zones (re-labeled "energy zones") across the region provided the best method of meeting the RPS requirements at the least overall cost to the system. ${ }^{51}$ MISO's MVP energy zones are depicted in Figure 18 below.

[^22]Figure 18. MISO MVP Energy Zones


MISO also analyzed the project recommendations that came out of the RGOS process to ensure they met the criteria to be included in MISO's MVP Portfolio. ${ }^{52}$ MISO's analysis determined that the Lakefield Junction - Mitchell County 345 kV line in combination with the Sheldon - Webster - Hazleton 345 kV line could be modified to more effectively enable the states to meet the state RPSs as set forth below:

- a 345 kV line running east from Lakefield Junction to Winnebago Junction in Minnesota, which then turns south to run through Winnco, Iowa to Burt, Iowa, where it interconnects with a new 345 kV line that runs east from Sheldon, Iowa to Burt, and then turns south and runs to Webster, Iowa; ${ }^{53}$ and

[^23]- a 345 kV line that runs east from Winnco to Lime Creek, Iowa, and then turns south to run through Emery to Franklin, Iowa, where it turns east again to run through Blackhawk to Hazleton, Iowa.

As a result, MISO recommended - and its Board of Directors approved - the above combination of 345 kV lines for construction as MVP Projects 3 and 4, respectively. ${ }^{54}$

### 4.3 Congestion on Fox Lake-Rutland-Winnebago 161 KV Line

The Fox Lake - Rutland - Winnebago 161 kV line constraint results from the line being heavily loaded with power generated by area power plants, including wind farms. When this line is constrained, the ability of wind generated in southwest Minnesota to reach market is limited. The loading of the Fox Lake Rutland - Winnebago line has increased over time as new wind farms have come into service. At times, the loading is so high that some wind generated power needs to be curtailed to maintain the safe operation of the electrical system. This means that not all power that is produced is able to reach the market. For example, prior to the implementation of DIR, there were 8,005 curtailment hours in 2009, and 20,365 hours in 2011. In 2012, with DIR, there were 10,430 curtailment hours. ${ }^{55}$

The limited capacity of the transmission system has a negative effect on the local economies in the wind-rich areas of southwestern Minnesota; more wind generation could be interconnected to the grid if the transmission infrastructure necessary to handle it was in place.

The Fox Lake - Rutland - Winnebago 161 kV constraint also contributes to increased system operational costs. In 2012, the constraint resulted in nearly $\$ 500,000$ in market uplift costs for infeasible Long Term Transmission Rights relating to the Fox Lake-Rutland-Winnebago constraint. This was the third highest uplift cost in MISO's footprint for the time period of summer 2011 through winter 2012.56 In 2011, this constraint also resulted in 1,981 binding hours which impacted MISO's Day-Ahead Energy Market. 57 The problem did not

[^24]diminish in 2012; binding hours for the Fox Lake - Rutland constraint totaled 1,222 through July 2012.58

The Commission has recognized the need for additional transmission facilities to relieve the constraints on ITC Midwest's system in Minnesota. In its order approving the transfer of IPL's transmission facilities to ITC Midwest, the Commission ordered that ITC Midwest "shall abide" by the commitments, terms, and conditions set forth in its December 12, 2007 Settlement Agreement with the Department, which included condition 13.d: "That ITC Midwest will resolve the system constraints in the IPL service territory as reported by MISO." ${ }^{59}$ And in May 2012, the Commission identified the specific need to address the constraint associated with the Fox Lake - Rutland - Winnebago 161 kV line:

ITC shall file the following . . . :
b. A report on MISO projects that address constraints in the MN NCA and ITC's plans to implement such projects, including its plans for the Lakefield-Fox Lake-Rutland-Winnebago-Hayward-Adams 161 kV line. ${ }^{60}$

In its compliance filing, ITC Midwest reported that MISO is recommending construction of the MN-IA Project, among others, to address constraints in the Minnesota NCA. ${ }^{61}$

### 4.4 Reduced System Reliability Due to SPSs for Congested Fox LaKe-Rutland-Winnebago 161 KV Line

ITC Midwest's 161 kV system in southwest Minnesota is highly congested, particularly the Fox Lake - Rutland - Winnebago 161 kV line, which MISO has

[^25]identified as one of the most constrained lines on ITC Midwest's system. ${ }^{62}$ There is no 345 kV path to handle the flow of west-to-east energy from Jackson County to Mower County in southern Minnesota, causing heavy loading on the 161 kV line. And because the Fox Lake-Rutland-Winnebago line is so heavily loaded, a series of SPSs have had to be put in place to prevent overloading the line in the event of certain contingencies.

### 4.4.1 Special Protection System

Generally, a SPS is a remedial solution to a transmission reliability violation, often resulting from the installation of new facilities which either aggravate or initiate the violation. NERC defines a SPS as:

> An automatic protection system designed to detect abnormal or predetermined system conditions, and take corrective actions other than and/or in addition to the isolation of faulted components to maintain system reliability. Such action may include changes in demand, generation (MW and MVAr), or system configuration to maintain system stability, acceptable voltage, or power flows. An SPS does not include (a) underfrequency or undervoltage load shedding or (b) fault conditions that must be isolated or (c) out-of-step relaying (not designed as an integral part of an SPS). Also called a "Remedial Action Scheme".

SPSs can function well as operational solutions to address certain transmission deficiencies, but do not obviate the underlying need for new transmission facilities. Historically, ITC Midwest viewed SPSs as appropriate temporary solutions to a reliability problem until such time as infrastructure improvements could be built. As discussed below, ITC Midwest no longer views SPSs as appropriate solutions to reliability problems.

### 4.4.2 Limitations of SPSs

ITC Midwest's experience is that SPSs are generally undesirable for two reasons. First, their design and implementation places significant demands on a utility's

[^26]transmission staff. Second, SPSs can greatly expand the complexity of operating the transmission system.

The strain on resources associated with developing and managing SPSs has been significant for ITC Midwest. As more wind farms began to connect to the transmission grid in northwest Iowa and southwest Minnesota, ITC Midwest began receiving additional requests from wind farm developers to add SPSs to the system to disconnect their wind farm from the grid in the event of various transmission line contingencies. Many of the SPSs were driven by timing concerns as wind farm projects, even those as large as 100-300 MW, can be constructed within a year of signing a Generation Interconnection Agreement, while upgrading or constructing the transmission lines necessary to accommodate the increased MW loaded onto the system can take several years.

Significant engineering resources are required to establish the SPSs. First, ITC Midwest must design an SPS that addresses the reliability issue that has been identified without creating new reliability issues. Second, there are NERC standards that directly relate to SPSs. These require the MRO, as the regional reliability authority, to review and approve the SPS. ${ }^{63}$ There are also NERC standards that require ITC Midwest to demonstrate the functionality of the SPS and how its implementation would be coordinated with other existing SPSs. SPS's design must be fully redundant such that the loss of any one SPS component, including the communications scheme, will not prevent the transmission system from meeting reliability criteria. ITC Midwest is required to provide block diagrams, modeling assumptions, and performance analysis to the MRO for review and approval before an SPS can be implemented. Third, there are also various reporting requirements and yearly compliance activities that have to be recorded for each SPS. ${ }^{64}$ These procedures have been determined to be essential since SPSs must operate as intended when called upon since their purpose generally is to mitigate reliability violations observed in the study horizon.

[^27]
### 4.4.3 Complexity of Existing SPSs for Fox Lake-RutlandWinnebago 161 kV Line

There are currently two SPSs that have been implemented to prevent overloading of the Fox Lake-Rutland-Winnebago Junction 161 kV line: the Fieldon Capacitor Bypass SPS, and the Nobles County - Wilmarth SPS. The history of these SPSs began in 2001. At that time, Great River Energy's Lakefield Generating Station ("LGS") power plant connected to the grid on Xcel Energy's Lakefield-Wilmarth 345 kV line. A loss of the 345 kV line from LGS to Wilmarth would result in all of the output power being directed to ITC Midwest's Lakefield Junction Substation, which overloads ITC Midwest's Lakefield-Fox Lake-Rutland-Winnebago 161 kV line sections. To alleviate this concern, GRE initially configured the LGS substation to be connected to the system via an unprotected tap off the 345 kV line so that a line fault on either the Lakefield LGS 345 kV line or LGS - Wilmarth 345 kV line would trip both line sections and effectively isolate the LGS from the grid. But this configuration had the undesirable effect of causing the plant to lose station power during a contingency. To correct this, an SPS was then installed to trip the LGS generators if there was a fault on the LGS - Wilmarth.

After this, a series capacitor was installed on LGS - Wilmarth 345 kV line section to increase flows on the line which, by reducing flows to the south, mitigated power flows on transmission lines in Nebraska resulting from the generation additions at Buffalo Ridge. But the series capacitor could produce subsynchronous resonance oscillations due to the interaction of the series capacitor with the generation at LGS if LGS were radially fed from the LGS - Wilmarth 345 kV line. This led to the Fieldon SPS being installed to bypass the series capacitor if the Lakefield - LGS 345 kV line were lost.

When Xcel Energy installed the Split Rock - Lakefield 345 kV line in 2007 to transfer more wind generation from southwest Minnesota and eastern South Dakota to the Twin Cities metropolitan area, the new line further aggravated the loading on ITC Midwest's 161 kV facilities. To address this, Xcel Energy implemented the Wilmarth/Nobles SPS to open the Split Rock - Lakefield 345 kV line if any line section is open between Lakefield and Wilmarth. When the Elm Creek and Elm Creek II wind farms were then constructed in 2009 and 2011, respectively, they were added to Wilmarth/Nobles SPS, as was the existing Trimont wind farm. Now there is a condition that if the LGS - Wilmarth 345 kV line trips, the SPS will trip any units at the LGS, as well as the Trimont and Elm Creek Wind Farms, as well as the Split Rock - Lakefield 345 kV line.

### 4.4.4 ITC Midwest's New SPS Policy

ITC Midwest has experienced increasing SPS requests in recent years and concluded that implementing additional SPS would lead to exponential growth in the demands placed on its engineering resources. Not only is upfront engineering and maintenance work required for the establishment of the SPS, but transmission operations staff needs to make sure the SPS is incorporated into their real-time security operations. Because of this, and the inherent risks associated with operating its transmission system with many SPSs, ITC Midwest has revised its policy on SPSs and will no longer support the addition of new SPSs on its system or on adjacent systems to address ITC Midwest loading issues:

> It is ITC Midwest policy that new Special Protection Schemes ("SPS") not be installed on the ITC Midwest system. ITC Midwest will not support the installation of an SPS on a neighboring system whose purpose is to mitigate potential issues on the ITC Midwest system. For those SPS's that have already been placed in service, periodic reviews should be performed to ensure that the scheme is deactivated when the conditions requiring its use no longer exist or system improvements to remove the SPS are warranted. 65

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## 5.0 <br> NEED ANALYSIS

The need for MVP Project 3 has been evaluated on a regional and local level by both MISO and ITC Midwest. This chapter summarizes those study efforts, starting first with the engineering and economic analysis undertaken by MISO, then turning to ITC Midwest's evaluation confirming that MVP Project 3 as the best alternative to address persistent transmission deficiencies in south central and southwest Minnesota caused by the increasing demands for generation outlet capability. The last part of this chapter describes a separate economic analysis ITC Midwest undertook in support of this application.

### 5.1 MISO's Analysis of MVP Projects 3 and 4

As noted in Section 5.0, MISO analyzed the project recommendations that came out of the RGOS process to ensure they met the criteria to be included in its 2011 MVP Portfolio. The candidate MVPs from RGOS were premised on the MVP criteria contained in Attachment FF of MISO's OATT:66

- Criterion 1 - the MVP must enable the transmission system to deliver energy reliably and economically in support of documented federal or state energy policy mandates or laws.
- Criterion 2 - the MVP must provide multiple types of economic value across multiple pricing zones with a total cost/benefit ratio prescribed in Attachment FF of the MISO Tariff; and
- Criterion 3 - the MVP must address at least one transmission issue associated with a projected violation of a NERC or Regional Entity standard and at least one economic based transmission issue that provides economic value across multiple pricing zones.

With respect to Criterion 1 - public policy needs - RGOS analyzed whether candidate MVPs could reliably enable MISO member states meet their respective RPSs. ${ }^{67}$ But the ultimate goal of the MISO planning process is to reliably deliver energy to load at the lowest possible cost. ${ }^{68}$ RGOS therefore sought to identify

[^29]transmission options that met RPS mandates at the lowest delivered wholesale cost:

The cost calculation combined the expenses of the new transmission portfolios with the capital costs of the new renewable generation, balancing the trade offs of a lower transmission investment to deliver wind from low wind availability areas, typically closer to large load centers; against a larger transmission investment to deliver wind from higher wind availability areas, typically located further from load centers. ${ }^{69}$

Through this process RGOS identified three potential transmission portfolios.
MISO then selected projects for further evaluation in its 2011 Candidate MVP Portfolio Analysis that were common to all three RGOS portfolios and where previous reliability, economic, and generation interconnection analyses had been performed. This analysis evaluated the candidate projects against MISO's MVP cost evaluation criteria to determine whether they were indeed high value transmission projects with benefits that were widely distributed across MISO's footprint. ${ }^{70}$

Approximately 11 months of intensive studies were performed on the candidate portfolio, with heavy review and involvement by stakeholders, including the MISO states. The resulting 17-project MVP Portfolio:
combines reliability, economic and public policy drivers to provide a transmission solution that provides benefits in excess of its costs throughout the MISO footprint. This portfolio, when integrated into the existing and planned transmission network, resolves about 650 reliability violations for more than 6,700 system conditions, enabling the delivery of 41 million MWh of renewable energy annually to load. The portfolio also provides strong economic benefits; all zones within the MISO footprint see benefits of at least 1.6 to 2.8 times their cost. ${ }^{71}$

[^30]Importantly, the MVP Portfolio also results in a transmission network that is able to respond to evolving reliability, generation, and policy needs within its footprint.
[A]lthough the study was premised on a set of energy zones created to distribute wind capacity throughout the footprint in a least-cost pattern, these energy zones were also located with respect to existing infrastructure, such as transmission lines and natural gas pipelines. As a result the transmission will support a variety of different generation fuel sources, and with the fuel sources, a variety of generation policies. ${ }^{72}$

As noted above, RGOS identified the Spencer - Hazelton 345 kV line and Lakefield Junction - Mitchell County 345 kV line as candidate MVPs to mitigate the constraints on the transmission system in southern Minnesota/northern Iowa. MISO's analysis of these candidate MVPs showed, however, that they did not perform as well as the alternative MVPs that became MVP Project 3 and Project $4 .{ }^{73}$

MISO's analysis showed that the combination of the Spencer - Hazelton and Lakefield Junction - Mitchell County 345 kV lines relieved the majority of congestion on the 161 kV system in southern Minnesota. But it did not fully mitigate a critical constraint on the Iowa 161 kV system that prevents the flow of energy south from Minnesota into Iowa. Specifically, the Lime Creek - Emery portion of the Lime Creek - Emery - Floyd - Blackhawk constraint in northern Iowa was not mitigated, and the mitigation of the Emery - Floyd - Blackhawk portion of the constraint was only a 20 percent loading reduction. ${ }^{74}$

In addition, the Lakefield Junction - Mitchell County 345 kV line actually reduced the transfer capability of the existing Mitchell County - Hazelton 345 kV line, from 4,200 MW to $4,000 \mathrm{MW} .{ }^{75}$ Thus the Lakefield Junction - Mitchell County 345 kV line would require the Mitchell County - Hazelton 345 kV line to be rebuilt, increasing the overall cost to relieve the congestion.

[^31]The combination of MVP Project 3 and Project 4 resolved these problems. The entire Lime Creek - Emery - Floyd - Blackhawk 161 kV line constraint was mitigated, with the reduction in loading along the line within a range of 45-60 percent. ${ }^{76}$ And the transfer capability of the Mitchell County - Hazelton 345 kV line increased from 4,200 MW to 8,500 MW. 77

### 5.2 ITC Midwest's Analysis of MVP Project 3

While MISO's analysis focused on the need for MVP Project 3 and Project 4 to reliably and cost effectively serve the entire MISO footprint to meet RPS requirements, ITC Midwest conducted its own transmission planning study focused on the local transmission system in southern Minnesota and northern Iowa to complement MISO's analysis, which confirmed the benefits of MVP Project 3 on a stand-alone basis. ITC Midwest's MVP Project 3 Planning Study ("ITC Midwest Project Planning Study") is in Appendix J of this Application.

The ITC Midwest Project Planning Study focuses on how MVP Projects 3 and 4, and a 161 kV transmission alternative, impact ITC Midwest's system in Minnesota under a range of wind generation scenarios. These scenarios identified the existing "base case" summer peak outlet capacity to be approximately $425 \mathrm{MW}-445 \mathrm{MW}$, and summer shoulder ( 70 percent of peak) transfer capacity to be approximately $2,040-2,700 \mathrm{MW}$, depending on three different generation development scenarios.

The study's transfer capability and contingency analyses show that MVP Project 3 is the best alternative, alone and in combination with MVP Project 4, to (i) relieve constraints on the existing 161 kV system (including the Fox Lake-Rutland-Winnebago Junction 161 kV constraint); (ii) increase the incremental generation transfer capability of the transmission system in southern Minnesota and northern Iowa to support wind and other generation resources; (iii) increase the reliable operation of the transmission system in southern Minnesota by eliminating the need for two SPSs on the existing system; and (iv) reduce the level of energy losses on the bulk transmission system.

### 5.2.1 Background

ITC Midwest's transmission system in southwest Minnesota and northwest Iowa is comprised primarily of 161 kV and 69 kV facilities. This system was initially

[^32]designed to serve load but has increasingly been called upon to support generation outlet. The primary generation source is wind, with developers seeking out the high wind speeds available in the Buffalo Ridge region. As detailed in Chapter 4, constraints on the system, including the Fox Lake Rutland - Winnebago 161 kV line constraint, have limited the delivery of wind energy output from generation currently installed in the Buffalo Ridge region and prevented additional generation from being developed in this wind rich area. Because of the quality of the wind resource in southwest Minnesota and the renewable portfolio requirements of Minnesota and states throughout the MISO footprint detailed above, the demand for additional capacity to deliver wind energy is expected to continue to grow, further straining the existing 161 kV system absent additional improvements. Currently, there are approximately 7,868 MW of planned wind generation in the study area, as evidenced by projects participating in MISO's SPA and DPP studies in Minnesota and Iowa.

### 5.2.2 Geographic Scope

ITC Midwest analyzed alternatives based on their performance in southern Minnesota and northern Iowa. Alternatives were also analyzed with respect to how they resolved and/or created constraints on the existing transmission system. The general transmission study area is shown in Figure 19 below. Elements within this study area and on neighboring systems were monitored.

Figure 19. Transmission Study Area


### 5.2.3 Alternatives

Planning engineers evaluated MVP Project 3 alone and in conjunction with MVP Project 4 as well as a 161 kV rebuild alternative. This alternative was considered because 161 kV is the primary transmission voltage in the study area, and an upgraded 161 kV transmission line would have some potential to address the need for greater generation outlet capacity, as well as reduction of existing system constraints in the study area. Further, the main constraint on the electrical system has historically been the Fox Lake - Rutland - Winnebago Junction 161 kV line. As noted in Minnesota's biennial transmission report for 2009, replacing just the conductor of the line is impractical because of the age of the line's structures. The existing structures cannot support heavier conductors. Accordingly, a 161 kV rebuild alternative that upgraded the Fox Lake - Rutland - Winnebago Junction 161 kV (" 161 kV Rebuild Alternative") was studied. The current rating on this line is 168 MVA. In this study, the line was upgraded to

795 ACSR conductor with a rating 446 MVA, which is ITC Midwest's standard 161 kV conductor used in wind generation areas.

### 5.2.4 Generation Development Scenarios

Due to the uncertainty of predicting the location of actual generating facility locations, several different scenarios where analyzed to determine the effects of the MVPs on the transmission system. The wind zones where divided into two different groups, a Buffalo Ridge North group (the Lakefield, Split Rock, White, and Brookings areas), and a Buffalo Ridge South group (Sheldon, Sioux City, Raun, and Webster areas). Modeling scenarios were then developed to reflect different levels of generation from the North and South zones being delivered to two different sinks to provide alternative scenarios where wind generated energy is consumed in Minnesota and another where it is primarily exported. One sink consisted of the Minnesota utility areas and the other consisted of the utility areas located farther south and east in the MISO footprint, including Illinois, Missouri, Michigan, and Indiana. The resulting generation scenarios that were analyzed in the study are set out below:

## - Base Case

The Base Case represents the anticipated transmission system and generation that will exist in 2017 with no wind zone generation.

- Buffalo Ridge $25 \% \mathrm{~N} / 75 \%$ S Wind Zones - Minnesota Transfer simulates a $5,000 \mathrm{MW}$ transfer from Buffalo Ridge generation to the Minnesota areas with the generation in the Buffalo Ridge north zone increased by 25 percent of the total transfer while generation in the south zone is increased by 75 percent of the total transfer.
- Buffalo Ridge $50 \% \mathrm{~N} / 50 \%$ S Wind Zones - Minnesota Transfer simulates a $5,000 \mathrm{MW}$ transfer from Buffalo Ridge to the Minnesota areas with generation in the Buffalo Ridge north and south zones each increased by 50 percent of the total transfer.
- Buffalo Ridge $75 \% \mathrm{~N} / 25 \% \mathrm{~S}$ Wind Zones - Minnesota Transfer simulates a 5,000 MW transfer from the Buffalo Ridge generation to the Minnesota areas with the generation in the Buffalo Ridge north zone increased by 75 percent of the total transfer while generation in the south zone is increased by 25 percent of the total transfer.
- Buffalo Ridge $25 \% \mathrm{~N} / 75 \%$ S Wind Zones - MISO East Transfer simulates a 5,000 MW transfer from Buffalo Ridge generation to the areas located south and east in the MISO footprint with the generation in the Buffalo Ridge north zone increased by 25 percent of the total transfer while generation in the south zone is increased by 75 percent of the total transfer.
- Buffalo Ridge $50 \% \mathrm{~N} / 50 \%$ S Wind Zones - MISO East Transfer simulates a 5,000 MW transfer from Buffalo Ridge generation to the areas located south and east in the MISO footprint with generation in the Buffalo Ridge north and south zones each increased by 50 percent of the total transfer.
- Buffalo Ridge $75 \%$ N / $25 \%$ S Wind Zones - MISO East Transfer simulates a 5,000 MW transfer from Buffalo Ridge generation to the areas located south and east in the MISO footprint with generation in the Buffalo Ridge north zone increased by 75 percent of the total transfer while generation in the south zone is increased by 25 percent of the total transfer.


### 5.2.5 AC Contingency Analysis

ITC Midwest undertook an AC contingency analysis to determine whether the addition of any of the alternatives would resolve existing thermal violations on the transmission system without creating an unacceptable level of new violations. NERC Category C contingencies, which include common tower outages, were included in the analysis. While all three alternatives provided acceptable performance, the 161 kV Rebuild Alternative did the poorest job of alleviating or eliminating violations. ${ }^{78}$

### 5.2.6 Incremental Transfer Capability Analysis

ITC Midwest also performed an analysis of the increase in the incremental transfer capability of the transmission system for MVP Project 3, MVP Projects 3 and 4 together, and an upgraded Fox Lake - Rutland - Winnebago Junction 161 kV line. This involved establishing what the anticipated transfer capability of the system would be under the various generation scenarios discussed above, given the expected 2017 load demands and anticipated system upgrades discussed in Section 2.1 above, without MVP Projects 3 or 4, or the upgraded 161 kV line in service. The first step was to establish the base case for system transfer capability for each of the six generation scenarios during peak and shoulder conditions without any of the studied transmission options.. Then modeling was done to determine the level of incremental gain or loss in system transfer capability for the scenarios when: (i) MVP Project 3 alone was added to the system; (ii) MVP Projects 3 and 4 were both added to the system; and (iii) the upgraded 161 kV line alone was added to the system. ${ }^{79}$

This analysis showed that MVP Project 3 was superior to an upgraded Fox Lake-Rutland-Winnebago Junction 161 kV line in increasing outlet capacity within Minnesota and the region, and that the combination of MVP Projects 3 and 4 was the best at doing so.

[^33]Figures showing the performance of each of the alternatives in the summer peak and shoulder seasons are provided below. Figure 20 and Figure 21 show that both MVP Project 3 alone and MVP Project 3 and Project 4 together outperform the upgraded 161 kV alternative in improving generation outlet capacity in Minnesota.

Figure 20. Incremental Transfer Capability of Transmission Options Minnesota Summer Shoulder


Figure 21. Incremental Transfer Capability of Transmission Options Minnesota Summer Peak


Figure 22 shows that neither MVP Project 3 nor an upgraded 161 kV line between Fox Lake - Rutland - Winnebago Junction significantly increase
generation outlet capacity to the eastern portion of the MISO footprint under two of the three generation scenarios during the high wind season. However, a significant increase in generation outlet capacity is achieved under all generation scenarios by a combination of MVP Projects 3 and 4.

Figure 22. Incremental Transfer Capability of Transmission Options MISO East Summer Shoulder


Figure 23 shows that while all three options significantly increase transfer capacity during summer peak, MVP Project 3 alone and in combination with MVP Project 4 again outperform an upgraded Fox Lake - Rutland - Winnebago Junction 161 kV line.

Figure 23. Incremental Transfer Capability of Transmission Options MISO East Summer Peak


### 5.2.7 Fox Lake-Rutland-Winnebago Junction 161 kV Constraint

All three alternatives relieved the Fox Lake - Rutland - Winnebago Junction 161 kV line constraint. ${ }^{80}$

### 5.2.8 Special Protection Schemes

ITC Midwest performed an analysis to determine whether the addition of MVP Project 3 would allow for the Fieldon Capacitor Bypass and Nobles County Wilmarth SPSs to be retired. ITC Midwest developed a model that recreated the scenario, described above, for both the Fieldon Capacity Bypass and the Nobles County - Wilmarth SPSs that drove the need for the installation of the SPSs. MVP Project 3 was then added to the model and the scenario was again recreated. The results of the analysis indicate that the impact of MVP Project 3 on the transmission system would allow for the retirement of both SPSs. ${ }^{81}$ In the end it will be MISO, however, that makes the final determination whether the SPSs can be retired once MVP Project 3 is in service.

### 5.2.9 Special Considerations

One important factor in wind generation development is the ultimate location of the generators. The wind zones and scenarios analyzed above capture, at a

[^34]system level, the different transfer capabilities that would be present under those scenarios. Further sensitivity analyses were undertaken to evaluate how the 161 kV Rebuild Alternative and MVP Project 3 alternatives would perform on a more micro level. Specifically, how would each alternative perform if generation were geographically concentrated near the existing 161 kV system. This scenario is particularly realistic in evaluating wind generation areas because existing wind generators seek to take advantage of the best wind resources which can be geographically limited. Existing wind generators also seek to take advantage of existing interconnection points by expanding their wind farms, creating additional demands on the interconnection facilities.

An analysis was performed to determine how much generation could be connected to the area transmission system before the capacity provided by the 161 kV Rebuild Alternative would be depleted. Using the Summer Peak base for the Fox Lake - Rutland - Winnebago Junction line, ${ }^{82}$ the 161 kV Rebuild Alternative was monitored under contingency conditions while generation was increased in the surrounding area. The results showed that directly connecting 500 MW to the rebuilt line would consume all the capacity provided by the line's upgrade. The MVP Project 3 alone and in combination with MVP Project 4 is more efficient at supporting generation development in southwest Minnesota.

Another important consideration when evaluating the 161 kV Rebuild Alternative is its effect on overall regional reliability. MVP Project 3 establishes a new 345 kV connection between the Minnesota and Iowa 345 kV systems. The 345 kV voltage is the most efficient voltage in the region for moving large amount of energy long distances to load centers in the Twin Cities, Iowa metropolitan areas, and points east. This connection also provides system operators with flexibility in reliably operating the electrical grid by enabling more transfers between states when conditions warrant. While the 161 kV Rebuild Alternative could potentially resolve local overloading problems on the 161 kV system in southwest Minnesota, it provides little in the way of regional reliability benefits.

### 5.2.10 Energy Loss and Emissions Reduction

New transmission lines added to the electric system affect the resistive losses of the system. In turn, the costs for capacity and energy for the system are affected. If adding a new transmission line reduces losses, then the amount of energy generated to serve load is reduced. This not only reduces the costs ratepayers
${ }^{82}$ Appendix J, ITC Midwest Project Planning Study at Section 2.2.
incur for energy generation, but also reduces the emissions associated with the reduced generation.

The loss effects of MVP Project 3, MVP Project 3 and MVP Project 4, and the 161 kV Rebuild Alternative were analyzed. ${ }^{33}$ The analysis showed that the loss reduction MVP Project 3 alone provides is more than double what the 161 kV Rebuild Alternative provides. The combination of MVPs Project 3 and Project 4 provides more than double the loss reduction of MVP Project 3 alone, and more than six times that of the 161 kV Rebuild Alternative. Based on this, MVP Project 3 and Project 4, together, would reduce emissions the most, followed by MVP Project 3. The 161 kV Rebuild Alternative would reduce emissions the least.

### 5.2.11 ITC Midwest Planning Study Conclusion

While MTEP11's analysis focused on MVP Projects 3 and 4 together, ITC Midwest's MVP Project 3 Planning Study confirms that construction of MVP Project 3 alone would address long-standing transmission needs in Minnesota. Specifically, MVP Project 3 would effectively relieve constraints on the existing 161 kV system. MVP Project 3 would also provide a critical addition to the 345 kV bulk transmission system serving Minnesota, Iowa and the region. ITC Midwest's planning study also confirms the conclusion in MTEP11 that the combination of MVP Project 3 and Project 4 as additions to the 345 kV bulk transmission system provides the most robust and efficient means of delivery for thousands of megawatts of new generation from the Buffalo Ridge to points in Minnesota and further south and east.

### 5.3 ECONOMIC ANALYsis

To evaluate the economic impact of MVP Project 3, ITC Midwest engaged a consultant, the Analysis Group, to conduct a PROMOD analysis to estimate the impact of MVP Projects 3 and 4 on Minnesota LMPs. ${ }^{84}$ The PROMOD model simulates the operation of the regional generation and transmission system, capturing the effect of transmission constraints on the ability to flow power from generator to load, and calculating the resulting LMPs at individual nodes within the system. The PROMOD market simulation model and data set employed in

[^35]the analysis were identical to those used by MISO in the MISO MVP Report assessing the 17 projects in the MVP Portfolio package. ${ }^{85}$

The PROMOD analysis used a "base case" in which all projects in the MVP Portfolio except MVP Projects 3 and 4 are in service, and computed the difference in LMPs between the base case and the "study case," in which all 17 MVP projects including Projects 3 and 4 are in service. The analysis was run for two future years, 2021 and 2026, using two scenarios: (i) Business As Usual-Low Demand, which assumes continuing "recession level" demand and energy growth; and (ii) Business As Usual-High Demand, assuming a return to prerecession demand and energy growth levels. ${ }^{86}$

The study results show that when MVP Projects 3 and 4 are added to the transmission system, the average LMPs for Minnesota fall by $\$ 0.70$ per MWh (2.4 percent) in 2021 and $\$ 0.71$ per MWh ( 2.2 percent) in 2026 under the Business As Usual-Low Demand scenario. Under the Business As Usual-High Demand scenario, the LMP price reductions are similar: $\$ 0.61$ per MWh (1.7 percent) in 2021, and $\$ 0.90$ per MWh ( 2.0 percent) in 2026. These LMP changes result in annual reductions in wholesale energy payments for Minnesota load ranging from $\$ 48.3$ million (2021 Business As Usual-High Demand) to $\$ 76.6$ million (2026 Business As Usual-High Demand). ${ }^{87}$

LMP reductions from the implementation of MVP Projects 3 and 4 are also estimated to be widespread across the eight individual load-serving entities ("LSEs") in Minnesota included in the PROMOD analysis. Average LMPs decline for all eight LSEs in 2021, and for seven of the eight LSEs in 2026.88

ITC Midwest's economic evaluation based on wind curtailment estimates is ongoing.

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### 6.0 ALTERNATIVES ANALYSIS

ITC Midwest evaluated multiple alternatives in determining that the Project is the best solution to meet the identified needs, including generation, a higher voltage line; a lower voltage 161 kV alternative; and three different eastern terminations for a Lakefield Junction 345 kV line: at Rutland Substation near Fairmont, Minnesota; at the Adams Substation, southeast of Austin, Minnesota; and at Mitchell County Substation northeast of Osage, Iowa. ITC Midwest also analyzed whether re-conductoring the existing 161 kV line between the Lakefield Junction and Winnebago Junction substations could address the needs in its engineering analysis detailed in Chapter 5. MISO also evaluated alternatives, specifically different 345 kV configurations, before selecting MVP Project 3 as the best alternative. As discussed below, none of the alternatives performed as well as the proposed Project.

### 6.1 Generation Alternative

During the evaluation of alternatives to MVP Project 3, ITC Midwest considered the addition of generation resources instead of transmission facilities and concluded generation was not a reasonable alternative. Generation cannot eliminate a deficit of generation outlet capacity on a transmission system, which is the problem in southern Minnesota/northern Iowa. Any generation additions would require further transmission system build out. As a result, neither fossil fueled nor renewable generation would meet the identified need, regardless of whether it was distributed generation or C-BED.

### 6.2 System Configuration Alternatives

### 6.2.1 Upgrading Existing Transmission Lines

The 161 kV Rebuild Alternative was evaluated in the ITC Midwest study and determined not to be a reasonable alternative, as detailed in Chapter 5. While it provided acceptable performance in alleviating or eliminating contingency violations, the 161 kV Rebuild Alternative was nevertheless less effective than MVP Project 3, or MVP Projects 3 and 4 combined. The MVP Project alternatives also outperformed the 161 kV Rebuild Alternative with respect to increasing the outlet capacity of the local transmission system. Finally, the 161 kV Rebuild Alternative is less robust than the other alternatives. It will reach its capacity limits sooner in the face of growing generation than will the 345 kV alternatives, and it cannot maximize the performance of already existing 345 kV transmission in the area as the 345 kV alternatives do.

### 6.2.2 Transmission With Different Voltages/Conductor Arrays

Transmission lines in this region are operated at 69 kV and above. The standard transmission voltages in this area under the Project's 345 kV voltage are 69 kV , $115 \mathrm{kV}, 161 \mathrm{kV}$, and 230 kV . The standard transmission voltages over 345 kV are 500 kV and 765 kV . Both higher and lower voltage transmission lines were considered as alternatives to the Project.

For higher voltage lines, ITC Midwest considered 765 kV and 500 kV . Since there are no existing transmission lines operated at those voltages in southwest Minnesota or northern Iowa, any additions at either of these voltages would require significant substation upgrades and costs for interconnection. In addition, no conditions have been identified that warrant a higher voltage in the study area. Therefore voltages above 345 kV were eliminated from further analysis.

Lower voltage transmission lines ( $230 \mathrm{kV}, 161 \mathrm{kV}, 138 \mathrm{kV}, 115 \mathrm{kV}$, or 69 kV ) were also considered. The 230 kV and 138 kV voltages were eliminated because there are no existing transmission lines operated at 230 kV or 138 kV in the immediate area. As a result, use of these voltage would be non-standard and require significant substation upgrades and costs for interconnection. The lower voltages of 115 kV and 69 kV would not provide enough capacity to address the identified outlet and delivery needs for existing and future generation in Minnesota and the region. As noted in Section 6.2.1 above, an upgraded Fox Lake - Rutland Winnebago Junction 161 kV transmission line did not meet the identified needs as well as MVP Project 3 alone or MVP Projects 3 and 4 in combination.

### 6.2.3 Transmission With Different Terminals/Substations

Since the early 2000s, transmission owners, MISO, and other stakeholders have engaged in study efforts to determine how best to build out the transmission system to support RPS obligations. These studies include the MTEP03 Exploratory Studies, Minnesota's Wind Integration Study, UMTDI's Executive Committee Final Report, and MISO's RGOS, undertaken by MISO, the UMTDI, and OMS. See Figure 9. Alternative transmission projects have been identified in these and other studies to meet the transmission constraint and generation outlet needs that the Project will meet. These alternatives are discussed below.

## Spencer - Hazelton and Lakefield Junction - Mitchell County 345 kV Lines

These lines were candidate MVPs coming out of MISO's RGOS process. They did not do as good a job as MVP Projects 3 and 4 in alleviating existing constraints on the Iowa 161 kV system, and increasing the transfer capability of the Iowa 345 kV system, as discussed in detail in Section 5.1. They were therefore dropped by MISO in favor of MVP Projects 3 and 4.

## Lakefield Junction - Rutland 345 kV Line

This line was identified in MTEP09 as a transmission option that would mitigate the constraints on the Fox Lake - Rutland - Winnebago Junction 161 kV line. ${ }^{89}$ While it is true that a Lakefield Junction - Rutland 345 kV line would help relieve constraints on the Fox Lake to Rutland section of the 161 kV line, it resulted in constraints elsewhere. Specifically, the termination of the 345 kV line at Rutland resulted in constraints farther east on the 161 kV system, increasing loading on the 161 kV line between Rutland and Winnebago Junction.

## Lakefield Junction - Adams 345 kV Line

In the 2009, Minnesota transmission owners identified the Lakefield Junction Adams 345 kV line as a project that would alleviate the transmission constraint on the 161 kV system in southern Minnesota. ${ }^{90}$ This line would run along a path north of and parallel to the path of the Lakefield Junction - Mitchell County 345 kV line that was a candidate MVP coming out of the RGOS process. And the line's termination at Adams would interconnect it with the north-to-south Adams - Mitchell County -- Hazelton 345 kV line with which the Lakefield Junction - Mitchell County also connected. Thus, the Lakefield Junction - Adams 345 kV line has the same problems as the Mitchell County - Hazelton 345 kV line, namely, it will not mitigate the Lime Creek - Emery 161 kV line constraint, and will reduce the transfer capability of the Adams - Mitchell County Hazelton 345 kV line. ${ }^{91}$

### 6.2.4 Double-Circuiting Existing Transmission/Upsizing

ITC Midwest analyzed the potential to co-locate portions of the Project on the same structures as existing electric facilities.

[^37]With respect to double circuiting with existing lines, the Company evaluated the electrical system performance if the Project were constructed using common towers. Specifically, ITC Midwest evaluated performance under a common tower outage (NERC category C contingency). The analysis showed that the system could withstand the outage of both the 345 kV line and the 161 kV line. As a result, the Company proposed Route A, co-locating the Project with the Lakefield Junction to Border 161 kV line in its existing right-of-way and alignment for the majority of the route.

ITC Midwest also considered whether the Project should be designed to be capable of operation at a higher voltage, i.e., $345 \mathrm{kV} / 345 \mathrm{kV}$ or capable of carrying a second circuit if a greenfield route were selected, i.e. $345 \mathrm{kV} / 161 \mathrm{kV}$. ITC Midwest concluded that the characteristics of the existing system and costs favor a $345 \mathrm{kV} / 161 \mathrm{kV}$ configuration over a $345 \mathrm{kV} / 345 \mathrm{kV}$ configuration. The existing 161 kV facilities form the backbone of the transmission system in the study area, and provide the principal source for the underlying load serving 69 kV system across southern Minnesota and northern Iowa. Removing these 161 kV sources from the underlying 69 kV system would cause reliability and voltage issues affecting the majority of the load on the system. Further, to uprate the existing 161 kV system to 345 kV would require costly upgrades to many of the existing 161 kV facilities. As a result, it appears there will be a need for the existing 161 kV system for the foreseeable planning horizon. Future generation and transmission needs may also call for future expansion of the 161 kV system.

Moreover, while MVP \#3 provides significant outlet capability for generation in the study area, future generation may develop beyond the capacity provided for by the Project. In that event, and even if a new 345 kV line were to be determined to be the best alternative to meet the increased outlet need, it would not be prudent to double-circuit the new 345 kV line with the Project because that would create a NERC Category $C$ contingency (common tower $345 \mathrm{kV} / 345 \mathrm{kV}$ ). Because two 345 kV lines on a common tower poses the risk that a single incident results in the outage of both circuits, the system must be able to reliably withstand the outage of both circuits under contingency. Therefore the capacity of the system would be limited to the amount of capacity available in the event both circuits were out of service and would not create significant additional capacity.

As a result of this analysis, ITC Midwest has proposed as an alternative that the Project could be built double-circuit-capable if located in new right-of-way. See Route B in Figure 2 (Section 1.2). If Route B were selected, the Project would be
placed on double-circuit $345 / 161 \mathrm{kV}$ structures. The 345 kV side of the structures would be used for the Project, while the 161 kV side of the poles would be available for a new 161 kV line in the area when conditions warrant.

### 6.2.5 DC Lines

ITC Midwest does not have any DC lines in its system. An AC transmission system provides a high voltage backbone that is capable of gathering energy resources (including abundant renewable energy sources in the Buffalo Ridge area) from disparate and rural areas and transporting those resources to multiple load centers throughout the transmission system. In contrast, a DC transmission line's primary purpose is to deliver energy from a distant generation location (typically located several hundred miles away) to a load center without intermediate substation connections along its path. Without intermediate substations, DC lines cannot provide service reliability support to the many and various communities on a typical AC system. Nor can they facilitate the integration of renewable generation resources, which are developed in multiple locations and would interconnect at multiple points along the line.

A DC transmission line is also not an economically viable alternative here. Industry experience indicates that the total cost of a DC system becomes equal to an AC system at about 300 miles of untapped line length. This is primarily due to reduced energy losses on DC transmission. Depending on design constraints, there may also be a slight cost savings resulting from the need for only two conductors and the corresponding simplification of supporting structures. The advantages of long distance transmission capability and slightly lower line costs are countered by the increased expense of converting AC to DC or DC to AC at each end of the line as well as any intermediate substation. These conversion stations are costly, and historically the expense of conversion stations is only justifiable when power is transmitted over long, uninterrupted distances.

### 6.2.6 Underground Construction

The alternative of placing the proposed 345 kV transmission line underground was also considered, but ultimately rejected because of cost, construction, and maintenance considerations. Generally, overhead construction is the preferred configuration for transmission voltages of 115 kV or greater due to cost. Underground transmission lines also take longer to construct and more time to repair than equivalent overhead lines. In ITC Midwest's experience, underground transmission lines can cost anywhere from five to 10 times the cost of overhead lines of the same voltage.

This cost differential is based on the different design requirements for overhead and underground installations. Overhead transmission lines rely on the dielectric properties of air to provide insulation, thereby preventing the occurrence of short circuits. The properties of the air also efficiently dissipate heat away from the conductor surface.

When a transmission line is placed underground, the conductors must be adequately insulated from the ground and each other, and adequately cooled to prevent equipment failure. Thus, the conductors are wrapped with insulating materials and often placed inside oil filled pipes. The oil is circulated through cooling stations every few thousand feet along the line. Some electric cables have been designed with a specially-formulated plastic covering that does not require circulating oil to dissipate heat. However, the amount of current that can be applied to such conductors is limited.

Technologies for construction of underground lines include surface-cut open trenching, horizontal boring, and horizontal directional drilling. Trenching is usually the preferred method of underground construction because it is easily controlled and the most cost effective method for construction. Construction of a trench for the underground transmission line would result in greater temporary construction impacts than the proposed overhead line. Underground transmission construction as compared to overhead line construction increases noise, dust, traffic disruption, and requires more clearing and grading, and increases construction time.

Underground transmission lines present challenging service issues. They are subject to fewer outages because underground cables do not have temporary faults such as branches falling or ice breakage. When outages do occur, they are typically longer in duration because they are more difficult to isolate and require special expertise and equipment. As a result, the downtime associated with an underground transmission line fault will be longer in duration than the equivalent overhead line failure.

Because of the significantly greater expense associated with underground transmission, the use of underground technology is limited to locations where the impacts of overhead construction are unacceptable or where physical circumstances allow for no other option. Typical examples include congested downtown centers where there is no space available between city streets and adjacent buildings for adequate clearance, or airport approaches where an overhead transmission line cannot be constructed for safety reasons. No circumstance warrants underground construction based on ITC Midwest's
examination of the environmental and land use setting associated with the proposed Project.

### 6.3 No-FACILITY Alternative

In accordance with its data exemption request, ITC Midwest has provided a discussion of the congestion on its 161 kV system in southern Minnesota which affects the area's transmission system reliability, economic efficiency, and ability to provide needed outlet capacity for renewable generation. None of the problems associated with this congestion will be addressed if the Project is not built.

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### 7.0 CONSTRUCTION, RESTORATION, AND MAINTENANCE

## Sequence of Construction of New Transmission Facilities

Construction, after acquisition of property or rights-of-way, is anticipated to progress generally as follows: survey marking of the right-of-way, right-of-way clearing and preparation, grading or filling where necessary, installation of concrete foundations, installation of poles with insulators and hardware attached, conductor stringing, and installation of any markers required by state or federal permits on conductors. Right-of-way restoration will follow the completion of construction activities.

## Engineering Design and Regulatory Approvals

Detailed transmission line and substation engineering design work generally begins after a route permit is obtained. The design of a transmission line is refined as more site-specific information is gathered for properties along the approved route. Throughout the design process, utilities work with landowners to design facilities to minimize impacts and ensure that all permit conditions are satisfied.

Plan and profile documents are prepared for each new high voltage transmission line and associated substation work. These plans provide a detailed descriptions of the facilities, including pole placement, and are submitted to the Commission and reviewed by the Department of Commerce staff before construction begins.

### 7.1 RIGHT-OF-WAY Evaluation and AcQuisition

The right-of-way acquisition process for the transmission lines, associated facilities, and substations is discussed below.

### 7.1.1 Transmission Line

ITC Midwest plans to begin the transmission line right-of-way acquisition process early in the detailed design phase of the Project, which primarily occurs after a Route Permit has been issued by the Commission, although some right-ofway acquisition may begin earlier if circumstances allow. ITC Midwest typically acquires easements for transmission line right-of-way. The right-of-way evaluation and acquisition process includes title examination, initial owner contacts, survey work, document preparation, and easement negotiation and purchase. Each of these activities is described in more detail below. Generally,
the existing right-of-way for the Lakefield to Border 161 kV line that would be followed by Route A measures 100 feet to 150 feet in width, with some variations. In the areas where the existing right-of-way can be used for the Project, ITC Midwest will seek permission to increase the width of the right-ofway through an easement.

Prior to contacting landowners, ITC Midwest will conduct a title search to identify all persons and entities that have a recorded interest in the affected real estate. A title company will be engaged to complete the public records search. A title report for each parcel will be prepared to document the legal description and the owners of record, and to report information regarding easements, liens, restrictions, encumbrances and other conditions of record.

After owners are identified, a right-of-way agent will contact each landowner or the landowner's representative. The right-of-way agent will describe how the Project may affect the landowner's property. At this time, the right-of-way agent will ask the landowner for information about any specific concerns related to construction of the Project on the landowner's property.

The right-of-way agent will also request the landowner's permission for survey crews to enter the property to conduct any necessary preliminary surveys and examinations. Surveys are conducted to establish right-of-way corridors, natural and manmade features, and associated elevations, which are used during detailed engineering of the transmission line. Soil borings may be taken by an independent geotechnical testing company to assess soil conditions and determine appropriate foundation design. During or before initial contact with a landowner after a Route Permit has been issued by the Commission, ITC Midwest will provide landowners with a copy of the Route Permit and any other materials the Commission determines are necessary.

The right-of-way agent will discuss with the landowner where the structure(s) will be located on the property, as well as the boundaries of the easement area. If requested by the landowner, ITC Midwest will stake the proposed transmission line's location (i.e., the survey crew will identify the proposed boundary of the easement and the approximate location of the structure or pole on the ground with a surveyor's stake).

The right-of-way agent will collect area land value data to determine the amount of just compensation to be paid for the rights to build, operate, and maintain the transmission facilities within the easement area and reasonable access to the
easement area. The agent will provide the landowner with a map of the transmission line route across the landowner's parcel and will negotiate with the landowner regarding compensation for the transmission line easement. An appraisal may be obtained to resolve any complicated valuation issues. The landowner will be allowed a reasonable amount of time to consider the offer and to present any information that the owner believes is relevant to determining the property's value.

ITC Midwest is committed to working with the landowners to address their concerns. In most cases, an agreement can be reached to purchase the land rights. The right-of-way agent will prepare the documents required to complete each transaction, which may include an easement, a purchase agreement, and subordination agreements.

If a negotiated settlement cannot be reached, ITC Midwest will acquire real property rights through exercise of the power of eminent domain pursuant to Minnesota Statutes Chapter 117, including the "quick-take" process set forth in Minnesota Statutes, Section 117.042. The process of exercising the power of eminent domain is called condemnation.

In the event of condemnation, ITC Midwest will provide the landowner with a copy of each appraisal it has obtained for the property interests to be acquired. To initiate the condemnation process, ITC Midwest files a petition in the district court in the county where the property is located. If the court approves the petition, the court appoints a three-person condemnation "commission." The three people appointed must be knowledgeable of applicable real estate values. Once appointed, the commissioners schedule a viewing of each parcel identified in the petition. Next, the commissioners schedule a valuation hearing, where the utility and landowners present testimony and evidence regarding the just compensation for acquisition of the easement. The commission then makes an award of just compensation and files it with the court. Each party has 40 days from the filing of the award to appeal to district court for a de novo jury trial. In the event of an appeal, the jury would hear land value evidence and render a verdict. At any point in this process, the case can be dismissed if the parties reach a settlement.

Once right-of-way is acquired and prior to construction, the right-of-way agent will contact each owner to discuss the construction schedule and requirements. To ensure safe construction, special consideration may be needed for fences, crops, or livestock. For instance, fences or livestock may need to be moved, or
temporary or permanent gates may need to be installed. In each case, the right-of-way agent would coordinate with the landowner, who would be compensated for Project-related construction damages, including crop losses.

### 7.1.2 Substations

When acquiring property for new substations or substation expansions, ITC Midwest typically follows the same general steps outlined above. The exception is that ITC Midwest acquires a fee interest, rather than an easement, in the land required for substations. ITC Midwest will generally seek to acquire a parcel of sufficient size to construct the fenced area of the substation and to provide a buffer between the substation and neighboring properties.

As the regulatory review process proceeds, ITC Midwest's representatives will consult with the owners of each proposed substation site to discuss the Project in detail and to obtain permission to access the site to conduct any surveys and soil borings required to finalize the substation's design. During the acquisition phase, landowners will be advised of construction schedules, needed access to the site, and required vegetation clearing. Where possible, ITC Midwest will negotiate and obtain necessary property rights through voluntary sale. If a voluntary sale agreement cannot be reached, ITC Midwest would acquire the substation parcel through condemnation.

ITC Midwest purchased 40 acres of property at the site proposed for its Huntley Substation in December 2012. At the time of the purchase, the selling landowner was aware of ITC Midwest's plans to use the site for the Huntley Substation if the Commission approves its proposal. Although ITC Midwest has purchased this site and believes that it is the most reasonable site for the Project to address all system needs, ITC Midwest understands that the Commission may identify a different site that it believes is more appropriate for the Huntley Substation. If the Commission grants a Route Permit that approves the 40 -acre parcel owned by ITC Midwest for the Huntley Substation, the only additional fee interest ITC Midwest will need to obtain for the Project for a substation site in Minnesota will be for the expansion of the Lakefield Junction Substation. At this location, ITC Midwest will need to acquire at least three acres for the proposed expansion.

### 7.2 TRANSMISSION LINE CONSTRUCTION

Project construction will not begin until all necessary federal, State, and local approvals are obtained, property and rights-of-way are acquired, soil conditions
are established, and final design is completed. Construction in areas where State, federal, or local approvals are not needed or have already been obtained may proceed while approvals for other areas of the Project, right-of-way acquisition, surveys, or design are still pending or in process. Precise timing and phasing of right-of-way clearing and construction will be dependent on permit conditions, system loading issues, when existing transmission lines can be taken out of service for construction to proceed, and workforce availability.

Construction, after acquisition of property or rights-of-way, is anticipated to progress generally as follows: survey marking of the right-of-way, right-of-way clearing and preparation, grading or filling where necessary, installation of concrete foundations, installation of poles with insulators and hardware attached, conductor stringing, and installation of any markers required by state or federal permits on conductors. Construction will follow ITC Midwest's standard construction and mitigation best practices developed from past project construction experience. ITC Midwest has developed best practices to address right-of-way clearing, staging, erecting transmission line structures, and stringing transmission lines. Construction and mitigation practices will also be developed specific to the Project based on the proposed schedule for activities, permit requirements, prohibitions, maintenance guidelines, inspection procedures, terrain, and other practices. For construction across agricultural lands, ITC Midwest is also in the process of developing an Agriculture Impact Mitigation Plan ("AIMP") that will be reviewed with the Minnesota Department of Agriculture to minimize impacts to these lands. ITC Midwest will also take advantage of weather conditions (e.g. frozen ground in wet areas for construction, etc.) when feasible to minimize impacts to lands.

ITC Midwest intends to design the transmission line structures for installations at the existing grades. As a standard design parameter, ITC Midwest will not generally grade or level structure sites with a slope of 10 percent or less. Where a site slope exceeds 10 percent, working areas will be graded or leveled with fill. If acceptable to the landowner, ITC Midwest proposes to leave the graded/leveled areas after construction for future maintenance activities. If not acceptable to the landowner, ITC Midwest will, to the best of its ability, return the grade of the site back to its original condition. Based on initial review, grades exceeding 10 percent are not anticipated as part of the Project.

ITC Midwest anticipates that construction of the Project will require the use of many different types of construction equipment including, tree removal equipment, mowers, cranes, backhoes, digger-derrick line trucks, track-mounted
drill rigs, dump trucks, front-end loaders, bucket trucks, bulldozers, flatbed tractor-trailers, flatbed trucks, pickup trucks, concrete trucks, and various trailers or other hauling equipment. Excavation equipment is often set on wheel or trackdriven vehicles. Construction crews will attempt to use equipment, when opportunities are available, that minimizes impacts to lands. Poles will be transported on tractor-trailers to staging areas or construction sites.

Staging areas will be required for the Project. Staging areas will be identified after a route is selected and are typically set up at intervals of approximately 25 miles along the route. These staging areas will be used as receiving locations for the delivery and storage of construction materials and equipment for the Project. For staging areas outside the transmission line right-of-way or not located on property owned by ITC Midwest, rights to use these areas will be obtained from affected landowners through individual agreements.

After a Route Permit is granted by the Commission, ITC Midwest will evaluate construction access opportunities by identifying existing transmission line rights-of-way, roads, or trails that run parallel or perpendicular to the transmission line. Where feasible, ITC Midwest intends to traverse the right-of-way acquired for the Project to access construction areas. This method of access will minimize impacts to landowners and adjacent properties. In some situations, private field roads, trails, or fields must be used to gain access to areas for construction. Additionally, where no current access is available or existing access is inadequate to cross roadway ditches or other features, new access roads may be constructed. Permission from landowners will be obtained prior to using any of these areas to access the right-of-way for construction. Where necessary to accommodate heavy construction equipment, including cranes, cement trucks, and hole-drilling equipment, existing roads may be upgraded or new roads may be constructed. If new roads must be constructed, in addition to permission from landowners, ITC Midwest will also obtain permissions necessary from the local road authority. During construction activities, ITC Midwest will work with appropriate road authorities to ensure proper maintenance of roadways traversed by construction equipment.

After right-of-way clearing and grading or filling, where necessary, has been completed, pole installation will begin. Most structures for the Project will have concrete foundations. To install a foundation, a hole is drilled that measures approximately eight feet in diameter for a 345 kV transmission structure and 25 or more feet deep. An angle or deadend structure may require a foundation up to 12 feet in diameter. A foundation for a 161 kV transmission structure typically
measures eight to ten feet in diameter. The diameter and depth of the hole (and foundation) depend on soil conditions that are established during the initial survey and soil testing phases. Concrete is brought to the site by concrete trucks from a local concrete batch plant and filled around a steel rebar support cage. Once the foundation is set, installation of the actual pole can begin.

Poles will be moved from staging areas and delivered to the foundation. Insulators and other hardware are attached while the pole is still on the ground at the installation location. Using a crane, the pole is lifted, placed, and secured to the set concrete foundation. Some 161 kV poles may be directly embedded into the ground instead of set on concrete foundations for the Project. Direct embedding requires drilling a hole that measures approximately six to eight feet in diameter and 15 to 20 feet in depth, with some soil conditions requiring a deeper drilled hole.

Some soil conditions will require that construction mats be placed along the right-of-way or at a pole location to minimize soil disturbances. These mats can also be used to provide access across sensitive areas to minimize impacts including soil compaction, rutting, or damage to plant species.

Once the pole has been set, any remaining holes are back-filled with the excavated material or crushed rock. ITC Midwest prefers to spread any remaining excavated material in the area from which it was removed if landowner permission is obtained. If spreading of the excavated material is not permitted by the landowner, the material will be offered to the landowner for other use or completely removed from the site.

Conductor stringing is the last major component of transmission line construction. Stringing setup areas within the right-of-way or on temporary construction easements outside the right-of-way are established. Conductor stringing setup areas are typically located at two-mile intervals along a route. These operations require brief access to each structure to secure the conductor wire to the insulator hardware and the shield wire to clamps once final conductor sag, compliant with ITC Midwest procedures and NESC minimum clearances, is established. Where the transmission line crosses streets, roads, highways, or other energized conductors or obstructions, temporary guard or clearance poles may be installed during conductor stringing. These guard or clearance poles would not be installed in road rights-of-way without road authority approval. The temporary guard or clearance poles ensure that conductors will not obstruct traffic or contact existing energized conductors or
other cables during stringing operations and also protect the conductors from damage. ITC Midwest intends to use compression splices for the conductor installation.

Special construction techniques may be necessary in environmentally sensitive and wetland areas. The most effective way to minimize impacts to these areas during construction is to span them where feasible. ITC Midwest will restrict construction traffic from waterways except under special circumstances and only after discussion with, and approval from, the appropriate resource agency. Where waterways must be crossed during conductor stringing, workers may walk across, use boats, or drive equipment across ice in the winter or use helicopters to facilitate installation of stringing equipment. ITC Midwest will attempt to complete construction and conductor stringing operations in these areas when the ground is frozen. When completing these activities under frozen conditions is not feasible, the methods discussed above and use of construction matting, where practicable, will be implemented.

Equipment fueling and other maintenance will occur away from environmentally sensitive and wet areas. These construction practices help prevent soil erosion and ensure that fuel and lubricants do not enter waterways or impact environmentally sensitive areas.

### 7.3 Substation Construction

The Project will require construction of the new Huntley Substation and expansion of the Lakefield Junction Substation. Construction of a substation facility begins with site preparation work, which involves grading and leveling the site to support electrical equipment and the control house. Site soils may or may not need to be replaced, depending largely on the existing soil conditions. As with transmission line construction, a construction plan will be developed and followed for substation projects. The construction plan would address the site preparation work that precedes substation construction. Much of what is referenced in the plan is a result of requirements for stormwater pollution prevention plans by the state in which the facility is being constructed.

Once substation grading has been completed, concrete foundations are then placed throughout the substation for pad-mounted substation equipment. Substation perimeter fencing (i.e., chain link fence) will then be installed, likely after initial installation of concrete foundations. All substation equipment will be contained within the fenced area. Construction of the substation control house
also takes place during this time. The control house encloses protective relaying and control equipment. Erection of steel structures follows the installation of foundations. These steel structures consist of rolled or tubular steel columns. Beams are used for mounting the electrical conductors and disconnect switches. Large high voltage equipment such as circuit breakers and transformers are installed following completion of the steel structures.

### 7.4 Restoration Procedures

Crews will attempt to minimize ground disturbance whenever feasible during right-of-way clearing for, and construction of, the Project. Although these attempts will be made, areas will be disturbed during the normal course of work. Once construction is completed in an area, disturbed areas will be restored to their original condition to the maximum extent feasible. Temporary restoration in some areas may be required per National Pollution Discharge Elimination System ("NPDES") and Minnesota Pollution Control Agency ("MPCA") construction permit requirements.

After construction activities have been completed, a representative of ITC Midwest will contact a property owner to discuss any damage that has occurred as a result of the Project. This contact may not occur until after ITC Midwest has started restoration activities. If, during the course of construction of the Project, crops, fences, or drain tile have been damaged, ITC Midwest will repair damages or reimburse the landowner to repair the damages.

Ground-level vegetation disturbed or removed during construction of the Project will naturally reestablish to pre-construction conditions. Areas where significant soil compaction or other disturbance from construction activities occur will require additional assistance to reestablish the vegetation stratum and control soil erosion. Various best management practices to be used during the construction of the Project will be identified in the Stormwater Pollution Prevention Plan ("SWPPP") that will be prepared when ITC Midwest applies for an NPDES permit from the Minnesota Pollution Control Agency, but some commonly-used methods to control soil erosion are:

- Erosion control blankets with embedded seeds;
- Silt fences; and
- Straw bales.

Another aspect of restoration after completion of construction relates to the roads used to access staging areas or construction sites. After construction activities have been completed, ITC Midwest will ensure that township, city, and county roads used for purposes of access during construction will be returned to either the condition they were in, or to better condition than they were in before right-of-way clearing began. ITC Midwest will meet with township road supervisors, city road personnel, or county highway departments to address any issues that arise during construction with roadways to ensure the roads are adequately restored, if necessary, after construction is complete.

### 7.5 SOCIO-ECONOMIC IMPACTS OF CONSTRUCTION

The primary purpose of the Project is to maintain the reliability of electric service throughout the State and region, which will have overall positive impacts on the economy. Increasing transmission capacity in southwestern Minnesota and the rest of the State will provide long-term economic opportunities for further renewable energy development.

There also will be short-term impacts to community services as a result of construction activity and an influx of contractor employees during construction of the various projects. Utility personnel or contractors will be used for all construction activities. The communities near the various projects should experience short-term positive economic impacts through the use of area hotels, restaurants and other services by the various workers.

ITC Midwest employees, consultants and contractors will design, construct and maintain the proposed facilities. All workers will either be employees of the ITC Midwest or contract employees. Contractors may hire local workers on a temporary basis. It is estimated that 100 to 125 workers will be employed to construct the Project in Minnesota. These workers would be spread across the various worksites for the Project.

It is not expected that additional permanent jobs will be created. The construction activities will provide a seasonal influx of additional dollars into the communities during the construction phase, and materials such as concrete may be purchased from local vendors where feasible.

Long-term beneficial impacts from the proposed Project include increased local tax base resulting from the incremental increase in revenues from utility
property taxes. Additional wind generation, enabled by the Project, will pay production taxes.

### 7.6 Maintenance Procedures

ITC Midwest and other utilities design transmission lines and substations to operate for decades while requiring minimal maintenance, particularly in the first few years of operation. Substantial work on an existing transmission line is typically only required after it has been exposed to the elements for a long period of time (55-plus years) or after a storm event has caused damage to the transmission line.

ITC Midwest estimates the service life of its transmission lines at approximately 55-60 years. Practically speaking, however, high voltage transmission lines are seldom retired. This infrastructure has very few mechanical elements and is designed and constructed to withstand weather extremes typical for the region. With the exception of severe weather, transmission lines rarely fail. Protective relaying equipment will automatically take these facilities out of service when a fault is sensed on the system, and these interruptions are usually only momentary. Outages necessary for scheduled maintenance are also infrequent. Because of these general operational characteristics, the average annual availability of transmission infrastructure is in excess of 99 percent.

Costs associated with the operation and maintenance of transmission facilities include the cost of inspections, usually done semi-annually by helicopter with a forester, vegetation planner, and line inspector; annually by ground with a forester; and once every four years by ground with a line inspector. Recent experience has shown that annual operation and maintenance costs for 345 kV transmission lines in the ITC Midwest system are approximately $\$ 2,000$ per mile, including vegetation removal and maintenance, the previously-mentioned helicopter and ground patrols, and line and tower maintenance activities. The actual cost of transmission line maintenance depends on the setting, the amount of vegetation management necessary to ensure and maintain required safety clearances, the frequency of storm damage, structure types and materials, and the overall age of the transmission infrastructure.

Certain maintenance is required at substations to ensure proper operation within NESC and NERC requirements. Various equipment, including transformers, circuit breakers, batteries, and protective relays, must be periodically serviced according to the manufacturers' guidelines. Circuit breakers proposed to be
installed as part of the Project will contain sulfur hexafluoride (" $\mathrm{SF}_{6}$ "), a greenhouse gas, as an insulator. Newer circuit breakers contain less $\mathrm{SF}_{6}$ at lower pressures than older designs and do not sustain the releases associated with older circuit breakers. ITC Midwest intends to install dead-tank Mitsubishi Electric Power Products circuit breakers at the Lakefield Junction and Huntley substations.

### 8.0 OPERATING CHARACTERISTICS OF ELECTRIC TRANSMISSION LINES

### 8.1 OPERATING CHARACTERISTICs OVERVIEW

Overhead transmission line components typically include: (1) an above ground structure, often referred to as a pole or tower; (2) the wires carrying the electricity, called conductors; (3) insulators that connect the conductors to the structures and provide structural support and electrical insulation; (4) ground rods located below ground and connected to each structure; and (5) grounded shield wires to protect the line from direct lightening strikes. Transmission poles are generally made of either steel or wood. Overhead conductors are typically comprised of aluminum and steel strands.

During operation, transmission lines are for the most part passive elements of the environment. Their primary impact is aesthetic, i.e., a man made structure in the landscape. Because of the line's electrical characteristics, some chemical reactions occur around conductors in the air; noise can occur in some circumstances; interference with electromagnetic signals can occur; and electrical and magnetic fields are created around the conductors. All of these operating characteristics are considered as part of the design of a transmission line to prevent any significant impacts to its operation and, generally, to the overall environment.

### 8.2 OzONE AND Nitrogen Oxide Emissions

Corona consists of the breakdown or ionization of air within a few centimeters of conductors. Usually some imperfection such as a scratch on the conductor or a water droplet is necessary to cause corona. Corona can produce ozone and oxides of nitrogen in the air surrounding the conductor. Ozone also forms in the lower atmosphere from lightning discharges, and from reactions between solar ultraviolet radiation and air pollutants, such as hydrocarbons from auto emissions. The natural production rate of ozone is directly proportional to temperature and sunlight, and inversely proportional to humidity. Thus humidity or moisture, the same factor that increases corona discharges from transmission lines, inhibit the production of ozone. Ozone is a very reactive form of oxygen molecules and combines readily with other elements and compounds in the atmosphere. Because of its reactivity, it is relatively short-lived.

Currently, both state and federal governments have regulations regarding permissible concentrations of ozone and oxides of nitrogen ("NOx"). The
national ambient air quality standards for ozone are 0.075 parts per million "ppm" on an eight hour averaging period. The state standard is 0.08 ppm based upon the fourth highest eight hour daily maximum average in one year. A small amount of ozone, however, is created due to corona from the operation of transmission lines (EPRI Transmission Line Reference Book 1982). The production rate of ozone depends on a number of operational parameters. The production rate of ozone due to corona discharges decreases with humidity and less significantly with temperature. The production rate decreases significantly as the conductor diameter increases and is greatly reduced for bundled conductors over single conductors. The production rate of ozone increases with applied voltage. Rain causes an increase in ozone production, but rain also accelerates the decay of ozone. Ozone production by high voltage transmission lines is not detectable during fair weather conditions. Ozone production under wet-weather conditions is detectable with special efforts, but is still considered insignificant. Studies designed to monitor the production of ozone under transmission lines have generally been unable to detect any increase due to the transmission line facility. The emission of ozone from the operation of transmission lines of the voltages proposed for the Project is not anticipated to have a significant impact on the environment.

There is not a state or national standard for general NOx. The national standard for nitrogen dioxide (" $\mathrm{NO}_{2}$ "), one of several oxides of nitrogen, is 0.053 ppm on an annual basis and the Minnesota State Air Quality Standard for $\mathrm{NO}_{2}$ is 0.08 ppm. The operation of the proposed transmission lines would not create any potential for the concentration of these pollutants to exceed the nearby (ambient) air standards.

### 8.3 NOISE

## Transmission Line Noise

Transmission conductors produce noise under certain conditions. The level of noise depends on conductor conditions, voltage level, and weather conditions. Generally, activity-related noise levels during the operation and maintenance of substations and transmission lines is minimal.

Noise emission from a transmission line occurs during certain weather conditions. In foggy, damp, or rainy weather, power lines can create a crackling sound due to the small amount of electricity ionizing the moist air near the wires. During heavy rain, the background noise level of the rain is usually greater than
the noise from the transmission line. As a result, people do not normally hear noise from a transmission line during heavy rain. During light rain, dense fog, snow and other times when there is moisture in the air, transmission lines will produce audible noise equal to approximately household background levels. During dry weather, audible noise from transmission lines is barely perceptible. At substations, noise is created primarily by transformers.

Since human hearing is not equally sensitive to all frequencies of sound, the most noticeable frequencies of sound are given more "weight" in most measurement schemes. The A-weighted scale corresponds to the sensitivity range for human hearing. Noise levels capable of being heard by humans are measured in "dBA," which is the A-weighted sound level recorded in units of decibels. A noise level change of 3 dBA is barely perceptible to human hearing. A 5 dBA change in noise level, however, is clearly noticeable. A 10 dBA change in noise level is perceived as a doubling of noise loudness, while a 20 dBA change is considered a dramatic change in loudness. Table 4 below shows noise levels associated with common, everyday sources.

Table 4. Typical Sound Pressure Levels Associated with Common Noise Sources

| Sound Pressure Level (dBA) | Subjective Evaluation | Outdoor Environment | Indoor Environment |
| :---: | :---: | :---: | :---: |
| 140 | Deafening | Jet aircraft at 75 feet |  |
| 130 | Threshold of pain | Jet aircraft during takeoff at 300 feet |  |
| 120 | Threshold of feeling | Elevated train | Hard rock band |
| 110 |  | Jet flyover at 1000 feet | Inside propeller plane |
| 100 | Very loud | Power mower, motorcycle at 25 feet, auto horn at 10 feet |  |
| 90 |  | Noisy urban street | Full symphony or band, food blender |
| 80 | Moderately loud | Diesel truck ( 40 mph ) at 50 feet | Garbage disposal, dishwasher |
| 70 | Loud | B-757 cabin during flight | Vacuum cleaner, electric typewriter |
| 60 | Moderate | Air-conditioner condenser at 15 feet | General office |
| 50 | Quiet |  | Private office |
| 40 |  | Farm field with light breeze, birdcalls | Soft stereo music in residence |
| 30 | Very quiet | Quiet residential neighborhood | Bedroom, average residence (without TV and stereo) |
| 20 |  | Rustling leaves | Whisper |
| 10 | Just audible |  | Human breathing |

Source: Adapted from Egan 1988 and Ramsey and Sleeper 1994
In Minnesota, statistical sound levels ("L Level Descriptors") are used to evaluate noise levels and identify noise impacts. The standards are expressed as a range of permissible dBA within a one hour period; $\mathrm{L}_{50}$ is the dBA that may be exceeded 50 percent of the time within an hour (i.e., 30 minutes), while $\mathrm{L}_{10}$ is the dBA that may be exceeded 10 percent of the time within the hour (i.e., 6 minutes).

Land areas, such as picnic areas, churches, or commercial spaces, are assigned to an activity category based on the type of activities or use occurring in the area. Activity categories are then categorized based on their sensitivity to traffic noise. The Noise Area Classification ("NAC") is listed in the MPCA noise regulations to distinguish the categories. Table 5 identifies the MPCA established daytime and nighttime noise standards by NAC

Table 5. Noise Standards by Noise Area Classification (dBA)

| Noise Area <br> Classification | Daytime |  | Nighttime |  |
| :---: | :---: | :---: | :---: | :---: |
|  | 60 | $\mathrm{~L}_{50}$ | $\mathrm{~L}_{50}$ | $\mathrm{~L}_{10}$ |
| 2 | 65 | 70 | 50 | 55 |
| 3 | 75 | 80 | 65 | 70 |

Source: Minn. R. 7830.0050
The proposed Project is anticipated to have maximum calculated noise levels during rainy conditions. It is likely however, the sound of falling rain would result in inaudible noise from the Project. Noise during fair conditions is anticipated to be inaudible. Calculated noise levels are summarized in Table 6.

Table 6. Calculated Audible Noise for Proposed Transmission Line Designs

| Operating Voltage | $L_{50}$ Rain (dBA) |  | L50 Fair (dBA) |  |
| :---: | :---: | :---: | :---: | :---: |
|  | $0^{\prime}$ | $10{ }^{\prime}$ | $0^{\prime}$ | $10{ }^{\prime}$ |
| $345 \mathrm{kV} / 161 \mathrm{kV}$ | 41 | 38 | 16 | 13 |
| 345 kV/161 kV Low Profile | 43 | 39 | 18 | 14 |
| $345 \mathrm{kV} / 69 \mathrm{kV}$ | 41 | 38 | 16 | 12 |
| 345 kV | 40 | 37 | 16 | 12 |
| 161 kV/161 kV | 30 | 23 | 5 | 0 |
| $161 \mathrm{kV} / 69 \mathrm{kV}$ | 33 | 27 | 8 | 2 |
| 161 kV | 24 | 17 | 1 | 0 |

## Transformer Substation Noise

Transformer "hum" is the dominant noise source at substations. All of the substation modifications required for the Project will comply with the MPCA NAC noise standards.

### 8.4 RADIO, TELEVISION, CELLULAR PHONE, AND GPS

Corona from transmission line conductors can generate electromagnetic "noise" at the same frequencies that radio and television signals are transmitted. Minor interference with AM radio may occur immediately under or adjacent to a transmission line. Any interference would be expected to cease outside the 200foot right-of-way. Care was taken during the routing process to ensure that transmission lines would be placed an adequate distance away from any towers associated with these facilities to avoid any safety or quality problems that could be a concern.

ITC Midwest does not anticipate that the Project will impact radio, television, cellular phones, or GPS units.

### 8.5 SAFETY

The Project will be designed in compliance with local, state, and NESC standards regarding clearance to ground, clearance to crossing utilities, clearance to buildings, strength of materials, and right-of-way widths. Appropriate standards will be met for construction and installation, and all applicable safety procedures will be followed during and after installation.

The proposed transmission lines will be equipped with protective devices to safeguard the public from the transmission lines if an accident occurs, such as a structure or conductor falling to the ground. The protective devices include breakers and relays located where the line connects to the substation(s). The protective equipment will de-energize the line should such an event occur. Proper signage will be posted on substations warning the public of the risk of coming into contact with the energized equipment.

### 8.6 Electric and Magnetic Fields

The term electromagnetic fields ("EMF") refer to electric and magnetic fields that are coupled together, such as in high frequency radiating fields. For lower frequencies associated with power lines (referred to as "extremely low frequencies" or "ELF"), EMF should be separated into electric fields ("EFs"), measured in kilovolts per meter (" $\mathrm{kV} / \mathrm{m}$ "), and magnetic fields ("MFs"), measured in milliGauss (" mG "). EFs are dependent on the voltage of a transmission line and MFs are dependent on the current carried by a transmission line. The intensity of an EF is proportional to the voltage of the line, and the intensity of an MF is proportional to the current flow through the
conductors. Transmission lines in the United States operate at a power frequency of 60 hertz (cycles per second).

### 8.6.1 Electric Fields

There is no federal standard for transmission line electric fields. The Commission, however, has imposed a maximum electric field limit of $8 \mathrm{kV} / \mathrm{m}$ measured at one meter above the ground. In the Matter of the Route Permit Application for a 345 kV Transmission Line from Brookings County, South Dakota to Hampton, Minnesota, Docket No. ET-2/TL-08-1474, Order Granting Route PERMIT (adopting ALJ Findings Of Fact, Conclusions and Recommendation at Finding 194 (Apr. 22, 2010 and as amended Apr. 30, 2010)) (Sept. 14, 2010). The standard was designed to prevent serious hazards from shocks when touching large objects parked under AC transmission lines of 500 kilovolt or greater. The standard was designed to prevent serious hazards from shocks when touching large objects parked under AC transmission lines of 500 kV or greater. The maximum electric field, measured at one meter above ground, associated with the Project is calculated to be $4.71 \mathrm{kV} / \mathrm{m}$. Calculated EFs for the various structure types proposed for the Project are provided in Table 7.

Table 7. Calculated Electric Fields (kV/m) (3.28 feet above ground)

| Structure Type | Maximum Conductor Voltage | Distance to Proposed Centerline |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | -300' | -200' | -100' | -75' | -50' | -25' | $0^{\prime}$ | 25' | $50^{\prime}$ | 75' | $10{ }^{\prime}$ | 200' | 300 |
| Single Pole Davit Arm $\begin{gathered} 345 \mathrm{kV} / \\ 161 \mathrm{kV} \\ \hline \end{gathered}$ | $\begin{gathered} 362.25 \mathrm{kV} / \\ 169.05 \mathrm{kV} \end{gathered}$ | 0.05 | 0.10 | 0.30 | 0.57 | 1.67 | 4.45 | 3.33 | 0.74 | 0.37 | 0.21 | 0.12 | 0.03 | 0.02 |
| Single Pole Davit Arm $345 \mathrm{kV} /$ 161 kV at Initial 345 kV/69 kV Operation | $\begin{gathered} 362.25 \mathrm{kV} / \\ 72.45 \mathrm{kV} \end{gathered}$ | 0.05 | 0.11 | 0.31 | 0.57 | 1.72 | 4.64 | 3.86 | 1.00 | 0.14 | 0.09 | 0.09 | 0.06 | 0.03 |
| Single Pole Davit Arm 345 kV/161 kV with only one 345 kV circuit in service | 362.25 kV | 0.08 | 0.15 | 0.31 | 0.53 | 1.70 | 4.71 | 4.12 | 1.28 | 0.25 | 0.21 | 0.24 | 0.13 | 0.07 |
| Single Pole Davit Arm Low Profile $345 \mathrm{kV} / 161$ kV | $\begin{gathered} 362.25 \mathrm{kV} / \\ 169.05 \mathrm{kV} \end{gathered}$ | 0.03 | 0.09 | 0.83 | 2.00 | 4.36 | 3.55 | 2.46 | 0.27 | 0.92 | 0.51 | 0.21 | 0.03 | 0.02 |
| Single Pole Davit Arm Low Profile $345 \mathrm{kV} / 161$ kV with only 345 kV circuit | 362.25 kV | 0.05 | 0.11 | 0.82 | 1.97 | 4.34 | 3.66 | 3.32 | 1.68 | 0.89 | 0.57 | 0.39 | 0.13 | 0.06 |
| Single Pole Braced Post $\begin{gathered} 161 \mathrm{kV} / \\ 161 \mathrm{kV} \end{gathered}$ | $\begin{gathered} 169.05 \mathrm{kV} / \\ 169.05 \mathrm{kV} \end{gathered}$ | 0.00 | 0.01 | 0.03 | 0.02 | 0.12 | 0.96 | 1.38 | 0.96 | 0.12 | 0.02 | 0.03 | 0.01 | 0.00 |
| Single Pole Braced Post 161 kV/161 <br> kV with 161 kV/69k V Initial Operation | $\begin{gathered} 169.05 \mathrm{kV} \\ 72.45 \mathrm{kV} \end{gathered}$ | 0.01 | 0.02 | 0.06 | 0.05 | 0.12 | 1.14 | 1.61 | 0.20 | 0.05 | 0.03 | 0.02 | 0.01 | 0.01 |
| Single Pole Braced Post 161 kV | 169.05 kV | 0.01 | 0.03 | 0.12 | 0.22 | 0.45 | 0.92 | 1.96 | 1.35 | 0.37 | 0.19 | 0.12 | 0.03 | 0.01 |

### 8.6.2 Magnetic Fields

There are presently no Minnesota regulations pertaining to MF exposure. ITC Midwest provides information to the public and employees so they can make informed decisions about MFs.

The maximum MF profiles around the transmission lines for each structure and initial operation being considered for the Project is shown in Table 8. MFs were calculated under normal system conditions (system intact) for the expected peak and average current flows. The peak MF values are calculated at a point directly under the transmission line and where the conductor is closest to the ground. The same method is used to calculate the MF at the edge of the right-of-way. The MF profile data show that MF levels decrease rapidly as the distance from the centerline increases (proportional to the inverse square of the distance from source).

Table 8. Estimated 2017 Magnetic Fields (mG)

| Structure Type | System Condition | Current <br> (Amps) | Distance to Proposed Centerline (feet) |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | -300 | -200 | -100 | -75 | -50 | -25 | 0 | 25 | 50 | 75 | 100 | 200 | 300 |
| Single Pole Davit Arm 345 kV/161 kV | Peak | 215/29 | 0.8 | 1.7 | 5.9 | 9.2 | 15.3 | 23.3 | 21.3 | 12.5 | 7.1 | 4.4 | 3.0 | 1.1 | 0.6 |
|  | Average | 144/19 | 0.5 | 1.1 | 4.0 | 6.2 | 10.2 | 15.6 | 14.3 | 8.4 | 4.7 | 3.0 | 2.0 | 0.7 | 0.4 |
| Single Pole Davit Arm $345 \mathrm{kV} / 161 \mathrm{kV}$ at Initial $345 \mathrm{kV} / 69 \mathrm{kV}$ Operation | Peak | 215/75 | 0.6 | 1.4 | 5.2 | 8.3 | 14.0 | 22.0 | 20.6 | 11.9 | 6.1 | 3.4 | 2.2 | 0.7 | 0.4 |
|  | Average | 144/50 | 0.4 | 0.9 | 3.5 | 5.6 | 9.4 | 14.7 | 13.8 | 8.0 | 4.1 | 2.3 | 1.5 | 0.5 | 0.3 |
| Single Pole Davit Arm $345 \mathrm{kV} / 161 \mathrm{kV}$ with only one 345 kV circuit | Peak | 215 | 0.8 | 1.8 | 6.3 | 9.8 | 16.1 | 24.2 | 22.0 | 13.6 | 8.3 | 5.4 | 3.7 | 1.3 | 0.6 |
|  | Average | 144 | 0.6 | 1.2 | 4.2 | 6.6 | 10.8 | 16.2 | 14.7 | 9.1 | 5.6 | 3.6 | 2.5 | 0.9 | 0.4 |
| Single Pole Davit Arm Low Profile$345 \mathrm{kV} / 161 \mathrm{kV}$ | Peak | 215/29 | 0.9 | 1.8 | 7.0 | 12.0 | 21.8 | 28.6 | 21.2 | 10.6 | 5.0 | 3.2 | 2.3 | 0.7 | 0.4 |
|  | Average | 144/19 | 0.6 | 1.2 | 4.7 | 8.1 | 14.6 | 19.2 | 14.2 | 7.1 | 3.4 | 2.2 | 1.5 | 0.5 | 0.2 |
| Single Pole Davit Arm Low Profile $345 \mathrm{kV} / 161 \mathrm{kV}$ with only 345 kV circuit | Peak | 215 | 0.9 | 1.9 | 7.3 | 12.5 | 22.6 | 29.8 | 22.3 | 12.5 | 7.1 | 4.3 | 2.8 | 0.9 | 0.4 |
|  | Average | 144 | 0.6 | 1.3 | 4.9 | 8.4 | 15.1 | 19.9 | 14.9 | 8.4 | 4.7 | 2.9 | 1.9 | 0.6 | 0.3 |
| Single Pole Braced Post$161 \text { kV/161 kV }$ | Peak | 55/68 | 0.0 | 0.1 | 0.2 | 0.4 | 0.9 | 3.3 | 8.2 | 4.9 | 1.9 | 0.9 | 0.5 | 0.1 | 0.1 |
|  | Average | 37/46 | 0.0 | 0.0 | 0.1 | 0.2 | 0.6 | 2.2 | 5.5 | 3.3 | 1.3 | 0.6 | 0.3 | 0.1 | 0.0 |
| Single Pole Braced Post 161 kV/161 kV with 161 kV/69 kV Initial Operation | Peak | 55/191 | 0.3 | 0.5 | 1.6 | 2.4 | 4.1 | 9.3 | 24.2 | 18.3 | 8.2 | 4.2 | 2.5 | 0.6 | 0.3 |
|  | Average | 37/128 | 0.2 | 0.3 | 1.0 | 1.6 | 2.8 | 6.2 | 16.2 | 12.3 | 5.5 | 2.8 | 1.6 | 0.4 | 0.2 |
| Single Pole Braced Post 161 kV | Peak | 94 | 0.2 | 0.4 | 1.2 | 2.0 | 3.7 | 7.9 | 14.6 | 9.6 | 4.2 | 2.2 | 1.3 | 0.3 | 0.1 |
|  | Average | 63 | 0.1 | 0.2 | 0.8 | 1.3 | 2.5 | 5.3 | 9.8 | 6.4 | 2.8 | 1.4 | 0.9 | 0.2 | 0.1 |

The actual MF when the Project is placed in service will likely typically less than that illustrated in the table provided herein, and for certain segments of the Project, the calculated values are less than what is shown in the table. This is because the charts represent the MF with current flow at expected normal peak based on projected regional load growth through 2017, when the last segment of the Project is anticipated to be placed in service. Actual current flow on the line will vary, so magnetic fields will be less than peak levels during most hours of the year.

Extensive research has been conducted over the past three decades to evaluate whether exposure to ELF-MFs causes biological responses and health effects. Epidemiological and toxicological studies have not shown statistically significant associations or have shown only weak associations between ELF-MF exposure and health risks. Public health professionals have also investigated the possible impact of exposure to EFs and MFs upon human health for the past several decades. While the general consensus is that EFs pose no risk to humans, the question of whether exposure to MFs can cause biological responses or health effects continues to be debated.

In 2007, the World Health Organization ("WHO") concluded a review of the health implications of electromagnetic fields. In this report, WHO stated:

> Uncertainties in the hazard assessment [of epidemiological studies] include the role that control selection bias and exposure misclassification might have on the observed relationship between magnetic fields and childhood leukemia. In addition, virtually all of the laboratory evidence and the mechanistic evidence fail to support a relationship between low-level [extremely low frequency] magnetic fields and changes in biological function or disease status. Thus, on balance, the evidence is not strong enough to be considered causal, but sufficiently strong to remain a concern. (Environmental Health Criteria Volume No238 on Extremely Low Frequency Fields at p. 12, WHO (2007)).

WHO did not recommend these levels as an exposure limit but instead provided: "The best source of guidance for both exposure levels and the principles of scientific review are international guidelines." Id. at pp. 12-13. The international
guidelines referred to by WHO are the International Commission on NonIonizing Radiation Protection ("ICNIRP") and the Institute of Electrical and Electronic Engineers ("IEEE") exposure limit guidelines to protect against acute effects. Id. at p. 12. The ICNIRP-1998 continuous general public exposure guideline is 833 mG and the IEEE continuous general public exposure guideline in $9,040 \mathrm{mG}$.

In 2010, ICNIRP revised its continuous general public exposure guideline increasing it from 833 mG to $2,000 \mathrm{mG}$. The WHO has not provided any analysis of the ICNIRP-2010 continuous general public exposure guideline to date.

The Commission, based on a Minnesota Interagency Working Group ("Working Group") report and the WHO findings, has found that "there is insufficient evidence to demonstrate a causal relationship between EMF exposure and any adverse human health effects." In the Matter of the Application of Xcel Energy for a Route Permit for the Lake Yankton to Marshall Transmission Line Project in Lyon County, Docket No. E-002/TL-07-1407, FINDINGS OF FACT, CONCLUSIONS OF LAW and Order Issuing a Route Permit to Xcel Energy for the Lake Yankton to MARSHALL Transmission Project at p. 7-8 (Aug. 29, 2008); See also In the Matter of the Application for a HVTL Route Permit for the Tower Transmission Line Project, Docket No. ET-2, E015/TL-06-1624, Findings of FACT, CONCLUSIONS OF LAW and Order Issuing a Route Permit to Minnesota Power and Great River Energy for the Tower Transmission Line Project and Associated Facilities at p. 23 (Aug. 1, 2007).

This finding was recently confirmed in the Brookings County - Hampton 345 kV Route Permit proceeding ("Brookings Project"). In the Brookings Project Route Permit proceeding, applicants and one of the intervening parties provided expert evidence and testimony on the potential impacts of EFs and MFs on human health. The administrative law judge in that proceeding evaluated written submissions and a day-and-half of testimony from these two expert witnesses. The administrative law judge concluded:
there is no demonstrated impact on human health and safety that is not adequately addressed by the existing State standards for [EF or MF] exposure.

In the Matter of the Route Permit Application by Great River Energy and Xcel Energy for a 345 kV Transmission Line from Brookings County, South Dakota to Hampton, Minnesota, Docket No. ET-2/TL-08-1474, ALJ FINDINGS OF FACT, CONCLUSIONS

And Recommendation at Finding 216 (Apr. 22, 2010 and as amended Apr. 30, 2010). The Commission adopted this finding on July 15, 2010. Id., ORDER Granting Route Permit at 12 (Sept. 14, 2010); In the Matter of the Route Permit Application by Great River Energy and Xcel Energy for a 345 kV Transmission Line from Brookings County, South Dakota to Hampton, Minnesota, Docket No. ET2/TL-08-1474, Findings of Fact, Conclusions of Law, and Order Issuing an HVTL Route Permit to Great River Energy and Xcel Energy for a 345 KV Transmission Line from Brookings County, SOUTH Dakota to Hampton, Minnesota at 1 and 8 (Sept. 14, 2010).

### 8.7 STRAY VOLTAGE

"Stray voltage" is a condition that can occur on the electric service entrances to structures from distribution lines - not transmission lines. The term generally describes a voltage between two objects where no voltage difference should exist. More precisely, stray voltage exists between the neutral wire of the service entrance and grounded objects in buildings such as barns and milking parlors. Typically, high voltage transmission lines do not create stray voltage issues. Stray voltage is not a feature generally attributed to the operation of a transmission line and is, therefore, not expected from the proposed transmission line.

Appropriate measures, however, will be taken to prevent stray voltage problems when the transmission lines proposed for the Project parallel or cross distribution lines. ITC Midwest does not anticipate that the Project will be responsible for any stray voltage problems.

To design a project to avoid stray voltage, certain measures can be taken in the engineering phase. Recommended clearances within the NESC are designed to accommodate a relative vehicle height of 14 feet. ITC Midwest's minimum clearance design is greater than the NESC recommended clearances. The portions of the Project where either a single-circuit 345 kV line is constructed or a 345 kV line is double-circuited with another line, the facility will be designed to maintain a clearance of 35 feet and the 161 kV associated facilities will be designed to maintain a clearance of 25 feet.

Another question that arises when operating vehicles near power lines is whether vehicles can be safely refueled. The possibility of fuel ignition near a high voltage transmission line of the voltage and design proposed for the Project
is extremely unlikely and ITC Midwest is unaware of any safety issues related to vehicle refueling near its existing power lines.

Buildings are permitted near transmission lines, but are generally prohibited within the Easement Area because a structure under a transmission line may interfere with safe operation. For example, a fire in a building located within the right-of-way could damage a transmission line. As a result, NESC guidelines establish clear zones for transmission facilities. Metal buildings may have unique issues. For example, metal buildings near transmission lines of 200 kV or greater must be properly grounded. People who have questions about a new or existing metal structure can contact ITC Midwest for further information about proper grounding requirements. ITC Midwest may allow certain structures to be constructed within the Ancillary Easement Area, but any such construction in this area is subject to ITC Midwest review and approval.

### 9.0 ENVIRONMENTAL INFORMATION

The Certificate of Need rules require ITC Midwest to provide environmental information relating to the major features of the region likely encompassed by the routes between the proposed facilities' endpoints. Specifically, ITC Midwest must present information regarding hydrologic features, natural vegetation and wildlife, topography and land use types (including human settlement, recreation, agricultural production, forestry production and mineral extraction). Minn. R. 7849.0330. Additional environmental information is compiled by the Department of Commerce, which is responsible for preparing an Environmental Report on these projects as part of the Certificate of Need process. Minn. R. 7849.1400. The content of the Environmental Report is dictated by Minn. R. 7849.1500.

The primary way to address the potential impacts of transmission line and substation projects is during the routing and siting process. Through these processes, a variety of forums with the public, local government units, and state and federal agencies are created to gather information regarding the potential impacts on environmentally sensitive areas and to develop strategies to address those issues. Such strategies could include selecting a route that avoids these areas or sharing rights-of-way with an existing transmission line. Where sensitive areas cannot be avoided, impacts can be mitigated by design and construction methods. These methods could include using special structures that span longer distances where necessary, scheduling construction in wetlands areas when the ground is frozen or using shorter structures where required to avoid interference with aviation.

Based on the current level of review, the Project's anticipated design and approximate routing do not present any environmental issues that would preclude construction of the facilities. While there may be environmental factors that will influence the ultimate location of the Project, these impacts can be mitigated through the routing and siting processes and construction techniques.

In this section, ITC Midwest provides a general overview of the environmental concerns common to all projects and general mitigation measures to address those concerns, discusses the more significant environmental issues for the Project, and lists the potential additional approvals needed for construction. A thorough compilation of this information as mandated by Minnesota Rule 7849.0330, is contained in this chapter.

Overall environmental information on the region between the endpoints of the Minnesota portion of the Project is provided. Specific information related to the
three proposed endpoints of the Project, the Lakefield Junction Substation, the new Huntley Substation, and the point at which the Project crosses the Iowa border, follows the general study area information.

### 9.1 Minnesota Project Study Area

### 9.1.1 Description of Environmental Setting

The Project Study Area, shown in Figure 24, encompasses portions of Jackson, Martin, and Faribault counties. Portions of the cities of Blue Earth, Jackson, Sherburne, and Fairmont, and the cities of Huntley, Granada, Northrop, and Trimont, are within the Project Study Area. Additionally, ITC Midwest investigated environmental features within three miles of each substation and the Minnesota side of the Iowa border.

Figure 24. Project Study Area - Environmental


### 9.1.2 Geomorphology and Physiography

Geologic and topographic information from the Minnesota Department of Natural Resources ("MnDNR") and the United States Geological Survey ("USGS") was analyzed to determine the existing conditions within the Project Study Area. Jackson, Martin, and Faribault counties are within the Prairie Parklands ecological province in Minnesota. This province traverses western Minnesota, Manitoba, North Dakota, South Dakota, Iowa, Nebraska, Kansas, Oklahoma, Missouri, Illinois, and Indiana. The Prairie Parkland Province in southern Minnesota receives approximately 33 inches of precipitation each year, but is prone to spring fire seasons due to its low levels of winter precipitation, short snow cover season, and western winds. The land in this region was shaped by the Wisconsin glaciations, during which ice sheets crossed the area several times and deposited a mantle of drift hundreds of feet thick in places.

The Project Study Area is located within two subsections of the North Central Glaciated Plains Section of the Prairie Parklands Province: the Minnesota River Prairie Subsection and the Coteau Moraines Subsection. The Project Study Area is located primarily in the Minnesota River Prairie Subsection, where loamy ground moraine is the dominant landform and the topography is level to gently rolling. The western portion of the Project Study Area is located in the Coteau Moraines Subsection, which ranges from gently undulating to steeply rolling and hilly terrain. This subsection is made up of rolling moraine ridges, terminal and end moraines, and ground moraines with glacial till covering bedrock from 600 to 800 feet in depth.

The Project Study Area is primarily made up of agricultural, rural, lands. Primary water features in the Project Study Area include the Des Moines River in Jackson County, Fox Lake and the Chain of Lakes (i.e., an assemblage of lakes) in Martin County, and the Blue Earth River in Faribault County.

### 9.1.3 Land Use and Human Settlement

## (a) Commercial, Industrial, Residential Land Use

Land use within the Project Study Area is primarily agricultural and undeveloped open space. Typical crops in the Project Study Area include corn, soybeans, wheat, and alfalfa. Grassland, burr and white oak forests, and lowland deciduous forests also make up a portion of the Project Study Area. Typical prairie vegetation in the Project Study Area include big bluestem (Andropogon gerardii), little bluestem (Schizachyrium scoparium), indiangrass (Sorghastrum
nutans), sideoads grama (Bouteloua curtipendula), prairie june-grass (Koeleria macrantha), and sun sedge (Carex heliphila). Less prevalent in the Project Study Area are low and high density urban areas, sedge meadows, maple and basswood forests, upland shrub land, broadleaf sedge and cattail areas, and cottonwood forests.

## (b) Displacement

No displacement of residential homes or businesses will occur as a result of the Project. NESC and ITC Midwest standards require certain minimum clearances between transmission line facilities and buildings to ensure the safe operation of transmission line facilities. ITC Midwest will acquire a 200 -foot right-of-way for 345 kV transmission line facilities and 150-foot right-of-way for 161 kV transmission line facilities as part of the Project to maintain these clearances. In the area between the Winnebago Junction Substation and Huntley Substation sites, where 161 kV and 69 kV transmission lines need to be reconfigured to allow removal of the Winnebago Junction Substation, a right-of-way up to 250 feet in width may be acquired. A wider right-of-way in this area will allow for the construction of several 161 kV circuits in one right-of-way while maintaining necessary clearances and separation between the facilities.

The Project will be designed in compliance with State, NESC, and ITC Midwest standards for clearance to ground, clearance to crossing other utilities, clearance to buildings, strength of materials, and clearance to vegetation and other obstructions. ITC Midwest, NESC, and Occupational Safety and Health Administration standards for construction practices will also be complied with for construction of the Project.

## (c) Aesthetics

Overhead transmission lines and multiple wind turbine installations occur throughout the Project Study Area. The route for the Project preferred by ITC Midwest primarily follows the existing Lakefield to Border 161 kV line. In these areas, the existing H -frame structures will be removed and replaced by, primarily, single pole structures. There are areas along the route ITC Midwest prefers for the Project and elsewhere throughout the Project Study Area where an existing transmission line is not present. The 345 kV structures for the Project will range in height from 160 feet to 190 feet where low profile structures are not proposed with an average span length of 900 feet. Where low profile 345 kV structures would be necessary, structure heights would range from 130 to 160 feet, but could be as short as 100 feet. The 161 kV structures for the Project will
range in height from 70 to 120 feet with an average span length of 700 feet. Poles will be galvanized or self-weathering steel.

The structures proposed for the Project will be greater in height than current overhead transmission structures in the Project Study Area. These structures, however, would be considerably shorter in height than the wind turbines throughout the area and would not create a new type of feature to the landscape and transmission and distribution lines are prevalent within the visual landscape of the Project Study Area.

## (d) Socioeconomics

The Project Study Area encompasses portions of Jackson, Martin, and Faribault counties. The median household income for the counties within the Project Study Area are lower than the State of Minnesota median household income (Table 9).

Table 9. Economic Characteristics for the Project Study Area

| Location | Median <br> Household <br> Income | Unemployment <br> Rate | Percent of <br> Population <br> Below Poverty |
| :--- | :---: | :---: | :---: |
| Faribault County | $\$ 41,631$ | $4.8 \%$ | $10.9 \%$ |
| Martin County | $\$ 43,960$ | $3.4 \%$ | $9.0 \%$ |
| Jackson County | $\$ 46,869$ | $3.3 \%$ | $9.1 \%$ |
| Minnesota | $\$ 57,243$ | $\mathbf{6 . 4} \%$ | $\mathbf{1 0 . 6} \%$ |

Source: U.S. Census Bureau, 2006-2010 American Community Survey 5-Year Estimates.
The three counties in the Project Study Area have small populations compared to the State of Minnesota as a whole, combined comprising less than one percent of the State's total population. A large majority of the population in the Project Study Area is Caucasian (Table 10). The percentage of total minority ${ }^{92}$ residents is lower in the Project Study Area counties as compared to the State of Minnesota as a whole, although Faribault County has a slightly higher percentage of Hispanic residents when compared to the State as a whole.

[^38]Table 10. Population Characteristics for the Project Study Area

| Location | Total <br> Population | Caucasian | Black or <br> African <br> American | Asian | Other | Hispanic | Total <br> Minority |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Faribault <br> County | 14,553 | $96.5 \%$ | $0.3 \%$ | $0.3 \%$ | $2.9 \%$ | $5.6 \%$ | $7.1 \%$ |
| Jackson <br> County | 10,266 | $95.8 \%$ | $0.5 \%$ | $1.4 \%$ | $2.4 \%$ | $2.7 \%$ | $5.5 \%$ |
| Martin <br> County | 20,840 | $96.7 \%$ | $0.3 \%$ | $0.5 \%$ | $2.5 \%$ | $3.6 \%$ | $5.2 \%$ |
| Minnesota | $\mathbf{5 , 3 0 3 , 9 2 5}$ | $\mathbf{8 5 . 3} \%$ | $\mathbf{5 . 2} \%$ | $\mathbf{4 . 0} \%$ | $\mathbf{5 . 5} \%$ | $\mathbf{4 . 7} \%$ | $\mathbf{1 6 . 9 \%}$ |

Source: U.S. Census Bureau, 2010 Census
Short-term impacts to community services as a result of Project construction activities and an influx of contractor employees during construction are anticipated. ITC Midwest anticipates using both utility personnel and contractors for construction activities. Socioeconomic impacts resulting from the Project are anticipated to be short-term but positive with increased expenditures at local businesses during construction of the Project. No additional permanent staff are expected for line operations and maintenance. Therefore, the transmission line is not expected to change population trends, economic indicators, or employment.

## (e) Cultural Values

Cultural values include those perceived community beliefs or attitudes in a particular area, which provide a framework for community unity. The Project Study Area is rural in nature with an agriculture-based economy. Farming and protection of agriculture, the land, and the ability to continue to farm and support livelihoods through agriculture are strong values within the Study Area. Examples of regional cultural events in the Project Study Area include the Martin County Fair, referred to as Minnesota's "Other Big Fair", Annual Sprint Car Jackson Nationals at the Jackson Speedway, and the Annual Upper Midwest Woodcarvers and Quilt Expo held in Blue Earth.

Construction of the Project is not expected to conflict with cultural values of the Project Study Area.

## (f) Recreation

Recreational opportunities within the Project Study Area include hunting and trapping, wildlife viewing, fishing, canoeing and kayaking, and snowmobiling. There are several State Wildlife Management Areas ("WMAs") in the Project

Study Area that provide outdoor recreational opportunities and wildlife protection. In Martin County, there is also a large game refuge managed by the MnDNR for the protection of waterfowl. Hunting by firearms and archery, and trapping, for deer and bear is allowed in the refuge, although waterfowl hunting and trapping is prohibited. Waterfowl Production Areas ("WPAs"), public lands managed by the United States Fish and Wildlife Service ("USFWS") for the purpose of waterfowl habitat protection, are also found in the Project Study Area. Snowmobile trails groomed and maintained by local snowmobile club volunteers are also located in the Project Study Area. Watercraft recreational opportunities are also available on rivers and lakes in the Project Study Area, including the Des Moines River, the Blue Earth River, Fox Lake, and the Chain of Lakes.

Construction of the Project is not anticipated to change available recreational opportunities in the Project Study Area, although vegetation removal will be required in some recreational areas and use of certain recreational areas may be restricted or limited during construction activities. The Project is anticipated to reduce the number of crossings of the Blue Earth River because of the reconfiguration of facilities to terminate at the proposed Huntley Substation.

## (g) Public Services and Transportation

In rural areas found in the Project Study Area residences often utilize privatelyowned septic systems and wells, although some residence may have access to rural water distribution facilities. More urbanized areas, like the cities of Blue Earth, Jackson, Fairmont, and Trimont, are serviced by municipal public works for water, sewer, and electrical services. Outside these more urbanized areas, many residents receive their electric services from various electric cooperatives.

Many State and County highways are within the Project Study Area, including State Highway 4 and State Highway 15. US Highway 169, US Highway 71, and Interstate 90 are also located within the Project Study Area, although US Highway 169 is located further east than the easternmost proposed endpoint for the Project. A rail line owned by Union Pacific and one owned by Canadian Pacific are located in the Project Study Area and will each likely be crossed at least once by the Project.

There are three airports within or near the Project Study Area: the Jackson Municipal Airport, the Fairmont Municipal Airport, and the Blue Earth Municipal Airport. Only the Jackson Municipal Airport is within the Project Study Area. On December 4, 2012, the Federal Aviation Administration ("FAA")
approved the most current Airport Layout Plan ("ALP") for the Jackson Municipal Airport expansion, including a new and longer runway and upgraded instrumentation to accommodate additional aircraft types, including small jets. The FAA is initiating an EIS process for the Jackson Municipal Airport ALP. The FAA estimates the process to complete the EIS and construct the new facilities at the Jackson Municipal Airport to be a ten-year process.

Construction of the Project is not anticipated to impact public services or transportation, other than temporary impacts to roadways if closures or diversions are necessary to accommodate construction equipment. The Project will be designed so that structures and overhead conductors will not interfere with public service and transportation activities.

### 9.1.4 Land-Based Economies

## (a) Agriculture

Almost all of the land area in Faribault and Martin counties, and a large majority of the land in Jackson County, is agricultural. By comparison, only about half of the land in Minnesota is agricultural. Average farm size in the three counties is very similar, and the farms are generally larger, than the average size of farms in Minnesota. Crop sales account for a larger percentage of total market value of agricultural products compared to livestock sales in Faribault (\$197 million/\$93 million, annually) and Jackson ( $\$ 153$ million/ $\$ 114$ million, annually) counties. In Martin County, however, livestock sales ( $\$ 218$ million, annually) account for a slightly larger percentage of total market value of agricultural products compared to crop sales ( $\$ 185$ million, annually). Agriculture statistics for the three counties within the Project Study Area are summarized in Table 11.

Table 11. Agriculture Statistics

| Location | Number <br> of Farms | Average <br> Farm <br> Size | Land in <br> Farms | Crop Sales | Livestock <br> Sales |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Faribault <br> County | 952 | 477 acres | 453,761 acres <br> $(99.5$ percent <br> of county) | $\$ 197$ million <br> $(68$ percent) | $\$ 93$ million <br> $(32$ percent) $)$ |
| Jackson <br> County | 969 | 413 acres | 400,531 acres <br> $(89.3$ percent <br> of county) | $\$ 153$ million <br> $(57$ percent) $)$ | $\$ 114$ million |
| $(43$ percent) |  |  |  |  |  |$|$

Source: USDA 2007 Census of Agriculture
Permanent impacts to agriculture activities in the Project Study Area are anticipated to be minimal and concentrated at pole and substation locations. Both crop and livestock activities will be able to continue around Project facilities after construction.

## (b) Forestry

The Project Study Area is dominated by agricultural lands and minimal forestland. No commercial forestry operations have been identified in the Project Study Area and no impacts to commercial forestry operations are anticipated for the Project.

## (c) Tourism

Tourism in the Project Study Area centers around outdoor recreational opportunities, such as fishing, hunting, and water sports. Many out-of-State hunters and fishermen visit Minnesota every year to take advantage of these tourism activities. Impacts to tourism in the Project Study Area are not anticipated during construction or operation of the Project.

## (d) Mining

Mining does not comprise a major industry in the Project Study Area. Sand and gravel operations are found throughout Jackson, Martin, and Faribault counties. Sand and gravel are primarily mined for local use such as making concrete for highways, roads, bridges, and buildings. Gravel pits (active, depleted, or unexcavated deposits) leased or owned by the Minnesota Department of Transportation ("MnDOT") are scattered throughout the Project Study Area. Transmission lines are anticipated to be routed around these mining resources and no impacts to mining are anticipated.

### 9.1.5 Archaeological and Historical Resources

Background research on known cultural resources was conducted in July 2012, in the Minnesota State Historic Preservation Office ("SHPO") Archaeology Inventory and in the Standing Structures Inventory in St. Paul. This initial investigation was based on the Project Study Area. In November 2012 and January 2013, the data were further analyzed based on specific routes retained for the analysis and additional research was conducted in public online records. Archaeological sites and historic structures or properties, and resources were included in the analysis.

There are 43 National Register of Historic Places ("NRHP")-listed sites, structures, properties, or districts in Jackson County. There are 23 NRHP-listed sites, structures, or properties, or districts in Martin County. There are 13 NRHPlisted sites, structures, properties, or districts in Faribault County. Historic properties, such as archaeological sites, are designated as location restricted, for reasons of preservation, protection, or privacy.

Minnesota laws protect resources in conjunction with federal laws. The Minnesota Field Archaeology Act (Minn. Stat. §§ 138.31-138.42) requires State agencies to submit development plans to the State Archaeologist, the Minnesota Historical Society, and the Minnesota Indian Affairs Council for review when there are known or suspected archaeological sites in the area. The Minnesota Historic Sites Act (Minn. Stat. $\S \S 138.661-138.669)$ established the State Historic Sites Network and the State Register of Historic Places. As necessary, ITC Midwest will contact the Historical Society before undertaking activities that may affect properties on the network or on the State or National Registers of Historic Places.

The Minnesota Historic District Acts (Minn. Stat. §§ 138.71-138.75) designates certain historic districts and enables local governing bodies to create commissions to provide architectural controls in these areas. No communities within the three counties in the Project Study Area have achieved the status of Certified Local Government or have Heritage Preservation Commissions.

ITC Midwest does not anticipate any material impacts to any archaeological or historic resources as part of the Project. If high potential areas are identified along a selected route, ITC Midwest will work with the State Archaeologist to develop survey protocol to ensure no material impacts result from construction of the Project. If, during construction, crews discover cultural resources, further survey work will be completed in cooperation with the Minnesota SHPO. Additionally, if any unmarked burials, human remains, or grave goods are discovered during construction, they will be reported to the State Archaeologist per Minnesota Statutes Section 307.08 and construction will be suspended in that area until adequate mitigation measures have been developed between ITC Midwest and the State Archaeologist.

### 9.1.6 Hydrologic Features

The Project Study Area is part of the Minnesota River Watershed. The Minnesota, Des Moines, and Blue Earth sub-watersheds are all within the Project Study Area. Wetlands, lakes, and streams intersect the Project Study Area at several locations, including the Des Moines River, Fox Lake, the Chain of Lakes, and the Blue Earth River, from west to east.

## (a) Water Quality

## Groundwater

In Jackson, Martin, and Faribault counties, within the Project Study Area, groundwater exists in unconsolidated glacial deposits and in the underlying bedrock. This water is held in bedrock aquifers in hydraulically isolated layers under high pressure.

Karst topography developed from mildly acidic groundwater slowly dissolving carbonate bedrock, which formed areas of "karst". Karst aquifers are susceptible to groundwater contamination as sinkholes in these areas form passageways that funnel water from the surface into the groundwater system. Portions of Faribault County determined to be either Covered Karst or Transition Karst lands are within the Project Study Area. Covered Karst lands are areas underlain by
carbonate bedrock with more than 100 feet of sediment cover. Transition Karst lands are those underlain by carbonate bedrock with 50 to 100 feet of sediment cover.

## Floodplains

The Project Study Area crosses 100-year floodplains associated with the Blue Earth River and Center Creek. Floodplain crossings of these waters and tributaries occur primarily in agricultural land.

## Wetlands, Waters, and Watercourses

GIS data from the USFWS National Wetlands Inventory ("NWI") was reviewed to assess wetlands present with the Project Study Area. Wetland complexes and small isolated wetlands are scattered throughout the Project Study Area. Many of these wetlands are associated with the Blue Earth River, the Chain of Lakes, Elm Creek, and Center Creek.

Of the NWI wetlands present in the Project Study Area, most are palustrine type wetlands. Riverine type wetlands, associated with rivers, are also found in the Project Study Area. Palustrine type wetlands in the Project Study Area include emergent, forested, unconsolidated bottom, and scrub-shrub.

The MnDNR Public Waters Inventory ("PWI") was also reviewed to identify Public Wetlands, Waters, and Watercourses. Notable watercourses in the Project Study Area include the Des Moines River, Elm Creek, Center Creek, and the Blue Earth River. Notable Public Waters include the Chain of Lakes, Cedar Lake, Big Twin Lake, and Fox Lake.

ITC Midwest will design the Project to minimize or avoid impacts to surface water resources to the extent feasible. The Project will also be designed to span surface water resources where practicable and to minimize the number of structures in surface water resources where these resources cannot be spanned.

The Project will have minor, mostly short-term, effects on surface water resources. Waters and wetlands permits and licenses, letters of no jurisdiction, or exemptions may be required from the United States Army Corps of Engineers ("USACE"), MnDNR Division of Waters, and local units of government that administer the Wetland Conservation Act. No alteration in the course, current, or cross-section below the ordinary high water level of a Public Water or Watercourse, which would require a Public Waters Work Permit from the

MnDNR Division of Waters, is anticipated. It is likely that the work proposed for the Project would fall under a Letter of Permission (LOP-05-MN) or the Regional General Permit (RGP-3-MN) utility line discharge provision under the USACE.

The MPCA, through the NPDES under the Clean Water Act, regulates construction activities that may impact stormwater runoff. An NPDES permit is required for construction activity disturbing: 1) one acre or more of soil; 2) less than one acre of soil, but part of a "larger common plan of development or sale" that is greater than one acre; or 3) less than one acre of soil, but that the MPCA determines poses a risk to water resources. As part of the NPDES requirements, a SWPPP must be prepared to identify best management practices (which may include biodegradable erosion matting), inspection protocol in compliance with MPCA requirements, and stabilization measures to minimize impacts of stormwater runoff.

### 9.1.7 Vegetation and Wildlife

## (a) Vegetation

The Project Study Area was historically dominated by tallgrass prairie. The area is now, primarily, agricultural land with few remnants of presettlement vegetation remaining. Common crops in the Project Study Area include corn, soybean, alfalfa, and winter wheat. Prairie vegetation in this area includes big bluestem, little bluestem, indiangrass, sideoats grama, prairie june-grass, and sun sedge.

Impacts to trees and woodlands in the Project Study Area will occur only where clearing is necessary for construction and maintenance of the Project, including substations and transmission lines. Minimal tree removal is anticipated because of the primarily agricultural and open nature of the Project Study Area.

## (b) Wildlife

Resident and migratory wildlife species found in agricultural landscapes, prairie remnants, wetlands, and riverine habitats are commonly found in the Project Study Area. These species include large and small mammals, songbirds, waterfowl, raptors, fish, reptiles, mussels, and insects. These species us the Project Study Area for forage, shelter, breeding, or as stopover during migration.

The Project Study Area also includes eight Grassland Bird Conservation Areas ("GBCA"). All GBCA within the Project Study Area are of the most narrow
types, (at least 44 acres of grassland, at least 0.25 mile wide). There are no Important Bird Use Areas in the Project Study Area.

Avian interactions with transmission lines can occur in proximity to agricultural fields that serve as feeding areas, wetlands and water features, and along riparian corridors used during migration. Electrocution of avian species is most often associated with distribution lines and not with transmission lines, which achieve much larger spacing between the conductors (phases). ITC Midwest will work with MnDNR and USFWS to identify areas where marking transmission shield wires with bird flight diverters, which minimize avian collisions, may be appropriate once a route for the Project has been selected by the Commission.

### 9.1.8 Rare and Unique Natural Resources

The MnDNR Natural Heritage Information System ("NHIS") was reviewed to identify known occurrences of rare and unique natural resources. Multiple rare species, including endangered species ("END"), threatened species ("THR"), and species of special concern ("SPC") occur in Jackson (Table 12), Martin (Table 13), and Faribault (Table 14) counties. ${ }^{93}$ Multiple ecological and animal assemblages are also located in these counties and in the Project Study Area (Table 15). The assemblages are grouped into two categories: zoological assemblages and ecological assemblages. Zoological assemblages are communities made up of animal species. Ecological assemblages are communities that are comprised of plant species. There are numerous Minnesota County Biological Survey sites in the Project Study Area. There are also several WMAs and WPAs in the Project Study Area.

[^39]Table 12. State- and Federally-Listed Species: Jackson County

|  |  | Occurs <br> in Study | Status |  |
| :--- | :--- | :---: | :---: | :---: |
| Common Name | Scientific Name |  | Federal |  |
| A Jumping Spider | Marpissa grata | - | SPC | - |
| American Ginseng | Panax quinquefolius | - | SPC | - |
| Bald Eagle | Haliaeetus leucocephalus | - | SPC | - |
| Black Sandshell | Ligumia recta | Yes | SPC | - |
| Common Gallinule | Gallinula galeata | - | SPC | - |
| Fescue Sedge | Carex festucacea | - | THR | - |
| Forster's Tern | Sterna forsteri | - | SPC | - |
| Franklin's Gull | Leucophaeus pipixcan | - | SPC | - |
| Hair-like Beak-rush | Rhynchospora capillacea | - | THR | - |
| Henslow's Sparrow | Ammodramus henslowii | Yes | END | - |
| Iowa Skipper | Atrytone arogos iowa | Yes | SPC | - |
| King Rail | Rallus elegans | - | END | - |
| Loggerhead Shrike | Lanius ludovicianus | Yes | THR | - |
| Monkeyface | Quadrula metanevra | - | THR | - |
| Mucket | Actinonaias ligamentina | Yes | THR | - |
| Ottoe Skipper | Hesperia ottoe | - | THR | - |
| Powesheik Skipper | Oarisma Poweshiek | - | SPC | - |
| Prairie Bush Clover | Lespedeza leptostachya | Yes | THR | THR |
| Rattlesnake-master | Eryngium yuccifolium | - | SPC | - |
| Regal Fritillary | Speyeria idalia | Yes | SPC | - |
| Round Pigtoe | Pleurobema sintoxia | Yes | THR | - |
| Small White Lady's- | Cypripedium candidum | - | SPC | - |
| slipper |  | - |  | - |
| Snow Trillium | Trillium nivale | - | SPC | - |
| Spike | Elliptio dilatata | Yes | SPC | - |
| Sullivant's Milkweed | Asclepias sullivantii | - | THR | - |
| Trumpeter Swan | Cygnus buccinators | - | THR | - |
| Whorled Nut-rush | Scleria verticilata | - | THR | - |
| Wilson's Phalarope | Phalaropus tricolor | - | THR | - |
|  |  |  |  |  |

Source: MnDNR

Table 13. State- and Federally-Listed Species: Martin County

|  |  | Occurs <br> in Study <br> Common Name | Status |  |
| :--- | :--- | :---: | :---: | :---: |
|  | Scientific Name |  | Federal |  |
| American White Pelican | Pelecanus erythrorhynchos | Yes | SPC | - |
| Blanding's Turtle | Emydoidea blandingii | - | THR | - |
| Burrowing Owl | Athene cunicularia | Yes | END | - |
| Eared False Foxglove | Agalinis auriculata | Yes | END | - |
| King Rail | Rallus elegans | Yes | END | - |
| Prairie Bush Clover | Lespedeza leptostachya | Yes | THR | THR |
| Rattlesnake-master | Eryngium yuccifolium | Yes | SPC | - |
| Regal Fritillary | Speyeria idalia | - | SPC | - |
| Round Pigtoe | Pleurobema sintoxia | Yes | THR | - |
| Small White Lady's- <br> slipper | Cypripedium candidum | Yes | SPC | - |
| Sullivant's Milkweed | Asclepias sullivantii | Yes | THR | - |
| Tuberous Indian-plantain | Arnoglossum plantagineum | Yes | THR | - |

Source: MnDNR

Table 14. State- and Federally-Listed Species: Faribault County

|  |  | Occurs <br> in Study | Status |  |
| :--- | :--- | :---: | :---: | :---: |
| Common Name | Scientific Name |  | State | Federal |
| Bald Eagle | Haliaeetus leucocephalus | Yes | SPC | - |
| Black Sandshell | Ligumia recta | Yes | SPC | - |
| Creek Heelsplitter | Lasmigona compressa | Yes | SPC | - |
| Fluted-shell | Lasmigona costata | Yes | SPC | - |
| Iowa Skipper | Atrytone arogos iowa | - | SPC | - |
| Mucket | Actinonaias ligamentina | Yes | THR | - |
| Rattlesnake-master | Eryngium yuccifolium | - | SPC | - |
| Regal Fritillary | Speyeria idalia | - | SPC | - |
| Round Pigtoe | Pleurobema sintoxia | Yes | THR | - |
| Small White Lady's- <br> slipper | Cypripedium candidum | Yes | SPC | - |
| Sullivant's Milkweed | Asclepias sullivantii | - | THR | - |
| Trumpeter Swan | Cygnus buccinators | - | THR | - |
| Tuberous Indian-plantain | Arnoglossum plantagineum | - | THR | - |
| White Wild Indigo | Baptisia lactea var. lactea | - | SPC | - |

Source: MnDNR

Table 15. Ecological and Animal Assemblages in Jackson, Martin, and Faribault Counties

| Name | Type of <br> Assemblage | County of <br> Occurrence | Found in <br> Study Area? |
| :--- | :---: | :---: | :---: |
| Colonial Waterbird Nesting Site | Zoological | Faribault | Yes |
| Dry Sand - Gravel Prairie <br> (Southern) | Ecological | Faribault | - |
| Mesic Prairie (Southern) | Ecological | Faribault | - |
| Native Plant Community, <br> Undetermined Class | Ecological | Faribault | Yes |
| Wet Prairie (Southern) | Ecological | Faribault | - |
| Calcareous Fen (Southwestern) | Ecological | Jackson | - |
| Colonial Waterbird Nesting Site | Zoological | Jackson | - |
| Dry Hill Prairie (Southern) | Ecological | Jackson | Yes |
| Mesic Prairie (Southern) | Ecological | Jackson | Yes |
| Native Plant Community, <br> Undetermined Class | Ecological | Jackson | Yes |
| Southern Seepage <br> Meadow/ Carr | Ecological | Jackson | - |
| Wet Prairie (Southern) | Ecological | Jackson | - |
| Wet Seepage Prairie (Southern) | Ecological | Jackson | Yes |
| Calcareous Fen (Southeastern) | Ecological | Martin | - |
| Colonial Waterbird Nesting Site | Zoological | Martin | Yes |
| Dry Hill Prairie (Southern) | Ecological | Martin | Yes |
| Mesic Prairie (Southern) | Ecological | Jackson, Martin | Yes |
| Wet Prairie (Southern) | Ecological | Martin | Yes |

Source: MnDNR
The Project will be designed to avoid impacts to known occurrences of rare and unique natural resources to the extent practicable. ITC Midwest will coordinate with the appropriate natural resource agency if rare species or unique natural resources will be affected to modify the Project or implement construction practices to minimize impacts. In the event MCBS sites are crossed by the Project, attempts will be made to design the Project to span these natural resource sites, where feasible. There are no Scientific and Natural Areas ("SNAs") within the Project Study Area. If WMAs or WPAs are crossed by the Project, attempts will be made to design the Project to be located along site boundaries or parallel to existing infrastructure. Additionally, if work is to be performed in the Pilot Grove Lake WPA as part of the Project, it would be limited to the existing right-of-way and ITC Midwest will work with USFWS to address any agency-specific concerns.

### 9.2 LAKEFIELD JUNCTION SUBSTATION

The Lakefield Junction Substation is located in Jackson County, Section 3 of Hunter Township. It is within the Western Corn Belt Plains ecoregion of Minnesota as defined by the USGS. This ecoregion is typically flat with gently rolling topography, with an average elevation of 1,500 feet above sea level, and averages 24 to 36 inches of precipitation annually. Agricultural land accounts for the vast majority of this ecoregion, with typical crops including corn, soybeans, wheat, and alfalfa. The USGS National Land Cover Database ("NLCD") lists two land cover types (Developed, Medium Intensity and Cultivated Crops) for the Lakefield Junction Substation vicinity. The substation is surrounded by cropland on all sides, with the exception of the access driveway.

Specific soil classifications are called soil map units. Soil map units describe the soil characteristics in a specific geographic area. The Lakefield Junction Substation area is dominated by Canisteo, Clarion, Crippin and Nicollet soil units. These soil units are typically considered to be loamy or a clay loam, are typically used for agricultural purposes, are moderately well drained to poorly drained, and are considered prime farmland according to the Natural Resources Conservation Service ("NRCS").

The Lakefield Junction Substation area lies within the Lower Mississippi River Basin watershed. The nearest perennial waterway is the Des Moines River, approximately five miles east of the Lakefield Junction Substation. There are various unnamed tributaries/drainages in addition to three nearby lakes (Boot, Heron, and Clear). The Des Moines River and all three lakes are listed under the Public Waters Inventory Program, which protects specific waters in Minnesota under the jurisdiction of the MnDNR.

Commonly associated agricultural vegetation of Southern Minnesota includes corn, soybean, alfalfa, and winter wheat. Typical prairie vegetation of Southern Minnesota includes big bluestem, little bluestem, indiangrass, sideoats grama, june-grass, and sun sedge.

According to the MnDNR's NHIS, no federal- or State-listed threatened or endangered species are known to occur within the Lakefield Junction Substation area. In addition, no State-listed species of concern are known to occur within the Lakefield Junction Substation study area. Within three miles of the Lakefield Junction Substation, NHIS data include sightings of one State-listed endangered species- Henslow's sparrow (Ammodramus henslowii), one State-listed threatened species, trumpeter swan (Cygnus buccinator), and two State-listed species of
concern, common gallinule (Gallinula galeata) and upland sandpiper (Bartramia longicauda). According to USFWS, one federally listed threatened species, prairie bush-clover (Lespedeza leptostachya), may potentially occur within Jackson County, however, it has not been noted in the area of the Lakefield Junction Substation.

The Lakefield Junction Substation is approximately 1.5 miles west of the Toe WMA, an area containing a complex of wetlands and upland areas where upland sandpiper have been recorded. Boot Lake WPA) and the Windom Wetland Management District are located approximately 2.5 miles east of the substation. Both are federal, protected land set aside as part of a migration corridor for waterfowl. The Boot Lake Archaeological site is located at the northeast corner of the WPA, approximately 2.9 miles from the Lakefield Junction Substation.

Based on USFWS NWI maps, no wetlands occur in the Lakefield Substation area. Within three miles of the Lakefield Junction Substation, there are two types of wetlands; palustrine emergent ("PEM") and palustrine unconsolidated bottom ("PUB" or "pond"). The "Palustrine System" includes all nontidal wetlands dominated by trees, shrubs, and emergents (herbaceous plants). The "Riverine System" includes all wetlands and deepwater habitats contained within a channel, except for wetlands dominated by trees, shrubs, persistent emergents, emergent moss, or lichens, and habitat with water containing ocean-derived salts in excess of 0.5 percent (Cowardin et al, 1979).

Although generally a rural agricultural area, the Lakefield Junction Substation lies on the western edge of a commercial wind farm. It is bounded by 820th Street to the north, 460th Avenue to the east, 810th Street to the south, and 480th Street to the east. All of these county roads, primarily gravel surface around the substation, contain numerous rural residences, farmsteads, and agriculturerelated facilities such as barns, shops, and grain bins. Interstate 90 runs from east to west approximately 2 miles south of the Lakefield Junction Substation, and the municipality of Lakefield, Minnesota (population 1,700) is located about 1 mile northwest of the substation (US Census Bureau 2010). Numerous existing transmission lines connect with the Lakefield Substation, including 345 kV , 161 kV and 69 kV lines. These include the existing 161 kV Fox Lake to Lakefield Junction line under consideration for double circuiting with the proposed new 345 kV line.

### 9.3 Huntley Substation

The proposed Huntley Substation is located in Faribault County, Section 14 of Verona Township. This area is situated within the Western Corn Belt Plains ecoregion of Minnesota as defined by the USGS. This ecoregion is typically flat with gently rolling topography, with an average elevation of 1,500 feet above sea level, and averages 24 to 36 inches of precipitation annually. Agricultural land accounts for the vast majority of this ecoregion, with typical crops including corn, soybeans, wheat, and alfalfa. The USGS NLCD lists two land cover types (Developed, Medium Intensity and Cultivated Crops) for the proposed Huntley Substation area. The site of the proposed Huntley Substation is currently a cropfield. An existing 161 kV transmission line extends along the east side of the substation site, un-maintained portions of 160th Street bound the south side of the substation and a dirt and sand operation is located to the east which would be unaffected by the Project. The terrain slopes away from the site to the west and north, with riparian woodland and the Blue Earth River located to the west, crop land and Blue Earth River floodplain occur to the north.

The proposed Huntley Substation study area is dominated by Shorewood and Minnetonka soil units. These soils units are typically considered to be a silty clay loam, are typically used for agricultural purposes, are moderately well drained to poorly drained, and are considered prime farmland according to the NRCS.

The proposed Huntley Substation study area lies within the Minnesota River Basin watershed. The nearest perennial waterways are the Blue Earth River and South Creek, approximately 0.2 mile southeast and 0.5 mile south respectively, of the proposed Huntley Substation study area. Both the Blue Earth River and South Creek are listed under the Public Waters Inventory Program.

Commonly associated agricultural vegetation of Southern Minnesota includes corn, soybean, alfalfa, and winter wheat. Typical prairie vegetation of Southern Minnesota includes big bluestem, little bluestem, indiangrass, sideoats grama, prairie june-grass, and sun sedge.

According to the MnDNR's NHIS, no federal- or State-listed threatened or endangered species are known to occur within the proposed Huntley Substation study area. In addition, no State-listed species of concern are known to occur within the proposed Huntley Substation study area. Within three miles of the proposed Huntley Substation, NHIS lists two State- listed threatened species are known to occur- round pigtoe (Pleurobema sintoxia) and mucket (Actinonaias ligamentina) mussels; and three State- listed mussel species of concern- fluted-
shell (Lasmigona costata), creek heelsplitter (Lasmigona compressa), and black sandshell (Ligumia recta). Two other State- listed species of special concern found within three miles of the proposed substation are the bald eagle (Haliaeetus leucocephalus), and the small white lady's slipper (Cypripedium candidum). No federally protected species are noted as potentially occurring in Faribault County according to USFWS.

Based on USFWS NWI maps, no wetlands occur in the proposed Huntley Substation study area. Within two miles of the proposed Huntley Substation there are five types of wetlands- PEM, PUB, PFO, palustrine shrub/scrub ("PSS"), and riverine. Most of these wetlands are associated with the streams and rivers in the adjacent areas. The Prescott WPA is located approximately 2.5 miles east of the proposed Huntley Substation. This WPA is a federally owned area of diverse wetland habitat associated with the Blue Earth River.

Center Creek Archaeological District is located approximately one mile northwest of the proposed Huntley Substation. Forty one archaeological sites occur within three miles of the proposed substation. These sites are associated with the archaeological district, as well as the Blue Earth River floodplain. The closest of these sites is approximately 500 feet away from the proposed substation boundaries, and it is the only cultural site within 1,000 feet of the proposed Huntley Substation site.

The location of the proposed Huntley Substation is near the meandering Blue Earth River and associated floodplain, an area more inaccessible than others in the region due to few roads and limited bridges over the river. U.S. Highway 169 is the closest large transportation corridor to the proposed Huntley Substation. It runs north to south approximately one mile east of the proposed substation, on the eastern side of the Blue Earth River. Most of the lands in the vicinity of the substation are farmed with wooded riparian areas adjacent to the river and creek. Only three residences and a hunting cabin occur within 0.5 mile of the substation location, with two of the residences located on the opposite side of the Blue Earth River. The municipality of Winnebago is located approximately three miles north of the proposed Huntley Substation, and has a population of around 1,500 people (US Census Bureau 2010).

### 9.4 Iowa Border Crossing

The proposed 345 kV transmission line crossing at the Minnesota border is located in Faribault County, Section 36 of Pilot Grove Township, approximately three miles west of Elmore. This area is situated within the Western Corn Belt

Plains ecoregion of Minnesota as defined by the USGS. This ecoregion is typically flat with gently rolling topography, with an average elevation of 1,500 feet above sea level, and averages 24 to 36 inches of precipitation annually. Agricultural land accounts for the vast majority of this ecoregion, with typical crops including corn, soybeans, wheat, and alfalfa. The USGS NLCD lists 11 land cover types (Open Water, Developed Open Space, Developed Low Intensity, Developed Medium Intensity, Developed High Intensity, Deciduous Forest, Grassland/Herbaceous, Pasture/Hay, Cultivated Crops, Woody Wetlands, and Emergent Herbaceous Wetlands) in Minnesota within three miles of the proposed $345 / 161 \mathrm{kV}$ transmission line three mile study area at the Minnesota border. Cultivated Crops comprise the majority of the study area, approximately 86 percent.

The three-mile Minnesota study area for the Minnesota border crossing of the proposed 345 kV transmission line is dominated by Caniesteo-Glencoe and Clarion-Swanlake soil units. These soils units are typically considered to be loams, are typically used for agricultural purposes, are well drained to poorly drained, and are considered prime farmland according to the NRCS.

The Minnesota crossing area lies within the Minnesota River Basin watershed. The nearest perennial waterway is the West Branch of the Blue Earth River, which is approximately 0.2 mile north of where the proposed line crosses the Minnesota border. In addition, the Middle Branch of the Blue Earth River and an unnamed perennial drainage ditch occur approximately two miles east and west, respectively, of where the proposed line crosses the Minnesota border. All three of these perennial waterways are listed under the Public Waters Inventory Program.

Commonly associated agricultural vegetation of Southern Minnesota includes corn, soybean, alfalfa, and winter wheat. Typical prairie vegetation of Southern Minnesota includes big bluestem, little bluestem, indiangrass, sideoats grama, prairie june-grass, and sun sedge.

According to the MnDNR's NHIS, no federal- or State-listed threatened or endangered species are known to occur within three miles of the proposed 345 kV transmission line at the Minnesota border. No federally protected species are noted as potentially occurring in Faribault County according to USFWS. Based on USFWS NWI maps, there are five types of wetlands- PEM, PUB, PFO, PSS, and lake within three miles of the proposed 345 kV transmission line at the Minnesota border. Most of these wetlands are associated with the streams and
rivers in the adjacent areas. Aside from the three listed perennial waterways, no other waterways or wetlands are listed under the Public Waters Inventory Program.

One Minnesota County Biological Survey ("MCBS") site of moderate biodiversity significance and two Reinvest in Minnesota ("RIM") conservation easement areas occur within three miles of the proposed 345 kV transmission line at the Minnesota border.

### 9.5 Mitigation Measures

The Project must mitigate the environmental impacts it may have on several types of formally managed and regulated lands, including municipal and county parks and trails, trust lands, State trails, trout streams and other public waters, federal easement lands, forest lands, WMAs, WPAs, state parks, National Wildlife Refuges ("NWRs") and SNAs. These lands are typically used for recreational purposes, habitat management and conservation. To mitigate impacts, these areas will be avoided where practicable. No SNAs or NWRs have been identified in the Project Study Area.

The Project would affect agricultural lands, which is the dominant land use in the majority of the Project Study Area shown in Figure 24. Much of the agricultural land is designated as "prime farmland," which is an indicator of land that is most desirable for agricultural production. Federal regulations define prime farmland as "land that has the best combination of physical and chemical characteristics for producing food, feed, forage, fiber and oilseed crops and is available for these uses." 7 C.F.R. § 657.5(a)(1). Prime farmland is important because the land itself contains the necessary features for successful agriculture production.

The primary method used to minimize impacts to agricultural land is to locate transmission lines along road rights-of-way, section lines or fence lines. In addition, impacts can be minimized by using the single pole structure, proposed by ITC Midwest, as opposed to the H-frame, two pole structure.

New transmission facilities would also have aesthetic impacts. The visual character and setting of the majority of the affected areas are largely level agricultural fields broken up by field tree lines, roads and large water features (i.e., wetlands, lakes and rivers). There are also large blocks of forested areas and river valleys interspersed throughout the areas. Transmission lines will be seen from a variety of potential viewpoints within the proposed areas, including
private residences, highways, county and township roads and recreation areas. Structures, conductors, insulators, aeronautical safety markings, avian diverters, vegetation clearing and access roads may create visual effects. Potential mitigation measures include:

- Locating facilities in relationship to landforms so they will screen transmission line features;
- Locating rights-of-way and structures with input from landowners or land management agencies;
- Using care in routing, structure design and pole placement to preserve the natural landscape;
- Implementing restoration measures that reflect the existing vegetation as much as possible without impacting the safe and reliable operation of the lines; and
- Where possible, proposing river crossings near existing transmission lines, highways or other infrastructure.

The Project may potentially impact state threatened, endangered, or of concern flora or fauna species and cultural resources. ITC Midwest anticipates that impacts to these resources can generally be avoided through the routing process. In limited instances, where impacts cannot be avoided, impacts can be mitigated by pole placement and special construction measures. ITC Midwest will also comply with the various state and federal endangered species laws where necessary.

Human settlement, such as homesteads, wind farms, highway expansions and new subdivisions also need to be considered. Minimizing impacts to homes is an important factor in determining routes. During the routing process, coordination with multiple state agencies, municipalities and counties will identify potential changes in human settlement. Mitigation methods include routing lines such that planned road expansions can be accommodated and locating substations away from known future subdivision sites. ITC Midwest does not anticipate that any homes or businesses will be displaced by the Project.

Archeological site (e.g., artifact scatters and earthworks) are located in the Project Area. In some cases, surveys of potential sites will be conducted during the permitting process. These surveys will focus on areas of high potential for archeological sites or where required by the permitting process underway at the time. Normally, archeological sites are only evaluated for significance if there is
potential for direct physical effects and impacts are generally addressed through avoidance.

The Project Area also contains historic architectural resources. Some of the sites are listed or considered eligible for listing in the NRHP, while other sites have yet to be evaluated. Indirect effects (e.g., visual, noise) to the properties can be avoided by proper routing of the transmission lines. If impacts to any recorded site within the Project Area cannot be avoided, that recorded site will require formal significance evaluation to determine if it meets the eligibility requirements of the NRHP. If found significant, mitigation strategies will be undertaken to reduce impacts. This could include identifying the site in detail prior to construction, limiting construction access and activities as much as possible and having an archeologist present during construction to monitor work and to gather any artifacts found. If properties are listed on the NRHP, or if they are considered eligible for listing, they may be afforded protection under federal and state regulations. ITC Midwest will work with the appropriate state, federal and tribal agencies during the routing process to avoid known areas as much as possible.

No active aggregate mining operations have been identified along the two routes proposed in the Route Permit Application. No impacts are expected and therefore no mitigation measures have been described.

### 9.6 Other Permits and Approvals

In addition to a Minnesota Certificate of Need and Route Permit, ITC Midwest will be required to obtain a number of other permits or approvals from local, State and federal agencies prior to constructing the facilities in Minnesota and Iowa. A list of permits and other approvals that may be required for the Project is presented in Table 16. All required permits will be obtained prior to construction.

## Table 16. List of Potential Permits and Approvals

| Permit |  |
| :--- | :--- |
| Federal Requirements | Jurisdiction |
| Clean Water Act Section 404 Permit <br> (Local/State/Federal Application for | USACE |
| Water/Wetland Projects) |  |


| Permit | Jurisdiction |
| :---: | :---: |
| Part 7460 review | FAA |
| Special Use Permit | USFWS |
| Incidental Take Permit | USFWS |
| Eagle Non-Purposeful Take Permit | USFWS |
| Spill Prevention, Control and Countermeasure ("SPCC") Plan | MPCA/EPA |
| Minnesota State Approvals |  |
| License to Cross Public Waters or State Lands Public Water Works Permit | MnDNR |
| General Permit No. 1997-0005; Temporary Water Appropriations | MnDNR |
| Endangered Species Statutes - Permits and Coordination | MnDNR |
| Utility Permit on Trunk Highway Right-of-Way (Long Form No. 2525) | MnDOT |
| Driveway Access | MnDOT |
| Oversize/overweight permits | MnDOT |
| NPDES Permit | MPCA |
| Clean Water Act, Section 401 Permit | MPCA |
| Agriculture Mitigation Plan | MDA |
| Minnesota Local Approvals |  |
| Local/State/Federal Application for Water/Wetland Projects (under WCA) | County, Township, City, BWSR |
| Work within the Right-of-Way permits | County, Township, City |
| Lands Permits | County, Township, City |
| Overwidth/Overweight Loads Permits | County, Township, City |
| Road Crossing Permits | County, Township, City |
| Driveway/Access Permits | County, Township, City |
| Coordination meetings | Soil and Water Conversation Districts |
| Iowa State Approvals |  |
| Electric Transmission Franchise | Iowa Utilities Board |
| NPDES Permit | Iowa DNR |
| Clean Water Act, Section 401 Permit | Iowa DNR |
| Flood Plain Development Permit | Iowa DNR |
| Joint 404 Application Form - Wetlands | Iowa DNR |
| Work within the Right-of-Way Permit | Iowa DOT |
| Utility Accommodation Permit | Iowa DOT |
| Railroad Permit | Iowa Utilities Board |
| ITC Midwest LLC <br> Minnesota - Iowa 345 kV Transmission Project | 147 March 2013 |
|  | Docket No. ET6675/TL-12-1053 |


| Permit | Jurisdiction |
| :--- | :--- |
| Iowa Local Approvals | County, City |
| Building Permits/Zoning Compliance <br> Permits | County, City |
| Overwidth/Overweight Loads Permits | County, City |
| Utility Accommodation Permits | County, City |
| Entrance Permits | County, City |
| Local Floodplain Requirements | Various, depending on program, <br> including USDA, NRCS, and local <br> implementing governmental entities |
| Other Approvals |  |
| Approval to cross lands with <br> conservation easements |  |

## COMPLETENESS CHECKLIST

| Authority | Required Information | Location in Application |
| :---: | :---: | :---: |
| Minn. R. 7829.2500, Subp. 2 | Brief summary of filing on separate page sufficient to apprise potentially interested parties of its nature and general content | Front pocket of Certificate of Need Application Binder |
| Minn. R. 7849.0200, Subp. 2 | Title Page and Table of Contents | Front of Certificate of Need Application and pages $i-x$ |
| Minn. R. 7849.0200, Subp. 4 | Cover Letter | Front pocket of Certificate of Need Application Binder |
| Minn. R. 7849.0240 | Need Summary and Additional Considerations |  |
| Subp. 1 | Summary of the major factors that justify the need for the proposed facility | Sections 1.4, 4.0 |
| Subp. 2 | Relationship of the proposed facility to the following socioeconomic considerations: |  |
| A. | Socially beneficial uses of the output of the facility | $\begin{array}{\|l} \text { Sections 4.2, 5.2.6, } \\ \text { 5.2.7, 5.2.8, 5.2.9, } \\ \text { 5.2.10, 5.3 } \end{array}$ |
| B. | Promotional activities that may have given rise to the demand for the facility | Data exemption granted by MPUC; see Appendix C-2, Department Comments at section C. 1 |
|  | MPUC approved providing no alternative data for Minn. R. 7849.0240, Subp. 2(B) |  |
| C. | Effects of the facility in inducing future development | Sections 4.2.4, 4.2.5 |
| Minn. R. $7849.0260$ | Proposed LHVTL and Alternatives |  |
| A. | A description of the type and general location of the proposed line, including: |  |
| (1) | Design voltage | Sections 2.3.1, 2.3.2 |

## COMPLETENESS CHECKLIST

| Authority | Required Information | Location in <br> Application |
| :---: | :--- | :--- |
| (2) | Number, sizes and types of conductors | Sections 2.3.1, 2.3.2 |
| (3) | Expected losses under projected maximum <br> loading and under projected average loading in <br> the length of the line and at terminals or <br> substations | Data exemption <br> granted by MPUC; <br> see Appendix C-2, <br> Department <br> Comments at section <br> C.4 |
| (4) | MPUC approved the following alternative data <br> for Minn. R. 7849.0260 A(3): Expected system <br> losses under maximum and average loading <br> with the addition of the Project | Section 5.2.10; <br> Appendix J, Section 7 |
| Approximate length of the proposed line | Sections 1.3, 2.1 |  |


| Authority | Required Information | Location in Application |
| :---: | :---: | :---: |
| (6) | If facility for DC (AC) transmission, an AC (DC) transmission line | Section 6.2.5 |
| (7) | If proposed facility is for overhead (underground) transmission, an underground (overhead) transmission line | Section 6.2.6 |
| (8) | Any reasonable combination of alternatives (1) (7) | Section 6.2; <br> Appendix J, Section 4 |
| C. | For the facility and for each alternative in B, a discussion of: |  |
| (1) | Total cost in current dollars | Section 2.5; <br> Appendix J, Section 8 |
| (2) | Service life | Section 7.6 |
| (3) | Estimated average annual availability | Section 7.6 |
| (4) | Estimated annual O\&M costs in current dollars | Section 7.6 |
| (5) | Estimate of its effect on rates system wide and in Minnesota | Data exemption granted by MPUC; See Appendix C-2, Department Comments at section C. 3 |
|  | MPUC approved the following alternative data for Minn. R. 7849.0260 C(5): MISO MVP cost allocation calculations showing costs that will be allocated to Minnesota utilities for Project 3, and ITC Midwest's estimated revenue requirement for the Project | Section 2.6; <br> Appendix E |
| (6) | Efficiency | Data Exemption granted by MPUC; see Appendix C-2, Department Comments at section C. 4 |


| Authority | Required Information | Location in Application |
| :---: | :---: | :---: |
|  | MPUC approved the following alternative data for Minn. R. 7849.0260 C(6): Expected system losses under maximum and average loading with the addition of the Project | Section 5.2.10; <br> Appendix J, Section 7 |
| (7) | Major assumptions made in subitems (1) - (6) | Sections 2.5, 2.6; 7.6; <br> Appendix E; <br> Appendix J, <br> Sections 7, 8 |
| D. | A map (of appropriate scale) showing the applicant's system or load center to be served by the proposed LHVTL; and | Data exemption granted by MPUC; <br> see Appendix C-2, <br> Department <br> Comments at section C.2. ${ }^{1}$ |
|  | MPUC approved the following alternative data for Minn. R. 7849.0260 D: a map showing ITC Midwest's network of transmission lines in Minnesota and Iowa. | Figure 8 |
| E. | Such other information about the proposed facility and each alternative as may be relevant to determination of need. | Sections 4.0, 5.0, 6.0 |
| Minn. R. 7849.0270 | Peak demand and annual consumption forecasts, methodology; data bases, assumptions/special information; and coordination with other systems | Data exemption granted by MPUC; see Appendix C-2, Department Comments at section C. 5 |
| Minn. R. 7849.0280 B-G and I | System Capacity data | Data exemption granted by MPUC; see Appendix C-2, Department Comments at section C. 6 |

${ }^{1}$ The Department's Comments recommending the MPUC grant this data exemption request mistakenly refer to Minn. R. 7849.0250 (D) rather than to Minn. R. 7849.0260(D).


| Authority | Required Information | Location in Application |
| :---: | :---: | :---: |
|  | - Analysis of need for additional transmission capacity to serve future wind projects based on status of Buffalo Ridge as premier wind resources, including discussion of MISO queue information regarding the demand for interconnection and transmission capacity in the Project area, RPS requirements in Minnesota, and other MISO states and MISO wind zones assumed in MVP studies; <br> - Discussion of MISO energy markets and the effect of congestion on wholesale prices; <br> - Information on recent curtailment and electrical system constraint hours in the Project area; and <br> - Discussion of the impact of existing constraints on further wind energy development in southwestern Minnesota and how the Project will increase the amount of wind generation outlet capability in the region | Section 4.2, <br> Appendix J, Section 1 <br> Sections 3.5.1, 4.1, <br> 5.3; Appendix M <br> Sections 4.3, 5.3 <br> Sections 4.2, 5.2.6, <br> 5.2.9: Appendix J, <br> Sections 4.1, 4.2, 4.4, 5 |
| $\begin{aligned} & \text { Minn. R. } \\ & \text { 7849.0280 } \end{aligned}$ | System Capacity |  |
| A. | Power planning programs | Section 2.2 |
| H. | Graph of monthly adjusted net demand and capability with difference between capability and maintenance outages plotted | Section 2.2 |
| $\begin{aligned} & \text { Minn. R. } \\ & 7849.0290 \end{aligned}$ | Conservation Programs | Data exemption granted by MPUC; see Appendix C-2, Department Comments at section C. 7 |
|  | MPUC approved providing no alternative data for Minn. R. 7849.0290 |  |


| Authority | Required Information | Location in Application |
| :---: | :---: | :---: |
| $\begin{aligned} & \text { Minn. R. } \\ & 7849.0300 \end{aligned}$ | Consequence of Delay Using Three Demand Scenarios | Data exemption granted by MPUC; see Appendix C-2, Department Comments at section C. 8 |
|  | MPUC approved the following alternative data for Minn. R. 7849.0300: Discussion of potential impacts of delay on generational support/RPS mandates, delivery congestion, and regional system reliability | Sections 4.0, 5.0, 6.3; Appendix J, Section 6 |
| $\begin{aligned} & \text { Minn. R. } \\ & 7849.0310 \end{aligned}$ | Required Environmental Information |  |
| $\begin{aligned} & \text { Minn. R. } \\ & 7849.0330 \end{aligned}$ | Transmission Facilities- data for each alternative requiring LHVTL construction, including: |  |
| A. | For overhead transmission lines |  |
| (1) | Schematics showing dimensions of support structures | Appendix D |
| (2) | Discussion of electric fields | Sections 8.6, 8.7 |
| (3) | Discussion of ozone and nitrogen oxide emissions | Section 8.2 |
| (4) | Discussion of radio and television interference | Section 8.4 |
| (5) | Discussion of audible noise | Section 8.3 |
| B. | For underground transmission facilities: |  |
| (1) | Types and dimensions of cable systems | Section 6.2.6 |
| (2) | Types and qualities of cable system materials | Section 6.2.6 |
| (3) | Heat released in kW per foot of cable | Section 6.2.6 |


| Authority | Required Information | Location in <br> Application |
| :--- | :--- | :--- |
| C. | Estimated right-of-way required for the facility | Sections 1.3, 2.3.1, <br> 2.3 .2 |
| D. | Description of construction practices | Sections 7.2, 7.3, 7.4, <br> 9.5 |
| E. | Description of O\&M practices | Section 7.6 |

Additional Statutory Factors to be Considered for Certificate of Need for Large Energy Facility

| Authority | Required Information | Location |
| :---: | :---: | :---: |
| Minn. Stat. § 216B.243, subd. 3(9) | Whether the proposed project enhances regional reliability to the extent these factors improve the robustness of the transmission system in Minnesota or lowers the cost of electricity for Minnesotans. | Sections 5.2, 5.3; Appendix J, Sections 3, 4, 5, 7; Appendix M, Executive Summary, Tables 1-3 |
| Minn. Stat. §§ 216B.2422, subd. 4, and 216B.243, subd. 3a | Whether the applicant of a proposed project transmitting nonrenewable energy has demonstrated that the project is less expensive than one transmitting renewable energy or is otherwise in the public interest. | ITC Midwest's project is being proposed to transmit renewable energy- see Sections 4.2 , 5.2; Appendix J, Section 4 |
| Minn. Stat. §§ 216B.1612, subd. 5(c) and 216B.243, subd. 3(10) (compliance with $\S \S 216$ B. 1691 and 216B.2425, subd. 7) | Whether the applicant is in compliance with Minnesota's renewable energy objectives, including purchasing energy from C BED projects, and has identified the necessary transmission facilities to support those objectives. | ITC Midwest does not provide electric service at retail, so the C-BED statutory requirement does not apply- see Section 2. <br> ITC Midwest's project is being proposed to enable Minnesota utilities to meet their renewable energy objectives- see Sections 4.2, 5.2; Appendix J, Section 4 |
| Minn. Stat. § 216B. 2426 | Whether the applicant has considered the opportunities for installation of distributed generation. | Section 6.1 |
| Minn. Stat. § 216H.03, subd. 3(2) | Whether the proposed project will import power from a new large energy facility outside the state that would contribute to statewide power sector carbon dioxide emissions. | Section 5.2.10; Appendix J, <br> Section 7.2 |
| Minn. Stat. § 216B.243, subd. 3(12) | Whether an applicant proposing a nonrenewable energy generating plant has assessed the risk of environmental costs and regulation over the expected useful life of the plant. | ITC Midwest's proposal is a transmission project, not a generation project, so this statutory requirement does not apply. |
| Minn. Stat. § 216B.1694, subd. (2)(5) | Whether the applicant has considered an innovative energy project as a supply option before expanding a fossil-fuel-fired generation facility or entering into a $5+$-year purchased power agreement. | ITC Midwest's proposal is a transmission project, not a generation project or PPA, so this statutory requirement does not apply. |

Beverly Jones Heydinger
David C. Boyd
J. Dennis O'Brien

Phyllis A. Reha
Betsy Wergin

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Application of ITC Midwest LLC for a Certificate of Need for the Minnesota-Iowa 345 kV Transmission Line Project in Jackson, Martin, and Faribault Counties

ISSUE DATE: December 31, 2012

DOCKET NO. ET-6675/CN-12-1053

ORDER APPROVING NOTICE PLAN
AND GRANTING VARIANCES

## PROCEDURAL HISTORY

On September 28, 2012, ITC Midwest (ITCM or the Applicant) filed a notice plan petition for its Minnesota-Iowa 345 kV transmission project in Jackson, Martin, and Faribault counties.

On October 18, 2012, the Minnesota Department of Commerce, Division of Energy Resources (the Department), filed comments recommending that the Commission approve the Applicant's notice plan with certain modifications, and grant a variance to two rule requirements: 1) the rule requiring that the notice plan be implemented within 30 days of Commission approval; and 2 ) the rule requiring a person filing a certificate of need application to publish a newspaper notice upon filing a certificate of need application.

On November 7, 2012, ITCM filed reply comments.
On December 6, 2012, the Commission met to consider the matter. ${ }^{1}$

## FINDINGS AND CONCLUSIONS

## I. Proposed Project

The applicant has proposed to construct approximately 75 miles of new 345 kV transmission line from the existing Lakefield Junction substation in Jackson County east to a new substation (the Huntley substation) to be constructed in Faribault County, and south to the Minnesota/Iowa border near Elmore. The proposed project also includes changing the termination point of four 161 kV transmission lines from the existing Winnebago substation to the new proposed Huntley substation.

[^40]
## II. Proposed Notice Plan

The Department reviewed the Applicants' notice plan under Minn. Rules, part 7829.2550, subp. 3, which requires an applicant to file a proposed notice plan designed to notify all persons reasonably likely to be affected by the proposed line. The rule requires such plans to include direct mail notice to landowners, tribal governments, local governments and other governmental entities, as well as to all mailing addresses within the area reasonably likely to be affected by the line; the rule also requires newspaper notice to members of the public in areas reasonably likely to be affected by the proposed line. The notice must contain information regarding the project, including a map of the proposed line and other existing facilities, as well as a statement that the line cannot be constructed unless the Commission certifies that it is needed.

In its evaluation of the proposed notice plan, the Department determined that the Applicant had identified those reasonably likely to be affected by the project and that the proposal for notification to landowners, residents, and tribal and local governments is reasonable and should be approved. ${ }^{2}$ In its evaluation of the notice content, the Department also recommended certain changes to the notice, including: 1) the addition of a statement that the Department will prepare an environmental report for the certificate of need proceeding and include notice in a statewide newspaper; 2) inclusion of the Iowa Utilities Board in the list of government entities to be noticed; 3) minor changes to the notice language; and 4) and an expanded notice corridor. With those changes, the Department concluded that the notice contains the information required under the rule.

In its reply comments, the Applicant largely agreed with the Department's proposed changes, but added certain other proposed modifications: 1) the Applicant proposed language regarding the preparation of an environmental report; and 2) the Applicant agreed to publish notice of the proposed project in the Star Tribune, but also proposed certain changes to the original newspaper notice.

Having considered the Applicant's proposed notice plan, the Commission concurs with the Department that the plan meets the requirements contained in Minn. Rules, part 7829.2550, with the modifications recommended by the Department as well as one additional change. The Commission finds that certain information is missing from the revised newspaper notice submitted by the Applicant in its reply comments, and will direct Applicant to use the original notice (Attachment $G$ to its petition) for the newspaper publication with the text changes suggested by the Department. ${ }^{3}$

[^41]Accordingly, the Commission approves the following modifications to the notice plan:

- An expanded notice area as identified in Attachment 1 of ITCM's reply comments;
- Revision of the notice language for the mailed and newspaper notices (Attachments B, C, G) as provided by the Department in its initial comments;
- Use of the original notice (Attachment G) for newspaper publication with the text changes suggested by the Department;
- Publication of the project notice to include a state-wide newspaper;
- Inclusion of the Iowa Utilities Board to the list of government entities to be noticed; and
- Revision of the notice language with regard to the preparation of an environmental report for the mailed and newspaper notices (Attachments B, C, G) as provided by the ITCM in its reply comments.


## III. Rule Variances

The Applicant requested that the Commission grant variances to Minn. Rules, part 7829.2550, subps. 5 and 6 . Subpart 5 requires an applicant to publish a newspaper notice upon filing a certificate of need application. ITCM is asking that the Commission waive this provision in the Rules.

Subpart 6 requires the applicant to implement the proposed notice plan within 30 days of approval by the Commission. The Applicant has instead requested to implement the notice plan no more than 60 days and no less than two weeks prior to the filing of the certificate of need application to allow the notice to more closely coincide with the certificate of need filing.

Applicant asserts that should the Commission grant a variance to the rules, the two newspaper notices for the notice plan and the certificate of need application could be combined. ITCM states that it would publish newspaper notice of the notice plan and the certificate of need application in newspapers of local and regional circulation up to 60 days before and no less than two weeks prior to the filing of the certificate of need application.

## A. Legal Standard for Varying Rules

Under Minn. Rules, part 7829.3200, the Commission is authorized to vary any of its rules upon making the following findings:

1) enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule;
2) granting the variance would not adversely affect the public interest; and
3) granting the variance would not conflict with standards imposed by law.

The Department supported varying the rules, stating: that enforcement of the rules would burden all parties involved by separating the provision of notice from the start of the proceeding; that enforcement of the rules would not adversely affect the public interest and would better tie the implementation of notice to the beginning of the certificate of need proceeding; and that the Department is not aware that the variances requested would conflict with standards imposed by law.

The Commission concurs with the parties and will vary the requirement of Minn. Rules, part 7829.2550 , subp. 5 that an applicant publish a separate newspaper notice upon the filing of a certificate of need application, instead authorizing the newspaper notices for the notice plan and certificate of need to be combined. The Commission will also vary the 30-day time line of Minn. Rules, part 7829.2550, subp. 6. In granting these variances, the Commission makes the following findings:

1) Enforcing the rules would impose an excessive burden upon the public and upon parties to the proceeding by separating the delivery of the notice from the start of the certificate of need proceeding;
2) Granting the variances would not adversely affect the public interest and would in fact serve the public interest since implementation of the notice would more closely coincide with the beginning of the certificate of need process; and
3) Varying the 30-day time line would not conflict with any other standards imposed by law.

## ORDER

1. The Commission approves the proposed notice plan as modified by the Department in its comments and with the typographical correction referenced in footnote 3 in this Order.
2. The Commission grants a variance to Minn. Rules, part 7829.2550, subp. 5, that requires an applicant to publish a newspaper notice upon filing a certificate of need application.
3. The Commission grants a variance to Minn. Rules, part 7829.2550, subp. 6 on the timing of the implementation of the notice plan.
4. This Order shall become effective immediately.

## BY ORDER OF THE COMMISSION



Burl W. Haar
Executive Secretary


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## CERTIFICATE OF SERVICE

I, Margie DeLaHunt, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

Minnesota Public Utilities Commission
ORDER APPROVING NOTICE PLAN AND GRANTING VARIANCES
Docket Number ET-6675/CN-12-1053
Dated this 31st day of December, 2012
/s/ Margie DeLaHunt


| First Name | Last Name | Email | Company Name | Address | Delivery Method | View Trade Secret | Service List Name |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Thomas | Davis |  |  | 1161 50th Avenue <br> Sherburn, <br> MI <br> 56171 | Paper Sevice | No | ${ }_{1053}^{\text {OFF_SL_12-1053_CN-12- }}$ |
| Michael | Dolan | midolan@dolan-mn.com |  | 6117 Scotia Drive <br> Edina, <br> MN <br> 55439 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Randall | Doneen | randall.doneen@dnr.state. mn.us | Department of Natural Resources | 500 Lafayette Road St. Paul, MN 55155 | Electronic Service | No | ${ }_{1053}^{\text {OFF_SL_12-1053_CN-12- }}$ |
| Jeremy | Duehr | jduehr@pirnie.com | Malcolm Pirnie, Inc. | 924 Vista Ridge Lane <br> Shakopee <br> Minnesota <br> 55379 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & \text { 1053 } \end{aligned}$ |
| Cal | Dufaut | Cal.Dufault@nrgenergy.co m | NRG Energy | 14893 Wilds Pkwy NW <br> Prior Lake, <br> MN <br> 55372 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Ledy | Dunkle | N/A | Aldridge Electric | 844 E Rockland Rd Libertyville, <br> IL <br> 60498-3358 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & \text { 1053 } \end{aligned}$ |
| Patrick | Edwards | NA |  | 10006 305th St W <br> Northfield, <br> MN <br> 55057 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Kristen | Eide Tollefson | ket@wro-ns.net | R-CURE |  | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Paul | Entinger | N/A |  | 13821 300th St <br> New Prague, <br> MN <br> 56071 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Sharon | Ferguson | sharon.ferguson@state.mn us | Department of Commerce | 85 7th Place E Ste 500 <br> Saint Paul, <br> MN <br> 551012198 | Electronic Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |


| First Name | Last Name | Email | Company Name | Address | Delivery Method | View Trade Secret | Service List Name |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Huck | Finn | huck.finn@apigroupinc.us | API Construction Company | 1100 Old Hwy 8 NW St. Paul, MN 55113 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Dale | Fredrickson |  |  | 12406 347th Street <br> Lindstrom, <br> MN <br> 55045 | Paper Service | No | ${ }_{1053}{ }^{\text {OFF_SL_12-1053_CN-12- }}$ |
| Travis | Germundson | travis.germundson@state. mn.us |  | 520 Lafayette Rd <br> Saint Paul, <br> MN <br> 55155 | Electronic Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Curt, Mary Pat | Gohmann | N/A |  | 35123 County Road 2 <br> St Joseph, <br> MN <br> 56374 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| David | Grover | dgrover@itctransco.com | ITC Midwest | 444 Cedar St Ste 1020 Saint Paul, MN $55101-2129$ | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Floyd | Guajardo | N/A | PennWell Corporation | 1455 West Loop S Ste 400 <br> Houston, <br> TX <br> 77027-9501 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Burl W. | Haar | burl.haar@state.mn.us | Public Utilities Commission | Suite 350 121 7th Place East St. Paul, MN 551012147 | Electronic Service | Yes | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Heidi | Hahn | N/A |  | 4778 Chester Ave <br> Webster, <br> MN <br> 55088 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Eric | Hansen | N/A | Pinnacle Engineering Inc. | 11541 95th Ave N <br> Maple Grove, <br> MN <br> 55369 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Linda | Hanson | elcskh5@yahoo.com | W.O.L.F., Inc. | W1806 Wilson Road <br> Hawkins, <br> WI <br> 54530 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |


| First Name | Last Name | Email | Company Name | Address | Delivery Method | View Trade Secret | Service List Name |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Randy, Rose | Haseleu | N/A |  | 420 Hoyt Ave S <br> Springfield, MN 56087 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Vickie | Hessenius | N/A | CERTs | 69144 270th St <br> Dexter, <br> MN <br> 55926 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Jason | Hoskins | N/A | Ulteig Engineers | c/o Jason Hoskins 4285 Lexington Ave N Saint Paul, MN 55126 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Rick | Howden | N/A | Congressman Tim Walz | 227 E Main St Ste 220 <br> Mankato, <br> MN <br> 56001 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Karen | Kromar | karen.kromar@state.mn.us | MN Pollution Control Agency | 520 Lafayette Rd <br> Saint Paul, <br> MN <br> 55155 | Electronic Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| John | Lindell | agorud.ecf@ag.state.mn.us | Office of the Attorney General-RUD | 1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130 | Electronic Service | Yes | $\left.\right\|_{1053} ^{\text {OFF_SL_12-1053_CN-12- }}$ |
| Kim | Lindquist | kim.lindquist@ci.rosemount .mn.us |  | 2875 145th St W <br> Rosemount, MN 55068 | Electronic Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Brian | Mitchell | N/A | Corval Group | 1633 Eustis St <br> Saint Paul, <br> MN <br> 55108 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Steven | Mittelstaedt | N/A |  | 32097 Sandborn Dr <br> Montgomery, <br> MN <br> 56069 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Elling | Olson | N/A | M A Mortenson Co | 700 Meadow Ln N <br> Minneapolis, <br> MN <br> 55422 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |


| First Name | Last Name | Email | Company Name | Address | Delivery Method | View Trade Secret | Service List Name |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Michael | Pangborn | N/A | NextEra Energy Resources | $\begin{aligned} & 14000 \text { Sundial Ct } \\ & \\ & \text { Eden Prairie, } \\ & \text { MN } \\ & 55346 \end{aligned}$ | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Bonnie | Patrick | N/A |  | 30875 Minnesota Ave <br> Lindstrom, <br> MN <br> 55065 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Bob | Patton | bob.patton@state.mn.us | MN Department of Agriculture | 625 Robert St N <br> Saint Paul, <br> MN <br> 55155-2538 | Electronic Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Angela | Piner | angela.piner@hdrinc.com | HDR, Inc. | Suite 600 <br> 701 Xenia Avenue South <br> Suite 600 <br> Minneapolis, <br> MN <br> 55416 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Jay | Porter | jporter@GREnergy.com | Great River Energy | 12300 Elm Creek Blvd <br> Maple Grove, <br> MN <br> 55369 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| David | Richardson | N/A | AMEC | 800 Marquette Ave Ste 1200 <br> Midwest Plaza Bldg <br> Minneapolis, <br> MN <br> 55420-2876 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Christian | Rieck | N/A |  | 2819 167th LN NW Andover, MN 55304 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Stoei | Rivesllp | N/A |  | 33 S 6th St Ste 4200 <br> Minneapolis, <br> MN <br> 55402 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Jennie | Ross | jennie.ross@state.mn.us |  | 395 John Ireland Blvd MS 620 Saint Paul, MN 55155 | Electronic Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |


| First Name | Last Name | Email | Company Name | Address | Delivery Method | View Trade Secret | Service List Name |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Tod | Sherman | tod.sherman@dot.state.mn .us | Mn/DOT Metro District | Waters Edge <br> 1500 West County Road <br> Roseville, <br> MN <br> 55113 | Electronic Service | No | ${ }_{1053}{ }^{\text {OFF_SL_12-1053_CN-12- }}$ |
| Glen | Skarbakka | glen.skarbakka@iberdrola REN.com | Iberdrola Renewables | 701 Fourth Avenue South, Suite 1010 <br> Minneapolis, <br> MN <br> 55415 | Paper Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Dana | Slad | NA | Avant Energy Services | 200 S 6th St Ste 300 <br> Minneapolis <br> MN <br> 55402 | Paper Service | No | ${ }_{1053}^{\text {OFF_SL_12-1053_CN-12- }}$ |
| Adam | Sokolski | adam.sokolski@iberdrolare n.com | Iberdrola Renewables | 701 fourth Avenue South Suite 1010 Minneapolis, MN 55415 | Electronic Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Tony | Sullins | NA | U.S. Fish and Wildlife Service | Twin Cities Ecologica Services Field Office 4101 American Blvd. E. BNoomington MN <br> 55425 | Paper Service | No | ${ }_{1053}^{\text {OFF_SL_12-1053_CN-12- }}$ |
| Eric | Swanson | eswanson@winthrop.com | Winthrop Weinstine | 225 S 6th St Ste 3500 Capella Tower <br> Minneapolis, <br> 554024629 | Electronic Service | No | $\begin{aligned} & \text { OFF_SL_12-1053_CN-12- } \\ & 1053 \end{aligned}$ |
| Steven | Swenson | N/ | Pipestone Publishing | 115 2nd St NE <br> Pipestone, <br> MN <br> 56164 | Paper Service | No | ${ }_{1053}^{\text {OFF_SL_12-1053_CN-12- }}$ |
| SaGorna | Thompson | Regulatory.Records@xcele nergy.com | Xcel Energy | 414 Nicollet Mall FL 7 <br> Minneapolis, <br> MN <br> 554011993 | Electronic Service | No | ${ }_{1053}{ }^{\text {OFF_SL_12-1053_CN-12- }}$ |
| Emily | Ulmer | N/ | Sierra Club | 85 2nd St FL 2 <br> San Francisco CA 94105 | Paper Service | No | ${ }_{1053}^{\text {OFF_SL_12-1053_CN-12- }}$ |



Lisa M. Agrimonti
(612) 977-8656
lagrimonti@briggs.com

## ELECTRONIC FILING

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
350 Metro Square Building
121 Seventh Place East
St. Paul, MN 55101
Re: In the Matter of the Application of ITC Midwest LLC for a Certificate of Need for the Minnesota-Iowa 345 kV Transmission Line Project in Jackson, Martin, and Faribault Counties, Minnesota MPUC Docket No. ET6675/CN-12-1053

Dear Dr. Haar:
Enclosed for electronic filing is ITC Midwest LLC's Notice Plan Compliance Filing in the above referenced docket. The filing demonstrates ITC Midwest has fulfilled all of the notice elements under the Notice Plan as required by the Minnesota Public Utilities Commission's Order Approving Notice Plan and Granting Variances dated December 31, 2012.

Please call me with any questions.

Sincerely,<br>/s/ Lisa M. Agrimonti

Lisa M. Agrimonti
LMA/ts
Enclosures
cc: Service List

# STATE OF MINNESOTA <br> BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION 

Beverly Jones Heydinger
David C. Boyd
J. Dennis O'Brien

Phyllis Reha
Betsy Wergin
In the Matter of the Application of ITC Midwest LLC For a Certificate of Need for the Minnesota-Iowa 345 KV Transmission Project in Jackson, Martin, and Faribault Counties, Minnesota

Chair
Commissioner
Commissioner
Commissioner
Commissioner
MPUC Docket No. E6675/CN-12-1053

Notice Plan Compliance Filing

## I. Introduction

ITC Midwest LLC, a Michigan limited liability company ("ITC Midwest"), submits this Notice Plan compliance filing to the Minnesota Public Utilities Commission ("Commission") pursuant to Minnesota Rules 7829.2500 and 7829.2550. This filing confirms that all required notices have been given in advance of submitting a Certificate of Need application for the Minnesota portion of ITC Midwest's Minnesota - Iowa 345 kV Transmission Project in Jackson, Martin, and Faribault counties.

## II. Notice Plan Implementation

## A. Direct Mail Notice to Landowners and Mailing Addresses

Minnesota Rules 7829.2550, Subpart 3(A), requires an applicant for a Certificate of Need to provide direct mail notice to all landowners likely to be affected by the proposed transmission lines. Minnesota Rule 7829.2550, Subpart 3(B), requires an applicant for a Certificate of Need to provide direct mail notice to all mailing addresses in the area that are likely to be affected by the proposed transmission lines. On January 22, 2013, ITC Midwest sent direct mail notice to landowners and mailing addresses within the Notice Area approved by the Commission in its December 31, 2013 Order Approving the Notice Plan and

Granting Variances ("Notice Plan Order"). Landowners and residents were provided notice materials included in this filing as Attachment A. The list of notified landowners and residents along with the affidavit of mailing is included in this filing as Part 1 of Attachment B.

## B. Direct Mail Notice to Local Governments

Minnesota Rule 7829.2550, Subpart 3(C), requires applicants to provide direct mail notice to governments of towns, cities, home rule charter cities, and counties whose jurisdictions are reasonably likely to be affected by the proposed transmission lines. On January 22, 2013, ITC Midwest sent direct mail notice to local governmental officials and lead administrative personnel. A copy of the notice materials sent to those individuals is included in this filing as Attachment C. On January 22, 2013, ITC Midwest also sent this notice to State Senators and Representatives whose districts are within the Notice Area. The materials mailed to landowners and residents at Attachment A was sent to federal, State, and local government agencies and offices as identified in the approved Notice Plan. The list of notified local government elected officials and State Senators and Representatives is included in this filing along with the affidavit of mailing as Part 2 of Attachment B. Recipients of the notice materials at federal, State, and local government agencies and offices is included in this filing, along with the affidavit of mailing, as Part 1 of Attachment B.

## C. Newspaper Notice

Minnesota Rule 7829.2550, Subpart 3(D), requires applicants to publish notice in newspapers in the areas that may be affected by the transmission lines. Between January 21 and 24, 2013, newspaper advertisements announcing the project were run in local and statewide papers. The Commission waived Minnesota Rule 7829.2500 , subp. 5 as part of its Notice Plan Order and the notices published in January 2013 satisfy the requirements under that rule. An affidavit of publication, including a list of newspapers and dates of publication, and a copy of each publication's tear sheet are included in this filing as Attachment $\mathbf{D}$.

## D. Notice Timing

Minnesota Rule 7829.2550, Subpart 6, requires the applicant to implement the Notice Plan within 30 days of its approval by the Commission. The Commission granted a variance to this rule to modify the Notice Plan implementation requirement to allow notice to more closely coincide with the Certificate of Need filing. The Commission directed the notices identified in this filing to occur no
more than 60 days and no less than two weeks prior to the filing of the Certificate of Need application.

## III. CONCLUSION

ITC Midwest respectfully submits this compliance filing demonstrating compliance with the Commission's Notice Plan Order. All notice elements of the Notice Plan have been completed as required.

Dated: February 20, 2013
Respectfully submitted,

## BRIGGS AND MORGAN, P.A.

By: _/s/Lisa Agrimonti
Lisa Agrimonti (\#272474)
Kodi Jean Church (\#391056)
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
(612) 977-8400

## Attorneys for ITC Midwest LLC, a Michigan limited liability company

## Attachment A

ITC Midwest LLC • 444 Cedar Street, Suite 1020 • St. Paul, MN 55101

January 22, 2013

## RE: Notice of Certificate of Need Application for the Minnesota-Iowa 345 KV Transmission Project in Jackson, Martin, and Faribault counties, Minnesota MPUC Docket No.: ET6675/CN-12-1053

Dear Stakeholder:

ITC Midwest LLC, a Michigan limited liability company ("ITCM"), is proposing to construct a 345 kV transmission line from its Lakefield Junction Substation in Jackson County, east through Martin County to the newly-proposed Huntley Substation in Faribault County, before turning south to the Iowa border (the "Project"). In Iowa, the transmission line will continue south to a new Ledyard Substation, near the City of Ledyard, Iowa, and then on to a substation near the City of Burt in Kossuth County, Iowa. ITCM will seek approval to construct the Minnesota portion of the Project from the Minnesota Public Utilities Commission ("Commission"). This letter is intended to provide you with notification of certain Project details and also to provide you with information on how you can participate in the Minnesota regulatory process.

The Project includes expanding the Lakefield Substation, a new Huntley Substation and several miles of reconfigured 161 kV transmission line near the Huntley Substation. The reconfigurations are necessary to relocate all 161 kV transmission substation facilities to the Huntley Substation from the existing Winnebago Substation which will be decommissioned. The Minnesota portion of the Project will be approximately 75 miles long. The area under consideration for the location of the Project is depicted in Attachment A. The Iowa portion of the Project will be permitted by the Iowa Utilities Board.

This notice is being provided to those who fall within one or more of the categories listed below as they relate to the area ("Notice Area") shown on Attachment A:

- Landowners with property within the Notice Area;
- Residents within the Notice Area;
- Local units of government in and around the Notice Area;
- Local and State elected officials; or
- State and local government agencies and offices.


## Regulatory Process Overview

For the Project, the Commission must determine whether the Project is needed (Certificate of Need) and where the Project should be located (Route Permit). Before the Project can be constructed, the Commission must first certify that the Project is needed.

The certification of the Project is governed by Minnesota law, including Minnesota Statutes Section 216B.243, and Minnesota Rules Chapters 7829 and 7849, specifically Rules 7849.0010 to 7849.0400 and 7849.1000 to 7849.2100. In the Certificate of Need proceeding, the Commission will analyze whether ITCM has proposed the most appropriate size, type, and timing for the Project. The Certificate of Need application, once submitted, can be obtained by visiting the Commission's website at www.puc.state.mn.us in Docket No. ET6675/CN-12-1053.

In addition to certifying the Project, the Commission must also grant a Route Permit for the Project. The routing of the Minnesota portion of the Project is governed by Minnesota law, including Minnesota Statutes Chapter 216E and Minnesota Rules Chapter 7850. Information on the Route Permit application, once filed, can be obtained by visiting the Commission's website in Docket No. ET6675/TL-12-1337.

Minnesota Department of Commerce Energy Facility Permitting staff ("EFP") is responsible for conducting environmental review of the Project. EFP will prepare an environmental report for the Certificate of Need proceeding. EFP will prepare an environmental impact statement ("EIS") for the Route Permit proceeding. EFP may elect to combine these two documents and issue one document, an EIS, which satisfies the environmental review requirements for the Certificate of Need and Route Permit proceedings.

ITCM will be submitting an application for a Route Permit with at least two routes and will identify the route which ITCM prefers. Other routes can be proposed during the EIS scoping process to be completed by EFP. As part of its analysis, EFP will evaluate the routes proposed by ITCM in its Route Permit application and any other routes proposed during the scoping process that will aid in the Commission's decision on the Route Permit application. The Commission may determine that a route submitted by ITCM, or a route proposed during the scoping process, or some combination of such routes is the most appropriate route for the Project. Selection of a final route by the Commission will be based on evaluation of the routes, guided by the Factors identified in Minnesota Statutes Section 216E.03, Minnesota Rule 7850.4100, and stakeholder input received during the regulatory process.

For the 345 kV transmission line portions of the Project, ITCM anticipates that it will obtain a 200 -foot wide permanent right-of-way. For the 161 kV transmission line portions of the Project, ITCM anticipates that it will obtain a 150 -foot wide permanent right-ofway. Before beginning construction, ITCM will acquire property rights for the right-ofway, typically through an easement that will be negotiated with the landowner for each parcel.

The proposed structures for the Project are primarily single pole, weathering or galvanized steel structures. Where the 345 kV transmission line can be co-located with existing 161 kV transmission lines, double-circuit structures will be used. For the 161 kV transmission line portions of the Project, single pole single circuit and double circuit poles will be used to accommodate construction. Structures are proposed to be placed
using spans of approximately 600 to 1,100 feet, with an average span of approximately 900 feet. Additionally, specialty structures, other than the single pole structures discussed above, may be used through areas of environmental sensitivity or where construction conditions require their use.

## Need for the Project

The Project is needed to enhance regional reliability, increase transmission capacity to support additional generation, including generation to meet renewable energy standards throughout the region, and to reduce congestion which will enable more efficient delivery of energy.

The proposed facilities in Minnesota and Iowa were studied and approved in December 2011 as part of the Midwest Independent Transmission System Operator ("MISO") MultiValue Projects ("MVP") portfolio in the 2011 MISO Transmission Expansion Plan.

The MVP projects were developed based on a broad assessment of benefits to strengthen and enhance reliability across the integrated transmission system on which all regional electric load and exports rely including:

- Substantial reductions in regional congestion costs;
- Reductions in transmission losses, effecting significant, broadly-shared cost savings; and
- Reductions in the region's installed capacity requirement, thus measurably reducing capacity costs throughout the region.

The Project is a portion of what is identified as Project 3 in the MVP portfolio. The Iowa portions of Project 3 are subject to review and approval by the Iowa Utilities Board.

## Biennial Transmission Planning

Minnesota statutes include a requirement that each electric transmission owning utility in the state file a biennial transmission planning report with the Commission in the fall of odd years. These reports provide an excellent source of background information on the transmission planning process used by utilities in Minnesota. The 2011 Biennial Transmission Planning Report is available at: $\underline{w w w . m i n n e l e c t r a n s . c o m . ~}$

## Project Notifications

To subscribe to the Project Certificate of Need docket and receive email notifications when information is filed that is related to the Certificate of Need for the Project, please visit www.puc.state.mn.us, click on the "Subscribe to a Docket" button, enter your email address and select "Docket Number" from the Type of Subscription dropdown box, then select " 12 " from the first Docket Number dropdown box and enter " 1053 " in the second box before clicking on the "Add to List" button. You must then click the "Save" button at the bottom of the page to confirm your subscription to the Project Docket. These same steps can be followed to subscribe to the Project Route Permit docket (ET6675/TL-121337).

Please visit www.itctransco.com/minnesota-iowa-project for more information on the Project. If you have questions about the process, you may contact the Minnesota regulatory staff listed below:

| Minnesota Public Utilities Commission | Minnesota Department of Commerce <br> Scott Ek |
| :--- | :--- |
| Ray Kirsch, State Permit Manager |  |
| $1217^{\text {th }}$ Place East, Suite 350 | $857^{\text {th }}$ Place East, Suite 500 |
| St. Paul, Minnesota 55101 | St. Paul, Minnesota 55101 |
| 651.201 .2255 | 651.296 .7588 |
| 800.657 .3782 | 800.657 .3794 |
| scott.ek@state.mn.us | raymond.kirsch@state.mn.us |
| www.puc.state.mn.us |  |

If you would like to have your name added to the Project Route Permit mailing list (MPUC Docket ET6675/TL-12-1337), you may register by visiting the Department of Commerce webpage at mn.gov/commerce/energyfacilities/, clicking on the "Transmission Lines" tab, selecting "Minnesota-Iowa 345 kV Transmission Project" from the listed projects, and then clicking the links next to the "Mailing List" heading. Alternately, you may contact Department of Commerce staff at the address above. Please be aware that the Route Permit mailing list may not be available for online registration until the Route Permit application is submitted.

A separate service list is maintained for the Certificate of Need proceeding. To be placed on the Project Certificate of Need mailing list (MPUC Docket ET6675/CN-12-1053), mail, fax, or email Robin Benson at Minnesota Public Utilities Commission, 121 7th Place E., Suite 350, St. Paul, MN 55101-2147, Fax: 651-297-7073 or robin.benson@state.mn.us.

The ITCM contact for questions about this Project is:
David B. Grover
Manager, Regulatory Strategy
ITC Midwest LLC
444 Cedar Street, Suite 1020
St. Paul, MN 55101
877-482-4829
minniowa@itctransco.com
Sincerely,


David B. Grover
Manager, Regulatory Strategy

## Attachment B

In the Matter of the Certificate of Need
Application by ITC Midwest for the
Minnesota-Iowa 345 kV Transmission
Project in Jackson, Martin and
Faribault Counties, Minnesota

Jennifer Jacobson being first duly sworn, deposes and states that on the 22nd of January 2013, the following were mailed by United States Postal Service, postage prepaid thereon, to the individuals identified on the attached list:

Notice of Certificate of Need Application for the Minnesota-Iowa 345 kV Transmission Project in Jackson, Martin, and Faribault counties, Minnesota.


Subscribed and sworn to before me
this 11 th day of February 2013.


Notary Publie


List of Attachment A Recipients:

- Landowners
- Residents
- Federal, State, and Local Agencies









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 Blue Earth MN 56013－1309
Blue Earth MN 56013－1309
Blue Earth MN 56013－1309


 415 S Grove St Ste 8
PO Box 185
9370 345th Ave
1001 S Grove St
1006 E 4th St
1011 E 4th St
1014 E 3rd St
1019 305th Ave
1020 S Ramsey St
1020 S Ramsey St
1025 Highland Dr
104 Smith Dr
1073 305th Ave
1081 Highland Dr
10811 365th Ave


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Michele Stindtman
Deanna Pomije
Deanna Pomije
Jason \＆Laura Larsen
Marjorie Poppe
Apolinar \＆Melinda Sifuentes
Helen M Smith Trust
Charles \＆Karen Fairchild
Dale G Goerndt
Douglas G \＆Susan L Garlick
Koestler Irrevocable Trust，Douglas
Garlick Trustee
Maxine Lawrence
Merrill K Smith Jr
Darren L \＆Kimberly K Hagedorn
Michael P \＆Amy P Ankeny
Roger H \＆Sandra S Grandgenett

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## Blue Earth MN 56013-5006 <br> 




 6861-ELO99 NW पนеョ әn।я




1304 W 1st St
1307 S Galbraith St
13123 365th Ave
1324 S Ramsey St
1334 S Ramsey St

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 is 419 M 802
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 302 Oak Knoll Ct
3033 115th St
3033115 th St
303640 th St 304 S Moore St









Richard J, Michael \& Shannon Dickman Richard J, Michael \& Shannon Dick
Express Diagnostics Int'I Kerry Group Feder Prairie Seed Co LLC Frances E Fenske Frances E Fenske
Anthony Zierke \& Bradley Zierke \& Tracy Zierke
Harry Childs Trust, Sue Hauskins
Trustee
Bradley K \& Deborah L Zierke Bradley K \& Deborah L Zierke
Bonnie Larsen Terry L \& Sonja M Peterson Dale R \& Troy L Jensen
Ann Jensen Russell Jensen Steven Wannarka

George Howell
Derick Benz
Loren \& Kathleen Benz Orletha B Stewart Life Est et al. c/o
Kathy Benz Kathy Benz
Louis M Maday

Marvis Maday
Dale \& Troy Jensen

## Eugene E Hacklander Fam Trust \& Florence Hacklander

Walter K Krosch \& Charlotte Ann Matti James J Welchlin
Byron K \& Sandra A Steuer

Victoria Zabel
Jason S Olson \& Robyn Lynn BeachOlson
Roscoe \&

Roscoe \& Shirley Hannaman
James E \& Marjorie A Meyer Keith \& Lori Zoeller
Amos D \& Amanda L Bahr Amos D \& Amanda I Mittelstad Patrick J, Holly \& Elizabeth L Moore
Daniel D \& Taylor M Weerts Daniel D \& Taylor M
Marjorie H Schock


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Blue Earth MN 56013－5704


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Blue Earth MN 56013-0130
Blue Earth MN 56013-0134
Blue Earth MN 56013-0157

David R \& Denise L Schavey
David E Hacklander
Russell D \& Lois I Hornke
Scott A \& Kathryn Lyon
John D \& Mary Jo Kuhn Julie Thedens
Betty J Johnston Life Estate et al.
Allen J \& Joanne Sukalski
Joan Lesch et al
Harlan E \& Susan M Schavey
Raymond Hornke
Gilbert W \& Ramona G Ehrich
Todd M Evans Todd M Evans David \& Paula Rosenau
Robert Jared Worner
Kirk Nichols et al. \& Wanda Nichols Life
Teresa Oelke et al.
Kirk Nichols et al. \&
Kirk Nichols et al. \& Wanda Nichols Life
Estate et al. c/o Linda Hersc
Donald H \& Vernette Bell Kenneth O \& Ca
Steven R Ripley
Homer \& Evelyne M Bell
John C \& A Rosella Plocker Life Estate et al. John W \& Bonita Moore Rev Trusts
Vernon S \& Velma B Burt
Howard W \& Mae Jean Zierke Howard W \& Mae Jean Zierke John J \& Jody L Hansen
Clinton L \& Susan Benz David A \& Sara J Redepenning Garry L \& E Helland Revoc Trust Roger \& Gloria J Moore Nancy M Warner Mae Erichsrud Daniel R Moore
Scott \& Anna Haase Scott \& Anna Haase
Winnebago Mfg. Co.
David J \& Kathryn A Anderson
William V Eckles Revoc Trust
Travis Preuss \& Lynn Preuss \& James R Anderson

Nancy Smith Sherri L Dejong Alexandria M Sucher William S Olson \& Dwight J Olson William D \& Jan M Farnham
Ronald \& Julie Loge
Amy K \& Andrew J Lorenzen
Donald W \& Dorothy M Stensland
Donald W \& Dorothy M Ste
Marie Brodie For Life et al.
Forfeited Property - State Of Minnesota
Mary Jo Tungland United Builders Of Be Inc

 Lon V \& Anita Hyland 2004 Trust, Loren
Hyland Trustee
Marvin Albert Manske
Michael Mensing
Mike Mensing
Kevin M \& Vicki L Grant
August A Williams
Clarence More c/o Michael Jakobe
Michael H Jakobe Revoc Trust
David C Pirsig David C Pirsig
BPR Investments LLC c/o Paul K Johnson
Ankeny \& Sons, Tafco Equipment Co City of Blue Earth

John T Wagner
Wagner Brothers
PPM Enterprises LLC c/o Daryle D Pomranke
Steven \& G
Steven \& Gennie Gesche
Charles E Oliver c/o Mike Enger
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1032 Lake Ave
1039 Shoreacres Dr
104 Parkwood PI
1040 S State St
1041180 th Ave
105 Cedar Bluff Dr




Zoey's Acres Inc
Edward C \& Nancy D Ritter Trusts Edward C \& Nancy D Ritter Trusts
Patrick R Beemer
Dulas Family Trust Agreement
Keith L \& Lori L Schwieger
Keith L \& Lord
Richard W Alicia Barke
Ralph H \& Joanne E Beck Ralph H \& Joanne E Becker Irrev
Trusts Trusts
Anthony
Anthony \& Veronica Holland
Grace C Hodgman
Grace Hodgman Estate et al.
Grace Hodgman Es
Murphy Lake Proper Myla M Roskop
St James Evang Luth Church
St James Lutheran Society c/o St
James Lutheran Church
William A \& Diann K Diekman
Wiliam A \& Dia
Jacob S Stith
Rhonda Nowak
Thomas D \& Daw
Thomas D \& Dawn M Zimmer
Michael \& Rita Frette
Thomas J Rosen Rev Trust et al. David J \& Debra K Kroon
Corrie Lee Martinson Corrie Lee Martinson
Elsie M Krueger Marsha Rae Levasseur
Shelly Kirkpatrick \& K Williams Eisenmenger Doage Inc
Robert $L$ Niss Family Trust coo Bernice \& Carroll Niss Trustees
Bernice L Niss Life Est et al.
William R \& Patricia K Cowing Wussell A \& Eva L Sonnabend Laurie \& Ellen Neubauer Loring
Thomas L \& Karen M Horkey Thomas L \& Karen M Horkey
Christopher R Hillmer John A \& Sharon E Betts
Martin Co Hwy Dept Martin Co Hwy Dept
Kayton \& Rabe LLP
Martin Co Cons Club Inc
Martin Co Cons Club Inc
Gary E \& Anne N Reutzel
Donald \& Judith Moritz \& N Fairbairn
Travis \& Angela(Becker) Deboer Roy H Baumhoefner Center Creek Pork
West Ridge Pork Camalot Breeders LLP Kent D \& Lynn Unke
James D \& Amy L Wintheiser
Connie M \& Betty L Lewis
Dallas A Dorr Trust
Gerald E \& June E Anders
H Dewey \& Sharon L Valentin Robert J \& La Vonne F Barke
 Koch Conservation Trust


Ethan E \& Mary Ann Koch Odilliam Chaffee
 Sand
Susan Stusse
Royal D \& Bonnie Redenius Holly J Kotewa
Billeye A Rabbe
Billeye A Rabbe
Bruce A Hamsmith
Dale \& Debra J Moelle
William R Nielsen
Bryan \& Linda Gregor
Robert L \& Peggy L Jones
Joanne \& Brian Hansen Michael \& David Stefanski et al.
Allan K \& Patricia A Voigt Allan K \& Patricia A Voigt
Eunice Voigt (LE) Glenn \& Susan Moeller
Kevin E \& Sherri L Roforth


Steven \& Nancy Willers Robert \& Shirley Polzin
Gloria Scott
Gregory S Spotswood Darold \& Elisa Kotewa
Myron Moller
Dale \& Roxane Wedel Jeanette Wedel Irrev Trust
Rutland Township
Eileen Mary Grefe
Jacob J \& Jessica J Korte
Daniel R \& Pamela K Coquyt
Daniel R \& Pamela K Coquyt
Dana A \& Sandra L Kuhlers

Braian L \& Linda K Sauck
Lois I Peterson (LE) et al.
Mark A \& Shelly M Moeller
Marlys Prafke Freeman (LE) et al.

Melvin M \& Carol A Schultze
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Ardis L Droegemueller
Troy M \＆Amber S Droegemueller
Michelle K Dressen Daniel Wedel
Cleo \＆Lorraine Moeller Justin Preuss
Kevin Behrens Dallyn P Kotewa
Dallyn P Kotewa
Arlen R \＆Sharon K Moeller Michael \＆Heidi Steuber
Marlan C Anders（LE）et al Marlan C Anders（LE）et al．
Ryan Scott \＆Karla Jayne Lunn
Alice V Clancy et al．\％Lea Bishop Alice V Clancy et al．\％Lea Bishop
Harland R \＆D E Johnson Arlo W．Gustafson
Laurence \＆Mary Lau Douglas K \＆Michelle E Larson
Michael \＆Lois M Swanson
Michael \＆Lois M Swanson
James \＆Rachel Spencer
Bradley D \＆Debbie S Wallace
Thomas L \＆Joan Andersen et al． Brandon Steuber
Ronald D \＆Karen D Unke
Dale H \＆Jacy L Kosbab
D Schwieger \＆D Smith Co Trustees Marcella Theobald Revoc Trust
Paul Theobald Revoc Trust Daniel C \＆Terri L Peterson Sandra Sorgen R Garbers Trust
Eugene \＆Betty Lehman Donald A \＆Kay M Kuhl
Gary \＆Linda Nielsen
Dennis L \＆Jeanne L Thate
Christopher \＆Krista Thompson Harvey \＆Susan Moeller Chad \＆Rebecca L Moeller et al．
Hall Lake Cabins \＆Rentals LLC Hall Lake Cabins \＆
Marvin \＆Lola Talledge Marvin \＆Lola Talledge
Sylvan H Senne et al．
David \＆Katherine Moell David \＆Katherine Moeller
Todd Steuber Chad E Hybbert
Roger \＆Brenda Kotewa Trusts
Arlo L \＆V M Lueth Irrev Trust Arlo L \＆V M Lueth Irrev Trust
Four M Farms Inc
Roland L \＆Ruth E Milow
Wayne J \＆Laura J Wille
Duane \＆Myrna Behrens et al．
Pork Behrens Farms Inc
Harland L \＆Phyllis Wedel
Joshua Jay \＆Elisa Marie Meyer
Derek Gene Schwieger
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Tenhassen Farms Inc
Krahmer Inc
Bean Town Developments LLC
Sean Town Farm Lonny \& Lynn K Beck
Highland Oaks Inc
Kurt \& Gedee Unke
Dennis S \& Darla J Larson
John E \& Nelda J Zimmer
Earl Dean \& Julie Ann Ricard
Scott B \& Caroline Unke
Douglas L \& Michelle L Moeller
Moeller Investments LLC
Margaret Tonne (LE) et al.
Joseph \& Linda Pygman
Teresa A Newville
Dennis R \& Jodie Schrader
Joseph L \& Gina L Swenson
John T Pfaffinger \& Georgiann M
Pfaffinger
Van C Johnson
Randy K \& Carmen J Deling L B Family Farm LLLP
L B Pork Inc
Larry L \& Linda L Becker Lonny A \& Lynn J Becker
Paul Thomas Kosbab Steven R \& V F Michalke Lori A \& Danny D Krome
Mark \& Marjorie Knutson
Mark \& Marjorieh
Timothy W Maschoff
Craig V \& Evangeline M Fowler
Harold \& Joan \& Duane Peymann
Duane Dafoe
Marvin D \& Agnes E Kosbab
John P \& Susan E Toothaker
Edward \& L Kotewa Irrev Trusts
Gregory J Sokoloski
Daniel L Vandever
Steven D \& Janice M Frick
Doug \& June Nelson
Ervin J \& G Barchenger
Ervin J \& G Barchenger
Julane L Hansen et al.
Steven R \& Lori J Pomerenke
John B \& Susan J Lund
Daniel F \& Anna Harris
Marlin J \& Janice S Johnson
Brent J \& Karen A Moeller
Bradley Paul Gerhardt et al.
Goldie N Lohse Rev Trust
Kyle Steuber
Keith Gieseke
Merle H \& Marion A Gieseke
Elmer A Hartmann Irrev Trust









[^46] Lawrence P Mcguire Fairmont Growth Oppty Co
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Judith Balcom (LE) et al.
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Steven W \& Linda R Pierce
Dona Fae Decker (LE) et al.
James \& Rosemary Cegelske
Mary Jane Balcom
Becky Sharp
Robert E \& Debra Tonne
Campe Family Trust B
Gene L Larsen \& Jacki Larsen
Lisa M Strauser
Thomas A Sullivan (LE) et al.
Kent N \& Bev H Dahl
Joseph J \& Marjorie Svoboda
Warren \& Barbara Landin
Matthew J \& Betsy L Mortenson
Clint A Drayfahl
Donald L \& D Park Jorgenson
Kory T \& Shari L Hines
Janice M Jensen
Mark Allen Shumski
Bruce Baxter
Russell L Mileham
Milda M Artner (LE) et al.
Joshua P Thate
Calvin \& Jody Saxton
Darryl E Peterson
Ronald W \& Pamela Casey
Mark \& Patricia D Crissinger
Dennis Phillips
Flying Goose Campground LLC
Gary E \& Linda Hanson

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Chad Hannaman
Glenndon R \& Debra K McConnell Michael \& Gail M Warriner
Ann M Gronewald et al.

Jean Drexler
Benjamin L Austin
Donald \& D Grondwald Trusts
Lucille E Gorgen
Clifford E \& J. Eisenbarger Donald L \& Jeffrey L Ha

Arvid E \& Sheryl K Colby
Benjamin J \& Sara L Kolbe




















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Bryan \＆Kimberly \＆Bruce Brockmann Terrance J Hopp
Glen Arthur Becker

Jeffrey L \＆Jill R Mathiason
Peter \＆Cindy LM
Leo D Helland
Rodney \＆Connie Hinz Thomas L \＆Maria L Hinz
David \＆Elizabeth Shimon Maurice B \＆Joann Theobald

Ryan Voyles
Arlen R \＆Sharon K Moeller

Berdean A，Janice \＆A Moeller M Kenneth D \＆Rhonda R Petrowiak Jasen \＆Christy Selbrade et al．
F Rose \＆Dwayne H Mortenson F Rose \＆Dwayne H Mortenson
Rose F Mortenson Scott \＆Lupe Y Stromberg Joyce E Anderson（Wetzler） Curtis G Chaffee
Marcella K Chaffee et al． William A Rohlik Arlyn W \＆Marthe A Becker Gene A \＆Candy K Becker Randall S \＆Linda L Larson Daryl D \＆Sonia Hoewisch Darwin G \＆R R Peterson Darwin A \＆Saundra R Roberts Nathan \＆Amy Anders
Michael R \＆Joanna Salic et al． Michael R \＆Joanna Salic et al
Lawrence E \＆Arlene Warriner Bradley A Becker
Craig D \＆Marilyn Carrigan Craig D \＆Marilyn Carrigan
Matt，Paul L \＆Cynthia K Wolter Wolter Brothers
Robert Lewis Robert Lewis
Connie \＆Kent

Charles Post
Roger C Buckm Darren J \＆Tevi J Maday
Holly K Niss Roland E \＆Bre Krista K Lyons Marcella K Chaffee Donna R Franzen Paul E \＆Jessie M Sanders John Wayne Taplin
Larry W \＆Debra A Stensland


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## Calvary Baptist Church

| Scott Sundberg |
| :--- |
| Kevin L \& Linda Goraczkowski |
| Keith E \& Mary J Hartmann |
| Dean A Becker |
| Veryl L \& C A Champine |
| Aaron J Hartmann |
| Linda G \& William Layman |
| Gary M \& Sandra K Luhmann |
| Eldren E \& Darla Colby |
| Jeffrey L \& Jaclyn V Hall |
| William N \& Debra K Fritz |
| Larry A \& Beverly J Graplar |
| Royce Abel |
| James \& Sheri Miedtke |
| Michael J \& Becky S Tonne |
| David Oltman |
| Brent \& Carol Tonne |
| Margaret Tonne (LE) et al. |
| Ricki A Benson |
| Darwin E Kotewa |
| Lavonne M Kotewa Irrev Trust |
| Larry L \& Ardis Osborn |
| Eric E Colby |
| Willard Abel |
| Matthew J \& Debra A Wolter |
| Marc \& Katie Hanson |
| Sheila K Artner |
| Jamison Wessels |
| Michael J \& Judith M Post |
| Jordan \& Jennifer Luhmann |
| Philip R \& M K Askevold |
| Randy Poulson |
| Hiram Ricard |
| Roxanna L Brummond |
| Blake Lewis |
| Robert A \& Anna Belle Smith |
| Michael J \& D H Sparks |
| Donald \& Janell Palmer |
| Neil \& Crystal Hanson |
| Louis I \& Amy M Maday et al. |
| Maday Farms Inc |
| Michael N \& J K Bleess |
| Roger D \& D D Schwab |
| Alice Barnes |
| Donald G \& Richard L Barnes |
| Doris Barnes |
| John C Carson |
| Ronald \& Jo Ann Niss |
| Myron Mathiason |
| Charles E Koestler |
| Elsie V Sager |
| Arlen R Larson Residual Trust |
| Sandra Larson |
| Cory M \& Nichole M Lewis |
| Leslie Lewis |




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## Theodore F \& L M Fisher

Kent A \& Sarah E Larson
Florence N Mckay
Florence N Mckay
Loren D \& Shirley R Mapson
Martha Sturm
Harold R \& Sandra L Cooper Ronald \& Marian Bahr
Joy Lou \& Jodieth Seeger et al. Larry \& Allison Cowing
Kevin \& Mary Hugoson
Duane Schock \& E Holland (LE) et al. Duane Schock \& E Holland (LE) Steven R Shumski
Richard K Findley
Greg \& Lori Schock
Kathleen M Mathiason
Michael G \& Susan M Findley Gary L \& Sherri J Ettesvold
Kenneth R Findley Trust Center Creek Public Cemetery c/o Patricia Messer

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Morris D \＆Barbara J Hanson
Morris R \＆Margie M Hanson Life
Estate et al．
Harvey \＆Leola Hagedorn
Kurt D \＆Sherry M Abel
Joseph W \＆Pamela A Robb
Gregory L Young
George N \＆Irene K Bassett
Douglas \＆Annjanette Jenkins
Makayla M Jenkins
Barry \＆Joy Marsh et al．
John A Gray
Chris M \＆Michelle R Klinkner
Collette J Meidinger \＆Gerald J
Meidinger
Ted A Nagel
T \＆D Farms LLC
Tom Loveall
Scott \＆Dawn Hatfield
Kirk Nichols et al．\＆Wanda Nichols Life
Est et al．
Sherman L \＆Marilyn A Olson
Oakland Cemetery Association
Lori Ann Foster \＆Scott Foster
Andrew \＆Christina Dahl
Gary Pawlitschek
Ronald F．Sr \＆Collen Bressler
Ronald F \＆Colleen Bressler
Robert \＆Yvonne Hanks Life Estate et
al．
Arnold L \＆Carolyn M Lewis Life Estate
et al．
Richard L \＆Mary Jo Anderson
Mary Jo Anderson

John F Butler Trust \＆Leonora M Butler Brady G Murry \＆Victoria L Brooks Verona Union Cemetery c／o Winnebago
Museum Museum West Verona Cemetery Assn c／o
Winnebago Museum
Alejandro Vargas
Christopher R Kaduce \＆Kimberly A Kaduce
City of Winnebago
Andrew J Dahl
Andrew J Dahl
Roger W \＆Millicent L Hanson Richard K Kortuem

Gregory M Zierke
Rosemary Keller
Lyndon L \＆Lana M Krause Timothy W \＆Judi A Hynes
Brian Jacobson Brian Jacobson
Richard J \＆Maryjean Miller

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140 Paddock Ave E
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\& Carole Harries Souay Singvongsa Michael R
Battagliotti Brian W Westfall et al
John B \& Dawn Weseman
Paul \& Jane Weseman et al. Janette E Vacek
Laverne Kusler
Kenneth G \& Myrnna J Peters
William Thomas Swan II c/o Rachel V Truong
Rosalio Valle Fonseca c/o Martha De
Fonseca Padilla Meridee Heinrichs c/o Meridee
Kauffman Jake Lee Jones
John Ingebrigtson c/o Kelly \& Tracy Mitchell
Robert F \& Mary Ann Hassing Robert F \& Mary Ann Hassing
Travis \& Dacia Broesdner
 Susan Clymer Rev Liv Trust
Joseph P \& Shannon L Carr William E \& Karen Grunst Vonohlen
Rodney \& Sylvia Vonohlen Gregory \& Amy Hartzler
Neal R \& Julie A Vonohlen
Ronald E \& Darla G Harries Rev Trust Ronald E \& Darla G Harries Rev Trust
John E \& Barbara Eckert Living Trust Michael J \& Kimberly R Devries
Matthew D \& Gretchen Benda Matthew D \& Gretchen Benda
Lucille Denney c/o Lucille Meyer Arthur Jr \& Sharon Benda c/o Donald
And Dorothy Benda And Dorothy Benda
Steven Tusa et al
Bradley W \& Margaret Freking
Carol Franks Carol Franks
David Ringkob
Dean \& Elaine Schentzel Living Trust Ronald, Sara, Margaret, \& Richard Fransen
Loren Schoewe et al
Bernard Lutterman
Mark A, Harlene N \& Kerri L Rose
Mark A, Harlene N \& Kerri L Rose
David C \& Debra G Schley Kevin Schentzel
Kirsten F Marx
Patrick B \& Ann
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Earl Tusa et al
Donald \& Carol Zebedee
Donald Zebedee \& Sons Inc
Dennis, Anita, \& Ronald Whisney
George D \& D Jean Benda
Joseph \& Cynthia Keck
Mychal D \& Juliann R Schwanz
Jerrod Simmons
Tracy L Dorschner
Max A \& Cindy L Simmons
Gary \& Lori Beseke
Jerry, Lorelie, \& Ingrid Ploehn
Lorelie Ploehn
Daniel Schulz
Irma Grunst
Eugene Stene
Cole D \& Laura B Rossow
Harold Bettin
Joey D Buller
Nicholas \& Ellen Vonohlen
Immanuel Lutheran Church
Trinity Lutheran Church
Tommy A Nelson Jr
Chadd L Preuss
Roy \& Alice Scheff
Neil Kuchenbecker
John Lanz
James R \& Harriet Clark

Vron A Jones Trust c/o Verlon A Jones Cindy Saddoris
Tamera York

Donald R \& Viola J Swanson Craig Nafziger
Eugene \& There Eugene \& Theresa Swanson
Marixa K \& Dina M Gregory Tina Marie Grunst
Gaylord \& Pamela Kemp Kenneth \& Jeannie Gettler Anna Ambrose
Wayne \& Connie Wayne \& Connie Herrman
Jerry C Gregory Kenneth W \& Eloise Peterson Rick W \& Dona I Weets
Keith M Siepker David L \& Sandra E Weets Alpha Farm \& Merch State Bank Harlow \& Helen S Meium c/o Paul

Alpha MN 56111-0082
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averne H \& Lois M Swanson Rev Martin A Irene Callender et Lois Hartjen Lee
Ronald F Greenside et al c/o Delores K
Dopp Dopp
State Of Minnesota
Mark \& Barbara Raboin Mark \& Barbara R Mark \& Barbara Raboin
Evonne Sirovy et al
Carl, Mary, \& Lillian Larson et al
Jackson Co Tourism Inc Jackson Co

Tony Dvorak
Henrichs Family Trust
Troy A \& Laura L Schne
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Sharon Cordes
Casey J Steffensen
David P Pribyl et al
Walter Svoboda
Margaret Drahota
Kenneth \& Dorothy Schultz Irrev Trusts Kenneth \& Dorothy Schultz Irg Ts David A Lusk
Brandon L Bonnicksen Jean Pike Franceph P Carr Helen M Peterson

Jackson MN 56143-1119







1500 Sayles Dr
1508 North Hwy Apt 312

1508 North Hwy Apt 317

1508 North Hwy Apt 218
152 2nd Ave
1541 Grant St
1548 Grant St
1628 Sayles Dr
1628 Sayles Dr
164 Industrial Park
PO Box 244
PO Box 14
166 Industrial Park
2007 Highway 71 N
2012 Wedgewood Ln





Leo \& Terrijo Hacker
Larry A Ringkob Trust B et al c/o Karen
K Ringkob
Alice E Olson
Roy H Stipek Irrevoc Trst et al c/o Iris
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Roy H \& Iris M Stipek Irrevovable Trust Vernelda E Hartzler
William \& Diane Kruppiak William \& Diane Kruppiak Donna Holtz (LE) et al.
Virgil \& Donna L Holtz
New Fashion Pork LLP
Freking Family Farms Inc
Dorothy A Benson
Philip Handevidt
Bhavesh \& Hina Amin Mary Ann Werner Revocable Trst
Ronald Werner Tst Trust Mary Ann
Werner Trustee Werner Trustee
Agco Corporation
Harold A \& Frances M Skow Minn West LLC c/o Gita B Patel
Francis \& Melinda Christianson Francis \& Melinda Christianson
Mary S Muir
Mary Margaret Tweedt
Spring Creek Holding Con
Spring Creek Holding Company
Gerald D \& Karen F Benjamin
Ordell G \& Arlyss A Skogen
Nina M Walterman
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Carol Neal et al
Robert B \& Juanita Wachal
Bess B Oltmans Trust
John W Oltmans Trust B c/o Bess

Lynn Flatgard
Oltmans Family Limited Prtshp Jackson County
LHS Investors Group LLP Justin Ambrose
DTJJfrey K Johnson
Jeffrey K Johnson
Kevin L Roslansky
Donald \& Elaine Dvorak Robert J \& Dorothy Svoboda
David \& Sandra Svoboda
David J \& Laurinda Pytleski
C \& M Svie Svoboda
Eric \& Kathleen Overaas
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Thomas A \＆Catherine Holthe Leonard A Pribyl Trust

Glen D \＆Lana D Grabill
Julia B Kilen Trust c／o Ervin \＆P C Kilen Rodney \＆Terrie Hlavac
Donald E \＆Marilyn Dahl

Wayne \＆Janet Fischer Jeffrey \＆Esther Oldenburg
Douglas C \＆Lynette M Lusk Timothy Lusk

Jay Place
John O \＆Diane Lilleberg
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Judith Cihak Trust
Darin \＆Peggy Vagle
Mark \＆Robin L Medill
Mark \＆Kay Steffen
Evangeline Tusa Larsen Liv Tst c／o
Evangeline Larsen
Virgil \＆Sylvia Storm
Virgil \＆Sylvia Storm
Paul \＆Clarice Nasby
Hansen \＆Johnson Farms
Nathan \＆Lori Jacobsen
Nathan \＆Lori Jacobsen
Clarence \＆Helen Lentz c／o Lois
Hansen
Philip A \＆
Philip A \＆Holly J Nasby
Tillman Family Ltd Partnership
Tillman Family Ltd Pa
Gregory W Ahrens
Michael B \＆Lori I Schmit
Lonnie Anderson c／o Hope Cornelius
Michael \＆Peggy Garber
Betty Ann Kocak Rev Liv Trust
Galen P Mccarthy
Wayne P \＆Tricia J Christopher
Libra Family Revoc Liv Trust Richard \＆ Emily Libra Trustees

Paul \＆Karen Zoch
Michael J \＆Teresa Boyer
James，Matthew，Daniel，\＆Mary Grantz
Eugene \＆Alice Michelson Eugene \＆Alice Michelson
I J Sether Lmtd Ptrshp Dennis G \＆Michelle Bratrud
Allan L Bratrud Paul A \＆Pamela Heser Mark A Walter
Bradley R \＆Holly J Nestegard Bradley R \＆Ho

Vernon \＆Wilma Vachuska
Andrew P，Rosalie，\＆John V Peterson Verland D \＆Rosella M Mix
Adrian T \＆Donamae Skrove David A \＆Ruth Hansen
Wade Wenzel

Frank \＆Cheryl Dvorak


Violet Censky et al c/o Charles Censky
Russell N \& Joann M Winther
Tanner Thompson
Steven M \& Sharon M Glidden
Steven C Bents
Everett Ascheman
Kenneth L \& Donna M Fransen
Stanley \& Bonnie Shearer
Jason S Vacek
Myrtle C Shearer Trust
William C \& Judith Ascheman
Marvin E Thompson et al
Hesebeck Family Farms LLLP c/o
Roger A Hesebeck
Roger Hesebeck Rev Trust Hesebeck
Family Trust
Merle Johnson et al
Wisconsin Township Dawn
Ascheman,Clerk
Richard \& Eva Fransen
Charles R \& Frances M Shearer
Shearer Irrev Family Trust c/o Charles
\& Frances Shearer
Merville W \& Lavonne Steen Trust
Curtis Handevidt
Gene \& Marcia Geesman
Enterprise Township Jed Hesebeck,
Clerk
Jed A \& Tracy A Hesebeck
Warren \& Kathleen Wachal
Adam J Weets
Chad R \& Amanda L Benda
Kent \& Debra Ringkob
Donald \& Dorothy Benda
Audrey J Teigen
Robert \& Carol Neal
East Belmont Cemetery Assn c/o
Richard Siem
Larry C \& Barbara K Hansen
Norma E Monson et al
Mary K Iversen
Joseph Pribyl
Steven I Johnson
Thomas \& Annette Zebedee
Dewey Hendricks et al
Lyle H \& Mildred Fisher
Dary \& Leila Hendricks
American Fabrication LLC c/o Jack
Erickson
Timothy \& Denise Micklos et al
Ronald \& Lisa Schafer Living Trust
Ronald G \& Nancy K Jensen
Steven \& Debra Benes
David A \& Diane Wells
Robert G \& Ethel J Drahota
Donald Williams \& Kenneth Bond
Colin Sirovy
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Gordon L Preuss

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Benedict J \& Elfriede S Cuba Benedict J \& Elfriede S Cuba
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Jerry J Rathman
Robert Cook
Helen Lee Murphy Revoc Trust et al. Dennis R Crissinger

Trudy Merrifield
Gerry A Wedner
Richard W \& Judith A Zehms
Michael T \& Stephanie Updike
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Johnnie Jay Simmons
Thomas M \& Anita L Davis
Eldon L \& Joan L Madison
Brady, Denise \& Mark Gaalswyk
Wm L \& Jan M Bremer



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Dale W \& Mary A Ebeling
Douglas L \& Anne Sheppard
Paul \& \& Joan K Peterson
Douglas \& Kristine Fuller Donald Jr, David, \& Daniel Faber et al.
Faber Brothers Farms Constance E Jensen
Robert L Carlson et al.
Trenton L Bonser
Travis L \& Tracy A Winter
Michael \& Joann Ambrose
Jerome \& Sandra Honnette
David \& Judy Traetow
Rodney G \& Tami J Kittleson
Robert J Truesdell
Dorothy L Behne Rev Trust Agrmnt
Michael T \& Linda K Schwager
Daniel \& Tracey Schley
Andrew P \& Kathleen Nolte
Gordon \& Patricia Becker
Margaret E Loveng
Dale \& Debra Harbitz
Wesley D \& Candi C Schafer
Brodie Cook
Oscar \& Joan Rosen Irrev Trust
Rj \& LLP
David B \& Marian M Brodersen John L \& Emily J Menssen
Cory J \& Cara L Sinn Cory J \& Cara L Sinn
Walnut Pork Inc Chery Lynn Schumann
Thomas W \& Cheryl A Miller
Arla \& Arla \& John Ringeisen (LE) et al. Roger \& Michelle Ahrens
Donald F \& J L Hoffmeister Ryan R Sinn
Jade \& Tristy Rossow Jade \& Tristy Rossow
Daniel J Helvig Lavern L \& Mary L Ebel Curtis \& Janice Mayo Kieth Worthley
Timothy J \& Lizabeth A Stahl Troy \& Jadee Menke Floyd V \& Mary Olson Floyd V \& Mary Olson Jared L \& Michele R Anderson
Mark \& Linda Sandberg Mark \& Linda Sandberg
Harold \& Myrtle Qualley Arnold \& Dorothy Dunker
Matilda Matejka Russell E \& Vivian M Erickson Wayne D \& J E Breneman


 

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 Brian T Coulter
Roger M \& Angela M Schlenk Renjamin Truesdell Mary A Schweiss Living Trust Oliver Truesdell John E \& Linda Tirevold Fox Lake Conservation League Daniel A \& Julie K Grill Raymond L \& Mary E Mulso Trust Kerri J \& Jon A Walters Hopkins Donald L Dorschner
Assembly of God
James F \& Donna M Mulso
Curtis OIson (LE) et al. Douglas \& Virginia Ringnell Kevin \& Patricia Kelly Sherburn Sewage Disposal Leroy D \& Karen K Landin
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Eric A \＆Molly A Hanson
Kim R \＆Melinda S Sassman
Eugene \＆Carolyn Nordstrom
Kenneth V Cutler
Jeffrey J \＆Chelsey M Armbrust
Robert E Johnson
Thomas \＆Melinda Eckmann
Lester Lorenz（LE）et al．
Judith R Carlson
Bruce E \＆J M S Russenberger
Keith A Meyer
Brian L \＆Katherine Carlson
Amy Bloomquist
Carol Quade
Timothy \＆Christine Wohlford
Floyd R \＆Emily A Lee
Yvonne Flohrs
Clifford H \＆Debra S Armbrust
Joan M Ellis
Joshua J Paulson
David B \＆Carol J Jones
Roger W \＆Joanne Thayer
Greg Miller
Shannon Schwager
James \＆Steven Schulte
Lois V Schulte
David K \＆K L Olson
Bradley \＆Rochelle Krusemark
Bradley K Williams
Dwight L \＆Mary L Adamson
Jeremy D Glidden
Jacob Hansen
Nadine M \＆Roger L Quade
Edwin J Jr \＆Mary Ann Potter
Larry E Flohrs
Joyce M Knudson
Marvis J Holtz（LE）et al．
Mike R Gonzalez
Douglas \＆Katherine Bergemann
Kim A \＆Laura A Flohrs
Steven H Sheppard
Vyonne M Adams
Linh D \＆Nickole J Bowie


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141 Apple St W
151 Beech St E
160 Ash St E
181 2nd Ave SE
191 Cherry St
1994 70th Ave
20 Ash St W
20 Main St W



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Harley O \＆Alysia M Bolstad
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Nada Oanes Dennis Berkness Karen M Koeder
Kevin L \＆Ocie E Nelson Rach A \＆Rachelle Lubben David A \＆Rachelle Lubben
Barry K \＆Allison I Schmidt Fred A Stabenow（LE）et al． Theodore \＆Constance Richter Steven I \＆Debra A Olson Mark A \＆Laura Gowen
Tracy \＆Beth Melson D H \＆N F Faber Living Trusts Roland W \＆Donna S Hansen
Loren Matejka Loren Matejka
Stephany J Feely








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105 Montgomery St

110 Campbell
111 Guide St N
George A \& G F Hendricks
Leroy W \& Kathleen D Hodges
Paul G \& Marlene K Stueven
Steven D Hendricks
Chad R \& Amanda L Kosbab
Lois E \& Christopher S Nelson
Kirk \& Rebecca S Yahnke
John Shell
Marian M Westphal
Travis \& Teri Petersen
George A \& G F Hendricks
Leroy W \& Kathleen D Hodges
Paul G \& Marlene K Stueven
Steven D Hendricks
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Kirk \& Rebecca S Yahnke
John Shell
Marian M Westphal
Travis \& Teri Petersen Joseph P \& Sandra K Newville John Mark Guerdet
Nolan J \& Angela Posivio
Gregory \& Jennifer Moor
Thomas A Mcdonald
Welcome State Bank
Dennis \& L J Schwichtenberg


112 E 3rd
114 Second St
Roger J \& Joan L Lohse
Evelyn Koons
Grady D Schwichtenberg
Mary M Williams
Loren \& Marlene Kuehl
Richard A \& Amy Louise Koons
Ronald Goodemann
Glenda Lynn Clifford
Esther M Bicknase
Charles R \& Dawn R Abel
Charles L \& Barbara L Poppe
David A \& Laurie A Jensen
Douglas L \& Michele L Storbeck
Jerald L \& Joann S Hagen
Scott \& Flora Thiesse
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M F Hartjen Res Trust
M J Hartjen Res Trust
Helen Hartjen
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Gary L \& Lorena Zeitz
Melva C L Ziemer
Wesley D \& Margaret Anderson
Richad D \& Jolene Kruse Trusts
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Timothy J \& Debra K Meyer
Howard D \& Eileen M Abel TT
Duane Daleske et al.
Wayne R \& Cheryl A Wolle
Douglas C \& Karen R Mclellan
Lynn B Jagodzinske
Scott A \& Amy M Morrow
Cory W \& Carisa M Andersen
Corner K Ranch LLC
Daryl G \& Carol J Bartz
Gary W \& Connie Peymann
Lilly Creek Farms Inc
Playa Del Farma LLC
Burdean \& Dorothy Hartwig
Ruth Davis
Micky \& Kimberly Garbers
Fraser Township Hall
John T \& Rita R Garbers
Loren Schultz
Roland \& Mary Ann Philipp
Donald H \& Mary M Garbers
Dav Jago LLC
Kat Jago LLC
Maynard L \& Mary Jagodzinske
Sar Jago LLC



#### Abstract





N H \& Trust B Patsche et al. Darrell A \& Brenda L Ziegler
Beverly J Krahmer
Beverly J Krahmer
Christopher \& J Eiden Kellam Barry W Maday
Paul Thomas Hein
Brent Thiesse
Bruce \& Deborah A Whitehead Bruce \& Deborah A
Gregory L Wohlhuter Roxann M \& Dennis R Hample
David Lynn \& Dawn M Hartung Larry \& Deb Philipp Clarence A Andersen Irrev Trust
Velma M Andersen Irrev Trust Dale A Linda K \& Kevin L Shaw Dale A, Linda K \& Kevin L Shaw
Doug \& Lin Hilgendorf Rev Trusts Doug \& Lin Hilgendorf Rev Trust Ross \& Carol Hilgendorf Charles \& Wanda Patsche
CW Pork Inc et al. Ronald \& Lana Morris Marilyn L Posivio
Gregory L \& Jillayne E Denton Jay A \& Sarah Striemer Roscoe \& Augusta Stusse
Theodore H \& Gary L Stusse Jeffrey \& Heather Moeller Jefrre \& \& Joann L Hilgendorf
Larry \& Sheri Potts Larry \& Sheri Po
Tod M \& Twyla D Williamson Matthew \& Angel Moeller Lois Handevidt (LE) et al. Lester H \& Elaine M Lenz
Keith \& Kevin Darmer Harley \& J R Rosenberg David E Meschke David M \& Heidi J Bicknase Tamara L Fritz Ronald C \& Gloria K Martin Kevin L \& Lynette J Shaw
Kevin L \& Kristy Prafke Kevin L \& Kris D \& A Ziemer Rodney \& Ann Marie Fiala
Don S \& Nancy A Nordstrom Don S \& Nancy A Nordstrom
Jordan R Garbers \& K Fedder Randy K \& Irene M Quiring Eugene H Storbeck et al. Joel Rae Seibring
Richard Ring Gregory D Geerdes
 Eugene W Scheff
Robert E Mattin

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Michael A \& Jami J Thompson
Nicholas \& Stephanie Hillmer Randall Hjelmtveit
Clarence L \& Julie Schulz Judith Ann Cook
Jay M \& Beth L Mulso
Scot Scheff
James \& M Wohlhuter (LE) et al. David L Peterson Matt Bau
Jennifer Williams
Steven R \& Rebecca R Olsen
Gary Koenecke
Paul A Jagodzinske
Mark J \& S L Bicknase Jewison David M Hanson Dawnita Jo Jagodzinske Jeffrey \& Dawn Schultz Jeffrey \& Dawn Schultz
Dale \& Angela Henning
Todd A \& Rhonda L Oech Violet R Hansen
Scott \& Amy Morrow
Geneva Nelle Evans
Geneva Nelle Evans et al.
William E \& Nanette M Badger Todd R \& Rita M Williams Todd R \& Rita M Williams
Craig \& Lori Groshens
Quinton A Pytleski Quinton A Pytleski
Kim Behrends Dwaine \& Shirley A Kurseth Michael A Lee
Carol J \& Donald W Shoberg Larry Puhrman
Roger J \& Julie A Morris Stacie Lynn Jorgenson Anderson SST Daisy Corporation Curtis \& Marion Mattsen et al. Lynn M Bamgoose B Borchardt et al. Alvin W \& Mary A Schultze Larry L \& Carol J Jurs
St Pauls United Church Margaret S Mcdonald
Francis W Smith
Betty Lou Krueger
James \& Diane Korte
Edwin A \& Marlene K Abel Elenora M Bong (LE) et al. Don D \& M J Schlager
Harold R \& Emma L King Delano A \& Elaine Bergemann
Gristine R \& S K Schef
Lynn R Peterson \& Troy
Sarah J Barker (LE) et al.
Lewis W \& Mavis Meyer (LE) et al.



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Jeremy Wink
Ronald L \& Jean E Schock
Kevin L Sr Urban
Marion H \& Hildegard S Bunge
Sharon Chavez Maron Chavez
Sharin G \& Linda E Bakke Olin G \& Linda E Bakke
Faith Sokoloski Kevin S \& Jody L Hemann
William Rosa William Rosa
Michael A Klein
Lori J (Meyer) Stib
Peggy S Crimmins School District \#2448 John T \& Denyse R Borchardt
Craig D \& Patti J Leschefske
 Dallas S \& Tami J Rasmussen
Gary L Franks Gary L Franks
Rodney D \& Te Rodney D \& Teresa M Ehlert
Scott A \& Mary K Cole
Kenneth Wolford et al. Kenneth Wolford et al. Jeri L Johnson
Bennie L \& Alice V Blom TTs Kari L Wedel Steven \& Penny Wright Weber
Amy Schwager Amy Schwager Larry D \& Kathryn E Behrens
Harlan \& Sena Berkness Eugene L \& Jan S Leach Aaron E \& Jessica L Dustin William Olson
Shirley Juhl
Richard E \& Tammy Hand Lee A \& Mary A Thompson Mary Gunnary
Heath T Munich Joshua Robert Ruby
Clair E Klug
John W Rochefort
Ronnie R \& Marilyn Montgomery
Ralph L Stanton Robert \& C A Swa Matt \& Dana Becker
Brenda Lee Lemier
Nathan \& Katy Winter Hanson Randy S \& Lisa A Koenecke
Eugene \& Elizabeth Ann Olson Christopher \& Laura Borchardt Crystal Lynn Lemier-Cooper
Richard J \& Linda L Kling
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Brandon Carl Nordstrom Arven E \& Almeda K Holland
Joyce E Jones

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## Philip L Burgess




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Christina I Rosenberg
Jeff Miller
Ronald \＆Beverly Trebesch
Patrick L \＆Gayle L Feely Eugene P \＆E G Mcdonald
David W Hansen Andy L Larsen
Eric Anderson
Delano Bergemann
Calvin \＆Barbara Hemingway
Chad \＆Amy L Feely Harder
Ardella Wohlhuter
Ronald L \＆Diane M Runkle
Teresa M Ehlert
Trinity Lutheran Church
William Petersen
Ronald D \＆S F Nelson（LE）et al．
Rebecca J Blanchard Rebecca J Blanchard
Delight E Shell
Harold \＆Susan
Harold \＆Susan Borchardt
Julia L Borchardt James P \＆Carol Chukuske
Ruthe M \＆Robert J Young Michael L \＆Paula A Finke James \＆Shirley Christian（LE）
Donald D \＆Janet Saxen Donald D \＆Janet Saxen
Kimberly A Dirks John Wesley Mcdonald Kathie G Gronnel
Nicole R Johnson Larry L \＆Jane L Fullerton Gloria A Sandberg et al． Robert L Schultze
Russell J \＆Bj Plumhoff（LE）et al Russell J \＆Bj Plumhoff（LE）et
Garett \＆Pamela Jagodzinske
Theresa Marie Schneider Weiss Milling
Robert P Dau
Dennis M Skelly
Dale B \＆Shirley J Keck
Howard L Humburg \＆L E Carter Duane L \＆Lisa A Rosburg George A \＆G F Hendricks（LE） Harold \＆Starr L Spiegeler
Danny K \＆Tammy L Williams James D \＆Julie A Hill Justin B \＆Carey L Borchardt Welcome Tv Sales \＆Service
Chad M Rademaker
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Gary J \＆Marsha Williams
Gary J \＆Marsha Wiliams
Velma E \＆Sonya Price Sandberg
City of Welcome


















[^61] Albert Lea MN 56007-7556
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 Elmore MN 56027－2041
Elmore MN 56027－2057
Elmore MN 56027－2038



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Albert J \＆Margaret Robbins Life Estate
et al．
Doris Klein Life Estate et al．
Michael E Krosch
Carroll L Viland
Elton \＆Sharon R Rhoda
F A Rodriguez Revoc Trust \＆Blanche
E Rodriguez Rev Trust
James Laue
Lucas B Huber
Merwin E Thompson Farms Inc
Roger C \＆Donna L Thompson
Arnold D \＆Marcia E Swanson
Lori Sailor
Harry \＆Myron E Childs c／o Denise L
Wolf Trustee
Robert A \＆Denise L Wolf
Kenneth \＆Gail Naumann \＆Kevin \＆
Cynthia Naumann
John G \＆Rita C Volz
Douglas \＆Marcia Milbrandt
Irvin C Milbrandt Trust \＆Douglas L
Milbrandt
Milbrandt Bros Inc
Tony Thompson
Alan W Johnson
Dean \＆Joanne Larsen
Deborah Adella Moore
Gary A \＆Terri L Johnson
Joe Gonzales Jr
John F Garner \＆Inge L Garner
Jose Luis Ibanez
Roger T \＆Candis L Carr
Taylor D \＆Emily M Smith
Joseph James Sanders \＆Jill R
Sanders
Todd \＆Michele Stewart
Derrick M Dahl
Mark T \＆Ronda Dahl
Thomas E \＆Stella J Dahl Revocable
Trusts
Wayne O \＆Joyce Risk
Darrel \＆Beverly J Nave
Douglas D \＆Karen M Nave
John C \＆Marilyn M Stewart
Todd J \＆Michele Stewart c／o John C
Stewart
Bradley K Zierke
Ruth Ann Kuchenbecker Scholtz \＆
Franz Jacobus Scholtz
Ricky H \＆Jan M Barnick
Terry \＆Laurie Jagerson
Preston D Krinke
Wayne D \＆Tamy J Tvedten
EInora M Ziegler Revocable Trust
Anthony \＆Tracy Zierke
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31513 169th St
31546 16th St
31693 170th
Tracy D．\＆Kathleen J．Johnson Eugene \＆Helen Nelson，Trustees
Brendon R．\＆Nancy Bablock
Brendon R．\＆Nancy Bary T Carol F Sands
Jr Investment
Larry Ray Menssen \＆Cynthia Jane
Larry Ray
Clara C Robertson Trust
David J Robertson Irrev Trust
Eugene \＆Helen M Nelson
Richard L．\＆Darlene P．Mair
Dennis L．\＆Mary P．Bpoviak
Austin L \＆Hannah R Bressler
Steven D Theobald \＆Cody J Theobald
Donald \＆Patricia Hillquist
Donald \＆Patricia Hillquist
Gordon E Richison
Gordon ERity Club，Nina Patten
（Township Clerk）
Patten Roofing Of Iowa Inc c／o Samuel
Patten
Community Covenant Church Of
Huntley
Diann \＆Donald SElvig
Chad \＆Melissa Diegnau
Charles C Diegnau Irrev T
Diegnau Ann Kelly
Barbara Ann Kelly
William H Lindgren
Huntley Well Corporation
James Johnston \＆Wayne Davis
James W Johnstone
L \＆M Rentals LLC c／o
L \＆M Rentals LLC c／o Larry Mages
Chad Hollerich \＆Nicole Braunshausen
Sheryl \＆Timothy Vanrooyen
Chad
Sheryl \＆Timothy Vanrooyen
Sheri Anderson
Sheri Anderson
Dennis Lusk
Joseph W Archer \＆L M Bruender
Kristine L Bowder Revoc Trust
Duane L \＆Patricia K Dick
Schaefer Family Farm LLC c／o Gerald
Schaefer
Tim，Lisa \＆Lee Manthei
Tim，Lisa \＆Lee Manthei
Choice Connection LLP
Ellen Sanders \＆Violet Manthei
Virginia Huber Life Estate et al．
Vista Farms
Larrell \＆Jodi Dejong
Esther S Craig（LE）et al
Palmer M \＆Susan A Welcome
Bob Hobart

Minerals


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Willis P \＆Eulalie A Grunig
Howard L Anderson
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Tyler \＆Jessica Sauck
Church of Christ of Horic
Jonathon R \＆Jean Gerdes Bentz
Alan Wille
Daniel M \＆Leah L Owens
Melvin C Evans
David W \＆Trudy S Bates
Louise M Bates Irrev Trust
Michael D Bates
George H Fowler Irrevoc Trust c／o Ron
George H Fowler Irrevoc Trust c／o Ron

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 Sylvia Balk
Duane \& Rose Mary Kasten Trusts Duane \& Rose Mary Kasten Trusts
Edward Sanders III et al.
Sanders Farms Sanders Farms
Amy Lang Amy Lang
Flowrein Cramer \& Evelyn Bower
Scott O \& Monica Grace C Ekstrom
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Mark A Wolf
Troy D \& Teres
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Morgan R \& J F Tennyson Current Resident

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Dennis Howell

Kent \& Cherrie Langford Eric D \& Leah M Worke
Cynthia Lemickson Kolander Dennis C \& Elaine M Sellner Michael D \& Diane A Morgan

Lance L \& Cori B Slater
Barbara Ziegler

## J \& M Properties of Wells LLC

## Tom Kresko

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Fairland Management
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Uchibori Trust
Uchibori Trust
Honeywood Farm
Honeywood Farm Inc
John A Boardman et al.
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Nasby Family Farms LLP
Peter W Boardman Rev Trust et al. Brent G \& Jennifer J Quiring
Lonnie Roloff et al.

Thomas \& Joann Plumhoff

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Heron Lake Watershed District
Administrator

SWCD District Manager
District Conservationist

Dennis \& Linda Hoppe
Six Sons Proper al.
Wayne Hansen et al
Gregory Bent
Joann Plumhoff
Daniel E Kennedy
Steven M Zens et al
Lowell Schultz
George W \& V Sickler (L
Cynthia M Anderson et
Alan A \& Juanita E Ask Nancy K Roehler

Myrna M Anderson
Darrell \& Anita Ogren
Jerald Ebeling
Jan Voit
Edward Svoboda Trust c/o Barbara
Edward
Svoboda
Tiffany \& Daniel E Cross
Robert L \& Laurie Baumann
Brian Nyborg
Ray Hendrickson Marilyn J Bauer Trust Larye Wachal et al

Larye Wachal et al
Ervin \& Dorothy Ihrke
Lloyd \& Christine E Steff Betty Rossow Trust c/o Marjorie L
Olmen

C J Schumann Trust c/o Anna Marie
Schumann Schumann
Kirk \& Darla

Kirk \& Darla Rossow et al
Yvonne Hodnefield Paul D \& Cynthia D Cihak
John H Nauerth lii

Shirley Thooft
Brian \& Amy Majerus
Debra \& Gary Bailey
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Orval Bailey Family Trust c/o Gary
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Fred \& Arlyce Henning
Phillip \& Lori Kruger
Phillip \& Lori Kruger
Lee John Garms
Michael \& Mary Ann Hasara
Chris Bauer
Doyle Svoboda
Stephen \& Twill
Stephen \& Twilla J Van Hal
Milford \& Janice Gentz
Milford \& Janice Gentz
David R Bauer
Richard \& Mabel Weets
Irvin\& Pearl Swanson Trust Richard G Jandera

Byron \& Keri Buresch et al
Roger C \& Darlene E Wede Roger C \& Darl Larry G Miller

Steven D \& Patricia Voss

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| 745 Basinger Memorial Dr |
| 89755 580th Ave |
| 89874 590th Ave |
| 90412 580th Ave |
| PO Box 579 |
| PO Box 579 |
| 113 230th St |
| 60660 920th St |
| 1189 230th St |
| 71339 430th St |
| 904 90th Ave |
| PO Box 518 |
| PO Box 548 |
| 36572 740th St |
| 70426 320th Ave |
| 2401 Broadway Ave Ste 1 |
| 1117 Humiston Ave |
| PO Box 10 |
| 3 High Ridge Park |
| 19 Bunning Dr |
| 97 Northridge Dr |
| 245 Cutleaf Cir |
| PO Box 1039 |
| 4747 Upton St NW |
| 4747 Upton St NW |
| 2603 Youngs Dr |
| 10301 Grosvenor PI |
| 5608 Meridian Hill PI |
| 214 Keswick Cir |
| 1575 John Knox Dr Apt C104 |
| 423 Cedar Berry Ln \# 203 |
| 8005 N Bridgewater Ct |
| 380 Winding Way Dr |
| 3476 Stateview Blvd |
| 1167 Wagner Ave |
| 1112 Price Ave |
| 248 Tymberbrook Dr |
| 4757 Old Acworth Dallas Rd |
| 436 Holderness St SW |
| 300 Woodhaven Dr Apt 35 |
| 300 Woodhaven Dr |
| 6838 SW 117th St |
| 292 Raintree Dr |
| 16132 4th St E |
| 6372 Palma Del Mar Blvd S |
| 1610 Reynolds Rd Lot 52 |
| 8923 Dartmoor Way |
| 645 103rd Ave N |
| PO Box 997 |






Evans
Ruby E Vanderiet
Wells Fargo Financial MN Inc
Robert C \& Delores L Williams
Marilyn K Frideres Irrev Trust
James P \& Patricia A Elbert
Paul J Weber
Betty J Kunkel
Molly \& Tom Elliott
Jesse Leroy Prochniak
Delmer Hardecopf
Shirley Hellman
Joan Peymann
Bradley A Eichenberger
Stateline Coop \& Watonwan Farm
Carol Konradi
Hawkeye Three LLP
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Thomas L Arne
JF Trust
Esther Haahr Revocable Trust c/o
Curtis Haahr
Bruce K Milbrandt
Mark Erickson
Teri Laidig
Dorothy Zielske
Ardell \& James L Blekfeld
David A \& Mary Ellen Malo
Cropmate Company
Scott A. \& Jennifer L. Poole
Ronald \& Judy Delong
Bonita L Naumann
Dan \& Hohni Weringa
David W Ley
Lakota IA 50451-7121
Northwood IA 50459-8617
Northwood IA 50459-1420
Osage IA 50461-0335
Osage IA 50461-1829
Plymouth IA 50464-5054
Rake IA 50465-0234
Thompson IA 50478-0067
Titonka IA 50480-0102
Waterloo IA 50701-4710
Waukon IA 52172-0085
Burlington IA 52601-6516
Bettendorf IA 52722-2193
Bettendorf IA 52722-3156


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Robert A \& Lorraine B Stewart
Sara L \& Matthew D Ertman
Jeffrey L Creger
Silk Road Family Ltd Prtnrshp
Hauge Family Lp c/o Allen D Hauge
Jana S \& Curtis Wm Frank
Mary Marlene Winter
Lawrence V \& Dorothy Johanson
Jessica Marie Bloomquist
Jacqueline Mcmahon \& Monica Haag
Etta J Petersen \& G K Schroedel
John Jordahl \& Shirley Coombes
Ronald Abel
George Lane Buck
Wisconsin Town Lot Company c/o
Borgelt, Powell, et al.
C V Boultinghouse
Donald Lusk
Nuvex Ingredients Inc c/o Kerry Inc
Alliant Interstate Power Co Gjevre Revocable Trust c/o Philip W \& Jane L Gvervre
Minnesota Energy Resources Cor
Fairmont Development Group LLC
Fairmont Development Group LLC
Burdean \& Dawn M Senne
Holt Enterprises LLP c/o Dave Holt
David A Holt et al
David A Holt et
Hubert \& Anna Neumann
Mary J Pirsig Life Estate et al.
Mary J Pirsig Life Estate et al.
Nial E Bessinger Life Est et al.
Max A \& Mary E Gustafson
William A Wood Estate Trust
Ronnie L Gronseth Living Trust
Jones Family Partnership LLP
David \& Karen L Finnegan
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Elizabeth \& Mark Mcafee
Elizabeth \& Mark Mcafee
Stuart Sybesma
Skluzacek Wadsten Farms LLP
G \& J Skluzacek Farms
Steve Looft
Gary \& Amy Larson
Rosemary Dahl Revocable Trust c/o Rosemary Dahl et al.


1125 Ridge Rd
1071 Lincoln Ave
2533 Eagle Ridge Dr Unit 112
2533 Eagle Ridge Dr PO Box 179

5838 Blackshire Path
3250 105th St E
7312 Argenta Trl
6897 Inverness Trl
13827 40th St N
180 5th St E Ste 700
375 Jackson St Ste 600 345 Kellogg Blvd W
404 Mississippi River Blvd N 404 Mississippi River Blvd N 1813 Lincoln Ave
1393 Keston St
 1 Federal Dr 3356 Lake Johanna Blvd 1480 Applewood Ct W 1830 Moccasin Ave
550 Hyde Ave N 260 Dahlia St 54 Mantail Rd 455 Burlington Rd
 1842 Hyacinth Ave E

 1231 Carlson Lake Ln
3613 Woodland TrI

[^69] 104 Strese Ln
13822 Grothe Cir
8729 Highwood Way
8729 Highwood Way
8448 133rd Street Ct
1 Eagle Ridge Rd
12 Raven Rd
10805 Sailor Way 648 Lake View Dr
520 Layfayette Rd Suite 500 Lafayette Rd N


Attn: St Paul District Regulatory Branch
United States Department Of Agriculture State Historic Preservation Office

US Army Corps of Engineers Deputy State Historic Preservation Officer

Rita A Matejka et al c/o Joyce Hartle
Lance H Holter Lance H Holter
Morrill W King c/o Arden W \& Frances Sheplee
Henry(Jr)\& Audrey J Wertheimer Henry(Jr)\& Audrey J Wertheimer
Darrel D Hacklander Life Est et al. c/o Lee Hacklander

John Jeffries
Gilmore Vonohlen et al
Maryanne R Swanson
Don Baloun Barbara Mitchell
James N Wolf et al. James N Wolf et al. Debra Teuchert \& St Debra Teuchert \& Steve Peterson
Sara K Zimmerman
Mary Lynn Worwa
United States Of America c/o U S Fish United States Of America c/o U S Fish
\& Wildlife Service \& Wildlife Service Mary Jo Zimmerman Trust
Kenneth S \& Marie E Bezdicek
Donna Lee Barnett
William Hinton
Mary Mead
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Lockner Family Partnership
Patrick H \& Bonnie M King Mary Jo Zimmerman Trust
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Patrick H \& Bonnie M King
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Grand Agra LLP
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Leann Hoppe
Shelly L Brekke
Clara C Wells Trust et al. c/o Carna
Sinkula Rosalie Ann Soronen
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[^70]John Jeffries
Gilmore Vonohlen et al
Maryanne R Swanson
Mark E O'sell

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State of MN
MN DNR Div Of Lands \＆Minerals Linda Bruemmer

## Stacy Kotch Karen Kromar

Jamie Schrenzel
CHS Inc
Maruice \＆Shirley lliff et al．
Darwin Berhow Joan L Roessier \＆
Kay Benck et al． Orville D \＆Carrol Sanderson Trust Southern MN Municipal Power Alice M Olson／Trust et al Marilyn F Deling

Ysbrand Vanderwerf \＆Eric Vanderwerf：
US Bank，Attn：Jim Myhra US Bank，Attn：Jim Linham Family Lmt Partnership c／o Steve Gleason Us Bank
Henry \＆Viola Aberson Rev Trusts Leona Mackie Martin

Susan L Kramer
Burnell R \＆Folker Debra Winchester（LE）et al．

Wayne A Diekrager
Nicholas F Salic et al． Normel Foods Corporation
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Signe Cone Tyler D Panka
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Marlo D \＆Mar Robert G Ovrebo Debra L Cichanski \＆D Campbell Noil P \＆Lisa G Quade Vincent E Schwieger Randal L \＆Deann M Phillips
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Linda Ann Kiecker Linda Ann Kieck
Ronald A Winch



 Savage MN 55378-3167
Shakopee MN 55379-9269
 Victoria MN 55388-9401
Victoria MN 55386-7702





 Minneapolis MN 55416-4913
Minneapolis MN 55416-4396



 Minneapolis MN 55424-0247



Twin Cities Ecological Services
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Tammy Stuart
Drive Buy Inc
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Helen J Vanderploeg
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Michael D \& Christina Schafer
Outstate MN Properties LLC
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Christine E \& Martin Johnson
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Fred C \& Leona Dahl
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Susan M Fordahl
Raymond Zierke Life Est et al. c/o Debra Nicholson
Patricia L Teskey
Vernon A \& Marian E San
Vernon A \& Marian E San
Norcor Properties Inc

Richard Charles Krueger et al.
Julie Alsworth
Nortech Systems Incorporated

DM \& E Railroad
Jackson Investments Inc
Spray Tech Inc
Shane \& Jason Rohman
Jennifer E Dick et al
Johnston Bros LLP c/o Steven
Johnston
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Ziegler Jackson LLC
Kay Hay et a
Erica Tobola
Virginia Wenzel Spartz
Gerald Kelsey Smith et al. Thomas E Dougherty Rev Trust
Dorothy A Dougherty Rev Trust Tony Sullins Nancy E Willette
Patricia D Schafer Patricia D Schafer
Juley Clark

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4856 State Highway 84 Unit 21
2604 S Newton St
713 10th St
504 E 17th St
1090 375th Ave
1024 340th Ave
1102 H Ave
William F Rieckhoff Rev Trust \& James
W Rieckhoff W Rieckhoff
Convenience Merchandising LLC
Kent Rodriguez
Trust Agreement Lawrence Wolff c/o
Lawrence F \& Elizabeth Wolff
Mary F Burnham
Cargill Inc
Marian J Zejdlik Trust
Charlotte J Miller
David Jensen
Paul R Chaussee et al
Elsie M Krueger Trustee
Richard C Krueger Fam Irrevoc Trust
Richard Charles Krueger
Priscilla L Lien Rev Trust
Boss Enterprises LLC
Minnegasco Inc
Greischar \& Torgerson Ptnship
Holiday Inn of Fairmont
Perkins Restaurant
Frances L \& Thomas A Meium
Thrifty Franklin Budget
Greischar \& Torgerson III LLC
Sadd Family Trust
Fort Randall Cable Systems Inc
Patricia L Fath
Cynthia Huse Revoc Trust
Pantera LLC Gordon Teig
Gary A \& Helen R Quist David A Dauk
Hawtons Hilltop Farm LLP
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TLC Properties Inc
Morris G \& Gerda Freier
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Marlyn Hagedorn \& Kandis Koppen
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John B \& Peggy Silker
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Laurel C Hodnefield Kremer
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Ronald Lee Craven
Howard G Cordes Rev Trust
Kerry E Krenz
Kerry E Krenz
Mark Worshek
Wilfred \& Marjorie Eckhardt Life Estate
Rachel C Brophy et al
Sabrina Weber
Joseph M Caven et al.
Tyrell Family Ltd Ptrship
Charles \& Lorri Weets
Cletus C \& Jeanette E Ortmeier Liv


Saint Louis MO 63179-0179
O Fallon MO 63368-9604
Liberty MO 64068-2970
North Kansas City MO 64116-2908
Saint Joseph MO 64502-0996
Columbia MO 65203-3511
Columbia MO 65203-8960
Columbia MO 65203-9758
Republic MO 65738-2291
Springfield MO 65803-3600
Tonganoxie KS 66086-1008
Tonganoxie KS 66086-5147
Overland Park KS 66207-0909
Overland Park KS 66207-0909
Melvern KS 66510-9131
Pittsburg KS 66762-6864
Fremont NE 68025-5323
Omaha NE 68103-0330
Omaha NE 68114-2805
Omaha NE 68154-8016
Omaha NE 68154-8016
Omaha NE 68154-4409

Omaha NE 68154-4403
Omaha NE 68154-8016
Omaha NE 68154-5298
Omaha NE 68179-1001
Raymond NE 68428-8208
Crawford NE 69339-1920
Tuckerman AR 72473-9105
Bentonville AR 72712-8055
Russellville AR 72801-2505
Salina KS 67401-8990
Oklahoma City OK 73108-1837
Tulsa OK 74107-3005
Grove OK 74344-7728
Dallas TX 75254-2946
Richardson TX 75082-4315
Pineland TX 75968-0529
Arlington TX 76012-1727
Arlington TX 76094-0519
Spring TX 77381-4804
Mission TX 78572-4228
Mission TX 78572-6522
San Antonio TX 78269-0110
Austin TX 78731-5318
Bayfield CO 81122-8721
Jaroso CO 81138-0075
Salida CO 81201-8537
Louisville CO 80027-3201
Highlands Ranch CO 80130-4179
Parker CO 80134-4404
Denver CO 80202-4921
Denver CO 80207-3723
Denver CO 80224-2967

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| :---: | :---: |
|  | 2640 Samuel Dr |
|  | 1 Liberty Plz |
|  | 605 E 29th Ave |
|  | PO Box 996 |
|  | 7 E Burnam Rd |
|  | 7801 S Old Plank Rd |
|  | 4902 Cochero Ct |
| 2527 E Logan St |  |
|  | 3165 N Maranatha Ln |
|  | PO Box 1008 |
|  | 18600 182nd St |
|  | PO Box 7909 |
|  | PO Box 7909 |
|  | 29951 S Adams Rd |
|  | 104 Huntington Cir |
|  | 1323 E 2nd St |
|  | PO Box 3330 |
|  | 721 N 87th St |
|  | PO Box 542016 |
|  | PO Box 542016 |
|  | 11516 Nicholas St |
|  | 11808 Miracle Hills Dr |
| PO Box 542016 13710 Fnb Pkwy Ste 300 1400 Douglas St Stop 1640 |  |
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| 2185 144th Dr |  |
|  | 261 Sandcreek Rd |
| 2141 Highway 224 E |  |
| PO Box 8050 |  |
| 702 N Cumberland Ct |  |
| 680 E Water Well |  |
| 4400 Will Rogers Pkwy |  |
| 431 W 23rd St |  |
| 28960 S 594 Ln |  |
| 14221 Dallas Pkwy Ste 1000 |  |
| 2375 N Glenville Dr |  |
| PO Box 529 |  |
| 2001 Elmhurst Dr |  |
| PO Box 13519 |  |
| 30 Pebble Hollow Ct |  |
| 604 E 13th St |  |
| 404 Capricorn St |  |
| PO Box 690110 |  |
| 4703 Highland Ter |  |
| 214 County Road 500 |  |
| PO Box 75 |  |
| 12537 County Road 195A |  |
| 201 Springs Dr |  |
| 6469 Ashburn Ln |  |
| 15725 Carob Cir |  |
| 1600 Broadway Ste 2200 |  |
| 2229 Bellaire St |  |
| 7005 E Girard Ave Apt A |  |

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602 Temple Ave $N$
Harold A \& Leota Karl
Barbara A Blanchar
N Central Public Service Co
Everett Libra
Frederick L Schuster Revoc Trust
Olson Farming LLC
Anita Blanchar
Wayne Vanderwert et al
Paul \& Doris Embretson Trust c/o Scott
Embretson
Ray E \& Edite B Park
Richard Arlo Erickson Trust
Cameron \& Teri Bell
U S West Communications Inc
Centurylink
Frances J Riegel Bagby
Darmer Resources LP
Patrick Philip Fischer
Northern Natural Gas Company
Marietta Epler
Betty Ruth Babcock Trust
Kark Family Farms LLP
C Ziemann Rev Liv Trust (LE) et al. c/o
Farmers Natl Co Farm
West Asset Management Inc c/o Dan
Jensen
E E Zemke Revocable Trust
Northern Border Pipeline Co
Union Pacific Railroad Co
Karen Baker et al.
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Geraldine L Henning
Douglas F Bradley Trust c/o Douglas F
Bradley
Secretary of H U D
Consolidated Ready Mix Inc
Ross Mapson
Federal Nat'l Mtg Assoc
Bank of America Attn: Vareo
Helen Virgens
Harold Joseph Hill \& Mary Lawrence
Hill Liv Trust
Wells Fargo Bank N.A.
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Jeanne E Frahm Trustee
Karen Steffen
Valero Renewable Fuels Co LLC
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Jay R \& Carolyn Ufer
Doyle \& Patricia Vanderwert
Buffalo Lake Energy LLC c/o Biofuel
Energy Corp
Kent Scholl Trust
Virginia Schafer
Westminster CO 80234-2492
 Covina CA 91724-3202
Solana Beach CA 92075-0826
Indio CA 92201-7446
Yucca Valley CA 92284-7913
Yucaipa CA 92399-345
Murrieta CA 92562-4386
Capistrano Beach CA 92624-1703 Capistrano Beach CA 92624-1703
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Coalinga CA 93210-9229
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 Santa Rosa CA 95402-6534 Carmichael CA 95608-1540
Folsom CA 95630-2023 Folsom CA 95630-2023 Heyburn ID 83336-7648
Nordland WA 98358-9643
 ES8G-G0ZL6 чо риердо Portland OR 97209-4142
Portland OR 9722-9799

14950 W Mountain View Blvd Apt 1108 7917 Craddock Ave
4301 Raymond Reed Blva
PO Box 4241
 5200 W Century Blva FT
13233 Beach St
 1323 Paseo Valle Vis
PO Box 826


 28476 Pacheco
1831 Deerfield Ct
1152 Via Doble 515 Weldon Ave
5 Palo Alto Sq Ste 700 PO Box 14534
6800 Westmore Way
100 Wild River Ln
8226 Lake Forest Dr
1801 Z St
263 Mumby Rd
21220 Port Gamble Rd NE
2767 SW Rutland Ter
1125 NW Couch St Ste 7
12705 SE River Rd Apt 414
Enid Behrens Trust
Cropbuilders Inc, Attn: Crop Production Services
Royster-Cla Production Services Carl Sjogren et al
Curtis J. Runia
Barbara L \& Berry Amy Living Trust
Marjorie Ann Gangl
Gentry \& Vicki Stanley
Roger \& Lois Bultman
Robert E \& Donna M Duffey (LE)
Barbara L \& Berry Amy Living Trust
Marjorie Ann Gangl
Gentry \& Vicki Stanley
Roger \& Lois Bultman
Robert E \& Donna M Duffey (LE) Robert E \& Donna M Duffey (LE)
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Mark M \& Charlotte M Teaser Barry Barton Mary L Lanford Trust Juel Teig Trust
Sandra J Smith Sandra J Smith
Kathleen Cordt

Monard R \& Vada M Peterson
Revocable Living Trust
Raul \& Maria T Donacio Larry J \& Penelope Mccormic Michael J. Clark Living Trust
Robert Morris J-M Manufacturing Co Inc Anabel M Gott
Larry D \& Barbara Kooiman Robert P \& Sharon M Huber Ned Weyer Rodriguez Misak \& Bedros Tadevossian Charmaine K Liccardi et al c/o Carole
Mcginnis Doreen Roberts Revocable Trust
Robert W \& Jeannine Shannon Timothy W Tompkins Catherin Jean Lynn Barzan Trust
Naeve Family Trust et al c/o William D Naeve
Jaskulke $\qquad$
Joseph \& Sherry Living Trust
John W Anderson Trust c/o William J
Anderson
Big Blue Wind Land Holdings LLC
Sandra M \& Jeffrey A Baker
Mckisson Land LLC
De Ann M Campbell
Elizabeth Rooney Fam Trust et al.
Daniel Markeson
Katherine Ann Goeddel
Elm Creek Wind II LLC c/o Contracts
Administration Jean C Lane \& Carol J Bucholz et al.

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IImore MN 56027
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## Wendell \& Verna Secrest Clarence E Palmer Family Trust

 Linus \& Sharon Tumbleson Linus \& Sharon TumblesonDavid \& Ben Finden Irrev Tru David P Finden Trustee Tom H Hill Trust

Current Resident

Current Resident
Current Resident

Current Resident
Current Resident

Current Resident
Current Resident
Current Resident
County Line Nursery Inc
Robert C. \& Carolyn M. Wagner Rourrent Resident
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isa K Iverson
Jill M Jensen Thomas L Andersen Thomas L Andersen
Robert $M$ \& Gina M Borchardt Randy D Garrison
Neal \& Susanne Senne bert \& Luverna Karen $\& \&$ Senne
Mary Lynn Bales rrent Resident



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Mark Westby et al. 34 Rawlings Ave Rchmnd HII On L4S1B
Mark Westby et al.
Daniel H Schafer
Mark Westby et al.
Daniel H Schafer

List of Attachment C Recipients

- Local Government Unit Lead Administrator
- Local Government Unit Elected Officials
- State Senators and Representatives with Districts in Notice Area



|  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |

Bill. Weber
Julie Ann Rosen
Bob Gunther
Rodney Hamilton
Amy Klobuchar
Tim Walz
John Ritter
Denise Pfaffinger
David Schaefer
Edie Smith
Richard Smith
Tim Blagg
Todd Thedens
Byron Steuer
Robert Stomberg
Duane Ehrich
Justine Hougen
Greg Mastin
Brian Wenthold
Mitch Murphy
Mike Jacobson
Ray Hornke
Scott Smith
James Welchlin
Brian Millmann
Bill Eckhardt
Neal Mensing
Kathy Bailey
Rob Hammond
Glenn Gaylord
John Gartzke
Allen Aukes
John Huisman
Richard Scholtes
Russ Erichsrud
John Thompson
John Roper
Greg Young
Bill Groskreutz, Jr.
Tom Loveall
Tom Warmka
Jan Rauenhorst
Joe Anderson
Alan Johnson
George Huber Jr.
Sherwood Krosch
Randy Peter
Brian Naumann
Ronda Dahl
Dean Larsen
Bill Carr
Dianne Nowak
Keven Sullivan
Edrys (Eddy) Viland
Pat Coupanger


## 요 <br>  <br> 옹

East Chain Township Clerk
Fairmont Township Clerk
Pleasant Prairie Township Clerk
Rolling Green Township Clerk
Rutland Township Clerk
Fairmont City Administrator
Martin County Coordinator
Center Creek Township Clerk
Nashville Township Clerk
Gerona Township Clerk
Northrop City ClerkTreasurer
Grana City ClerkTrasurer
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Waverly Township Clerk
Westford Township Clerk
Truman City Clerk/Treasurer
Winnebago Township Clerk
Winnebago City Manager

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Stacy Huntington-Sc Michael Christophel Art Benda, J.
Gary Beseke
Dave Ringkob Loren Schoewe Joe Buller
Dean Schentzel
Linda York Joe Buller
Dean Schentzel
Linda York Tim Cain
Daryl Becker
 David Doppenberg
Elmer Welch Elmer Welch
Alan Erickson Lowell Flatgard Marilyn Dahlin John Lilleberg Ron Bezdicek David Storm
Mark Goede Leland Kanuch
HC (Skip) Henton HC (Skip) Hento
Karen Helvig
Alan Wille
Denise Wille Denise Wille
Steve Graham Jeff Lueth
Wayne Maloney Lawrence Salic Tony Weihe Kieth Worthley Monte Rohman Lynn Brownlee
Richard Becker Jake Ebert
Kathy Hendricksen Paul Leimer Elliott Belgard Duane Meyer
Joan Adams Mike Salic Darwin Olson Douglas Hill
Deb Claeys Ken Hartman Donna Brown Austin Bleess Randy Nowak Rick Johnson Scott Robertso Ron Bezdicek Mark Goede


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Enterprise Township Clerk
Wisconsin Township Clerk
Jackson City Clerk

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| Heron Lake Township Clerk |
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| Kimball Township Clerk |

Cedar Township Clerk
Elm Creek Township Clerk
Jay Township Clerk
Sherburn City Administrator
Jed Hesebeck
Richard Klima
Dawn Ascheman
Neal Perkins
Everett Ascheman
Matt Benson
Steve Walker
Wayne Walters
Fred Bern
Gary Willink
Ken Temple
Donald Shoenrock
Dennis Hunwardsen
Chris Vee
Janice Fransen
William Tusa
Kim Hummel
Rosemary Schultz
Roger Ringkob
David Henkels
James Thoreson
Theodore Bretzman
Geraldine Pohlman
Norman Stender
Douglas Hansen
Rosemary Swanson
Karin Rubis
Steve VanHal
Art Swanson
Kelly Rasche
Darrell Nissen
Darrel Hage
Andrea Monson
Kim Rients
Bruce Bakalyar
Angela Rossow
Kathleen Peterson
Lowell Porath
Richard Peterson
Steven Syverson
Gary Wilson
Anna Beth Faber
Edward Lee
Keith Sickler
Earl Cordes
Dianne Theobald
Steve Roben
Irene Schlaphoff
Philip Schafer
David Crissinger
Edgar Savidge
Pat Bedford
Mark Stoffel
Jamie Letzring
Robert Roesler


Carroll Behne
Jeff Ross
Brad Ringnell
Kurt Olson
Nathan Whitehead
Elaine Anderson
Rodney Erickson
Donald Faber
Debra Rabbe
Kermit Carlson
Terry Heavirland
Phillip Bettin
Melissa Flohrs
Thomas Eckmann
Mark Larson
Thomas Hage
Ron Reicherts
Karen Koeder
Jack Potter
Dennis Carlson
Doug Hilgendorf
Bruce Whitehead
Lin Hilgendorf
Donald Nordstrom
Roland Phillipp
Rita Garbers
John Garbers
Wanda Patsche
Wes Anderson
Becky Weig
Richard Koons
Deb Hansen
H. Bocky Borchardt
Todd Williams
Kim Holm
John Larson
Scot Scheff

## Attachment C

ITC Midwest LLC • 444 Cedar Street, Suite 1020 • St. Paul, MN 55101

January 22, 2013
RE: Notice of Certificate of Need Application for the Minnesota-Iowa 345 KV Transmission Project in Jackson, Martin, and Faribault Counties, Minnesota MPUC Docket No.: ET6675/CN-12-1053

Dear Local Government Representative or Elected Official:
ITC Midwest LLC, a Michigan limited liability company ("ITCM"), is proposing to construct a 345 kV transmission line from its Lakefield Junction Substation in Jackson County, east through Martin County to the newly-proposed Huntley Substation in Faribault County, before turning south to the Iowa border (the "Project"). In Iowa, the transmission line will continue south to a new Ledyard Substation, near the City of Ledyard, Iowa, and then on to a substation near the City of Burt in Kossuth County, Iowa. ITCM will seek approval to construct the Minnesota portion of the Project from the Minnesota Public Utilities Commission ("Commission"). This letter is intended to provide you with notification of certain Project details and also to provide you with information on how you can participate in the Minnesota regulatory process.

The Project includes expanding the Lakefield Substation, a new Huntley Substation and several miles of reconfigured 161 kV transmission line near the Huntley Substation. The reconfigurations are necessary to relocate all 161 kV transmission substation facilities to the Huntley Substation from the existing Winnebago Substation which will be decommissioned. The Minnesota portion of the Project will be approximately 75 miles long. The area under consideration for the location of the Project is depicted in Attachment A. The Iowa portion of the Project will be permitted by the Iowa Utilities Board.

This notice is being provided to those who fall within one or more of the categories listed below as they relate to the area ("Notice Area") shown on Attachment A:

- Landowners with property within the Notice Area;
- Residents within the Notice Area;
- Local units of government in and around the Notice Area;
- Local and State elected officials; or
- State and local government agencies and offices.

Because your constituents may have questions related to the Project, we wanted to inform you of our proposal and also how you and your constituents may get involved in the regulatory process for the Project.

## Regulatory Process Overview

For the Project, the Commission must determine whether the Project is needed (Certificate of Need) and where the Project should be located (Route Permit). Before the Project can be constructed, the Commission must first certify that the Project is needed. The certification of the Project is governed by Minnesota law, including Minnesota Statutes Section 216B.243, and Minnesota Rules Chapters 7829 and 7849 , specifically Rules 7849.0010 to 7849.0400 and 7849.1000 to 7849.2100 . In the Certificate of Need proceeding, the Commission will analyze whether ITCM has proposed the most appropriate size, type, and timing for the Project. The Certificate of Need application, once submitted, can be obtained by visiting the Commission's website at www.puc.state.mn.us in Docket No. ET6675/CN-12-1053.

In addition to certifying the Project, the Commission must also grant a Route Permit for the Project. The routing of the Minnesota portion of the Project is governed by Minnesota law, including Minnesota Statutes Chapter 216E and Minnesota Rules Chapter 7850. Information on the Route Permit application, once filed, can be obtained by visiting the Commission's website in Docket No. ET6675/TL-12-1337.

Minnesota Department of Commerce Energy Facility Permitting staff ("EFP") is responsible for conducting environmental review of the Project. EFP will prepare an environmental report for the Certificate of Need proceeding. EFP will prepare an environmental impact statement ("EIS") for the Route Permit proceeding. EFP may elect to combine these two documents and issue one document, an EIS, which satisfies the environmental review requirements for the Certificate of Need and Route Permit proceedings.

ITCM will be submitting an application for a Route Permit with at least two routes and will identify the route which ITCM prefers. Other routes can be proposed during the EIS scoping process to be completed by EFP. As part of its analysis, EFP will evaluate the routes proposed by ITCM in its Route Permit application and any other routes proposed during the scoping process that will aid in the Commission's decision on the Route Permit application. The Commission may determine that a route submitted by ITCM, or a route proposed during the scoping process, or some combination of such routes is the most appropriate route for the Project. Selection of a final route by the Commission will be based on evaluation of the routes, guided by the Factors identified in Minnesota Statutes Section 216E.03, Minnesota Rule 7850.4100, and stakeholder input received during the regulatory process.

For the 345 kV transmission line portions of the Project, ITCM anticipates that it will obtain a 200 -foot wide permanent right-of-way. For the 161 kV transmission line portions of the Project, ITCM anticipates that it will obtain a 150 -foot wide permanent right-of-way. Before beginning construction, ITCM will acquire property rights for the right-of-way, typically through an easement that will be negotiated with the landowner for each parcel.

The proposed structures for the Project are primarily single pole, weathering or galvanized steel structures. Where the 345 kV transmission line can be co-located with existing 161 kV
transmission lines, double-circuit structures will be used. For the 161 kV transmission line portions of the Project, single pole single circuit and double circuit poles will be used to accommodate construction. Structures are proposed to be placed using spans of approximately 600 to 1,100 feet, with an average span of approximately 900 feet. Additionally, specialty structures, other than the single pole structures discussed above, may be used through areas of environmental sensitivity or where construction conditions require their use.

## Need for the Project

The Project is needed to enhance regional reliability, increase transmission capacity to support additional generation, including generation to meet renewable energy standards throughout the region, and to reduce congestion which will enable more efficient delivery of energy.

The proposed facilities in Minnesota and Iowa were studied and approved in December 2011 as part of the Midwest Independent Transmission System Operator ("MISO") MultiValue Projects ("MVP") portfolio in the 2011 MISO Transmission Expansion Plan.

The MVP projects were developed based on a broad assessment of benefits to strengthen and enhance reliability across the integrated transmission system on which all regional electric load and exports rely including:

- Substantial reductions in regional congestion costs;
- Reductions in transmission losses, effecting significant, broadly-shared cost savings; and
- Reductions in the region's installed capacity requirement, thus measurably reducing capacity costs throughout the region.

The Project is a portion of what is identified as Project 3 in the MVP portfolio. The Iowa portions of Project 3 are subject to review and approval by the Iowa Utilities Board.

## Biennial Transmission Planning

Minnesota statutes include a requirement that each electric transmission owning utility in the state file a biennial transmission planning report with the Commission in the fall of odd years. These reports provide an excellent source of background information on the transmission planning process used by utilities in Minnesota. The 2011 Biennial Transmission Planning Report is available at: www.minnelectrans.com.

## Project Notifications

To subscribe to the Project Certificate of Need docket and receive email notifications when information is filed that is related to the Certificate of Need for the Project, please visit www.puc.state.mn.us, click on the "Subscribe to a Docket" button, enter your email address and select "Docket Number" from the Type of Subscription dropdown box, then select " 12 " from the first Docket Number dropdown box and enter " 1053 " in the second box before clicking on the "Add to List" button. You must then click the "Save" button at the bottom of the page to confirm your subscription to the Project Docket. These same steps can be followed to subscribe to the Project Route Permit docket (ET6675/TL-121337).

Please visit www.itctransco.com/minnesota-iowa-project for more information on the Project. If you have questions about the process, you may contact the Minnesota regulatory staff listed below:

| Minnesota Public Utilities Commission | Minnesota Department of Commerce <br> Scott Ek |
| :--- | :--- |
| Ray Kirsch, State Permit Manager |  |
| $1217^{\text {th }}$ Place East, Suite 350 | $857^{\text {th }}$ Place East, Suite 500 |
| St. Paul, Minnesota 55101 | St. Paul, Minnesota 55101 |
| 651.201 .2255 | 651.296 .7588 |
| 800.657 .3782 | 800.657 .3794 |
| scott.ek@state.mn.us | raymond.kirsch@state.mn.us |
| www.puc.state.mn.us |  |

If you would like to have your name added to the Project Route Permit mailing list (MPUC Docket ET6675/TL-12-1337), you may register by visiting the Department of Commerce webpage at mn.gov/commerce/energyfacilities/, clicking on the "Transmission Lines" tab, selecting "Minnesota-Iowa 345 kV Transmission Project" from the listed projects, and then clicking the links next to the "Mailing List" heading. Alternately, you may contact Department of Commerce staff at the address above. Please be aware that the Route Permit mailing list may not be available for online registration until the Route Permit application is submitted.

A separate service list is maintained for the Certificate of Need proceeding. To be placed on the Project Certificate of Need mailing list (MPUC Docket ET6675/CN-12-1053), mail, fax, or email Robin Benson at Minnesota Public Utilities Commission, 121 7th Place E., Suite 350, St. Paul, MN 55101-2147, Fax: 651-297-7073 or robin.benson@state.mn.us.

The ITCM contact for questions about this Project is:
David B. Grover
Manager, Regulatory Strategy
ITC Midwest LLC
444 Cedar Street, Suite 1020
St. Paul, MN 55101
877-482-4829
minniowa@itctransco.com

Sincerely,


David B. Grover
Manager, Regulatory Strategy

## Attachment D

In the Matter of the Certificate of Need Application by ITC Midwest for the Minnesota-Iowa 345 kV Transmission Project in Jackson, Martin and Faribault Counties, Minnesota

Gregory D. Trees, being first duly sworn, deposes and states that the attached invoice and tear sheets are provided as proof of publication of the notice of ITC Midwest for its Minnesota-Iowa 345 kV Transmission Project in Jackson, Martin, and Faribault Counties in the following publications on the following dates:

Faribault County Register
Fairmont Daily Sentinel
Ti County News
Jackson County Pilot
Kiester Courier Sentinel
Lakefield Standard
Minneapolis Star Tribune
Minnesota Lake Tribune
Martin County Star
Truman Tribune
Wells Mirror
Worthington Daily Globe

Subscribed and sworn to before me this $18^{\text {紫 }}$ day of February 2013.


[^77]January 21, 2013
January 24, 2013
January 23, 2013
January 24, 2013
January 24, 2013
January 24, 2013
January 24, 2013
January 24, 2013
January 23, 2013
January 23, 2013
January 24, 2013
January 24, 2013

P. 248-643-7766 F. 248-643-0606
www.gotoanr.com

BILL TO: Accounts Payable
Barkley
INVOICE DATE: 01/10/2013
INVOICE NO.: 27147
1740 Main
PAGE NO.: 1
Kansas City, MO 64108
Agency and Advertiser are held jointly and severally liable until payment is received in full.
ACCOUNT DESCRIPTION INVOICE TERMS

020100-ITC ITC Holdings
LINE ORDER ADDATE INCHES RATE COLOR GROSS AMT NET AMT CODE

NEWSPAPER NAME: FARIBAULT COUNTY REGISTER
PUB NO.: 231081 CITY/ST: BLUE EARTH, MN

| 001 | 13013010 | $01 / 21 / 2013$ | 126.00 | $\$ 11.56$ | $\$ 0.00$ | $\$ 1,457.15$ | $\$ 1,238.58$ | 9 |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |

NEWSPAPER NAME: FAIRMONT DAILY SENTINEL
PUB NO.: 232937 CITY/ST: FAIRMONT, MN

NEWSPAPER NAME: TRI COUNTY NEWS

| PUB | 1O.: 23 | CIT | HERO | KE, |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 003 | 13013010 | 01/23/2013 | 172.00 | \$7.19 | \$0.00 | \$1,236.37 | \$1,050.91 | 9 |
|  |  |  |  |  |  | \$1,236.37 | \$1,050.91 |  |

NEWSPAPER NAME: JACKSON COUNTY PILOT
PUB NO.: 234177 CITY/ST: JACKSON, MN
$\begin{array}{lllll}004 & 13013010 & 01 / 24 / 2013 & 172.00 & \$ 10.95\end{array}$

| $\$ 0,00$ | $\$ 1,883.90$ | $\$ 1,601.32$ | 9 |
| :--- | :--- | :--- | :--- |
|  | $\$ 1,883.90$ | $\$ 1,601.32$ |  |

NEWSPAPER NAME: KIESTER COURIER SENTINEL
PUB NO.: 234321 CITY/ST: KIESTER, MN

| 005 | 13013010 | $01 / 24 / 2013$ | 126.00 | $\$ 6.54$ | $\$ 0.00$ | $\$ 824.19$ | $\$ 700.56$ | 9 |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |


| NEW PUB | SPAPER NO.: 234 | AME: LAK | D STA LAKE | ANDARD <br> EFIEID MN |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 006 | 13013010 | 01/24/2013 | 172.00 | \$7.85 | \$0.00 |  | 349.70 | \$1,147.24 | 9 |
|  |  |  |  |  |  |  | 349.70 | \$1,147.24 |  |
| NEW | SPAPER | AME: MIN | OLIS S | STAR TRIBU |  |  |  |  |  |
| PUB | NO.: 235 | CIT | MINN | NEAPOLIS, M |  |  |  |  |  |
| 007 | 13013010 | 01/24/2013 | 126.00 | \$236.18 | \$0.00 | \$29, | 758.24 | \$25,294.50 | 9 |
|  |  |  |  |  |  | \$29, | 758.24 | \$25,294.50 |  |
| Code | e Descript |  | Code | Description |  | Code | Descr |  |  |
| , | Not Rece |  |  | Agency Cance |  | 9 | Invoice | hout Tearsh |  |
| 2 | Received | Process |  | Ran Early |  |  | Not As | duled - Wron |  |
| 3 | Discrepan |  | 7 | Ran Late |  |  | ANR C |  |  |
|  | Did Not R |  |  | Received Corr |  |  |  |  |  |

BILL TO: Accounts Payable
INVOICE DATE: 01/10/2013
Barkley
INVOICE NO.: 27147
1740 Main
PAGE NO.: 2
Kansas City, MO 64108
Agency and Advertiser are held jointly and severally liable until payment is received in full.

ACCOUNT DESCRIPTION
020100-ITC ITC Holdings

INVOICE TERMS
DUE UPON RECIEPT
LINE ORDER ADDATE INGHES RATE COLOR GROSS AMT NET AMT CODE

NEWSPAPER NAME: MINNESOTA LAKE TRIBUNE

| PUB | NO.: 236 | CIT | MINN | A LA |  |  |  |  |
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| 008 | 13013010 | 01/24/2013 | 65.00 | \$6.21 | \$0.00 | \$403.77 | \$343.20 | 9 |
|  |  |  |  |  |  | \$403.77 | \$343.20 |  |

NEWSPAPER NAME: MARTIN COUNTY STAR

| PUB NO.: 238123 | CITY/ST: |  | SHERBURN, MN |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 009 | 13013010 | $01 / 23 / 2013$ | 123.00 | $\$ 5.88$ | $\$ 0.00$ | $\$ 723.54$ | $\$ 615.01$ |
|  |  |  |  |  | $\$ 723.54$ | $\$ 615.01$ |  |

NEWSPAPER NAME: TRUMAN TRIBUNE
PUB NO.: 239037 CITY/ST: TRUMAN, MN
$\begin{array}{lllll}010 & 13013010 & 01 / 23 / 2013 & 129.00 & \$ 10.46\end{array}$

| $\$ 0.00$ | $\$ 1,349.19$ | $\$ 1,146.81$ | 9 |
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| $\$ 1,349.19$ | $\$ 1,146.81$ |  |  |

NEWSPAPER NAME: WELLS MIRROR

| PUB NO.: 239541 | CITY/ST: WELLS, MN |  |  |  |  |  |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| 011 | 13013010 | $01 / 24 / 2013$ | 129.00 | $\$ 3.79$ | $\$ 0.00$ | $\$ 488.68$ |
|  |  |  |  |  | $\$ 488.68$ | $\$ 415.38$ |

NEWSPAPER NAME: WORTHINGTON DAILY GLOBE
PUB NO.: 239855 CITY/ST: WORTHINGTON, MN

| 012 | 13013010 | $01 / 24 / 2013$ | 189.00 | $\$ 25.04$ | $\$ 0.00$ | $\$ 4,731.67$ | $\$ 4,021.92$ |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |

INVOICE TOTAL: $\$ 45,443.28 \quad \$ 38,626.78$
PREPAID

| Code | Description |
| :---: | :--- |
| 1 | Not Received |
| 2 | Received/In Process |
| 3 | Discrepant |
| 4 | Did Not Run |

## Code Description

5 Agency Cancelled
6 Ran Early
7 Ran Late
8 Received Correct

## Code Description

9 Invoiced Without Tearsheets
A Not As Scheduled - Wrong Ad
C ANR Correction

## Notice of Certificato of Need Application for the Minnesota-lowa 345 KV Transmission Project in Jackson, Martin, and Faribault counties, Minnesota

 MPUC Docket No.: ET6676/CN-12-1053ITC Midwest LLC, a Michigan linited liabitiy company ('TTCM'), is proposing to consifuict a 345 kV tramamission Ine from its Lakalinidd Junction Substation in Jackson County, east through Marifn County to the nowhy-proposed Huntiey Substation in Faribault County, before tuming south to the lowa border (the Substalinn, Hear the Cily of Ledyard, lowa, and then on to a substation near the City of Burt in Kossuth County, lowa, ITCM will seek approval to construct the Minnesola portion of the Froject from the Minnesota Public Uitdies Cominission (Commission? This latter is intended to pravida you with notifcation of certain Project details and also to provide you with intornation on how you can part cipale in the Minnesola regulatory process

The Project includes expanding the Lakefield Substation, a new Hunlley Substation and several inies of reconfigured 161 kV transmission Ine near the Huntey substacon, the reconfigutaulohs ane hecessary 10 relocate all 161 kV Iransinission subsiation lacildes to the Huntley Substation from the existing of the Project will be approximately 75 milos long The area under consideration for the locabon of the Project is depicted on the imap belowe. The lowa portion of the Project wif be permilled by tho lowa Ubilibes Board

This notice is being provided to thase who fall within one or more of the calegories usted below as they relate to the area ("Notice Area") shown below:

- Landowners with property within tho Notice Area;

Residents within the Notice Area;
Local units of goverriment in and aroind the Notice Area;
Local and State elected officials, or
State and local govemment agencies and omicos.

## Regulatory Process Overview

For the Project, the Commission musl determine whelher the Project is needed (Cerbicale of Naed) and whiera fhe Project should be located (Route Perinit). Before tis Projeci can be consiructed, the Comimission inust firs Mnnesota law including Minnesota Slatuites Snction 2168243 and Minnesota Rules Chaplers 7829 and 7849 , specifically Rules 7849.0010 to 7849.0400 and 7849 , 1000 to 7849.2100 In the Certificate of Need proceeding, the Commission will analyze whelher ITCM has proposed the most appropriate size, lype, and liming for the Project. The Certificale of Need application, once submitted, can be oblained by visiling the Commission's website at wnv.pucstale.mn.us in Docket No, ET6675/CN-12-1053.

In addition to ceerlitying the Projed, the Commission must also grant a Route Permil tor the Project. The routing of the Minnesola partion of he Project is governed by Mnnesola law, including Minnesota Statules Chapler 216E and Minnesola Rules Chapter 7050 . Information on the Route Pernill application, once fliod, can be oblainud by visiling the Conunission's websile in Docket
No. ET6675/TL-12-1337.

Minnesota Department of Commerce Energy Faciaty Permiting staff (EFP') Is responsible for conducting environimental ieviow of the Project. EFP will prepare an onvironmental report for the Ceraficate of Need proceeding EFP proceedia $\operatorname{EFP}$ entormenial combine these two documents and issue one docuinent an EIS, which sabisfies the environmental review requirements for the Cerfificate of Need and Route Peunit proceedings.

TCM wir be subiniteng an application for a Route Permit with at rast wo routes and will identify the route which ITCM preters. Other routes can be proposed duning the EIS scoping protess to be compleled by EFP, As part orits enalysis, EFP will evaluate the routes proposed by ITCM in its Routu Permm application and any olher roules pioposed duing the scoping process Uhat will aid in the Commission's declsion on the Route Parmit applicalion. The Commission may delermine that a route subuitited by ITCM, or a roule ploposed during the scoping process, or some combination of such routes Is the miont appropriate route for ihe Project. Selecton of a final roule by the idenified it Minnesola Slatutes Section 216E.03, Mirnesota Rule 7850.4100 , and slakeholder input recelved during the repulatory process.

For the 345 kV tansmission Kne potllons of the Project, ITCM andicipales that it wall obtain a 200 -foot wide permanent right-of-way. For the $161 \times V$ transcrission line portious of the Project, ITCM anticipates that it will obtain a 150 -fool wide permanent right-of-way, Eelore beginning construction, ITCM will acquite pioperty rights for the right-ot-way, typically through an easement that will be negoliated with the landowner for each parcel.

The proposed structures for the Projocl are pimarity single pole, weathering or galvanized steel structures. Where the 345 kV transmission line can be co-located wilh exising $16 i \mathrm{kV}$ tranis mission hines, doubla-circuit structures wall be used, For the 161 kV transmission lina portions of tha Projacl, singla pole single circuit and double circuit poles will be used to accommodat construction. Siruclures are proposed to be placed using spans of approximalely 500 to 1.100 leet, With an average span of ayproximately 900
discussed above, may be used through areas of enviltonmental sensifitity or Where construction conditions require their use.

## Need for the Praject

The Project is neaded to entiance regional reliability, increase transmission capacity to supporl additional generation, including generation to moet renewable energy standards troughout the region, and to reduce congestion which will enable more etficient delivery of enargy.

The proposed lacilities in Mnnesola and lowa were studied and approved in Dacembar 2011 as part of the Midwest Independent Transmission Syblein Operator (MISO') Multi-Value Projacts ('MVP) partiolio in the 2011 MISO Transmission Expansion Plan.

The MVP projects Were developed based an a broad assessment of benefits to sliengthen and enhance rellability actoss the inteprated transmissian syslem on which all rogional eloctric load and exports rely including:

Subsianital reductions in regional congestion cosis. cosi savings; and
Reductions in the
Reducing capacily cgon's installed capacily foquiroment, thus messurably reducing capacily costs throughout the reglan

The Project is a portion of what is identified as Project 3 in tho MVP portfolio The lowa porilons of Project 3 are subject to teviliw and approval by Die lowia Utities Board.

## Biennial Transmission Planning

Minnesola statures include a tequirement that each electric fransinission owning utifity in tho state fio a biennial transmissian planning teport with Tho Commiasion in the latf of odd years. These reports provide an excellinat source of background informaluon on the transmission planning process used by utiftes in Minnesota. The 2011 Biennial Transmisslon Planning Report is
avalable ot wwuminnelectrans com

## Project Notifications

To sutbscribe to the Project Ceruficate of Need docket and receive emall notifications vthen intormation is fied that is relaled to the Certificate of Need For the Project, please visit wwr.puc, stale.mn, us, click on the "Subscribe to a Docker Tyutton, enter your omal addrass and select Docket Number in form Number dropdown box and enter '105J' in the second box before clicking on the "Add to List" button, You must then click the "Save button at dee bottom of the page to confiem your subscription to the Project Dockel These sanie sieps can be foll owed to subscribe to the Project Route Permit dockel (ET6675/TL-12-1337)

Please visit hitp:/IMwwilctransco.comi/nimesota-lowa-project for mor Inlormation on the Project. II you have questions about the process. you may contacl the Minnesota ragulatory slall listed below:

| Minnessta Public Lililies | Minnesota Depariment of |
| :---: | :---: |
| Coramission | Commerce |
| Stoll Ek | Ray Kirsch, State Perimit Manager |
| 121 7h. Place East, Suito 350 | 85 7th Place East, Suite 500 |
| SL. Paul, Minnesota 55101 | St. Poul, Minnesoto 55101 |
| 651.201.2255 | 651.296.7588 |
| 800,657,3782 | 800.657.3794 |
| scott.ek ${ }^{\text {a }}$ state.mnas | tavgonid kirachandale.muis |

If you would like to have your name added to the Project Roule Pemil ma in list (MPUC Dockel ET6675/TL-12-1337), you may register by visiling tho Department of Commerce webpage at mn.gov/conmerce/enargylacilties/ clicking on the "Transinissian Lines" tab, selecling "Minnesolia-lowa 345 kV Transmission Project" trom the listed projects, and then ciricing the links next to the "Mailing List" heading. Alternalely, you may contact Department of mailing fist may not be avaliablo Ior online registration until the Route Peimil mailing list may not be av

A separate service list is mointained for the Certificale of Need procaeding. To be placed on the Project Certificate of Need malling list (MPUC Docket ET667S/CN-12-1053), mail, fax, or einail Robin Benson at Mrmesota Public ET667S/CN-12-1053), mal, fax, of einal Robin Benson ar Mimmesola Public Fax: 651-297-7073 or robin,benson@gstate, innus.

The ITCM conlact lor questions about dis Project is:
David B. Grover
Manager, Regulatory Siralagy
ITC Midwest LLC
444 Cedar Street, Suite 1020
St. Paul, MN 5510
877-482-4820
minniowa@lictransco com

# Notice of Certificate of Need Application for the MInnesota-lowa 345 KV Transmission Project in Jackson, 

Martin, and Faribault countles, Minnesota
MPUC Docket No.: ET6675/CN-12-1053

ITC Midwast LLC. a Mchigan Ilirited liability company (ITCMT), Is proposing
 in Jackson County, east through Martin County to the newt-proposed Huniley Substation in Faribauli County, before turning soulh ta the fowa border (the Substation, near the City ol Ledyard, lowa, end then on to a substation near the City of Burt in Kossuth County, lowa. ITCM will seek approval to construct the Minnesota portion of the Project from the Minnesota Public Uuiltes Commission ("Commission") This leller is inlended to provide you with notication of certain Piojecl detalls and also to provide you with information on how you can participate in the Minnesota regulatory process

The Project includes expanding the Lakefield Substation, a new Hundey Substation und several miles of reconfigured 161 KV transmission kine near the Auridey Subitation. The reconflquiations are necessary to relocato af 161 kV Kansnusilon subalation tacibied to the Hunificy subatation fom bie exising limebogo substalor which wil be decommissloned. The Minnesota porton tor the location of the Prolecl is depleted on the maphelow. The lowa portion of the Project will be permitied by the lowa Utilites Eoard

This notice is being provided to thase whe fall wilbin one or more of the categories listed below as they relate to tre area ("Notice Area") shown

- Landowners with property within the Notice Area;
- Residents within the Notice Area;

Local units of governmentin and around the Nolice Area:
Local and State elected otficlals; or
Regulatory Process Overviow
For Ule Prolect the Commission musi determine whither the Prolect is needed (Cerdificate of Need) and where the Project should be located (Rout Parmit). Before the Project can be constructed, the Commission musi firs Minnesola lave inctuding Minestota cintutifes Section of Projectis governed by Rules Chapters 7629 and 7849, specifically Rules 7849.0010 to 7849,0400 and 7049.1000 to 7949.2100. In the Certilicate of Need proceeding, the Comenission will analyze whether ITCM has proposed the most appropriate oize, type, and timing for the Project. The Cerificate of Need application. once submitted, can be oblained by visting the Cammisaion's website at wnur.puc,state, mn.us in Dockel No, ET6675/CN-12-1053

In addition to cerrilying the Projeci, the Commission musi also grani a Routa Permil for the Project The rouling of lie Mirnesota portion of the Project is govemed by Minnesota law, Including Minnesota Statutes Chapter 213E and ance fled can Ce oplined by villit lie Commieston's website in Dock No, ET6675/T-12-1337.

Minnesola Department of Commerce Energy Faclity Permilting staff ("EFP") Is responsible for conducting environmental review of the Project EFP will prepare an environmenial report for the Certficate of Need proceeding. EFP will prepare an environmental impact statement (Elis) for the Route Permit procceding. EFP may elect to combine these two documents and issue one document, an EIS, which sotisfies the environmental review requirements for the Cerificate of Need and Route Permit proceedings.

ITCM will be subimiting an application for a Routa Permilt with at least tw roules and will identily the route which ITCM prefers. Other roules can be proposed during the EIS scoping process to be completed by EFP. As pan Pernit apolicallon and any other routes proposed during the scoplag rowes that will aid in the Comission's decision on the Route Permit ipplicesite The Commisslon may determine thal a route submilted by ITCM or a route proposed during the scoping process, or some combination of such routes Is the most appropriate route for the Project. Selection of a fnal route by the Comimission will be besed on evaluation of the roules, gulded by the Faclors Identfied in Minnesola Slatutes Section 216E.03, Minnesola Ru/e 7850,4100, and stakeholder input received during the regulatory process

For the 345 kV transmission ine portions of the Profect, ITCM anticipales that will oblain a 200 -loot wde permanent righl-ot-way. For the 161 kV transmasion ine portions of the Project. ITCM anticipales thatit will oblain a 150 /ool widc permanent night-of-way. Before beginning construction, ITCM will aequire property rights for the right-ol-way, typically through an easement that will be

The proposed structures for the Projecs are primarily single pole, weathering or galvanized steel structures. Where the 345 kV Iransanission line can be co-located with existing 161 kV tansmikslon lines, double-drcuit structures will be used, For the 161 kV tranamisalon line portions of the Project, stngle pole ningle cifcuit and double clrouit poles will be used to accommodate consinuction. Siructures are proposed to be placed Using epans of leet Additionally, spectalty structures, other than the single pole structures
discussed above, may be used itrough areas of environmental sensitivily or here construction candillons require their use.

## Nead for the Prolect

The Project is needed to enhance regional rellability, herease transmission apaclly to suppori additional generation, including generation to meet
 which will emabie more eflicient delivery of energy.

The proposed faciives in Minnesola and lowa were eludied and approved in December 2011 as part of the Midwest Independent Transmisalon Syatem Operator ("MISO") Multi-Value Projects ("MVP') portfollo in the 2011 MISO ransmisston Expansion Pien.

The MVP projectv were daweloped based on a broad naseasment of benefta to strengtien and eshance reli bllity acoons the intagrabad trumimiation syptem on which al regional elinctricicioad and exports rely inchocing

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Reductonsid varamistion loasels, effecting slonificaut, broadly-stured cost savings; and
rediucing caparity cogis tinstalted capacity requirement, thus measurably

The Project is a portion of what is identified as Project 3 in the MVP portiotio. utifies Board

## Blonnlal Transmission Planning

Minnesota statutes include a requirement that each electic transmission owning uellity in the state file a blennial transmisslon planning repori with the Commission in the fall of odd years. These reports provide an exceilent by ulifises in Minnesota. The 2011 Blernial Transmisslon Planning Report is avadable at: wwurimelectrani com

## Project Notifications

To subscribe to the Project Cerlificate of Need docket and recelve amail notifications when information is filed that is related to the Certificate of Need for the Project, please visil wwwpuestate,menus, dick on the "Sultiscitie to a Docker button, enter your emat address and setect 'Docket Mumbior' from We type of Subscription dropdom box, then select ' 12 ' trom the first Dackel Number dropdown box and enter '1053' In the second box before clicking on the "Add to List" button. You must then click the "Save" button al the bollom of the page to confirm your subscipfion to the Project Dockel. These same sleps can be followed to subscibe to the Projecl Route Permit decke (ET6675/TL-12-1337)

Please visit hutp:IMwwilletransco.com/minnesola-lowa-project for more Informallon on the Project. Ifyou have questions about lhe process, you may contact the Minnesota regulatory staff listed below:

| Minoesofa Putilia LHililies <br> Cominisalon <br> Scott Ek <br> 121 7th Place East, Sulle 350 <br> SI. Paul, Minnesota 55101 <br> 651.201.2255 <br> 800657.3782 <br>  <br> wwwougetate.mius |  |
| :---: | :---: |

If you would like to have your name added to the Project Route Permit malling list (MPUC Docket ET6675/TL-12-1337), you may register by vislting the Deparment of Commerce webpage at mn_govico "Wercelenergyfacilites Clicking on he Frans to the "Malling List" heading, At ternatelly, you may contact Department of Conmerce staff at the address above. Please be aware that the Route Perm maling list may nol be ayalable for online reglatration until the Route Permi application is submilted.

A separale service list is mainlained for the Certificate of Need proceeding To be placed on the Project Cerlificate of Need maling list (MPUC Dockel ET6675/CN-12-1053), mail, fax, or emall Robin Benson at Minnesota Public Uutibies Commlsslon, 121 7th Place E., Suite 350, St. Paul. MN $55101-2147$ Fax: 651-297-7073 or robin.benson@siale.mn.us.
The ITCM contact for questions about this Project is:
David B. Grover
Manager, Regulatory Strategy
ITC Midwest LLC
444 Cedar Sireet, Sulte 1020
St. Paul, MN 55101
877-482-4829
minniowa@ibetransco.com


Pald Adverilienterv

## Notice of Certificate of Need Application for the Minnesota-lowa 345 KV Transmission Project in Jackson, Martin, and Faribault counties, Minnesota

 MPUC Docket No.: ET6675/CN-12-1053ITC Midwest LLC. a Michigan limited Iablity company (ITCM), is proposing to construcl a 345 kV transmission Ine from tis Lakefleld Jundion Substation In Jackson County, east through Martin County to the newly-proposed Hunliey Substation in Faribault County, before turning south to the lowa border (the "Project', In lowa, the transmission lin wit condinue south the City of Burt in Kossuth County lowa. ITCM will seek approval to construat the Minnesota portion of the Prolect from the Minnesota Public Utrties Commission "Corvnission". This latter is Intended to provide you with notifcation of cortaln Project delaiks and ako to provide you with information on how you can paricipate in the Minnesota regulatory process.

The Project includes expanding the Lakefield Substation, a new Hunliey Substation and several mies of reconfigured 161 KV transmisslon Ine near the Huntley Substation. The reconfigurations are necessary to relocate ail 161 kV transmission substation facilities to the Huniley Substation from the exisling Whnebago Substation which will be decommissioned. The Minnesola portion of the Project will be epproximately 75 miles long. The area under consideration for the iocalion of the Project is depicted on the map below. The lowa portion of the Project will be permited by the lowa Unilitias Board.

This notice is being provided to those who fall within one or more of the categorles listed below as they relate to the area ("Notice Area") shown below:
Landowners with property within the Notice Area;
Residents Wthin the Notice Area,
Local and State elected officials; or

- State and local government agencies and ofloes.

Repulatory Process Overviow
For the Project, the Commission musi determine whether the Project is needed (Cerlifcale of Need) and where the Project should be located (Route Permit). Before the Project can be constructed, the Commission must firs certify that the Project is needed. The cerrilication of ihe Project is governed by Minnesota law, Including Minnesota Siatules Sedion 2168243, and Minnesota Rules Chapters 7829 and 7849 , specifically Rules 7849.0010 to 7849.0400 and 7849.1000 to 7849.2100 . In the Certifcate of Need proceeding, the Commission will analyze whether ITCM has proposed the most appropriate size, type, and timing for the Project. The Certifcate of Need application, once submilted, can be obtalned by visiting ihe Commission's website at
www.puc.stale.mn us in Dockel No. ET6675/CN-12-1053
In addilion to ceruiving the Project, the Commission must also grant a Route Permil for the Prolect. The rouling of the Minnesola porlon of the Project is governed by Minnesola law, including Minnesota Statutes Chapter 216E and Minnesda Rules Cnapler 7850 . Information on the Route Permit applicalion, once flied, can be obtained by visting the Commission's website in Docket
Na, ET6875/TL-12-1337.
Minnesota Depariment of Commerce Energy Facity Permiting staff (EFP) is responsible for conducting environmental review of the Project. EFP will prepare an environmental report for the Certifcate of Need proceeding. EFP will prepare an erwironmemal impact statement (EES) for the Route Permit proceeding, EFP may elecs to combine these two documents and issue one document, an Els, which satisfies the environmental review requikements for the Certifcate of Need and Route Permit proceedings.
ITCM will be submitting an application for a Route Permit with al least two routes and will identify the route which TCM prefers, Other routes can be proposed during the EIS 5 coping process to be completed by EFP. As part of Its analysis, EFP will evaluate the routes proposed by ITCM in ils Route Permit application and any olher routes The Commission may determine that a route submitted by ITCM, or a route proposed during the scoping process. or some combination of such routes ts the most appropriate route for the Project. Selection of a final route by the Commission will be based on evaluatlon of the routes, gulded by the Factors idenilifed in Mirnesola Slatuies Sedion $216 \mathrm{E}, 03$, Minnesola Rule 7850.4100 , and stakeholder input received during the regulatory proces5.
or the 345 KV transmission line portions of the Project, ITCM anudpates that it wi oblain a 200-10ot wide permanent right-of-way. For the 161 KV transmission ine portions of the Project. ITCM anticipates that it will oblain a 150 -Foot wide permanent right-or-way. Before beginning construction, ITCM will acquire property rights for the right-ot-way, typlcally through an easement that will be negotiated with the landownef for each parcel.
The proposed structures for the Project are primanily single pole, weathering or galvanized steel structures, Where The 345 KV transmisslon line can be co-located with existing 161 kV transmisslon lines, double-circult structures will be used. For the 161 kV transmisslon line portions of the Project, single pole single circuit and double circuit poles will be used to accommodate construction. Structures are proposed to be placed using spans of ther than the single pole structures discussed above, may pe used through areas of environmental senstivily or where construation conditions require their use.

Noed for the Projec:
The Project is needed to enhance reglonal rellabilly, Increase transmisslon capacily to support addillonal generation, including peneralion to meet renewabie energy standards lhroughout the region, and to reduce congestion which will enable more efficient delivery of energy.

The proposed facilities in Minnesota and lowa were studied and approved in December 2011 as part of the Midwest idependent Transmission System Operator (MISO)' Multi-Vatue Projects (MVP) portfolio in the 2011 MISO Transmusslon Expansion Plan.

The MVP projects were developed based on a broad assessment of benefits to strengthen and enhance reliablity across the integraled transmisslon system on which all regional elearic load and exports rely including: Substantial reductions in regional congestion costs,

- Reductions in transm/ssion losses, effecting signiticant, broadly-shared cost savings; and Reductions in the region's inslatled capacily requirement, thus measurably reducing capacity costs throughout the tegion.
The Project is a portion of what is ldentified as Project 3 in the MVP portfolio. The lowa portions of Project 3 are subject to review and approval by the lowa Utilities Board

Blonnial Transmission Planning
Minnesola statules include a requitement that each electric transimission owning utility in the state fie a blennial transmission planning report with the Commission in the fall of odd years. These reports provide an excellent source of background information on the transmisslon planning process used by utililes in Minnesota. The 2011 Biennial Transmisslon Planning Report is available at www.minnelectrans,com.

## Project Notifications

To subscribe to the Projed Certificale of Need docket and receive email nolifications when information is filed that is related to the Cerificate of Need for the Project, please visit www.puc.stale.mn.us, click on the "Subscribe to a Docker" bution, enter your emad address and select "Docket Number" from the Type of Subscriplion dropdown box, then seled ' $12^{\text {" }}$ Irom the first Docket Number dropdown box and enter " $1053^{\prime \prime}$ In the secand box before clicking on the "Add to Lisr" button. You must then click the "Save" button at the bottom of the page to conffrm your subscriplion to the Project Docket. These same steps can be followed to subscribe to the Project Route Permit
dockel (ET6675/TL-12-1337).

Please vist hitp./hww.llctransco. convminnesota-iowo-projed for more information an the Project. Ir you have questions about the process, you may conlact the Minnesota regulalory slaf fisted below:

| Minnesiota Public Ulititios <br> Commission <br> Scott Ek <br> 121 7in Place East, Sulte 350 <br> St. Paul, Minnesota 55101 <br> 651.201.2255 <br> 800.657,3782 <br> seoth.ekfestate.mnus. <br> weww.ouc, state.mn.us. | Minnesota Department of <br> Commerce <br> Ray Kirsch, Stale Permit Manager 857 h Place East, Suile 500 <br> St. Paul, Minnesota 55101 <br> 651.296.758日 <br> e00,657,3794 <br> taymend.kisschostate.mn.us |
| :---: | :---: |

If you would tike to have your name added to the Project Route Permit maling list (MPUC Docket ETB875) TL-12-1337), you may reglster by vistiting the Department of Commerce webpage at mn.gov/commerce/ energytacilities, cllcking on the "Transmisslon Lines" tab, selecing "Minnesola-lowa 345 kV Transmission Project Department of Commerce staff al the address above. Please be aware that the Route Permit maling list may not be avaliable for online registration untll the Route Permitt application is submitted.

A separate service list is maintained for the Certincate of Need proceeding. To be placed on the Project Certificate of Need mailing list (MPUC Docket ET6875/CN-12-1053), mall, fax, or emall Robin Benson a. Minnesota Public Utikies Commission, 121 7h Place E., Suite 350, St. Paul, MN 55101-2147, Fax: 651-2977073 or robin.bensonectate.mn,us,
The ITCM conlact for questions about this Project is
David B, Graver
Manager, Regulatory Siralegy
444 Cedar Street
444 Cedar Street, Sulte 1020
877-482-4828
minnlowa@titctransco.com


# Nottce of Certificate of Need Applicatlon for the MInnesota-lowa 345 KV Transmission Project In Jackson, Marinn, and Faribault countles, Minnesota 

 MPUC Docket No.: ET6675/CN-12-1053ITC Midvest LLC, a Michigan limiled liability company (ITCM"), is proposing io constructa 345 kV transmisslon lina from lis Lakelleld Junction Substation In Jackson County, easi through Martin County to The newly-proposed Huntley Substation in Farbaull County, before turning south to the lowa border the of Ledyard, lowa and lien on to a substalion near the City of Burt In Kossuil) County, Iowa ITCM will seek approval to canstruct the Minnesota portion of the Project from the Minnesota Public Ullilies Commission ('Commission'). This letter ts intended to provde you with noffication of cartaln Project details and also to provide you with Information on how you can participate in the Minnesota regulatory process.

The Proleci includes expanding the Lakefield Substation, a new Huntloy Sutsstaion and several miles of reconfigured 161 kV Iransmission line near the Hunilisy Substation. The recourigurations ate necessary lo relocate ull 161 KV transmisston substation facilies to the Hundey Substation from the existing Winnebago Substasion which wil bo decornmissioned. The Minnesola portion of the Profect wat on the map below. The fowa portion of the Project will be pernitted by the lowa Utitites Board.

This notice is being provided to those who fall within one or more of the categories listed below as they relate to the area ("Notice Area) shown below.
Landowners whe property within the Notice Area;
Residents within the Nolice Area;
Local unils of govemment in and around the Notice Area
Local and State elected ollcials; or
State and local govemment agencles and affloss.
Regulatory Process Overview
For the Project, the Commission must determina wheither the Project is needed (Cervificate of Need) and where the Project should bo located (Roule Permit). Bolore the Project can be constructed, the Minnesola law, Including Minnesota Slatules Section 2168.243, and Minvesota Rules Chapters 7829 and 7849, specifically Rules 7849.0010 to 7849.0400 and 7849,1000 to 7849,2100 . In the Certificale of Need proceeding, the Comnission will analyze whether ITCM has proposed the most eppropriale siza, iype, and lining for he project the certicala or Need applicabion, once submiliod, can bo oblained by visiling the Commission's website at
wuwpuc statemn.us in Docket No. ET6675/CN-12-1053.
In addition to cerlilying the Project, the Commission must also grant a Route Permil for the Project. The routing of the Minnesota portion of the Project is govemed by Minnesola law, including Minnesola
Stalutes Chapler 216E and Minnesola Rules Chapler 7050, Informallon on tho Routo Pernit applicolion once flied, can be obtained by visiling the Commission's website in Dockel No. ET6675/TL-12-1337,

Minnesola Depantment or Conmerca Energy Facility Permituing stan ('EFP') is responsible for conducting environmental review of Uhe Project. EFP will prepare an erwironmental report for the Cerficicale of Need procseding. EFP wis prepare en environinenial impact stalement (EIS") tor ithe Route Permil proceeding. EFP may elect to combina these Iwo docurnents and issus ona document, in EIS, which saltsfies the environmentel reviow requifements for the Certilicale of Noed and Route Permil proceedings.

ITCM will be submitting an application for a Route Permit with al least two roules and will Idenilfy the route which ITCM prefers. Other routes can be proposed during the EIS scoping process to bo completed by EFP. As pant of lts analysis, EFP will evaluate the routes proposed by ITCM in its the Cornmission's decision on the Roule Permil appllication, The Commission may deternine that a route submilted by ITCM, or a route proposed during the scoping process, or some combination of such routes is the most appropriate roula for the Project, Selecion of a Enal route by the Commission will ba based on avalualion of the roules, gulded by ithe Factors identinled in Minnesola Statulas Section 216E.03, Minnesola Ruie 7850.4100 , and stakeholdar input recelved during the regulatory process.

For the 345 KV Iransmission Iinu portions of the Project, ITCM anticipaies that H will obtain a 200 -fool wide permanent right-ol-way. For the 161 kV transnission line portions of ite Projed, ITCM antcipales acquitre property roghts for the roph-ot-way lypically lhrough an eosement that will be negolleted with ith landowner for each parcel.

The proposed siructures for tie Profect are paimarily single pole, weathering or galvanized stoel atructures. Where the 345 kV transmission ine can be co-located with existing 161 kV transmission Inos, double-dircuit structures wil be used. For the 161 kV transmission Ine portions of the Project, single pole single clrcuit and double clccuit poles will be used to accommodate construction Siructures are proposed to be placed using spans of approdimately 600 to 1,100 feet, with an average span of epproximatoly 900 feat. Additionally, specially structures, other than the single pole stiuctures discussed above, may be used through areas of environmental sensitivity or where construction condilions requira thelr use.

Noed for the Project
The Project is needed to enhance regional reliablity, Increase transmisslon capacily to support addilional generation, Including generalion to meet renewable energy standards throughoul the repion, and lo reduca congestion which will enable more efficient delivery of enorgy

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The MVP prolectis were developed based on a broad assessment of benefits lo atrengthen and entiance reliability across the integrated transmission system on whilch alf reglonal electric load and exports rely incluaing:
Substantal reductiont in replanat congostion costs:
Reductions in transmivion lossos, offocting significant, broadly-shared cost savings; and Reduciions in the reglon't ins latted capacity requirement, thus measurably reducing capacily costs throughout the region.

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## Biennlal Transmission Planning

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Project Notifleations
To subscribe to the Projeci Cerilifcate of Need docket and recelve emall notilicatons when information is fled that is related to the Carficicale of Need for the Project, please visit wuw.puc.state. Nums, alick on the "Subscribe to a Dockel" button, entor your emel address and select "Docket Nurncer irom the Type or Subscriplion dropdown box, than select ${ }^{1} 2^{2}$ Irom the first Dockel Number , then click the "Save" button at the bollom of the page to conflim yout subsciption to the Prolect Dockel. These same steps can be followed lo subscribe lo the Projeci Roule Permit dockel (ET6675/LL-12-1337).
Pleasa visit htip:IMwwilictransco.com/minnesota-lowa-profect for more information on the Project. if you have questions ebout the process, you may conlad the Minnesola regulatory staff listed below:

| Minnesota Pubillc Uuilitias <br> Commission <br> Scott Ek <br> 121 7ih Place Easi, Sulte 350 <br> SL. Paul, Minnesola 55101 <br> 651.201.2255 <br> 800.657.37a2 <br> icolléh gistate.minus. <br> wown.ouc.state.mnus. | Minnesola Department of Commerce <br> Ray Kirsch, State Permik Mansger 65 7h Place East, Sulla 500 <br> St. Peul, Minnesola 55101 <br> 651.296.7588 <br> 800.657.3794 <br>  |
| :---: | :---: |

It you would Ike to have your name edded to the Profect Route Permil malling list (MPUC Dockel ET6675/TL-12-1337), you may register by visiting the Department of Commerce webpage at nn.govicommerces/enargytacilitlest, clicking on the "Transmission Lines" tab, seleciirg "Minnesotaowa 345 kV Transmission Project" from the listed projects, and then cilcking the links next to the Maing List heading, Atternately, you may contact Department of Commerce staff at the addiess above Please be aware inal the Route Pernic

A separale service list is maintalned for the Cartlicate of Need proceeding. To be placed on the ( anson al Minnesola Public Ulinities Commission, 1217 Wh) Place E Suile 350, SL, Paul, MN 55101 . 2147. Fax: 651-297-7073 or robin, benson(1)state.mn.us.

The ITCM contact for questions about inhis Project Is:
David E Grover
Manager, Ragulatory Strategy
ITC Midwent LLC
444 Cedar Strett, Sulle 1020
SL, Paul, MN 55101
877-482-4829
minnlowa@ilctransco.som

ITC Marwesi LLC, a Michigan limited labiny company (ITCM), is proposing to constiud a 345 kV Iransmission ine from its Lakefield dunction Substallon inf Jackson County, east through Martin Couniy to the newty-proposed Hunlley Substation in Farbaut Counly, before luming soulh to the lowa bowder (hye Subslation, near the City of Ledyard, lowa, and then on to a substation near ihe City of Burt in Kossuth County, lowa. TCM will seek approval to construct the Minnesola portion of the Project from the Minnesola Public Utitifes Commission ("Commission"). This letter is intended to provide you with notfication of certain Project details and atso to provide you with information on how you can parilicipale in the Minnesota requiatory process

The Project includes expanding the Lakeneld Substation, a new Huntioy Substation and several miles of reconfigursd 161 kV transmlssion line near the Huntley Substalion. The reconfigurations are necessary lo relocate all 161 kV Iransinission substation facilities to the Hunllay Subslaton from the axding of ihe Project will be approximalely 75 miles long. The area under consideration for the location of the Profect is depicted on the map below. The lowa portion of the Project will be pernitted by the lowa Uliililies Board

This nolice is being provided to those who lall within one or more of the categones isted below as they relate to the area ("Nolice Area") shown below:

- Landowners with property within the Nolice Area:
- Residents within the Nolice Area,
- Local units of government in and around the Notice Area;

Local and State elected officials; os

- State and local govemment agencies and otrices.


## Regulatory Process Overview

For the Project, the Commission must determiner whether the Project is needed (Certificate of Need) and where the Prolect should be localed (Roule Permil). Before the Pioject can be consiructed, the Commission must First certify that died Project is needed. The certification of the Project is governed ty Minnosola lew. Induding Mirnesota Stalutas Section 2168.243 , and Minnesola Rules Chapters 7829 and 7849 , specifically Rules 78480010 to 78490400 and 7849. 1000 to 7849,2100 , in the Certificale of Need proceeding, the Cominission will analyze whether ITCM has proposed the most applopriale stze, type, and timing for the Project The Cerificalo of Need application, once submilted, can be obtained by visiting the Cominission's website al wwupuc state mo us in Docket No ET6675/CN-12-1053

In addillon to cerilitying the Project, the Commission must also grant a Rove Permit for the Project The routing of the Minnesola portion of the Project is govemod by Minnesola law, inctuding Minnesola Statules Chapter $216 E$ and Mintesola Rules Criapler 7650 . Informaton on une Route Pemnir application, once filed, can be oblained by visiling the Commission's website in Docke No. ET6875/TL-12-1337

Minnesola Department of Commerce Energy Facilly Pernitting sfaff ('EFP') is responsible for conducting environmental revew of the Profect EFP will prepare an environmental report for the Cerimicale of Need procseding. EFP wil prepare an envioncreental impaci staternent (ElS') for the Routa Permidocument an E15, which salisfies the environmental revien requisements to he Certificate of Need and Route Permit proceenting

TCM will be subniting an applicalion for a Route Permit with at least two foutes and will identify the route which ITCM prefers. Other roules can be proposed during the FIS scoping process lo be complefed by EFP. As par of its analysis, EFP will evaluate the roules proposed by ITCM in ils Route Permi application and any other routes proposed during lie scoping process that will aid in the Commission's decision on the Route Permit application The Commission may determine that a roule submitted by ITCM or a roule proposed during the scoping process, or some combination of such toules sthe incst apprupriate route for the Proleci. Selection of a final route by the Commissioin will be based on evaluation of the roules, guided by the Factors dentilied in Minnesola Statutes Section 216E 03, Mrnesola Rula 78504100 and slakeholder input received during the regulatory process.

For the 345 kV transmission line portions of the Project, ITCMI anticipales thai in will obtain a 200 -foot wide permanent right-of-Way. For the 151 kV transmission line portions of the Project, ITCM anticipates thal it will obtain a 150 -loot wide permanent right-ol-way. Bofore beginning construction, ITCM will acquile property nights for the inght-ot-way, typically through an easement that will be negotiated with the landowner for sach parcel

The proposed structures tor the Project are primanily single pole, weathering or gaivanized sleel siructures. Where ite 345 kV transmission line can be colocated with existing 161 kV Iransinission lines, double-circuit structures will be used. For the 161 kV Iransmission line portions of the Project, singla pole single circuil and double circuit poles wit be used to accomnmodale consifuction. Sifuctures are proposed to be placed using spans of approximalely 600 to 1,100 leet, with an average span of approximalely 900 leet Additionally, specially structures, other lian the single pole structures
discussed atove, may be used through areas of envimonmenial sensilivily or where construction condilions requiro their use

Need for the Project
The Projecl is needed to enhance regional reliability, increase iransmission capacity to support additional generation, including generation to meet renewable energy slandards throughoul the region, and lo reduce congestion which will enable more efficient defivery of energy.

The proposed lacifiles in Minnesola and lowa were studied and approved in December 2011 as part of the Midwest Inclependent Transinission System Operator ("MISO') Mutt-Value Projects ('MVP") portfolio in the 2011 MISO Transmission Expansion Plan.

The MVP projects were developed based on a broad assessment of benefits lo strengthen and enhance reliability acooss the integrated transmission system on which ill regional etectric load and exports rely including:
, Substantial reductoons in regional congestion costs.

- Reductions in transmission losses, elfeciing signlicant, broadly-shared cosl savings: and
Reductions in the region's instalied capacity requirement, thus measurably reducing capacily costs throughout the region

The Project is a portion or what is Identified as Project 3 in the MVP porifolio. The lowa portlons of Project 3 are subject to 'evew and approval by the lowa Ulililies Board

Blennial Tramanission Planning
Mimestots statutes includa a requirement that each vinctic transmission owning uthity in the state file a binnar lunsmissen platining report win the Connmission in the fall of odd years. Thase reports prowide an excollen source of background miomation on the lranisnussion planiming process used by utililes in Minnesola. The 2011 Biennial Transmission Planning Report is available at: www.minnelectrans com

## Project Notifications

To subscribe to the Project Corlificato of Need docket and receive amail notilicalions when information is filed that is related to the Certificate of Need for the Project, please visil www pic slate min us, click on the "Subscnibe to a Docker butlon, enter your omail address and selear "Dockel Number' from the Type of Subscripton dropdown box, then select "12" from the first Docket Number dropdown box and enter "1053" in the second box before dicking or The "Add to List' button You musit then cick the "Save buiton al the bottorn of the page to confin your subscripion io the Project; Oocker Thase sam sleps can be fallowed to subscribe to the Projecl Roule Permit docke (ETB675/TL-12-1337)

Please visit hip//hwnwitctransco com/mininesola-lowa-project for more inlormation on the Project If you have questions about the process, you may contact the Minnesota regulatory staft listed below:

| Minnesota Public Utilities Commission | Minnesota Depariment of Commerce |
| :---: | :---: |
| Scolt Ek | Ray Kirsch, Stale Perinil Manager |
| 121 74h Place East, Sule 350 | 857 ih Place East, Sulie 500 |
| SL Paul, Minnesola 55101 | St. Paut, Minnesola 55101 |
| 651,201.2255 | 851.2967588 |
| 800657.3782 | 800,657.3794 |
| 5collek(0)slate.mnus | taymond. kirschostale.mmus |
| Wowecuc.sitateminus. |  |

If you would like to have your name added to the Project Route Permit maiting IIst (MPUC Dockel ET6675/TL-12-1337), you may register by visiting the Departonent of Commerce webpage at ningov/cominerce/energylacilites/, clicking on the "Transmission Lines" tab, selecting "Minnesola-towa 345 kV Transinission Proiect" from the lested projects, and then dicking the links nexd o the "Malling Lisr' heading Allemately, you may contad Department of Commerce stall at the address above Flease be aware that the Route Fermi mailing list may not be available for online registration unitit the Route Pemnit application is submitted.

A separate service list is maintained for the Certificate or Need proceeding. To be placed on the Project Cerlificale of Need maling list (MPUC Docket Uuthes Commission, 121 7ith Place E, Suite 350, St Paul, MN 55101-2147, Fax: 651-297-7073 or robin benson@slate min us

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David B. Grover
Manager, Regulatory Siralegy
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St Paul, MN 55101
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Local units of government in and around the Notice Area;
Local and State elecled oflicials; or
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Need for the Project
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## Biennial Transmission Plumning

Minnesota statules include a requirement that each eleciric transmission owning utilily in the state Me a blennial transmilssion planning report whth the Cominission in the fall of odd years. Those report provide an excellent source of background nies in Minnesota. The 2011 Biennial Transmission Plonning Report is available at: unw minnelectrans com.

## Profect Notificationa

To subscribo to the Projeci Certificate of Naed docket and recalve emall nollicallons when information is fied that ls related to the Cerilicale of Need for tho Froject, ploase visit wwu.puc. state. inn.us, click on the "Subscribe to a Dockel" bution, enier your emall address and select "Docket Number" Irom the Type of Subscripion dropdown box, then select "12" rrom the first Dockel Number dropdown box and enter "1053" in lie second box bofore dicking on the "Add lo List" butlon. You mus.
 (ET6675/TL-12-1337).
 you have questions about the process, you may contact the Minnesota regulatory staff listed below:

| Minnesota Public Unilitis | Minnesofa Department of |
| :---: | :---: |
| Commission | Commerce |
| Scoll Ek | Ray Kirsch, Stata Permil Manegor |
| 12171 h Place East, Suite 350 | 6574 h Place East, Sulte 500 |
| SI. Paul, Mimnesota 55101 | SI. Paul, Minnesola 55101 |
| 651.201.2255 | 651,296.7588 |
| 800.657.3782 | 800,657.3794 |
| scolt.ekestale.mnus. | taymondikischirestuta, nim us |
| wwnpuc. state mn us. |  |

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## Project Notisications

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Please visil hilp://Mwwilictransco,comiminnesola-lowa-project lor more information on the Project. If you have questions about the procass, you may conlact the Minnesola regulatory slat listed below.

| Minnesola Public Uilities | Minnesola Department of |
| :---: | :---: |
| Conmission | Cornmerce |
| Scoll Ek | Ray Kirsch, Slate Permil Manager |
| 1217 h Place East, Suite 350 | 857 7h Place East, Suile 500 |
| St. Paul, Minnesola 55101 | Sl. Paul, Mimesola 55101 |
| 651.201.2255 | 651.296 .7588 |
| 600,657.3782 | 800.657.3794 |
| scollek@statemnus. | tavmond.kisisch@state.mous |
| How.ouc.statermn us. |  |

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St Paul, MN 55101
677-482-4829
minnlowagiticransco com


## Notice of Certificate of Need Application for the Minnesota－lowa 345 KV Transmission Project in Jackson，Martin，and Faribault counties，Minnesota MPUC Docket No．：ET6675／CN－12－1053

ITC Midwest LLC，a Michigan limited liabilliy company（ITCM），is proposing to construct a 345 KV （bansmission line from its Lakeliekd Junction Sutsstation in Jackson County，east through Martin County to the newly－proposed Huniley Substallon is Faribaut County；before lurning south to the lowe border（the＂Piofect）．In lowe，the transmission line will continue south to a now Ledyard Substation，near the City of Ledyard，Iows，and then on to a substation near the Clity of Burt in Kossulh County，lowa．ITCM will seek approval to construct the Minnesota portion of the Project from the Minnesota Public Utilties Commission（＂Commission＂）．This letter is inlended lo provida you with nolificalion of certain Project details and aho lo provide you with information on how you can participate in the Minnesola regulatory process．

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Dockel No．ET6675／CN－12－1053．

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Minnesota Departmont of Commerce Energy Facility Permitting staff（EFF）is responsible for conctucting anvirontnental review of the Project．EFP will prepare an emwironmental roport for the Certificate of Need proceeding．EFP will prepare an environmental impaci staternent（EIS＇）Ior the Roule Permit proceeding．EFP may requltements for the Certificate of Need and Roule Permit proceedings．

ITCM wall bo submilling an application for a Roule Permit wilh at least two roules and will idenlify the route which ITCM prelers．Other routes can be proposed during the EIS scoping process to be completed by EFP．As part of is analysis，EFP will avaluate the routes proposed by ITCM in its Route Permit application and any other routes proposed during the scoping process that will ald in the Commlsslon＇s decislon on the Route Permit application． The Cornmission may determine that a route submilted by ITCM，or a route proposed during the scoping process， commission will 216E．03，Minnesota Rulo 7850，4100，and stakeholder Input recelved during the regulatory process．

For tho 345 kV transmission line portions of the Profact，ITCM anticipates ithat it will obtain a 200 －foot wide permanen right－of－way．For the 161 KV transmission line portions of the Project，ITCM anticipales that ti will obtain a $150-$ fool wide permanent right－of－way．Belore beghning constuction，ITCM will acquire property rights for the right－ol－vay typically ltrough an easement that will be negotiated with the landowner for each parcel．

The proposed structuros for the Project are primarily single pote，weathering or galvanized steal siructuras．Where he 345 KV ransmission line can be co－located with exisling 161 KV transmission lines，doublo－circuit siruclures will be used，For the 161 KV Iransmission fine portions of the Project，single pole single circuit and double circuil poles will be used to accommodato construofion．Structures are proposed to be placed using spans of approximately 600 to 1,100 feel，With an average span of approximatoly 900 foet．Addrionally，specialty stfuctures， other than the single pole structures discussed above，may be used through ateas of envitonmontal sensitivily or whore construction conditions require their uso．

Need for the Project
The Project is needed to anhance regional rellability，increase itansmisslon capacity lo support additional
generalion，Including generation to meel renewablo energy standards ithroughoul the region，and to reduce congestion which will anable more afficient delivery of energy．

The proposed facilities in Minnesota and lowa wero studled and approved in December 2011 as part onthe Midwest indopondent Transmlssion System Operator（MISO＇）Mutti－Value Projects（＇MVP＇）portfolio in the 2011 MISO Tranemieslon Expanslon Plan．

The MVP projects were developed based on a broad assessment of benefits to strengithen and enhance reliability across the Intograted transmisslon system on which all regional electric load and oxports rely Including

Sutistantial reductions in regional congestion costs：
Roducions in transmission losses，effecting significant，broadly－shared cost savines；and Reductions in the region＇s installed capacity requirement，thus measurably roducing capacity costs throughout the region．

The Project is a portion of what Is identilied as Project 3 in the MVP portfolio．The lome portions of Project 3 are subject to review and approval by the lowe Utilities Board．

## Biennial Transmission Planning

Mirmesola statutes include a requirement that each olectric transmission owning utility in the state file a biemia ransmisslon planning report with the Commission in the fall of odd years．These teporis provide an oxcellent source of background information on tha transmission planning process used by ullities in Minnesota．The 201f Biennlal Transmission Planning Report is
avaliablo at：w．unerninnelactrans．com．

## Project Notifications

To subscribe to the Project Cartificale of Need docket and recelve email notifications when information is filed that is related to the Certificate of Need for the Projoct，please visil wumpuc．stale．mn．us，click on the＂Subscribo to a Dockor＇button，enter your email address and select Docket Number from the Type of Subscitption dropdown box，then select＂ 12 ＂from the lirst Dockot Number dropdown box and anter＂1053 in the second box before ciriking on the＂Add to List＂button．You must then click the＂Save＂button at the botiom of the page to conlirm yout subscriplion to the Project Docket．Theso same steps can be followed to subscribe to the Project Roule Permilt docket（ET6675／T2－12－1337）．
Please visit hitp：／Mumultctransco，com／minnasota－iova－project for more information on the Project．If you have questions about the process，you may coniact the Minnesola regulatory staff listed below．

Minnesota Public Ulifities Commission
Scott Ek
1217 th Place East，Suite 350
St．Paul，Minnesota 55101
651.201 .2255

800．657．3782
scoll．akicstalemnus
ynurpue atatemn．us

| Minnesola Department of Cornmatce |
| :--- |
| Ray Kirsch，State Permit Manager |
| 85 7th Placo East，Suite 500 |
| St．Paul，Minnesota 55101 |
| 651.296 .7588 |
| 800.657 .3794 |
| tavmendikirsch Paslate．maus |

Ir you would like to have your name added to the Project Route Permit mailing list（MPUG Docket ET6675） TL－12－1337）．you may register by visiting the Department of Commerce webpage at mn．gov／commerce／ from the listed prolects，and then clicking the links next to the＂Malling Llst＂heading．Aternately，you may contact Department of Conmerco staff at the eddrose abovo．Pieaso be aware that the Routo Pormit mailing list neay not be avalable for online registration until the Route Permit application is submitted．

A separate service list is maintained for the Certificate of Need proceeding．To be placed on the Projact Cerlificale of Need mailing list（MPUC Docket ET6675／CN－12－1053），mall，fax，or email Robin Benson at Minnesota Public Ulidiles Commission， 121 71h Place E．，Suite 350，St．Paut，MN 55101－2147，Fax：651－297－ 7073 or robln，bensonebstate．mn，us．

The ITCM contact for questions about this Project is：
David B．Grover
Manager，Regulatory Sirategy
ITC Midwest LLC
444 Cedar Street，Suite 1020
SL．Paul，MN 55101
877－482－4820
minnlowngitatransco．com

ITC. Mdwest LLC, a Michigan imiled llability company (ITCM), Is proposing to construcl a 345 KV Iransmission Ins from ils Lakefield Junction Substation in Jackson County, asst throught Martin County to the newly-proposed Huntley Substation in Faribaitt County, before luming soulh to the Substatlon, near the City of Ledyard, lowa, end then on to a substallon near the Clity of Bu Kossuth County, lowa. ITCM will seek approval lo construct the Minnesola portion of the Project from the Minnesola Pubilc Utitites Comnission (Comrrission)" This lefter is Intended to provikte you with notification of certaln Project delalls and atso io provide you with information on how you can participale in the Mlnnesola regulatory process

The Project includes expanding the Lakefield Substation, a new Huntley Subssation and several miles of reconfgured 161 kV tansmission line near the Hunttey Substation, The reconfigurations ate necessary to relocale all 161 kV Iransmission substation faclites to the Hunlley Substation from the existing Winnebago Subsiatlon which will be decommissloned. The Minnesola portion of the Project wirbe approxirnately 75 mles long the area under consderation for the location of the Project is depictod on the map below. The lowa portion of the Project will be permitied by the Lowa Utitiles Board.
This nolice is being provided to those who fall within one or more of the categories listod below as they relate to the area (Notice Area") shown below

- Landowlers with property within the Nolice Area;
- Residents within the Nosco Area;
- Local units of govermment in and around the Nolice Area;
- Local and State elected officials; or

Regulatory Process Overview
For the Project, the Commission musi determine whether the Projoct is needed (Certifcate of Need) and where the Project shoukd be located (Roule Permil), Belore tha Project can be constructed, the Commission must first certily lhat the Project is needed. The certilication of the Projed is govemed by Minnesola law, including Minnesola Statutes Section 2168 243, and Minnesola Rules Chapters 7829 and 7849 , specifically Rules 7649,0010 to 7849.0400 and 7849,1000 to 7849.2100. In the Certilicate of Need proceeding. the Commission will analyze whether ITCM has proposed the most appropriato size, type, and umeng for the Projact. The Certifcale of Need application, once submilted, can be oblaned by visiling the Comnussion's wobsilte at www puc. stale.mn.us in Docket No. ET6675/CN-12-1053.

In addivon to certifying the Project, the Commission must also grant a Route Permit for the Project. The routing of the Minnesota portion of the Project is governed by Minnosota law, including Minnesola Statutes Chapler 216 E and Minnesola Rules Chaplar 7850. Information on ihe Route Permit eppicalion, once filed, can be obtained by visiling the Commission's website in Docket
No, ET6675/T-12-1337.

Minnesola Department of Commetce Energy Facility Permiting staff (EFPY is responsible for conducting environmentat review of the Project. EFP will prepore an environmental report lor the Certlicate of Noed proceeding. EFP will prepare an environmental impact statement ('EIS') for the an EIS, which satisfies the EFP may eleci to combine these two documents and ls C (I) Permit proceedings.

ITCM will be subrriting an application for a Route Permit with al least two routes and will identify the route which ITCM prefers. Other routes can be proposod during the EIS scoping process to be completed by EFP. As part of its analysis, EFP will evaluate the routes proposed by ITCM in its Roule Permit appscation and any other routes proposed during the scoping process that will aid in the Commission's decision on the Route Permit application. The Commission may determine that s route submitted by ITCM, or a roule proposed during the scoping process, or some combination of such routes is the most appropriata route for tha Project. Selection of a final roule by the Commission will be based on evaluation of the routes, gulded by the Factors identfied in Minnesota Stalutes Section 216E,03, Minnesola Rule 7850,4100, and stakeliolder Input feceived during the regulatory process

For the 345 KV transmission ine portions of the Proled, ITCM anlicipales that II will obtain a 200 loot wide permanent right-of-way. For the 161 kV transmisslon Ine portions of the Project, ITCM anicipales that it will obtain a 150 -foot wide pormanent right-ot-way, Before beginning constructic nogotiated with the landowner for each parcel

The proposed structures for the Project are pimarily sirigle pole, weathering or galanized steel sinuctures. Where the 345 kV transmission Ine can be co-located with existing $161 \mathrm{kV} /$ transmission lines, double-circuit structures will be used. For the 161 kV Iransmission line portions of the Project, single pole single circuit and double circuil poles will be used to accommodate construction Struclutes are proposed to be placed using spans of approximnatety 600 to 1,100 feet, with an pole - :tructures discussed above, may be used through areas of environenental sensibvity or where conatruction conditions require their use.

Need for the Project
The Projoct is needded to enhance regional relability, increase transmission capacity to support addilional goneration, including goneration lo meet renewabis energy standards throughout the region, and to reduce congestion which will enabla more elficient dolivery of energy.
The proposed facibties in Minnesota and lowa were studied and approved in December 2011 as part of the Midwest Independent Transmission Systom Operator (MISO) Multi-Value Projects (MVP') portfolio in the 2011 MISO Transmission Expansion Plan

Tho MVP projects were developed based on a broad assessment of benefits to strengthen and enhance relabilly across the integrated lransumission system on which all regional electric load and exports rely including:
Substantial reductions in regional congestion costs,
Reductions in transrodssion losses, elfecting significant, broadly-shared cost sevings; and Reductions in the region's inslalled capacity requirement, thus measurably reducing capacity costs throughout the region.
The Project is a portion of what is identified as Project 3 in the MVP portfoko. The lowa portions of Project 3 are subject to review and approval by the lowa Ulilities Board.

## Biennial Transmission Planning

Minnesota statutes include a requitement that each electric transmisslon owning utity in the state file a biennial transmission planning roport with the Comrnission in the fall of odd years. process used by ullities in Minnesola The 2011 Pienial Transmission Planning Report is availate procers used by ulles in al: Wuw.minnelectrans com

## Project Notifications

To subscribe io the Projeci Cortificale of Need docket and receive emall notrications when information is flied that is related to the Certificate of Need for the Project, please visit wuw.puc.stale, mn.us, click on the 'Subscribe to a Docket' buiton, enter your email address and select "Dockot Number' from the Type of Subscription dropdown box, then selec1 "12' From the first Dockel Number dropdown box and enler "1053" in the second box belore cicking on the "Add to List" buiton, You must then click the "Save" button at the botiom of the page lo confirm your subscription to the Project Docket These same steps can be followed to subscribe to the Project Roule Permit docket (ET6675/TL-12-1337).

Please visit hitp:/hwweltctransco corr/minnesola-lowa-project lor more inlormation on the Project. It you have quastions aboul the process, you may contact the Minnesola regulatory staff isted balow:

| Munnesota Public Uuilition <br> Commission <br> Scolt EK. <br> 121 7h Place East, Sulto 350 <br> SI. Paul, Minnesola 55101 <br> 651.201.2255 <br> 800.657,3782 <br> scolt.ek@state.mn.us. <br> www. ouc grate.minus. | Minnesota Department of Commerce <br> Ray Kirsch, Slate Permil Monagor 85 7th Place Easl, Suile 500 <br> St. Paul, Minnesota 55101 <br> 651.2967588 <br> 800.657.3794 <br> taymond Kirsch@slatomnus |
| :---: | :---: |

If you would like to have your name added to the Project Route Permit maling Ist (MPUC Docket ET6675/T L-12-1337), you may registor by visiting the Depariment of Commorce webpage at $\mathrm{mn} . g$ ov/commerce/energyfaciltiest, cliclung on the "Transmission Lines" tab, selacting "Minnesolalowa 345 kV Transmission Project" Irom the ksted projects, and then cicking the links next to the "Mailling List" heading. Alternately, you may contad Department of Cornmerce staf al the address above. Please be aware that the Route Perrmit maiting list may not be available for online reglstration untia the Route Permet application is sutonited.

A soparnte servica list is maintained tor the Certificate of Noed proceeding, ro be placed on the Profoct Certificato of Neod mailng Lst (MPUC Docket ETe675/CN-12-1053), muil, tax, or email Robin Benson at Minneasota Pubic Utiveas Commarion, 1217 ht Placi E., Suilo 350, St. Paul, M 55101-2147, Fax: $\mathbf{6} 1$ 1-297-7073 or robin.benson(9)stato.maus.
The ITCM contact for questions about Inis Project is:
David B, Grove:
Manager, Regulatory Srategy
ITC Midwest LLC
444 Cedar Street, Suíle 1020
$877-482-4829$
minnlowa@ilctransco.com


Notlce of Certificate of Need Application for the Minnesota-lowa 345 KV Transmisslon Project In Jackson, Martin, and Farlbault countles, Minnesota MPUC Docket No.: ET6676/CN-12-1053

ITC Midvest LLC, a Michigan limited liabllily company ("ITCM"), la proposing to constuct a 345 kV transmlsslon Ine Tonils Lakefield Junction Subsalaton in Jacieson Counly, east through Martin County to tie newty-proposed Huntley Substation in Faribaut County, belore turning south to the lown border (the 'Projech). In lowa, the transmisslon Ine will continue soulh to a newLedyard Substation, near he City of Ledyard, Iowa, and then on to a substalion near the City of Burt in Kossult County, lowa. ITCM will seek approval to construct the Minnesola portion of the Project from the Minnesola Publia USifities Comndssion ("Commisslon"). This letter Is intended to provide you with notification of ceriain Project detalts and also to provide you with information on how you can particlpate in the
Minnesola repulatory process.

Tho Project Includes expanding the Lakefield Substation, a new Huntley Substation and several mies of reconfigured 161 kV transmisslon line near the Hundey Substation. The reconfigurations are exessary to relocate nll 161 KV transmission substabion facilites to the Huntley Subastaiton from will be approximately 75 miles long. The area under consideration for the location of the Profect is depicied on the map below. The lowa portion of the Project will be permited by the lowa Ulitiles Board.

This nolice is being provided to thase who fall whiln one or more of the calegories Isted below as they relate to the area ("Notice Area") shown below

Landowhers wth property within
Resldents wiltin the Notice Area:
Residenits within the Notice Area
Local and Stale elected offictals; $\sigma$ ound the Notice Avea;
State and local government agencles and olices.
Regulatory Process Overviow
For the Project, the Commission must determino Wheilher the Project is needed (Ceruicate of Need) and where the Profeci should be located (Route Permil), Before the Project can be constructed, the Conmisslon must first cerifly that the Project is needed. The certification of the Project is governed by Minnessola law, incluaing Mirinesota Statutes Section 216B 243, and Minnesol 7849.2100, In the Certificate of Need proceeding the Commission wit analyze whether ITCM has proposed the most appropriate slze, type, and Uning for the Prolect. The Cerilicate of Need application, once submilted, can be oblained by visliting the Commisslon's webslle at www.pucstate.mn Us in Docket No. ET6675/CN-12-1053.

In additon to cerifying tha Project, the Comnession must also grani a Roule Permit for the Project, The routing of the Minnesola portion of the Project is govemed by Minnesota law, including Minesota Slatutes Chapler 216 E and Minnesota Rules Chapler 7050. Intormation on the Rouie Permit applicallon, once fifed, can be obtained by visiting the Comnission's websile in Dockel No, ET6675/TL-12-1337.

Minnesota Departrnent of Commerce Energy Facily Permiting staff (EFP) is responsilde for Conducting envifonmental revew of the Project. EFP wit prepare an environmental report for the Route Permil proceeding EFP may elect to combine these two docurnents and Issue one document an ElS, which satisfies the erwifonmental review requirements for the Certificate of Need and Route Permit proceedings

ITCM will be submitting an application for a Roule Pernit with at least two routes and will idenily the roule which ITCM prefers. Other routes can bo proposed during the EIS scoping procest to be compleeted by EFP. As part of is analysls, EFP will evaluate the roules propoeed by ITCM in ite Route Parrmi application and any other routes proposed during the scoplng process that will ald in a roule submitted by ITCM, or aroule proposed during the scoping process, or some combinatian of such routes is the mosl epprapriate route lor the Prolecl Selection of a Inal route by the Cominission wail be based on evaluation of the roules, gulded by the Factors idenfified In Mrinesola Statuter Section 216 EE .03 . Minnesota Rule 7850.4100 , and slakeholder input recelved during the regulalory process.

For the 345 KV transinsssion fine portions of the Project. ITCM anticpates that it wiy oblain a 200 -foot Wde permaneni right-of-way, For the 161 kV transmission line porfions of the Project, ITCM anticipales that fiwl oblain a 150 -foot wide permanent fight-otway. Belore beginning construction, ITCM will acquire property rights for the right-ofway, typlcally through an easement that will be negotiated with the landowner for each parcel.

The proposed struchiren for the Project are primarily single pole, weatherfing or gatvanized steel struckires. Where the 245 kV transmlssion line can be colocated wth existing 161 KV transmission Ines, double-circuil struclures will be used. For the 161 kV transmisslon line portions of the Project single pote single clrcuit and double circuit poles will be used to accommodate construction average span of approximately 900 Iect. Additionally, speclatiy structures, other than the elngle pole structures discussed above, nay be used through areas of emvironmental sensilivily or where consinuction condilions require their use,

Need for the Project
The Project is needed to enhance reglonal iellability, Increase transivistion capacity to support additlonal generation, including generation to meel renewable energy standards throughoul the region, and to reduco congestion which well enable more efficient delivery of energy.

The groposed lacifes in Manesoto and lowa were stalied mod approved in December 2011 as par
 portiolio In the 2011 MisO Transmisaion Expansion Plan.
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The Project is a portion of what is identified as Project 3 in the MVP porttilio. The lowa portions of Project 3 are subject to review and approval by the lowa Uuilitest Board
Bliennial Transmission Plannlang
Minnesota statutas include a requirement that each electric tyarsmiasion owning uatity in the utate fle a blenniar transmission plarming report wifh the Commiation in the fall of odd ywars. Those reports provide an excellent source of background information on the trammanton plannting proces used by utilites in Minnesota, The 2011 Biennial Transmisslon Plarning Report Is avallable at: wuw.minnelectrans com,

Project Notifications
To subscribe to the Project Certificsle of Need docket and recelve emair notifcations when Information is fied that is related to the Certificate of Need for the Project, please visit ww...puc. state, imn.us, dick on the "Subscribe to a Docker" button, enter your email address and seled "Dockel Number" Fom the Type er sulisctpvion dropdown box, then seect "i 'trom the frist Docker Number then dick the "Save" button at the botlom of the paga lo confrm your suiscriotion to the Prolect Docket These same sleps can be followed to subscribe to the Piofect Route Permilt docket (ET6675/TL-12-1337).

Please Visit hip:/Muwitcransco.com/minnesota-lowa-project for more information on the Project. If you have quesbons about the process, you may contaci the Mirnesola requilatory slaff listed below.

| Minnesota Fubllic Unsties <br> Commission <br> Scott Ek <br> 121 7hi Place East, Suite 350 <br> St. Paul, Minnesota 55101 <br> 651.201 .2255 <br> 800,657,3782 <br> scull.ek ${ }^{2}$ atale.minus <br> wownuc. slatemnus. | Minnesola Department of <br> Commerce <br> Ray Kirsch, Stale Permit Manager <br> 85 7hh Place Easl, Sulte 500 <br> St Pad, Minnesota 55101 <br> 651,236.7588 <br> 800.657.3794 <br>  |
| :---: | :---: |

II you would like to have your name added to the Project Route Permit mal/ing list (MPUC Dockel ET6675/TL-12-1337), you may register by visiling the Departinent of Commerce webpape at mnggov/commerce/energytaciblest, cicking an the Tranamission Lines tab, selaciing MinnesotaIowa 345 KV Transmission Project from the listed projects, and then clicking the links next to the above. Please be aware that the Route Permit maling list may not be nvailable for online registration until the Route Permit applicallon ts submitted.

A separate service lisi is maintained for the Cerfificate of Need proceeding. To be placed on the Project Certlicate of Need mailing list (MPUC Docket ET6675/CN-12-1053), mall, fax, or amail Robin Benson at Minnesola Public UuItes Commission, 121 7ei Place E, Suite 350, St. Paul, MN 55101-2147, Fax: 651-297-7073 or robin. bensonessiate.mn.dis.
The ITCM conlact for questions sbout this Project is:
David B Grover
Manager, Regulatory Strategy
ITC Midwest LIC
ITC Midwest LLC
St. Paul, MN 55101
877-452-1829
minnlowabibetransco.com


Notice of Certificate of Need Application for the Minnesota-lowa 345 KV Transmission Project in Jackson, Martin, and Faribault countles, Minnesota MPUC Docket No.: ET6675/CN-12-1053

ITC Midwest LLC. a Michigan Imited Iatity company ( 4 TCM), Is proposing to construct a 345 Counly to the newly-propoced Hunlley Subslation in Farbaull Counly, before turilng south io the lowa border (the 'Project') In lowa, the transmission line wil conntinue south bo a new Ladyard Substation, near the Cify of Ledyard, Iowa, and then on to a subsiation near the City ol Burt in Kossulh Counly, lowa ITCM will seek approval lo construct the Minnesota portion of the Project From the Minnesola Pubic Uninues Commission (Commission) This lettier Is intended lo provide you with nofificallon of cerlain Project delals and also to provsde you with information on how you can paticipate in the Minnesota regulatory process.
The Project includes expanding the Lakefield Substation, a new Huntley Substation and several miles of reconligured 161 kV tralssmission line near the Hunlloy Subslation The recoulfiguations are necessary fo relocate all 161 kV transmission subslation facilities to the Hundley Substation hee Project will Lee approximately 75 inles tung. The area under consideration for tha location of the Project is depleterd on the map below. The lowa portion of the Fioject will be perrnittand by the lown Utilites Board
This notice is heing provided to those who fall withie ono of more of the cotogories listed below as they relale to the area ("Notice Area") shown below.

## the Notice Area;

Ressdonta within the Notico Arax
Local units of povervment in and around ithe Nofon Area;
Locial and Stute electuy oticiales or
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## Rugulatory Process Overvlew

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welpsite al www pue slate mn us in Dockel No ETG675/CN-12-1053

A additon to cerrifying the Projoct ine Commission musi also grant a Route Permit for the Project The rouling of the Minnesota poriion of the Project is govemed by Minnesola law, including Minnesola Stalules Chapter 2 16 E and Minnesola Rules Chapler 7850. Information on the Route ernil application, once iled, can be obtained by visiling the Comnission's watsile in Dockel No. ETG675/TL-12-1397.
Minnesota Department of Commerco Energy Facility Permitting slaf ('EFPr) is responsible for conducting environmental review of the Project EFP wil prepare an environmental feporf for or the Roule Permit procending EFP may elect la cornhine these two documentg and lasuu one document, an EIS, which satisties the environinental review requirements for the Certiticate of Need and Route Pemit proceedings

ITCM will be submithing an application for a Roule Pernit with al least two roules and will identify hu route which ITCM prefers Other roules cain be proposed during the EIS scoping processs in ils Route Permil application and any olher roules proposed during the scoping process that will aid in the Commission's decision on tho Roule Pernit application. The Cornnission may datermine that a routo submitted by ITCM, or a fouto proposed during the scoping process, or ame combination of sich routes is the most appropnata route for the Profice Selecion of a final

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ITCM anticipales llat it will oblain a 150 -(cot wode permanant right-of-way. Before beginning construction. ITCM will acquire property rights for the right-of-way, lypically through an easement that will be negoliated with the landowner for each parcel
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The proposed facilices in Minnesola and lowa were studied and approved in December 2011 as pari of the Mldwest independeni Transmission System Operaior (-MiSO) Mulil-Valve Project (MVP) portfollo in the 2011 MISO Transmission Expansion Plan.
The MVP projects were developed based on a brond assessmont of benefis to strengithen and enhance reliatility across the miegrated Itansmission system on which all regional electric load and experis rely including:

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## Project Notifications

To subscribe to the Project Cerficicale of Need docket nnd receive email notifcations when Inormation is filed that is related to the Cerilicate of Need for the Project, please visis wnu.puc statomn us, click on the "Subscribe to a Dockel" bution onler your email addrese and select Docket Number from the Type of Subscription drapdown box, then select "12 from the first Docket Number dropdown box and enter "1053' in the second box before clicking on the "Add o List' bution You musit then dick the "Sava' vulton at the betiorn of the page to confirm your Project Roudo Permil docket (ET6675/TL-12-1337)

Please visit htipt/umwilctransco coin/minnesola-rowa-project for more information on the Project. If you have questions about the process, you may contact the Minnesola regulatory slafl listed below

## Minnesota Pribic Uuition

 CommissionScollEk
Scolt Ek
1217 th Plare Earl, Suite 350
nesola 55101
651.201 .2255
800.657 .3782
icotsen indetatomo.us
www.muc, atate.minue
"you would tho to have your name addod to tho Piojoct Ruvite Peinut irviling list (MPUC Docket E16675/TL-12-1337), you may register by visiting the Department of Cornmerco webpag Minnesola-lowa 345 kV Transmissiun Projed' from the listed prolects, and then dicking if next in the "Mailing List" heading Alternately. you may contact Depariment of Conmmerce staff al the address above. Pieaso be aware that the Route Permid mailing list may not bo available for onlinee registration unlit the Roule Pumil applicalion is submilled
A separate service list is maintained for the Centificate of Need proceeding. To be placed on the Projecl Certificate of Need moiling list (MPUC Dockot ET5675/CN-12-4053), mad, fax, or email Robin Bonsorn etM, nnesota Public Ulitities Commission, 1217 ml Place E. Suito 350, S: Paul, -7073 or robin benison@state. mh.us

The ITCM conlact for questions about inis Project is:
David a Grover
Manager, Regulatnry Strategy
TC Midwest LLC
TC Midwest LLC
St Poul MN 55101
St Poul, MN 5.
$877-482-4829$
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The Projeci inctudes expanding the Lakelield Substation，a new Hurilly Substation and several moles of reconfoured 161 kV transmission line near the Huntiey subatation the reconiguraucns ere necsessary to relocale all 161 hV fransmiseston substation tacilites to the Huntuey Substation from the existing Whinebago Substation which wir be decon inssioned The Minnesota portion of location of the Piects mill be permited by the lowa Utilies Board

This notice is beling provided to those who fall within one or more of the calegonies lasted below as they relate to the area（＂Notice Area＂）shown below
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－Residents within the Notice Area：
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Local and State electod officiaks，or
Siato and local government agencies and oflioes
Regulatory Procoss Overviow
For the Project，the Commission must determine whether the Project is needed （Ceriticate of Nead）and whera the Project ahould be located（Routo Pormit） Before ine Project can be construcled，the Commission must lirst orntly that ncluding Minnesela The cerlicication of the Projectis poveinen by Mirchapters 7829 and 7849，specifically Rules 7849.0010 to 78490400 and 76491000 to 7849.2100 ．in the Certhicale of Need proceeding，the Commission will analyze Whether ITCM has proposed the most appropriate size，type，and luming for the Project The Certificale of Need opplication，once subrnitted，can be oblained by visting the Commission＇s websile at
wwip puc state min us in Dockel No ET6675／CN－12－1053
In addaion to certifing the Project，the Commission must also grant a Rovile Peimit for the Project．The routing of the Minnesols portion of the Project is govemed by Minnesota law，including Minnocola Slatutes Chapter 215E and Minnosota Rules Chapler 7850．Information on the Ravie Permil application，once fied，can be oblained by visiting the Commisaion＇s websile In Docket No，ETS675／L－12－1337

Minnesola Departnent of Commerce Energy Facility Permitting staff（＇EFP＇）is esponsible for conducting envitonmential review of the Project EFP will prepare an envicrmental reponfor the Cerifczle of Noed proceedrg ErP mir prepare
 tifties the enviromental review requirements or the Certificato of Need and Route Permit proceedings

CM will be autmiting an appicabion for a Rove Permit wih al least wro roules and will identify the route which ITCM preters．Other toutes can be proposed during the EIS scoping procese to be completed by EFP．As part of its analysis EFP will evaluate the roules proposed by ITCM in its Routa Permit application and any oither routes proposed during the scoping process that will aid in the Commission＇s decision on the Route Permitt application．The Commlasion may process，or some combinalion of such outes is the mosi appropriate roule for the Pocect Selection of a final routo by the Comrnission will be based on cratuastion of e roules，quided by the Factors ldenified in Mnnescla Siatites Section 219503. Minnesota Rule 7850.4100 ，and stakeholder Input raceived during the regulatory process

For una 345 KV Gansmission ine portions of tha Projec，IICM antiopales thal 1 wat oblan a 200 －fool wide parmanent right－of．way For the 161 kV ransmission ine portions of the Project ITCM anticipates that it will obtan a 150 －foot wide permane ight－of－way Before beginning constructian，ITCM will acquire property rights or the right－ol－way，typically trough an easement that will be negotiated with the andowner for each parcel

The proposed structures lor the Project are primarily aingle pole，wasthering or galvanized steel structures．Whete the 345 kV transmission line can be co－located wilh existing 161 kV Ifansinission lines，double－circulk struclutes will be used．For The 161 kV tranamission line porions of the Project，single pole single circuit and oublo circuil poles will be used to accomenodala consifuction．Structures are proposed to be placed using spans of approximateyl 600101,100 foel，with an average span of spproximalely 900 feet Addifonally，specially biructures，othe than the single pole structures dilscussed above，may be used through aruas of enviranmental sensibvity or where congtruction conditions require their use．

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The Project is a portion of whal is identified as Project 3 in the MVP particilo．The lawa portions of Profed 3 are subject to review and approval by the lowa Utilities Board．

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Please visit htip：／／wwwitcransca corn／minnesota－iowt－projed for more intormation on the Project if you flave questiorias about the procert you may contact the Minnesola regulatory stall libed below

| Minnesota Pubilic Ljutilion | Minnesota Department of |
| :---: | :---: |
| Commission | Commerce |
| Scottek | Ray Kirsch State Permit Manager |
| 1217 h Place East，Suite 350 | 65 7ih Piace East，Suile 500 |
| St Paul，Minnesota 55101 | St Paul，Mlinnesola 55101 |
| 651.201 .2255 | 651．2967508 |
| 8006573782 | 800.657 .3794 |
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you would ine io have your name added to the Piopect Route Permit main list（MPUC Dochet ET6675／TL－12－1337），you may register by viating the Department of Commerce webpago at mn．gov／commerte／energyfacilites） clicking on the＂Transmisston Lines＂lab，selecting＂Minnesota－lawa 345 kY Transmission Projeci＂from the isted projects，and then clicking the inke next to the ＂Mailing List＇heading．Alternatety，you may contact Depariment of Commerce not be availatio for online regiatration unta the Route Permit application is submilited

A separate service list is maintained for the Cerilicate of Need proceeding．To be placed on the Project Certificate of Need maling list（MPUC Dockel ET6875； CN－12－1053），mail，fax，or ernail Robin Benson at Minnesota Fublic Uüllilies Cornmission， 1217 th Place E，Sulle 350，St Paul，MN 55101－2147，Fax：65 297－7073 of robin bensonabstate onn us
The ITCM contaci for questions aboud this Project is：
David E Grover
Manager，Regulatory Strategy
Manager，Regula
ITC．Madwest LLC
444 Cedar Sveet，Sulle 1020
St Paul，MN 55101
977－482－402日
minniowaģitciransco com


## CERTIFICATE OF SERVICE

Jill N. Yeaman certifies that on the $20^{\text {th }}$ day of February, 2013, she filed and served a true and correct copy of ITC Midwest LLC's Notice Plan Compliance via eDocket (www.edockets.state.mn.us). Said Document is also served via U.S. Mail or electronic service as designated on the attached Official Service List on file with the Minnesota Public Utilities Commission.
/s/ Jill N. Yeaman
Jill N. Yeaman



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## ELECTRONIC FILING

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
350 Metro Square Building
121 Seventh Place East
St. Paul, MN 55101

## Re: In the Matter of the Application of ITC Midwest LLC for a Certificate of Need for the Minnesota-Iowa 345 kV Transmission Line Project in Jackson, Martin, and Faribault Counties, Minnesota MPUC Docket No. ET6675/CN-12-1053

Dear Dr. Haar:
Enclosed for electronic filing is ITC Midwest LLC's Request for Exemptions from Certain Certificate of Need Application Content Requirements in the above-referenced matter. Also enclosed is the Certificate of Service.

Please call me with any questions.

Sincerely,<br>/s/ Lisa M. Agrimonti

Lisa M. Agrimonti
LMA/dba
Enclosures
cc: Service List

State of Minnesota<br>beFore the Minnesota Public Utilities Commission

Beverly Jones Heydinger
David Boyd
J. Dennis O'Brien

Phyllis Reha
Betsy Wergin
In the Matter of the Application of
ITC Midwest LLC For a Certificate of
Need for the Minnesota-Iowa 345 KV
Transmission Line Project in
Jackson, Martin, and Faribault
Counties, Minnesota

Chair
Commissioner
Commissioner
Commissioner
Commissioner
Docket No. ET6675/CN-12-1053

## REQUEST FOR EXEMPTIONS FROM Certain Certificate of Need <br> Application Content REQUIREMENTS

## I. INTRODUCTION

ITC Midwest LLC ("ITCM" or "Company") respectfully submits this request for exemptions from certain content requirements for the Certificate of Need application pursuant to Minnesota Rule 7849.0200, Subpart 6. The Company intends to file a Certificate of Need application for the Minnesota-Iowa 345 kV Transmission Project ("Project") in early 2013. The Project includes a new 345 kV transmission line that connects the Lakefield Junction Substation in Jackson County, Minnesota to a new Huntley Substation in Faribault County, Minnesota, and then runs south into Iowa, connecting at the Ledyard Substation in Ledyard, Iowa, before heading south and west. A conceptual map showing the system configuration is attached as Attachment 1. ${ }^{1}$

The proposed facilities in Minnesota and Iowa are needed to relieve existing constraints on the transmission system in the Buffalo Ridge region, to provide outlet capability for existing and planned wind generation and to provide additional reliable capacity for future generation to interconnect to the system and deliver renewable energy. The proposed facilities were also studied and

[^78]designated as part of the Midwest Independent Transmission System Operator, Inc. ("MISO") Multi-Value Projects ("MVP") Portfolio. The Project is part of a MVP Portfolio of projects designed to reduce congestion on the grid, thereby enabling the delivery of more cost effective energy, and is needed to enhance regional reliability and support renewable portfolio standards ("RPS") in Minnesota and throughout the MISO footprint.

ITCM requests that the Minnesota Public Utilities Commission ("Commission") grant certain exemptions from the Certificate of Need application content requirements, as provided in Minnesota Rule 7849.0200, Subpart 6, primarily relating to power and energy forecasting. In most cases, alternative information will be submitted which will make the application more useful. ITCM believes that an application with information tailored to the specific circumstances of the Project would better serve the Commission and stakeholders in the review of this proposal.

## II. BACKGROUND

ITCM is a transmission company that engages solely in the transmission of electric energy in interstate commerce. ITCM operates more than 6,800 circuit miles of transmission lines in Minnesota, Iowa, Illinois and Missouri, building and maintaining transmission infrastructure to enhance system integrity and reliability, reduce transmission constraints, and allow new generating resources to interconnect to the transmission grid. Since forming in 2007, ITCM has invested more than $\$ 980$ million in the regional transmission system.

ITCM is a public utility under Section 203 of the Federal Power Act ("FPA"). As such, ITCM is subject to rate and other regulatory oversight by the Federal Energy Regulatory Commission ("FERC").

ITCM will be submitting applications for a Certificate of Need and a Route Permit to the Commission to construct the Minnesota portion of the Project. In Minnesota, ITCM proposes to construct approximately 75 miles of new 345 kV facilities that would run east from the Lakefield Junction Substation to a new Huntley Substation located by the existing Winnebago Substation, and then run south to cross the Iowa border, below Blue Earth, Minnesota. The four existing 161 kV lines that currently terminate at the Winnebago Substation would be relocated to terminate at the new Huntley Substation and the Winnebago Substation would be decommissioned.

After entering Iowa, the 345 kV line would continue south to connect to a new ITCM Ledyard Substation near Ledyard, Iowa, and further south to connect at MidAmerican Energy's new Kossuth County Substation near Burt, Iowa, and then onto substation facilities at or near MidAmerican Energy's existing Webster Substation near Fort Dodge, Iowa. The Iowa portion also includes a 345 kV connection between a new Kossuth County Substation near Burt, Iowa, and MidAmerican Energy's new O'Brien Substation to the west, near Sandborn, Iowa.

The Project will relieve a long-existing highly congested flowgate in southwestern Minnesota - the Fox Lake-Rutland 161 kV line - which is one of the most binding constraints on ITCM's entire system. The constraint limits ITCM's ability to transmit existing generation in the area, including wind generation. The Project will alleviate this constraint, providing the capacity necessary for existing and additional wind generation, particularly in the Buffalo Ridge Area, one of the region's premier wind resources.

The Minnesota and Iowa portions of the Project together are also identified as Project 3 in the MVP Portfolio of 17 projects included in the MISO Transmission Expansion Plan 2011 ("MTEP11"). As such, the Project is a high priority for enhancing the capacity and efficiency of the regional grid.

Following the approval of MISO's MVP Portfolio by the MISO Board of Directors on December 8, 2011, ITCM performed an analysis to determine the impacts of MVP Project 3 on the underlying transmission systems in Minnesota and Iowa. Part of that analysis was to determine what additional capacity MVP Project 3 could potentially create for existing and future generation facilities in the Buffalo Ridge Area and the impact this would have on the transmission grid.

The analysis included a Summer Peak case and a Summer Off-Peak case to identify the impact of MVP Project 3 on the transmission system throughout the year. The results of ITCM's analysis indicates that MVP Project 3 would provide approximately 1,000 megawatts of additional generation outlet during off-peak demand and approximately 2,500 megawatts of additional generation outlet during peak demand.

Some of the content requirements for a Certificate of Need are not germane to the circumstances that support constructing the Project. The Commission's rules for considering and granting Certificates of Need were designed decades ago, at a time when nearly all transmission improvements were driven by a growing demand for electricity within a specific utility's service area, and linked directly
to the utility's generation to meet that demand. Consequently, the rules were drafted to require detailed information about the utility's system, including customer demand and generation resources, to demonstrate the need to add the proposed project to that system.

In contrast, ITCM's proposal is to create a 345 kV connection between southwestern Minnesota and northwestern Iowa to enhance the reliability and capacity of the regional grid, rather than the transmission network within a specific utility's service territory. In addition, since ITCM is a transmission-only utility, it does not own any generation resources or have any retail customers, making certain information requirements inapplicable to ITCM. As described in more detail below, the application will provide more useful information for the Commission and other stakeholders to assess the need for the Project if it is customized to the specific circumstances the Project is intended to address. Consequently, ITCM requests that the Commission grant certain exemptions as detailed below. Wherever practical, ITCM has suggested providing alternative, available information to assist the Commission in its decision-making process.

## III. EXEMPTION REQUESTS

## A. Legal Standard

Minnesota Rules, Chapter 7849 sets forth the requirements for Certificate of Need applications. The Commission has authority to grant exemptions from the requirements of Chapter 7849 in accordance with Rule 7849.0200, Subp. 6, which provides:

Subp. 6 Exemptions. Before submitting an application, a person is exempted from any data requirement of this chapter if the person (1) requests an exemption from specified rules, in writing to the commission, and (2) shows that the data requirement is unnecessary to determine the need for the proposed facility or may be satisfied by submitting another document. A request for exemption must be filed at least 45 days before submitting an application. The commission shall respond in writing to a request for exemption within 30 days of receipt and include the reasons for the decision. The commission shall file a statement of exemptions granted and reasons for granting them before beginning the hearing.

The Commission may grant exemptions when the data requirements (1) are unnecessary to determine need in a specific case; or (2) can be satisfied by submitting documents other than those identified in the rules.

## B. Exemption Requests

ITCM requests exemptions from parts of the following content requirements for Certificate of Need applications:

Table 1- Requested Data Exemptions

| Minnesota Rule | Scope of Exemption Request |
| :---: | :---: |
| Rule 7849.0240, Subp. 2(B) and 7849.0120(A)(3)- Promotional Activities | Request full exemption. |
| Rule 7849.0260, Subp. (C)(5)Effect of Project on Rates Systemwide | Request to submit alternative data in the form of MISO's MVP cost allocation calculation showing costs that will be allocated to Minnesota utilities for MVP Project 3, and ITCM's estimated revenue requirement for the Project. |
| Rule 7849.0260, Subps. (A)(3) and C(6)- Proposed High Voltage Transmission Facilities and Alternatives Application | Request to substitute data in the form of overall system losses instead of line losses. |
| Rule 7849.0260(D)- System Map | Request to submit alternative map of ITCM's transmission network in Minnesota and Iowa. |
| Rule 7849.0270- Forecasting (except Subpart 2(f)); <br> Rule 7849.0120 A(1)- Criteria (forecasting) <br> Rule 7849.0280 (B) through (G), and (I)- System Capacity | Request that ITCM be exempt from providing forecasting and capacity information for its system and provide substitute information. Proposed substitute information includes: <br> - Evaluation of the Fox Lake-RutlandWinnebago 161 kV constraint, including information about how it is one of the most binding constraints on ITCM's system, how it has contributed to wind energy curtailment, and how it contributes to |


| Minnesota Rule | Scope of Exemption Request |
| :---: | :---: |
|  | the Minnesota Narrow Constrained Area ("NCA"); <br> - Analysis of how the Project will relieve the Fox Lake-RutlandWinnebago 161 kV constraint, and the relationship and impact of the Project on the Minnesota NCA; <br> - Analysis of how the Project will enable deliveries of existing wind energy, and support development of additional generation, including wind; <br> - Discussion of the existing Lakefield and Trimont special protection schemes ("SPSs") and how the Project will eliminate the necessity for the Lakefield and Trimont SPS; <br> - Historical and forecasted load data for the Project area and a discussion of how limited load exacerbates congestion; <br> - Average system weekday load factor data; <br> - Analysis of need for additional transmission capacity to serve future wind projects based on status of Buffalo Ridge as premier wind resources, including discussion of MISO queue information regarding the demand for interconnection and transmission capacity in the Project area, RPS requirements in Minnesota, and other MISO states and MISO wind zones assumed in MVP studies; <br> - Discussion of MISO energy markets and the effect of congestion on |


| Minnesota Rule | Scope of Exemption Request |
| :--- | :--- |
| wholesale prices; <br> Information on recent curtailment <br> and electrical system constraint hours <br> in the Project area; and <br> Discussion of the impact of existing <br> constraints on further wind energy <br> development in southwestern <br> Minnesota and how the Project will <br> increase the amount of wind <br> generation outlet capability in the <br> region. |  |
| Rule 7849.0290- Conservation; <br> Rule 7849.0120, Subp. A(2) <br> Criteria (conservation <br> programs) | Request full exemption. |
| Rule 7849.0300- Consequences <br> of Delay | Request exemption from requirement to <br> provide analysis using three demand scenarios. <br> ITCM proposes to provide a discussion <br> regarding potential impacts of Project delay on <br> generational support/RPS mandates, delivery <br> congestion, and regional system reliability. |
| Rule 7849.0330, Subp. (G)- <br> Major Features Between <br> Transmission Line Endpoints | Request exemption from requirement that <br> environmental data for routes focus on area <br> within three miles of the Project's endpoints. <br> ITCM proposes providing environmental data <br> within the notice corridor that focuses on areas <br> within a half mile of the existing Lakefield and <br> Winnebago Substations, the new Huntley <br> Substation, and the point at which the Project <br> crosses from Minnesota into Iowa. |


| Minnesota Rule | Scope of Exemption Request |
| :--- | :--- |
| Rule 7849.0340- Alternative of <br> No Facility | Request exemption from requirement to <br> provide no-facility alternative using three <br> confidence levels. In addition, request <br> exemption from requirements to provide |
| information related to ITCM's generation |  |
| assets. ITCM proposes providing data |  |
| discussion regarding potential impacts of no |  |
| facility alternative on generation support/RPS |  |
| mandates, delivery congestion, and regional |  |
| system reliability. |  |

Each of these requests is discussed in more detail below. This request is being made at least 45 days before submitting the Project's application for a Certificate of Need, as required by Minnesota Rule 7849.0200, Subpart 6. ITCM anticipates filing its application for a Certificate of Need (and Route Permit) for the Project in first quarter 2013.

1. Minnesota Rules 7849.0240, Subpart 2(B) and $7849.0120(A)(3)-$ Promotional Practices

Minnesota Rule 7849.0240, Subpart 2(B) requires that a Certificate of Need application contain "an explanation of the relationship of the proposed facility to . . . promotional activities that may have given rise to the demand for the facility." Minnesota Rule $7849.0120(\mathrm{~A})(3)$ contains similar requirements. Promotional practices include actions or activities that directly or indirectly give rise to the need for the facility, including advertising, billing practices, promotion of increased use of electricity, or other marketing activities. ${ }^{2}$ ITCM does not directly serve end-users of electric service and has not engaged in promotional activities that could have given rise to the need for the proposed Project. The Commission has previously determined that an exemption from this requirement is appropriate for other entities that do not serve retail customers. ${ }^{3}$

[^79]2. $\quad \begin{aligned} & \text { Minnesota Rule } 7849.0260(C)(5)-~ E f f e c t ~ o f ~ P r o j e c t ~ o n ~ R a t e s ~ \\ & \text { Systemwide }\end{aligned}$ Systemwide

Minnesota Rule 7849.0260(C)(5) requires an applicant to estimate its proposed project's "effect on rates systemwide and in Minnesota, assuming a test year beginning with the proposed in-service date." ITCM requests an exemption from this requirement because it is not a Minnesota public utility whose rates are regulated by the Commission. Rather, as a transmission-only utility, ITCM's rates are regulated by the FERC and the prices for providing transmission service are governed by the MISO tariff. This specific project is an MVP and, as such, its costs will be allocated across the MISO footprint to all load on the basis of MISO's MVP cost allocation process. ${ }^{4}$ This same cost allocation methodology would apply regardless of project owner. Information regarding the expected Project cost, the MVP allocation methodology, and the share that will be allocated to Minnesota utilities' load would be more useful in evaluating the Project so ITCM proposes to provide this data as substitute information.

## 3. Minnesota Rule 7849.0260 A(3) and C(6)- Losses

Minnesota Rule 7849.0260 A(3) requires the applicant provide information regarding "the expected losses under projected maximum loading and under projected average loading in the length of the transmission line and at the terminals or substations." ITCM seeks an exemption from this requirement and C(6) which has similar language. Because electricity cannot be directed to "travel" from one point to another on a specific transmission line, energy losses occur throughout the network of lines that comprise the regional transmission system. As a result, losses are affected by the configuration of the system network, and calculations of losses associated with an individual transmission line are not meaningful.

ITCM proposes to provide loss information on a system basis and requests that the Commission accept this information in satisfaction of Rule 7849.0260, A(3) and $\mathrm{C}(6)$. As an alternative to individual line losses, the Commission has

[^80]routinely accepted analyses of the system losses avoided due to the addition of a project to the system as a whole. ${ }^{5}$

## 4. Minnesota Rule 7849.0260(D)- System Map

Minnesota Rule 7849.0260(D) calls for a map showing the applicant's system or load center to be served by the proposed transmission lines. As a transmission company, ITCM does not directly serve load. ITCM proposes to submit a map showing ITCM's network of transmission lines in Minnesota and Iowa.
5. Minnesota Rules 7849.0270 and 7849.0120 A(1)- Peak Demand and Annual Consumption Forecast

Minnesota Rule 7849.0270 requires the applicant to provide "data concerning peak demand and annual electrical consumption within the applicant's service area and system." The subparts require the applicant to detail the forecast methodology employed, identify the databases used, and the assumptions made in preparing the forecasts, as well as present data by customer class categories and average system weekday load factor by month. This information is intended to be part of the Commission's need analysis in Rule 7849.0120 A(1).

These forecasting requirements would not provide the data most relevant to assessing the need for the Project. Even if the Project were needed to serve customer demand, a breakdown of this information by customer class would not inform the analysis. ITCM therefore requests an exemption from Rule 7849.0270 in its entirety, with the exception of Subpart 2(F) (average system weekday load

[^81]factors). Given the data's limited value, the Commission has granted such an exemption in other cases. ${ }^{6}$

ITCM proposes to provide alternative information on local constraint issues in southwestern Minnesota. Constraints on the electrical system, particularly the Fox Lake-Rutland-Winnebago 161 kV line, limits the amount of energy that can be delivered to customers. There are several consequences of these constraints. First, more and more wind generation is being curtailed over time, inhibiting existing clean, low-cost renewable energy from nearby end-user customers. Curtailment of existing wind resources also lowers expected tax revenues to local governments and decreased lease payments to area landowners. Second, curtailment stymies further development of Minnesota's best (low cost) wind resource by discouraging other developers from investing in this area. In the application, ITCM proposes to provide a full discussion of these issues, including ITCM's analysis of how the Minnesota portion of MVP Project No. 3 will affect the Fox Lake-Rutland-Winnebago 161 kV constraint.

ITCM will also provide historical and forecast demand in the Project area to explain how peak demand in the area is not anticipated to grow sufficiently to reduce the need for additional transmission to relieve the area's constraint.

Reliability information will also be provided. Specifically, ITCM will describe the existing Lakefield and Trimont SPSs that have had to be implemented to maintain the safe and reliable operation of the transmission system as additional generation has come on line. ITCM no longer deems these operational schemes to be acceptable solutions to system deficiencies, and the Project is expected to eliminate the need for these particular SPSs.

In addition, ITCM, proposes to provide substitute information describing the forecasting used in the course of evaluating the Project, specifically, data supporting the need for MVP Projects 3 and 4. This data includes MISO's analysis of the MVP Portfolio.

In developing the MVP Portfolio, MISO focused on a regional solution to support the existing renewable portfolio and energy standards adopted in 12 states

[^82]within the MISO footprint. ${ }^{7}$ The final MVP Portfolio, consisting of 17 Projects, will enable delivery of 41 million MWh of renewable energy per year to meet renewable energy mandates and goals. ${ }^{8}$ These transmission projects will enable the renewable energy mandates within the MISO footprint to be met at the lowest delivered wholesale cost. ${ }^{9}$ This required the development of system alternatives that would allow delivery of renewable energy to large load centers from higher renewable availability areas and these areas are typically located further away from large load centers. ${ }^{10}$ MVP Project Nos. 3 and 4 are two of the projects MISO designated as meeting these planning objectives.

In addition, Minnesota Rule 7849.0270, Subpart 2(E) calls for "the estimated annual revenue requirement per kilowatt hour for the system in current dollars" for each forecast year. This requirement appears to be intended for load serving public utilities and not transmission service providers like ITCM. ITCM proposes to instead provide information describing how costs will be allocated to Minnesota utilities for MVP Project 3 and ITCM's revenue requirement for the Project.

A list of all the alternative information ITCM proposes to provide under Minnesota Rule 7849.0270 is included in Table 1 in Section B above.

Finally, Minnesota Rule 7849.0270, Subpart $2(\mathrm{~F})$ requires average system weekday load factors by month. ITCM is able to project average system weekday load factors by month and will provide these estimates.

## 6. Minnesota Rule 7849.0280, (B) through (G) and (I)- System Capacity

Minnesota Rule 7849.0280 requires the applicant to "describe the ability of its existing system to meet the demand for electrical energy forecast in response to Minn. R. part 7849.0270, and the extent to which the proposed facility will increase this capability." Only Parts A and H relate to transmission lines; the other parts relate to generation capacity. The Commission has granted requests

[^83]for exemption from Rule 7849.0280(B) through (G) and (I) where need is based on the adequacy of transmission, not generation. ${ }^{11}$

## 7. Minnesota Rules 7849.0290 and 7849.0120 A(2)- Conservation Programs

Minnesota Rule 7849.0290 requires an applicant to describe its energy and conservation plans, including load management and the effect of conservation in reducing the applicant's need for new generation and transmission facilities. Minnesota Rule $7849.0120 \mathrm{~A}(2)$ requires the Commission to evaluate this information in determining need.

The Commission has previously determined that this rule is "designed to ensure that regulated utilities, providing essential services to captive customers, give conservation the same careful consideration they give to new generation in planning to meet the future needs of their service areas." ${ }^{12}$ Given that ITCM is a transmission-only utility, however, it has no relationship with end-users that can affect their level of energy consumption and thus the requirements of Minnesota Rule part 7849.0290 are "onerous and essentially unhelpful" to the Commission's determination. ${ }^{13}$ ITCM requests an exemption from this requirement in its entirety.

## 8. Minnesota Rule 7849.0300- Consequences of Delay

Minnesota Rule 7849.0300 asks for a discussion of the consequences of delay in developing the proposed project. As part of this requirement, the Rule requires an analysis of the consequences of delay relative to specific statistically based levels of demand. As with the demand and consumption information required under Minnesota Rule 7849.0270, this demand information is inapplicable to a transmission-only utility. ITCM proposes to provide substitute information in the form of a discussion of the impacts a delay of the Project would have on renewable generation support and satisfaction of RPS requirements, congestion relief, and general regional reliability.

[^84]Requests for exemption from the requirements of Rules 7849.0300 in favor of providing information more relevant to the need for the project have been approved by the Commission in other recent Certificate of Need proceedings for transmission lines. ${ }^{14}$
9. Minnesota Rule 7849.0330 (G) Major Features Between Transmission Line Endpoints

Rule $7849.0330(\mathrm{G})$ requires an applicant to provide environmental information for a region encompassing the likely routes between endpoints, emphasizing the area within three miles of the endpoints. ITCM has identified a Notice Area for the Project's Certificate of Need and has identified routes within the Notice Area that will be presented in a Route Permit application submitted to the Commission in coordination with the Certificate of Need application. Given the development of the Project's proposed routes at this time, ITCM believes it would be appropriate to narrow the three-mile areas around the Project's endpoints in Minnesota to the half mile areas around: (i) the Lakefield Junction Substation where the Project begins; (ii) the existing Winnebago and proposed new Huntley substations; and (iii) the border point where the proposed routes cross from Minnesota into Iowa. The Commission granted a partial exemption consistent with this request for the Mud Lake - Wilson 115 kV Project. ${ }^{15}$
10. Minnesota Rule 7849.0340- Three Levels of Demand for NoFacility Alternative Analysis

Minnesota Rule 7849.0340(C) requires an analysis "of equipment and measures that may be used to reduce the environmental impact of the alternative of no facility." This discussion is an important element of a determination of the need for new transmission infrastructure. ITCM fully intends to discuss these issues, but asks the Commission to vary this rule in two ways.

First, the rule asks for a discussion of the alternative of "no facility" and requires that analysis to use the same three levels of demand required in Rule 7849.0300. Consistent with its request above for exemption from Rule 7849.0300, ITCM

[^85]requests an exemption from the requirement to analyze three different demand levels for the no-facility alternatives.

Second, Minnesota Rule 7849.0340 (A) requires an applicant to submit data on the impact of the "no facility" alternative on the applicant's existing and committed generation and transmission facilities. As detailed above, ITCM does not own generation and therefore this rule is not entirely applicable to ITCM. ${ }^{16}$ ITCM proposes to provide substitute information in the form of a discussion of the impacts a delay of the Project would have on renewable generation support and the satisfaction of RPS requirements, congestion relief, and general regional reliability.

Similar requests for exemptions from the requirements of Minnesota Rule 7849.0340 have been approved by the Commission in other recent transmission line Certificate of Need dockets. ${ }^{17}$

## IV. CONCLUSION

ITCM believes the Commission's Certificate of Need process would be best served by an application that presents information tailored to address the factors relevant to evaluating the need for its proposed 345 kV transmission line. Therefore, ITCM respectfully requests that the Commission grant its exemption requests.

[^86]BRIGGS AND MORGAN, P.A.

By: /s/Lisa Agrimonti<br>Lisa Agrimonti (\#272474)<br>Kodi Jean Church (\#391056)<br>2200 IDS Center<br>80 South Eighth Street<br>Minneapolis, MN 55402-2157<br>(612) 977-8400

## FOR ITC MIDWEST LLC

ATTACHMENT 1 TO ITC MIDWEST LLC'S REQUEST FOR EXEMPTIONS


## CERTIFICATE OF SERVICE

Diane Bailey-Andersen certifies that on the $4^{\text {th }}$ day of December 2012, she filed and served a true and correct copy of ITC Midwest LLC's Request for Exemptions From Certain Certificate of Need Application Content Requirements via eDocket (www.edockets.state.mn.us). Said Document(s) were also served via U.S. Mail as designated on the Official Service List on file with the Minnesota Public Utilities Commission.
/s/ Diane Bailey-Andersen
Diane Bailey-Andersen

## MPUC Docket No. ET6675/CN-12-1053

## Service List Member Information

Electronic Service Member(s)

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## BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger
David Boyd
J. Dennis O'Brien

Phyllis Reha
Betsy Wergin

Chair
Commissioner
Commissioner
Commissioner
Commissioner

Lisa M. Agrimonti
Briggs and Morgan, P.A.
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402

In the Matter of the Application of ITC Midwest LLC for a Certificate of Need for the Minnesota-Iowa 345 kV Transmission Line Project in Jackson, Martin, and Faribault Counties, Minnesota

The above entitled matter has been considered by the Commission and the following disposition made:

The Commission grants ITC Midwest LLC's requested exemptions to:

- Minnesota Rules 7849.0240, subp. 2(B);
- Minnesota Rules 7849.0250(D); and
- Minnesota Rules 7849.0290.

The Commission grants ITC Midwest LLC's requested exemptions to the following rules with the provision of the proposed alternative data set forth in the Department's December 28, 2012 comments:

- Minnesota Rules 7849.0260, subp. (C)(5);
- Minnesota Rules 7849.0260 A(3) and C(6);
- Minnesota Rules 7849.0270 (except subpart 2(F));
- Minnesota Rules 7849.0280, (B) through (G) and (I);
- Minnesota Rules 7849.0300; and
- Minnesota Rules 7849.0340.

The Commission rejects ITC Midwest LLC's requested exemptions to:

- Minnesota Rules 7849.0120 A(1);
- Minnesota Rules 7849.0120 A(2);
- Minnesota Rules 7849.0120 A(3); and
- Minnesota Rules 7849.0330 (G).

The Commission agrees with and adopts the recommendations of the Department of Commerce, which are attached and hereby incorporated into the Order. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION<br><br>Burl W. Haar<br>Executive Secretary

857 th Place East, Suite 500, St. Paul, MN 55101-2198

December 28, 2012

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
$1217^{\text {th }}$ Place East, Suite 350
St. Paul, Minnesota 55101-2147

## RE: Request for Exemptions from Certain Certificate of Need Content Requirements Docket No. ET6675/CN-12-1053

Dear Dr. Haar:
Attached are the comments of the Minnesota Department of Commerce-Division of Energy Resources (Department) in the following matter:

Application of ITC Midwest LLC for a Certificate of Need for the Minnesota-Iowa 345 kV Transmission Line Project in Jackson, Martin, and Faribault Counties, Minnesota.

The petitioner is:

Lisa M. Agrimonti<br>Briggs and Morgan, P.A.<br>2200 IDS Center<br>80 South $8^{\text {th }}$ Street<br>Minneapolis, Minnesota 55402

The Department recommends approval as modified and is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,
/s/ STEVE RAKOW
Rates Analyst
SR/ja
Attachment

## Before the Minnesota Public Utilities Commission

## COMMENTS OF THE Minnesota Department of Commerce Division of Energy Resources

Docket No. ET6675/CN-12-1053

## I. BACKGROUND

On September 28, 2012 ITC Midwest LLC, a Michigan limited liability company (ITCM or the Applicant) filed ITCM's Notice Plan Petition for the Application of ITC Midwest LLC Certificate of Need for the Minnesota-Iowa 345 kV Transmission Project in Jackson, Martin, and Faribault Counties, Minnesota (Notice Petition). The Notice Petition provided ITCM's proposed notice plan for a 345 kV transmission line to be located in southwestern Minnesota (Project). The Project would consist of about 75 miles of new 345 kV facilities from the Lakefield Junction Substation running eastwards to a new Huntley Substation near Winnebago, Minnesota, then proceeding southwards to the Iowa border south of Blue Earth, Minnesota. Comments on the Notice Petition were filed on October 18, 2012 by the Minnesota Department of Commerce, Division of Energy Resources (Department). Reply comments were filed on November 7, 2012 by ITCM. The Minnesota Public Utilities Commission (Commission) heard this issue on December 6, 2012 and the Commission's written order is forthcoming.

On December 4, 2012 ITCM submitted the Application of ITC Midwest LLC for a Certificate of Need for the Minnesota-Iowa 345 kV Transmission Line Project in Jackson, Martin, and Faribault Counties, Minnesota (Exemption Petition) in order to obtain exemption from certain data requirements of Minnesota Rules part 7849. On December 11, 2012 the Commission issued a notice stating that comments on the Exemption Petition are due December 28, 2012 and reply comments are due January 11, 2013. Below are the comments of the Department regarding the Exemption Petition.

## II. DEPARTMENT ANALYSIS

## A. BACKGROUND

The Applicant will propose to construct a 345 kV transmission line in southern Minnesota near the cities of Lakefield and Blue Earth, Minnesota. According to ITCM, the proposed Project would include the following elements:

- construct approximately 75 miles of new 345 kV transmission line from the Lakefield Junction Substation to a new Huntley Substation, located by the existing Winnebago Substation, and then crossing the Iowa border, south of Blue Earth, Minnesota; ${ }^{1}$
- relocate four existing 161 kV lines that currently terminate at the Winnebago Substation so that they terminate at the new Huntley Substation; and
- decommission the Winnebago Substation.

The proposed Project would qualify as large energy facility (LEF) under Minnesota Statutes §216B.2421, subd. 2 (3). Minnesota Statutes §216B.243, subd. 2 requires that LEFs obtain a Certificate of Need (CN). Minnesota Rules part 7849 includes the filing requirements for a CN for an electric transmission facility.

The Exemption Petition states that the proposed Project will:

- relieve a long-existing highly congested flowgate in southwestern Minnesota; and
- provide the capacity necessary for existing and additional wind generation, particularly in the Buffalo Ridge area.

Note that the proposed Project is part of "Project 3" of the 17 projects included in the Midwest Independent Transmission System Operator, Inc. (MISO) Multi-Value Projects (MVP) portfolio.

## B. ITCM'S REQUEST

In the Exemption Petition, ITCM requested exemption from providing data relevant to the following portions of Minnesota Rules:

- 7849.0240, subp. 2(B) and 7849.0120(A)(3);
- 7849.0250(D); ${ }^{2}$

[^87]- 7849.0260, subp. (C)(5);
- 7849.0260, subps. (A)(3) and C(6);
- 7849.0270 [except Subpart 2(f)] and 7849.0120 A(1);
- 7849.0280 (B) through (G), and (I);
- 7849.0290 and 7849.0120, subp. A(2);
- 7849.0300;
- 7849.0330, subp. (G); and
- 7849.0340 .

Minnesota Rules 7849.0200, subp. 6 states:
Before submitting an application, a person is exempted from any data requirement of this chapter if the person (1) requests an exemption from specified rules, in writing to the commission, and (2) shows that the data requirement is unnecessary to determine the need for the proposed facility or may be satisfied by submitting another document.

The Department examines each specific exemption request separately. The required criterion is whether ITCM has shown that "the data requirement is unnecessary to determine the need for the proposed facility or may be satisfied by submitting another document" as discussed above.

## C. ANALYSIS OF EXEMPTION REQUESTS

## 1. Minnesota Rules 7849.0240, Subp. 2(B) and 7849.0120 A(3)

Minnesota Rules 7849.0240, subp. 2(B) requires an applicant to provide "promotional activities that may have given rise to the demand for the facility." ITCM states that the Applicant "does not directly serve end-users of electric service and has not engaged in promotional activities that could have given rise to the need for the proposed Project." As mentioned by ITCM, the Commission has granted other non-incumbent utilities a similar exemption in previous proceedings. Therefore, the Department recommends that the Commission grant the requested exemption to Minnesota Rules 7849.0240, subp. 2(B).

Minnesota Rules 7849.0120 A(3) is not a data requirement. Rather, it is a decision criterion. Minnesota Rules 7849.0200 states that ITCM can be "exempted from any data requirement." However, Minnesota Rules do not mention allowing exemptions from the decision criteria. Rather, Minnesota Rules 7849.0100 states that, "the criteria for assessment of need must be used by the Commission to determine the need for a proposed large energy facility ...." Therefore, in

[^88]making its determination, the Commission considers the relevance of the decision criterion. The Department recommends that the Commission reject the requested exemption to Minnesota Rules 7849.0120 A(3).

## 2. Minnesota Rules $7849.0250(D)$

This rule requires the Applicant to provide a map showing the Applicant's system. As an independent transmission company, ITCM does not serve load directly. Therefore, ITCM proposed to provide a map showing ITCM's network of transmission lines in Minnesota and Iowa. The Department recommends that the Commission grant the requested exemption to Minnesota Rules 7849.0250(D) with the provision of the proposed alternative data.

## 3. Minnesota Rules 7849.0260, Subp. (C)(5);

Minnesota Rules 7849.0260, subp. (C)(5) requires an applicant to provide "for the proposed facility and for each of the alternatives...an estimate of its effect on rates systemwide and in Minnesota, assuming a test year beginning with the proposed in-service date." In lieu of the required data ITCM proposed to provide "information regarding the expected Project cost, the MVP allocation methodology, and the share that will be allocated to Minnesota utilities' load." The Department agrees with ITCM that data on the cost allocation method and the share estimated to be allocated to Minnesota load would be more relevant to this proceeding than the data required by rule. Therefore, the Department recommends that the Commission grant the requested exemption to Minnesota Rules 7849.0260, subp. (C)(5) with the provision of the proposed alternative data.

## 4. Minnesota Rules 7849.0260, subp. $A(3)$ and $C(6)$

These rules require an applicant to provide estimated "losses under projected maximum loading and under projected average loading in the length of the transmission line and at the terminals or substations." Instead, ITCM proposes to supply system loss information in lieu of line-specific losses.

The Department agrees that line losses for the system are more relevant to the analysis in this proceeding than line losses for individual lines. The Department notes that, to make the proper decisions in a societal framework, it is necessary to know what happens to system losses when a line is added. To count only the losses on the line in question might lead to the selection of one alternative because it has lower losses on that line but has higher system line losses; therefore selection of such an alternative would force the system to produce more energy than some other alternative. Thus, the proposal to use data for the system as a whole in this proceeding is appropriate.

In summary, the Department recommends that the Commission grant ITCM's proposed exemption to Minnesota Rules 7849.0260 A(3) and C(6) with the provision of the proposed alternative data.

## 5. Minnesota Rules 7849.0270 and 7849.0120 A(1)

These rules require an applicant to provide information regarding its system peak demand, annual energy consumption, and load factors for the applicant's service area and system. The subparts of the rule also require the applicant to detail the forecast methodology, databases, and assumptions made in preparing the forecasts, as well as present data by customer class categories. According to ITCM, this exemption, with the exception of Subpart 2 (F), was requested because the forecasting requirements would not provide the data most relevant to assessing the need for the Project. According to ITCM, the Commission has granted similar exemption requests in the past. ${ }^{3}$

In lieu of the information required by Minnesota Rules 7849.0270, subpart 2(A-E) and subparts 3 through 6, ITCM proposed to provide data and information that includes:

- evaluation of the Fox Lake-Rutland-Winnebago 161 kV constraint, including information about how it is one of the most binding constraints on ITCM's system, how it has contributed to wind energy curtailment, and how it contributes to the Minnesota Narrow Constrained Area ("NCA");
- analysis of how the Project would relieve the Fox Lake-Rutland-Winnebago 161 kV constraint, and the relationship and impact of the Project on the Minnesota NCA;
- analysis of how the Project would enable deliveries of existing wind energy, and support development of additional generation, including wind;
- discussion of the existing Lakefield and Trimont special protection schemes ("SPSs") and how the Project would eliminate the necessity for the Lakefield and Trimont SPSs;

[^89]- historical and forecasted load data for the Project area and a discussion of how limited load exacerbates congestion;
- average system weekday load factor data;
- analysis of need for additional transmission capacity to serve future wind projects based on status of Buffalo Ridge as a premier wind resource, including discussion of MISO queue information regarding the demand for interconnection and transmission capacity in the Project area, Renewable Portfolio Standards (RPS) requirements in Minnesota and other MISO states and MISO wind zones assumed in MVP studies;
- discussion of MISO energy markets and the effect of congestion on wholesale prices;
- information on recent curtailment and electrical system constraint hours in the Project area; and
- discussion of the impact of existing constraints on further wind energy development in southwestern Minnesota and how the Project would increase the amount of wind generation outlet capability in the region.

The Department notes that the data and information ITCM proposed to provide may be appropriate regarding assessing the need for the Project, and does not oppose its provision. However, regarding "historical and forecast demand in the Project area," the Department recommends that:

- ITCM, in its Reply Comments, identify and specify all of the company-owned and non-company-owned (distribution and transmission) substations in the Project area, that are relevant to ITCM's proposed Project;
- ITCM provide all of the relevant load data proposed above at the company-owned and non-company-owned detailed substation-specific level if they are relevant to ITCM's proposed Project; and
- in the proposed evaluations, analyses and discussions mentioned above, ITCM should also include detailed information and explanation of all of the effects of congestion, for example, on locational marginal pricing (LMP).

Therefore, the Department recommends that the Commission approve ITCM's proposed exemption to Minnesota Rules 7849.0270, with the exception of 7849.0270, Subpart 2 (F) and to allow ITCM to provide the proposed alternative data as modified above.

The Department notes that Minnesota Rules 7849.0120 A(1) is not a data requirement. Rather, it is a decision criterion. Minnesota Rules 7849.0200 states that ITCM can be "exempted from any data requirement." Again, the Minnesota Rules do not mention allowing exemptions from the decision criteria. Rather, Minnesota Rules 7849.0100 states that, "the criteria for assessment of need must be used by the Commission to determine the need for a proposed large energy facility..." Therefore, in making its determination, the Commission considers the relevant of the decision criterion. The Department recommends that the Commission reject the requested exemption to Minnesota Rules 7849.0120 A(1).

## 6. Minnesota Rules 7849.0280, (B) through (G) and (I)

This rule requires the applicant to provide information that describes the ability of its existing system to meet forecasted demand; in essence, load and capability (L\&C) information.
However, parts A and H do relate to transmission lines. Instead of L\&C data, as discussed in the prior section, ITCM proposed to discuss the reliability concerns resulting from forecasted peak demand in the local area. The Department agrees with ITCM that the Company's proposed discussion, focusing on transmission adequacy in the local area, is more relevant than the required data, which focuses on generation adequacy. Therefore, the Department recommends that the Commission grant the exemption to Minnesota Rules 7849.0280, (B) through (G) and (I) with the provision of the proposed alternative data.

## 7. Minnesota Rules 7849.0290 and 7849.0120 A(2)

Minnesota Rules 7849.0290 requires the applicant to provide conservation program information and quantification of the impact of conservation programs on forecast data. ITCM cited prior Commission orders that state the rule is "designed to ensure that regulated utilities, providing essential services to captive customers, give conservation the same careful consideration they give to new generation in planning to meet the future needs of their service areas." However, ITCM has no relationship with end-users that can affect their level of energy consumption and thus ITCM has no data to address conservation related requirements. Therefore, the Department recommends that the Commission grant the exemption to Minnesota Rules 7849.0290.

However, as discussed above Minnesota Rules 7849.0120 A(2) is a decision criterion and not a data requirement. Exemption cannot be granted to decision criteria. Instead, the Commission considers the relevance of the criterion to its decision. Thus, the Department recommends that the Commission reject the requested exemption to Minnesota Rules 7849.0120 A(2).

## 8. Minnesota Rules 7849.0300

Minnesota Rules 7849.0300 requires detailed information regarding the consequences of delay on three specific statistically-based levels of demand and energy consumption. Instead, ITCM proposed to provide information on the consequences of delay in the context of the potential
impacts of delay on the "renewable generation support and satisfaction of RPS requirements, congestion relief, and general regional reliability."

The Department agrees with ITCM that the Applicant's proposed data, focusing on the impact on the claimed need, provides more relevant information than the required data. Therefore, the Department recommends that the Commission grant the exemption to Minnesota Rules 7849.0300 with the provision of the proposed alternative data.

## 9. Minnesota Rule $7849.0330(G)$

Minnesota Rule 7849.0330 (G) requires environmental data regarding the region between the likely endpoints. The Rule states applicants must provide:
a narrative description of the major features of the region between the endpoints of the transmission facility. The region shall encompass the likely area for routes between the endpoints. The description should emphasize the area within three miles of the endpoints. The following information shall be described where applicable:
(1) hydrologic features including lakes, rivers, streams, and wetlands;
(2) natural vegetation and associated wildlife;
(3) physiographic regions; and
(4) land-use types, including human settlement, recreation, agricultural production, forestry production, and mineral extraction.

ITCM requested that it be allowed to narrow the three-mile radius around the proposed Project's endpoints in Minnesota to a half mile - specifically, to narrow the radius around (i) the Lakefield Junction Substation, (ii) the existing Winnebago Substation, (iii) the proposed new Huntley Substation, and (iv) the border point where the proposed route crosses from Minnesota into Iowa. First, the Department does not dispute that ITCM's analysis may have proceeded to the point where a narrower discussion would be appropriate if ITCM were the only participant in the process. However, as a general rule the Department concludes that the CN process should study a broad region rather than a narrow region. This is because the degree to which ITCM's own analysis has progressed is not the only factor to consider. Other parties will participate in the CN and route permit processes. Transmission line routes and substation sites may be proposed and studied in detail during the route permit process that are outside of ITCM's narrower radius.

Second, the Commission order cited by ITCM as supporting a narrowed radius is not comparable to the proposed Project. ITCM cites the granting of a narrowed radius for the Mud Lake to Wilson 115 kV transmission line project - a 12-mile line between two existing substations. The proposed Project is approximately 75 miles in length with three proposed connection points (or endpoints) in Minnesota - the Lakefield Substation, the new Huntley Substation, and the border crossing into Iowa. Of these three points, one is fixed (existing) and two are unfixed. Thus, the proposed Project is dissimilar from the Mud Lake to Wilson project. The size of the proposed Project and the fact that two out of three connection points are not fixed argues that the radius of information around (i) the Lakefield Junction Substation, (ii) the existing Winnebago Substation, (iii) the proposed new Huntley Substation, and (iv) the border crossing not be narrowed. Therefore, the Department recommends that the Commission reject the proposed exemption to Minnesota Rule 7849.0330 (G).

## 10. Minnesota Rule 7849.0340

Minnesota Rules 7849.0340 requires a discussion of what the impact would be on existing generation and transmission facilities at three levels of demand specified in part 7849.0300 for the no build alternative. Instead of the required data, ITCM proposed to provide substitute information in the form of a discussion of the impacts a delay of the Project would have on the claimed needs of renewable generation support, satisfaction of renewable energy requirements, congestion relief, and general regional reliability. The Department agrees with ITCM that the proposed data is more relevant to the claimed need and more in line with the data available to ITCM than the required data. Therefore, the Department recommends that the Commission grant the exemption to Minnesota Rules 7849.0340 with the provision of the proposed alternative data.

## III. DEPARTMENT RECOMMENDATION

The Department recommends that the Commission grant the requested exemption to:

- Minnesota Rules 7849.0240, subp. 2(B);
- Minnesota Rules 7849.0250(D); and
- Minnesota Rules 7849.0290.

The Department recommends that the Commission grant the following requested exemptions with the provision of the proposed alternative data:

- Minnesota Rules 7849.0260, subp. (C)(5);
- Minnesota Rules 7849.0260 A(3) and C(6);
- Minnesota Rules 7849.0270 (except subpart 2(F));
- Minnesota Rules 7849.0280, (B) through (G) and (I);

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Analyst assigned: Steve Rakow
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- Minnesota Rules 7849.0300; and
- Minnesota Rules 7849.0340.

The Department recommends that the Commission reject the requested exemption to:

- Minnesota Rules 7849.0120 A(1);
- Minnesota Rules 7849.0120 A(2);
- Minnesota Rules 7849.0120 A(3); and
- Minnesota Rules 7849.0330 (G).
/ja


## CERTIFICATE OF SERVICE

I, Robin Benson, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

## Minnesota Public Utilities Commission ORDER

Docket Number: ET-6675/CN-12-1053
Dated this 8th day of February, 2013
/s/ Robin Benson


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## MISO Rate Allocation of MN-IA 345 kV Transmission Project

| MVP 3 Portion of MN-IA 345 kV Project |  |
| :--- | ---: |
| Capital cost | $\$ 275,100,000$ |
| initial Fixed Charge Rate (Attachment MM) | $18.62 \%$ |
| Annual Revenue Requirement | $\$ 51,223,620$ |

Allocation of Annual Revenue requirement

| Zone | $\%$ | \% in MN | \% of Project ATRR in MN rates |
| :--- | ---: | ---: | :--- |
|  |  |  |  |
| ITCM | $3.89 \%$ | $14.00 \%$ | $0.54 \%$ |
| GRE | $2.40 \%$ | $98.00 \%$ | $2.35 \%$ |
| MP | $2.05 \%$ | $100.00 \%$ | $2.05 \%$ |
| NSP | $9.11 \%$ | $79.00 \%$ | $7.20 \%$ |
| OTP | $1.52 \%$ | $55.00 \%$ | $0.84 \%$ |
| SMP | $0.33 \%$ | $100.00 \%$ | $0.33 \%$ |
|  |  |  |  |
| Total | $19.30 \%$ |  | $13.31 \%$ |


| Estimated Project Annual Revenue Requirement in MN | $\$ 6,817,608$ |
| :--- | :--- |
| Range assuming estimate is $+/-30 \%$ | $\$ 4,772,325$ to |
|  | $\$ 8,862,890$ |

Zonal Portion ( 69 kV ) of MN-IA 345 kV Project

| Captial Cost | \$7,400,000 |
| :---: | :---: |
| Initial Fixed Charge Rate | 16.35\% |
| Annual Revenue Requirement | \$1,209,900 |
| MN portion 14.00\% | \$169,386 |

Total cost of MN-IA 345 kV Project recovered in MN
\$6,986,994

Range assuming estimate is $+/-30 \%$
\$4,890,896
\$9,083,092
Figure 12 : Studies Identifying Need for 345 kV+ Bulk Transmission Lines in Southern Minnesota and Northern lowa
 Regional Generation Outlet Study (RGOS) ${ }^{9}$ and Transmission Study ${ }^{11}$ 2009 Southwest Twin Cities - Granite Falls Transmission
Upgrade Study and Minnesota RES Update Study ${ }^{8}$ MPUC Order Approving Transfer of
Transmission Assets with Conditions ${ }^{6}$

${ }^{1}$ MISO's MTEP03 High Wind Generation Scenario (June 1, 2003), at 211, available at:
https://www.midwestiso.org/Library/Repository/Study/MTEP/MTEP03/MTEP03\ Report.pdf (accessed February $19,2013$.
${ }^{2}$ MISO's MTEP05, lowa-Minnesota Exploratory Study, (June 2005), at 151, available at:
https://www.midwestiso.org/Library/Repository/Study/MTEP/MTEP05/MTEP05\ Report.pdf (accessed February 19, 2013).
${ }^{3}$ MISO MTEP06 Exploratory Study, (revised February 2007), at 278, available at:
https://www.midwestiso.org/Library/Repository/Study/MTEP/MTEP06/MTEP06\ Report.pdf (accessed February 19, 2013).
${ }^{4}$ MISO WEST Regional Study Group, as discussed on page 33 and in Appendix A of the Wind Integration Report (see adjacent note) ${ }^{5}$ EnerNex Corporation, "Final Report - 2006 Minnesota Wind Integration Study, Volume I," at xxi (November 30, 2006), available at:
http://www.uwig.org/windrpt_vol\ 1.pdf (accessed December 27, 2012).
${ }^{6}$ ORDER APPROVING TRANSFER OF TRANSMISSION ASSETS WITH CONDITIONS, In the Matter of the Joint Petition for Approval of Transfer of Transmission Assets of Interstate Power and Light Company to ITC Midwest LLC, Docket No. E001/P A-07-540, at ordering point 1.b (issued Feb. 7, 2008; eff. as of Dec. 18, 2007).
7Joint Coordinated System Plan (JCSP),Volume 1: Economic Assessment, at 8-9 (2008).
${ }^{8}$ Minnesota Transmission Owners, at 73-74 (March 31, 2009), available at: http://www.minnelectrans.com/documents/MTO-Study-Reports.pdf (accessed February 22, 2013).
${ }^{9}$ MISO's Regional Generation Outlet Study - Combined (November 19, 2010), at 95, available at:
https://www.midwestiso.org/Library/Repository/Study/RGOS/Regional\ Generation\ 0utlet\ Study.pdf (accessed February 19, 2013).
${ }^{10}$ Upper Midwest Transmission Development Initiative Summary Report - Final (September 30, 2010), at 9, available at:
http://www.misostates.org/files/UMTDISummaryReportFinal.pdf (accessed February 19, 2013).
${ }^{11}$ EnerNex Corporation, "Eastern Wind Integration and Transmission Study," prepared for The National Renewable Energy Laboratory, at 38 (Revised February 2011), available at: http://www.nrel.gov/docs/fy11osti/47078.pdf (accessed March 4, 2013).
${ }^{12}$ MISO, Multi Value Project Portfolio: Results and Analysis, (January 10, 2012) at 26, available at:
${ }^{11}$ https://www.midwestiso.org/Library/Repository/Study/Candidate\ MVP\ Analysis/MVP\ Portfolio\ Analysis\ Full\ Report.pdf
(accessed February 19, 2013).
${ }^{13}$ MISO's MTEP11, at 43, (December 2011), available at:
https://www.midwestiso.org/Library/Repository/Study/MTEP/MTEP11/MTEP11\ Report.pdf (accessed February 19, 2013).


## UPPER MIDWEST TRANSMISSION DEVELOPMENT INITIATIVE

## Executive Committee Final Report

September 29, 2010

## BACKGROUND

In 2008, the governors of Iowa, Minnesota, North Dakota, South Dakota and Wisconsin formed the Upper Midwest Transmission Development Initiative (UMTDI). The goal of this effort was to identify and resolve regional transmission planning and cost allocation issues associated with the delivery of renewable energy from wind rich areas within the five-state footprint to the region's customers.

The effort was initiated because of the promise, and the related problems, in delivering more renewable energy from source to load (i.e., energy consumers) in the region.

The Upper Midwest has an enormous renewable energy potential, and the five states in this effort have aggressively sought to tap this clean resource. Iowa has a capacity requirement of 105 megawatts (MW) of wind from its two largest utilities. In the late 1990s, Wisconsin established an electric renewable portfolio standard (RPS) that has been increased to 10 percent by 2015. Minnesota's RPS stands at 30 percent by 2020 for its largest utility, and 25 percent by 2025 for all other utilities. Finally, North Dakota and South Dakota have renewable goals of 10 percent by 2015. Collectively, these five states have more than $6,400 \mathrm{MW}$ of wind installed and operating, providing substantial economic value to the region.

At the federal level, Congress has a long history of extending tax benefits to those who produce renewable energy. More recently, Congress has debated the creation of a federal RPS or
carbon constraint mechanisms, either of which would likely lead to the increased production of wind from the Upper Midwest. Federal agencies such as the Federal Energy Regulatory Commission (FERC) and the Department of Energy have prioritized increasing output from the country's renewable resources in support of energy security, environmental goals, and economic development.

This regional and national emphasis on enhanced renewable energy production, particularly wind power, cannot occur without a substantial enhancement to the country's electric transmission grid. The transmission grid began as a mosaic of separate and independent systems to serve individual local utilities, but is now an interconnected network that makes the generation resources and transmission efforts of many states highly interdependent. In the Upper Midwest, the existing electric transmission grid is being used to maintain the day-to-day economies, lifestyles, and existing renewable resources of the five states.

As such, new power lines need to be built to deliver additional renewable power from resource areas to customers. Because the grid was not originally designed for delivering renewable energy across several states, efforts to build regional transmission systems are complicated by institutional and economic barriers. The Upper Midwest has taken the initiative to address these issues, but is not the only region trying to overcome these barriers; they frustrate efforts nationally and are very challenging to address. Issues include:

- The need for certainty in regional planning for transmission. Developers and regulators need to know what the rules are for transmission planning. In the absence of such certainty, development stalls and the potential for inaccurate decision-making arises.
- The right balance between remote and local renewable generation. There is a need to cost effectively balance highly efficient renewable energy resources far from customers with local renewable energy resources closer to population centers.
- Large transmission projects are expensive and will impact electric rates. Billions of dollars of transmission investment may be necessary. Minimizing these costs through sound planning is critical to ensure that projects get built cost effectively.
- Large transmission projects can cause large land-use impacts. Transmission projects require the acquisition of sizeable tracts of land for right-of-way easements. Such acquisitions garner strong reactions from landowners and neighbors and the public at large. While recognizing that each state has the ultimate siting authority for transmission lines
within that state, sound regional planning is essential to help ensure that potential rights-ofway are most efficiently used to mitigate land-use impacts where ever possible.
- Cost allocation for the needed transmission is contentious. Arguably the largest hurdle to new construction is how the costs get distributed. In the absence of an equitable formula, projects will not get built, or parties not benefiting from the projects will end up paying for them.

Recognizing this potential for developing renewable energy, and acknowledging the challenges in translating potential into reality, the governors formed UMTDI. The governors recognize that the challenges are significant, and that they inhibit the full development of wind's economic potential. However, the governors also agree that clean energy will be an increasingly important component of these states' economic growth strategies in the foreseeable future.

## ORGANIZATIONAL STRUCTURE

UMTDI is composed of an Executive Committee consisting of a governor's representative and a utility commissioner from each of the UMTDI states. Senior staff from the states have assisted with analysis, as have planners and managers from the Midwest ISO, the regional grid operator. Meetings, both telephonic and in person, were held approximately twice a month, with emphasis not only on UMTDI's internal analysis, but also on parallel processes ongoing in other forums. Public input has been sought through opportunities for comment at various stages of the analysis.

Three working groups were eventually formed within the UMTDI: Legal, Cost Allocation, and Regional Planning. Chairman David Boyd from Minnesota and Chairman Eric Callisto from Wisconsin served as Chairs or Co-chairs of the work groups and Executive Committee.

## ACCOMPLISHMENTS

UMTDI's major accomplishments during 2008-2010 include:

- Serving as a catalyst for current transmission policy development, including regional transmission planning techniques and cost allocation approaches.
- Identifying the existing legal structures and impediments to further regional cooperation on transmission siting.
- Developing a set of cost allocation principles that can serve as a foundation for ongoing cost allocation discussions in the region and the country.
- Designating regional renewable energy zones that have been adopted by the Midwest ISO as optimal areas for further wind development as part of broader transmission planning efforts.
- Finally, the UMTDI Executive Committee has identified six renewable transmission corridors that could be considered as primary paths for the first stage of future transmission analysis and development in the region in an effort to advance energy, economic, and environmental progress in the five states.


## LEGAL CONSIDERATIONS

Interstate cooperation on transmission siting can only be advanced to the extent that legal structures exist to support that goal. Thus, one of the UMTDI's work groups explored legal issues related to development of multi-state energy corridors.

The workgroup concluded that the states have substantial means under their existing legal authorities for coordinating the siting and construction of interstate projects, especially if the economic development and regulatory perspectives can be harmonized. On the other hand, a binding cost allocation method for transmission facilities is largely subject to FERC's jurisdiction under the Federal Power Act (FPA). Efficiently securing the appropriate results from FERC for a five-state-only effort may depend on the states' willingness to coordinate and work with the Midwest ISO on implementing an appropriate FPA tariff filing. More detail on the legal workgroup's conclusions can be found at Appendix A.

## COST ALLOCATION

The UMTDI "tall task" for cost allocation was to develop a formula and process for cost sharing, assuming agreement could be reached on the siting of regional transmission lines. The first step in this effort, with the assistance of stakeholder comments, was the creation of a set of cost allocation principles (Appendix B). These principles are consistent with those created by other entities exploring cost allocation, and can serve as a foundation for ongoing cost allocation efforts in the region.

Simultaneous with the early stages of UMTDI's cost allocation discussion, the Midwest ISO began its own evaluation of this problem, through the MISO Regional Expansion Criteria and Benefits Task Force (RECB-TF). The Organization of MISO States (OMS) also created a separate but consistent process to advise the Midwest ISO regarding cost allocation. OMS is comprised
of utility regulators from each of the thirteen Midwest ISO states, and acts in an advisory capacity to the Midwest ISO. These two groups held dozens of meetings over the past two years to help the Midwest ISO develop a cost allocation method for the delivery of renewable energy from local areas as well as remote regions of the Midwest ISO footprint.

Based on the efforts of the OMS and the RECB-TF processes, the Midwest ISO submitted to FERC this past July a tariff filing seeking FERC approval of broad cost sharing of large regional transmission lines in the Midwest ISO. Given the substantial efforts of the RECB-TF and OMS on cost allocation, UMTDI decided to defer any additional discussion of cost sharing beyond that already achieved in the creation of the principles.

While commissioners from individual UMTDI states may have different views on the adequacy, effectiveness, and equity of the Midwest ISO filing at FERC, they all agree that if approved the Midwest ISO tariff will generally provide a known and predictable structure for cost allocation of large transmission lines designed to move renewable energy. UMTDI will continue to monitor the progress of the Midwest ISO's FERC filing on cost allocation, and UMTDI will reinitiate its deliberations on this topic if FERC or Midwest ISO action on the tariff so warrant.

## REGIONAL PLANNING AND FIRST MOVER TRANSMISSION PROJECTS

## UMTDI Study Process and Wind Zone Selection

Transmission planning for wind power integration no longer follows traditional methods, which assumed that generation would be close to load, and that transmission was necessary only to move energy relatively short distances. The best wind resources are generally far from where energy is needed. If the goal is to access this remote generation source, then transmission planning must be done on a much larger scale. However, such planning must be tempered by careful attention to customers' energy needs, economic factors and existing and developing environmental laws and public policy requirements.

Additionally, given the dynamic energy market implemented through the Midwest ISO, traditional planning methods and tools have to be supplemented to address the real-time dispatch of more than 144,000 MW of power throughout the Midwest ISO wholesale energy market. This is complicated by the variability of some of the resources, including wind, which is non-dispatchable and often blows strongest at times when the demand for energy is relatively low.

Given the complexity of this task, and the limited resources of the utility commissions to conduct this type of analysis, the Midwest ISO and appropriate transmission owners agreed to assist the UMTDI commission staff in assessing transmission requirements.

The first planning task for UMTDI was to more accurately quantify how much renewable energy was needed to fulfill renewable portfolio standards and goals in the five adjacent states. The Midwest ISO, utilities and the states investigated this question and concluded that approximately $15,000 \mathrm{MW}$ of renewable resource capacity would be needed by 2024-25 to fulfill the entire renewable portfolio obligations and goals in the five states. This was based on estimates of capacity factors for wind turbines in different wind regimes throughout the Midwest ISO footprint. While current load growth forecasts are reduced from 2008 levels, $15,000 \mathrm{MW}$ of additional capacity is a reasonable proxy for the region's needs. This number thus became the "target" number for the UMTDI for transmission planning purposes.

Next, UMTDI explored the question of whether it was better to focus on siting renewable resources locally or remotely.

The local option calls for using resource areas closest to the load that needs renewable energy to fulfill state mandates: primarily Minnesota and Wisconsin. A strong point of this local option is that since the electric generation is located close to its target load, the need for longer Extra High Voltage (EHV) power lines might be reduced. A weakness is that resource areas close to the larger concentrations of customers generally do not produce as much energy as cost effectively as the wind regimes farther away. Put simply, the wind blows stronger in remote areas far from the load. A further concern evidenced in recent wind project siting dockets is the increasing difficulty in siting wind farms in areas near load, which tend to have more heavily-populated land use.

The remote option focuses on selecting resource areas with the greatest potential to generate the most energy (likely in the Dakotas, southwestern Minnesota and lowa) and then constructing longer EHV transmission lines to the load centers in the eastern side of the UMTDI states. The strength of this option is that the areas with the best wind resource are used, so the cost of generating electricity is cheaper than in the local option. The other strength is that, generally, fewer wind turbines will need to be sited to produce an equal amount of energy when compared to the local option. However, the transmission needed to deliver that more remotely located energy to customers will add an incremental cost as well as environmental impacts within the corridor.

The result of this analysis was that neither extreme approach was cost effective when considering the combined costs of the wind generators and the transmission lines required to move energy into the market without excessive curtailments or economic congestion. A middle option was appropriate, with a combination of wind from both remote and local zones.

Informed by this evidence, the UMTDI Executive Committee then identified likely efficient wind resource development areas. Based on wind profiles, existing wind generation, generation queue requests, and geographic areas to avoid, wind zones were located in each state as likely areas needing major transmission connections to the market. The Executive Committee decided on the probable realistic wind zones depicted by light blue ovals in the following map. For modeling purposes, each of the ovals was assumed to have the potential to produce from 750 to $1,250 \mathrm{MW}$ of wind energy capacity.


The chosen zones represent a reasonable, achievable selection of locations with developable wind resources. These zones served as the initial guiding basis for the Midwest ISO's footprintwide evaluation of renewable transmission needs. Actual zones developed will likely be different, as a result of the effective winnowing and decision-making that comes from statespecific processes.

## Other Studies

While UMTDI was conducting its wind zone analysis, transmission companies were positioning themselves to participate in the potential transmission build-out associated with the delivery of renewable energy in and out of the Midwest.

At least three large network projects have been publicly proposed by transmission companies. In each case, the proposal has included some analysis as well as potential line and voltage configurations. However, none of these proposals has received ultimate approval in the Midwest ISO's transmission planning process - a prerequisite, along with any required state approvals, for actual construction. The three proposals are Green Power Express (by ITC Transmission Holdings Corp), Hartland Transmission Study (by American Electric Power), and SMARTransmission Study (a transmission joint venture of subsidiaries of American Electric Power and MidAmerican Energy Holdings Company, American Transmission Company, Exelon Corporation, NorthWestern Energy, MidAmerican Energy Company - a subsidiary of MidAmerican Energy Holdings Company, and Xcel Energy). These studies include various configurations of $345 \mathrm{kV}, 765 \mathrm{kV}$, and Direct Current (DC) transmission facilities.

Neither UMTDI nor its individual state members takes a position on the merits of these plans, or on the viability and desirability of building lines larger than 345 kV , which is the largest configuration currently in place in the UMTDI states. However, the existence of these proposals supports UMTDI's conclusion that transmission buildout is needed, that competing developers are willing to move forward on appropriate projects, and that regulatory oversight of the buildout remains an important issue.

## Midwest ISO's Regional Generation Outlet Study and the UMTDI Transmission Corridors

While providing technical assistance to UMTDI in conducting its work on the wind zone analysis, the Midwest ISO simultaneously worked on a larger, similar project. Designated the "Regional Generation Outlet Study," (RGOS) the project is a transmission planning initiative for the entire Midwest ISO footprint.

For RGOS, the Midwest ISO initially used the previously-mentioned analysis done for UMTDI, and then worked with the remainder of the MISO states to identify renewable energy resource areas in each of the remaining MISO states. This footprint-wide renewable resource inventory was coupled with the projected renewable energy mandate needs in the MISO states resulting in the renewable generation needed by 2024. The Midwest ISO then conducted transmission studies using differing variables regarding fuel costs (particularly natural gas), energy usage
rates, and environmental (including carbon) costs. These studies used a variety of sensitivity analyses, and resulted in different transmission scenarios with different voltage overlays, numbers of lines, and location of lines that would be needed to fulfill different scenarios.

The Midwest ISO completed its footprint-wide study to accommodate renewable energy in the summer of 2010, and expects to issue a report this fall. UMTDI asked the Midwest ISO, for the purposes of this final UMTDI report, to identify some of the possible locations and types of projects that could be considered "no regrets" or "first mover" transmission lines for the five states. The Midwest ISO conducted this exercise to identify lines that would provide benefits or fulfill transmission needs in a variety of likely future scenarios. Next generation lines must remain robust in the face of an uncertain future. Variables used to test the robustness of these projects included variations in future energy usage rates, future construction costs, future inflation rates, and costs for future generation fuels.

This RGOS analysis resulted in the identification of new transmission lines that will remain important and economic in a variety of futures. These first-mover transmission lines include specific proposals in North Dakota, South Dakota, Minnesota, Iowa, Wisconsin, Missouri, Illinois, Indiana, Ohio and Michigan. The total cost for these first-mover lines is approximately $\$ 5.8$ billion with $\$ 1.4$ billion being funded by customers in PJM, the Midwest ISO's neighboring independent system operator to the east. Significant transmission owners in the UMTDI states did their own independent analysis of first-mover lines, and their results are largely consistent with the Midwest ISO's.

The RGOS first-mover subset located within the UMTDI states' footprint is:

- Big Stone, SD to Brookings, SD 345kV - estimated cost of $\$ 150$ million.
- Brookings, SD to Twin Cities, MN 345 kV - estimated cost of $\$ 700$ million.
- Lakefield Junction, MN to Mitchell County, IA operated at 345 kV but constructed at 765 kV specifications to allow full upgrading and operation at 765 kV in the future - estimated cost of $\$ 600$ million.
- North La Crosse, WI to North Madison, WI and Dubuque, IA to Spring Green, WI to Cardinal, WI 345 kV - estimated cost of $\$ 811$ million.
- Sheldon, IA to Webster, IA to Hazleton, IA 345 kV - estimated cost of $\$ 458$ million.

In addition to the proposed transmission projects above, the Midwest ISO's Midwest Transmission Expansion Plan (MTEP) for 2011 identifies the following transmission project as an initial candidate for regional cost sharing because of its regional benefits.

- Ellendale, ND to Big Stone, SD 345 kV - estimated cost of \$275 million.

Using the Midwest ISO's RGOS and MTEP analyses, as well as that of the participating transmission owners, the figure below, UMTDI Renewable Energy Transmission Corridors, reflects the locations that the UMTDI Executive Committee have identified as best representing the general areas where EHV lines could be built in the UMTDI states for the purpose of moving wind energy in the region in a cost effective manner. Using the estimates above, and assuming those lines are built in the corridors noted, the total estimated capital cost for these projects is approximately $\$ 3$ billion.


Although UMTDI actively engaged in the identification of possible renewable resource areas and potential transmission corridors, this should not be taken as expression of support for particular routes, particular projects, particular voltages, or appropriate levels of spending in any state proceeding. Those decisions remain for a future day, when specific projects might be
proposed. However, the Executive Committee sees great value in affirming its support for coordinated state efforts on these multi-state projects, and its general support for these corridors, which appear to have value in all identified reasonable futures.

A key, unresolved issue for construction of projects of this magnitude is cost sharing. The criteria in the Midwest ISO's recent tariff filing at FERC, as well as other activities ongoing at the Midwest ISO, indicate that these first-mover projects would likely all qualify for cost allocation treatment. This designation would mean that all energy users in the Midwest ISO's footprint would share the costs of these "no regrets" lines. FERC has not approved this rate treatment, however, and it is likely that FERC will receive a number of comments and objections to the Midwest ISO's tariff proposal. While the UMTDI Executive Committee has not taken a position on the Midwest ISO's cost allocation filing, it is safe to say that the absence of cost sharing would make construction of EHV transmission lines in these corridors very difficult.

## NEXT STEPS

UMTDI has made great strides in meeting its charge to investigate possible paths to facilitate renewable energy development in the five states. The UMTDI Executive Committee established a productive, collaborative relationship and gained an understanding of the goals and challenges faced by each state.

In addition to the early steps taken on cost allocation, UMTDI identified renewable resource areas in each of the states to use as conceptual "end points" in transmission planning and modeling, and potential renewable transmission corridors to move that energy to load centers.

The Executive Committee intends to continue to meet to discuss cost allocation, and any possible role for UMTDI in advancing or supporting a sound solution to the cost allocation problem.

Other areas for collaboration include:

- Coordinating or, where possible, aligning states' planning and permitting processes for multi-state transmission proposals.
- Identifying and coordinating further steps necessary for implementing infrastructure needs (as identified in RGOS).
- Coordinating with other Regional State Committees on inter-regional or inter-ISO issues.
- The potential use of the successful UMTDI model to facilitate governors' and state Commissions' goals on energy issues of regional importance.


## Appendix A

## UMTDI LEGAL FRAMEWORK SUMMARY

The Legal Framework Study Group reviewed the existing legal avenues for facilitating the authorization, siting, and allocation of costs of the UMTDI Project [or Projects] in a coordinated fashion within each state and among the five states collectively. Thus, the study group looked at indirect and direct means by which a state could advance the contemplated transmission for purposes of construction and cost allocation (a) within each state, and (b) in coordination with the other states or by use in federal agency forums. The cost allocation analysis did not look at the ability to influence or require participation by non-Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") members or beneficiaries.

## Transmission Construction and Siting

Those state commissions with approval authority for the siting and construction of high-voltage transmission lines, in lowa, Minnesota and Wisconsin, may inject the UMTDI Project, where clearly relevant, into the consideration of the public interest. North Dakota and South Dakota utility commissions do not have specific construction approval authority, but may consider the siting of a transmission project in congruence with the UMTDI Project.

All five states have provided state commission authority to order construction of transmission facilities if necessary to ensure adequate utility facilities. North Dakota and South Dakota take a different, "proprietary" tack by having created state agencies to promote and invest in additional transmission construction.

## States Together - Interstate Compacts

At the highest levels, all five states have the power to create a compact, with the consent of Congress, to establish a common agreement on how to develop the UMTDI Project. Minnesota and Wisconsin provide specific powers to their respective governors to enter compacts involving transmission lines. Congress has specifically contemplated the compact mechanism by authorizing three or more states to form a compact, subject to Congressional approval to "facilitate siting of future electric energy transmission facilities." Sec. 216(i) of the Federal Power Act (FPA), 16 U.S.C. § 824p. Another FPA provision, little used § 209, authorizes the FERC to delegate any subject matter in its jurisdiction to a group of states, offering another potential avenue of federal approval for joint state action on transmission siting and cost allocation.

## States Together - Other Coordination

All five state utility commissions permit entry into non-binding memorandums of understanding to facilitate coordinated action where feasible, and have formal powers to intervene in proceedings before the Federal Energy Regulatory Commission (FERC). North Dakota and South Dakota have executive state agencies, as noted above, geared to the promotion of transmission line development. Those agencies may have to interact with the Iowa, Minnesota and Wisconsin utility commissions - the independent, rather than executive, agencies that are largely responsible for transmission issues in those states.

## Transmission Facility Cost Allocation

Apart from a formal interstate compact, the states have no existing, ready mechanism to coordinate the recovery of transmission line costs in a binding cost allocation formula. Each state commission is excluded from jurisdiction over electric cooperatives, but retain jurisdiction in one manner or another to authorize increased rates to permit the recovery of costs of new transmission facilities.

If the UMTDI Project amounts to a transmission-only facility for the interstate transmission of electricity in the wholesale market, the cost allocation formula would be subject to the exclusive jurisdiction of the FERC. To
obtain a cost allocation formula, the states could pursue a cooperative path with the Midwest ISO to initiate, in cooperation with transmission line owners, a § 205 filing under the FPA to change the Midwest ISO's tariffs to include the UMTDI cost allocation formula as one of general application or perhaps as one specific to the UMTDI Project. Alternatively, if willing to undertake the burden of proof, the states might jointly pursue a § 206 FPA complaint to the FERC that the existing Midwest ISO cost allocation formula as related to the UMTDI Project is "unjust and unreasonable." If the FERC considers a cost allocation formula applicable only to the five states, and does not burden other states, chances of a FERC approval appear to be substantially increased.

The states have substantial means for coordination of the construction and siting of the UMTDI Project, especially if the economic development and regulatory perspectives can be harmonized. On the other hand, a binding cost allocation method is largely subject to the FERC's jurisdiction under the FPA. Securing the appropriate results from the FERC in the most efficient fashion may depend on the states' willingness to coordinate and work with the Midwest ISO to effect implementing a § 205 FPA tariff filing, rather than pursuing a more difficult § 206 FPA complaint.

## Appendix B

## UMTDI COST ALLOCATION PRINCIPLES

- Principle 1 The UMTDI favors cost allocation that is informed by clearly-defined state, regional and federal public policy goals, economic efficiency, and sound transmission planning and reliability considerations. Applicable UMTDI cost allocations should be flexible and adjust as state and federal changes are approved and implemented. Cost allocations should allow a reasonable opportunity for recovery of prudently-incurred costs.
- Principle 2 The following questions must be answered through a planning process conducted by appropriate stakeholders:
o What is the project's potential cost, purpose, or need?
o Which stakeholders are driving the need for the project?
o Which stakeholders will directly benefit from the project?
o Which stakeholders will be negatively affected by the project?
- Principle 3 Effective transmission planning identifies all who cause costs to be incurred and who benefit from the associated new transmission construction and operation as well as the degree of the causation and benefit.
- Principle 4 As a general rule, cost causers and beneficiaries should pay for the new electric network transmission needed for delivery of renewable energy resources. Determination of beneficiaries should consider more than one single metric as well as current and future needs or uses. With the passage of time there may be a reduced distinction between transmission used for reliability and economic purposes. It may not be possible to identify all beneficiaries over a project's lifetime with precision at the time the project is planned.
- Principle 5 No load serving entity or transmission owner's customers should disproportionately bear the cost of new electric network transmission needed for delivery of renewable energy resources.
- Principle 6 For appropriate cost allocation, effective transmission planning must consider regional impacts. Transmission planning should include all relevant existing and forecast demand loads, including demand and energy use reduction programs, as well as those existing and anticipated supply resources located within the regional level. Transmission planning must factor in the most current topology of the network, proposed projects included in appropriate planning processes, and any anticipated reliability upgrades of the transmission owners.
- Principle 7 For AC lines, the higher the voltage and the longer the transmission line, the greater the likelihood that a broader region will benefit by the project and should hence pay for the improvement.
- Principle 8 To the extent that transmission investment provides benefits to regions outside the UMTDI 5-state region (Iowa, Minnesota, North Dakota, South Dakota, and Wisconsin), proportional costs should be allocated to those non-UMTDI regions.


# MISO RESPONSE TO ITC MIDWEST LLC REGARDING MINNESOTA PUBLIC UTILITIES COMMISSION ORDER REQUESTING DATA <br> DATED MAY 15, 2012 

## A) Background Information

The Minnesota Public Utilities Commission issued an order dated May 15, 2012 requesting data from ITC Midwest LLC regarding compliance with commitments in Docket E-001/PA-07-540 to improve the transmission system and relieve constraints. ITC Midwest LLC has requested MISO to assist in responding to Items 1a and 1d of this order. Below is the MISO response for Item 1a and Item 1d.

## B) Minnesota Data Request Item 1a and MISO Response:

> "1. As a condition in the February 7, 2008 order and the Settlement Agreement it incorporates, ITC must resolve all system constraints in the IPL service territory as reported by the Midwest Independent Transmission System Operator (MISO) and comply with a directive from the Commission to invest in any project the Commission has determined is necessary to ensure safe, adequate, efficient, and reliable service. To determine which binding constraints still exist in the MN NCA and what projects are still needed to resolve these constraints, ITC shall file the following reports by June 30, 2012:
> a. A report on the current state of the transmission system in IPL service territory, including all binding constraints, the current impact of these constraints on Minnesota in terms of annual cost differential for energy flow into Minnesota, the duration of the constraint if no longer 500 hours or no longer fully mitigated, as well as the magnitude of that constraint in MWs that are not getting to Minnesota."

## MISO's response:

The Minnesota PUC requests a report of the current state of the transmission system in the ITC Midwest service territory. Following receipt of the request from ITCM, MISO performed a historical review of the ITC Midwest transmission system from January $1^{\text {st }}$ 2011 to 2012 year-to-date. The review consisted of analyzing ITC Midwest binding constraints which impacted Minnesota load and generation in MISO's Day-Ahead Energy Market. A total of 261 binding constraints were identified, which are listed in the table below. These constraints resulted in a net congestion cost of $\$ 46.78$ million in 2011 and $\$ 35.37$ million in 2012 year to date.

ITC Midwest Binding Constraints Impacting Minnesota Nodes

| Year | CONSTRAINTNAME | Binding Hours |
| ---: | :--- | ---: |
| 2011 | FXLAKE_RTLND FLO LKFLDGS_FLDN_WLMRTH | 1412 |
| 2011 | LIME CRK_EMRY_1 FLO LIME_CK TR92 161/69 | 617 |
| 2011 | LIME CRK_EMERY_1 FLO LIME_CK TR92 161/69 | 340 |


| Year | CONSTRAINTNAME | Binding Hours |
| :---: | :---: | :---: |
| 2011 | STILLWL_DUMNT FLO WLTN_DMNT | 337 |
| 2011 | ARNOLD TR 1 FLO ARNOLD UNIT 1 | 299 |
| 2011 | HODEN_TIPPY FLO LUDINGTN_KEYSTONE | 288 |
| 2011 | CHARILUCAS FLO OTTUMWA-WAPELLO | 279 |
| 2011 | LIME CRK_BARTN FLO HAYWARD 161/69 TR2 | 262 |
| 2011 | 8TH ST_KERP FLO LORE_ASHBRY_LULN_SALEM | 244 |
| 2011 | 8TH ST TR91 FLO LORE 161/69 TR2 | 226 |
| 2011 | FXLAKE_RTLND FLO LKFLD_FLDN_WLMRTH+SPS | 203 |
| 2011 | ADAMS_STWRTVL FLO BVR_HRMY_ADMS_RICE | 201 |
| 2011 | LORE TR1 FLO LORE 161/69 TR2 | 187 |
| 2011 | HAZLTN-DNDEE FLO HILS_TIFIN+TIFIN TR1 | 181 |
| 2011 | WELSBGCB TR1 FLO DYSART-TRAER-M TOWN | 157 |
| 2011 | WAPELLO_ELDON FLO JEFF CO_WAPELLO | 151 |
| 2011 | FXLAKE_RTLND FLO LAKEFIELD_LAKEFIELD JCT | 146 |
| 2011 | DRAGEGR_JC16 FLO LEHIGH-RAUN_345 | 138 |
| 2011 | BURNHM_MUNSTER FLO WLTN_DMNT 765 | 129 |
| 2011 | BUTLER_GRNVIL FLO GRNVIL_ARCDN (9911) | 129 |
| 2011 | LORE_SEIP FLO DUNDEE-LIBERTY-LORE 161 | 128 |
| 2011 | ADAMS_I TR91 FLO BVR CRK_HRMNY_ADMS_RCE | 127 |
| 2011 | DRAGEGR_JC16 FLO DENISON KV1A_230/161 | 121 |
| 2011 | MADLIAJ_MAD FLO LAKEFIELD-FIELDON-WILMAR | 96 |
| 2011 | DRAG-GRJCT FLO CBLUFF-GRIMES | 96 |
| 2011 | RICE2 TR91 FLO BVRCRK_HRMNY_RICE | 91 |
| 2011 | BRLGTN TR91 FLO NIOTA-BURLINGTON 161 | 87 |
| 2011 | HAZLTN-DNDEE FLO CDV-NLSN Q2 CRD U2 U3-S | 84 |
| 2011 | MTOWN_WELSBRG FLO MTOWN XFMR 5 | 83 |
| 2011 | STNEMN_TRKRVR FLO GENOA_SENCA 161 | 80 |
| 2011 | FXLAKE_RTLND FLO NOBLES-SPLIT ROCK 345 | 80 |
| 2011 | DRAGEGR_JC16 FLO GRIMES-COUNCIL BLUFF | 78 |
| 2011 | MADLIAJ_MADVL FLO LKFLD-FLDN-WLMRTH + SP | 74 |
| 2011 | CHARILUCAS FLO SCNTRVL_APANOSE | 71 |
| 2011 | E_CALMS TR91 FLO ARNOLD 345/161 TR1 | 69 |
| 2011 | AGENCY_4TH FLO BURLNGTN_NIOTA | 68 |
| 2011 | LIME CRK TR91 FLO LIME CRK TR92 | 67 |
| 2011 | BVR_CH TR93 FLO TR91+TR92+LINE | 66 |
| 2011 | E CALMS_DAVENPRT FLO QD CTY_ROCK CRK | 60 |
| 2011 | RUDYARD 6923-4 FLO PNE RIVR-NINE ML 6921 | 59 |
| 2011 | E_CALMS TR91 FLO ARNOLD UNIT 1 | 54 |
| 2011 | LIBERTY DUNDEE FLO HILLS-TIFFIN 345 | 54 |
| 2011 | ADAMS_I TR2 FLO BVR CRK_HRMNY_ADMS_RCE | 52 |


| Year | CONSTRAINTNAME | Binding Hours |
| :---: | :---: | :---: |
| 2011 | MQOKETA-WYOMIN FLO WALCOT-SUB92 | 51 |
| 2011 | BURNHM_MUNSTER FLO CRETE-EFRNKFRT6607 | 49 |
| 2011 | LIBERTY DUNDEE FLO CDV-NLSN Q2 CRD U2 | 45 |
| 2011 | LUCAS_LUCAS TP FLO OTTUMWA-MONTEZUMA | 44 |
| 2011 | FERNALD TR2 FLO M TOWN WEST-TIMBRCK 161 | 42 |
| 2011 | HIAWATA TR1 FLO PCI-BERTRAM_161 | 40 |
| 2011 | OTTMWA_WAPLLO_2 FLO OTTMWA_WAPLLO_1 | 38 |
| 2011 | CHARILUCAS FLO APANOSE-SCENTERVL | 35 |
| 2011 | ARNLD HAZELTON BASE | 35 |
| 2011 | WINBAGO_RUTLND FLO LKFLDGS_FLDN_WLMRTH | 34 |
| 2011 | HIAWATA-DRY CRK FLO ARNOLD 345/161 TR1 | 34 |
| 2011 | LIBERTY DUNDEE FLO HILS_TIFIN+TIFIN TR1 | 33 |
| 2011 | WAPELLO_ELDON FLO HILLS_MNTZUMA_345 | 33 |
| 2011 | HAZLTN TR22 FLO D.A.E.C.-VINTON_161 | 32 |
| 2011 | FXLAKE_RTLND FLO NOBLES-SPLIT ROCK_345 | 32 |
| 2011 | FERNALD TR1 FLO STRY CO_MTWN_W MAIN | 31 |
| 2011 | DRAGER_JC16 FLO WEBSTER-LEHIGH+WBSTR T1 | 31 |
| 2011 | LORE-TRKYRVR FLO BYRON_LEE CO 0627 | 31 |
| 2011 | LIME CRK_BARTN FLO WORTH CO-GLENWTH | 30 |
| 2011 | GR_JCT TR 92 FLO WBSTR_LEHGH+WBSTR TR1 | 28 |
| 2011 | LIME CRK-BARTN FLO LIME CREEK TR92 | 28 |
| 2011 | HAZLTN_BLKHWK FLO HAZLTN_WSHBRN | 27 |
| 2011 | HARMONY-LANSING FLO GENOA-LNSNG-PVLTR | 27 |
| 2011 | 6TH ST_ARNOLD FLO FAIRFAX-ARNOLD | 25 |
| 2011 | LORE-TRKYRIVR FLO NELSON DEWEY G2 | 25 |
| 2011 | HIAWATA TR1 FLO ARNOLD-6_ST-DWNTIND 161 | 25 |
| 2011 | HAZLTN_DUNDE FLO ARNOLD-HAZLETON | 25 |
| 2011 | FXLAKE_RTLND FLO LAKEFLD_LAKEFLD JCT | 24 |
| 2011 | PRAR CK_SUTLF FLO OAKGRV_LOUISA | 24 |
| 2011 | GR_JCT TR 93 FLO WBSTR_LEHGH+WBSTR TR1 | 24 |
| 2011 | DUNEACRE 13839 FLO BBCK-STLWL+MCHCY_DNE | 24 |
| 2011 | WELCMT_FXLAKE FLO LKFLD_FLDN_WLMRTH | 24 |
| 2011 | HAZLTN TR22 FLO MITCHLCO-ADAMS N345 | 23 |
| 2011 | OTTUMWA-WAPLO 161 FLO OTTMWA-MNTZM 345 | 23 |
| 2011 | ADAMS_I TR91 FLO EAU CL T9+ KING_ECL_ARP | 21 |
| 2011 | MTOWN_BLRST FLO HILLS_MNTZUMA | 21 |
| 2011 | LUCAS-LUCASTP FLO OTTUMWA XFMR 21 | 21 |
| 2011 | IAFI_IAFALLS FLO W SHFFLD_HMPTN-FRNKLN | 20 |
| 2011 | MTOWN_BLRST FLO DYSART_TRAER_M TOWN | 20 |
| 2011 | 8THST TR91 FLO 8THST_GALENA | 20 |


| Year | CONSTRAINTNAME | Binding Hours |
| :---: | :---: | :---: |
| 2011 | FXLAKE_RTLND FLO LKFLD_LKFLD JCT+SPS | 19 |
| 2011 | LIBERTY DUNDEE FLO ARNOLD-TIFFIN_345 | 19 |
| 2011 | E_CALMS_DAVENPRT FLO QD CTY_ROCK CRK | 17 |
| 2011 | LIBERTY DUNDEE FLO ARNOLD-TIFFIN_345 | 17 |
| 2011 | FXLAKE_RTLND FLO LAKEFIELD-LAKEFIELD JCT | 16 |
| 2011 | LIBERTY-DUNDEE FLO ARNLD-HZLTN+SFOX BKR | 16 |
| 2011 | POWESHK TR1 FLO POWESHIEK-BEACON_161 | 16 |
| 2011 | LUCAS-LUCASTP FLO BONDURANT-MONTEZUMA | 15 |
| 2011 | WAPELLO XF 92 FLO JEFFERSON CNTY 161/69 | 15 |
| 2011 | CHARILUCAS FLO OTTUMWA-WAPELLO_2 | 15 |
| 2011 | HERON LK TR1 FLO HERON LAKE 161/69 TR2 | 15 |
| 2011 | CHARI-LUCAS FLO BRDGPT TR7 | 14 |
| 2011 | FRDA_NOFM_CAPE_1_D FLO LTSVL_STFRAN | 14 |
| 2011 | WELSBGCB TR1 FLO M TOWN 161/115 TR5 | 14 |
| 2011 | BVR_CH TR93 FLO TR91+TR92+LINES | 14 |
| 2011 | HIAWATA TR91 FLO FAIRFX-ARNOLD | 14 |
| 2011 | CARBIDE TR1 FLO OG PLMYRA-MRBLHD N 161+T | 14 |
| 2011 | LIME CRK_MANLY FLO HAYWARD TR2 | 13 |
| 2011 | E_CALMS TR91 FLO ARNOLD-TIFFIN_345* | 13 |
| 2011 | FXLAKE_RTLND FLO PRAIRIE ISLD UNIT 1 | 13 |
| 2011 | E_CALM-DWIT 161 FLO QUAD-ROCKCK 345 | 13 |
| 2011 | HAZLTN TR22 FLO MITCHLCO-ADAMS | 12 |
| 2011 | 8TH ST TR91 FLO 8TH ST-GALENA_161 | 12 |
| 2011 | HBDSNJV_DAVD J FLO GOSS-NELSON RD 345 | 12 |
| 2011 | DUNEACRE 13839 FLO BABCK_STLWEL+STWEL XF | 11 |
| 2011 | 6TH ST_ARNOLD FLO HIAWATA-ARNOLD | 11 |
| 2011 | DUNDEE-AURORA 69 FLO HAZLTN-WINDSR-PSTVL | 11 |
| 2011 | HAZLTN TR4 FLO HAZLETON 345/161 TR3 | 11 |
| 2011 | DECORAH_MADISN FLO RICE_SARTGA_JERICO | 11 |
| 2011 | PCI_BERTRAM FLO ARNOLD UNIT | 10 |
| 2011 | TRK_RIV TRK_RLORE16_11 LN | 10 |
| 2011 | WINGER TR51 FLO WILTN_WINGR 230 | 10 |
| 2011 | TRKYRVR TR91 FLO GENOA-SENECA_161 | 9 |
| 2011 | ARNOLD TR 1 FLO ARNOLD-HAZLETON 345* | 9 |
| 2011 | STATLIN_ROXANA FLO SHFFLD-GARYAVE | 9 |
| 2011 | HAZLTN TR21 FLO ARNOLD-HAZLETON 345 | 9 |
| 2011 | WSHEFLD_EMERY FLO FLOYD-EMERY_161 | 9 |
| 2011 | HZLTN XFMR 3 FLO MITCHL_CNTY-HZLTN 345 | 9 |
| 2011 | STNEMN_TRKRVR FLO NELSON_ELECTC JCT | 8 |
| 2011 | HIAWATA_ARNLD FLO FAIRFAX-ARNOLD | 8 |


| Year | CONSTRAINTNAME | Binding Hours |
| :---: | :---: | :---: |
| 2011 | STILWEL_DUMNT FLO WLTN_DMNT | 8 |
| 2011 | HBDSNJV_DAVD J FLO NELSON RD_MURPHY | 8 |
| 2011 | LANSING TR91 FLO LANS-PSTVL 161 | 8 |
| 2011 | HIAWATA TR1 FLO ARNLD_6TH_DWNTND | 8 |
| 2011 | BEHR_EMERY FLO LIME CREEK 161/69 TR91 | 7 |
| 2011 | LORE-TRKYRVR FLO BYRON_CHERRYV 345B | 7 |
| 2011 | LIBERTY-LIBERTYTP FLO SUB92-HILLS | 7 |
| 2011 | ROQUETE_KEOKUK FLO PALMYRA -TWIN RIVER | 6 |
| 2011 | HAZLTN TR93 FLO HAZLETON 161/69 TR94 | 6 |
| 2011 | DRAGER_GRJCT FLO POMRY-POCHNT | 6 |
| 2011 | 8TH ST TR91 FLO LORE 161/69 TR91 | 6 |
| 2011 | LANSING TR1 FLO GENOA-LANSING_161 | 6 |
| 2011 | BEVRLY_PCI FLO ARNOLD_TIFFIN | 6 |
| 2011 | E_CALMS_DAVENPRT FLO QDCTY_RCK+ECALM | 6 |
| 2011 | HANCOCK TR91 FLO EMERY-WEST SHEFFIELD | 5 |
| 2011 | 8TH_ST_TR91 FLO LORE TR2 | 5 |
| 2011 | E_CALMS_GR_MND FLO ROCK CREEK-SALEM | 5 |
| 2011 | LIME CRK_EMRY_1 FLO WORTH CO-GLENWTH | 5 |
| 2011 | AEP-DOM FLO CULLODEN-WYOMING 765 | 5 |
| 2011 | WAPELLO_RUTLDG FLO WAPELLO-EXCEL Y1187 | 5 |
| 2011 | HAZLTN TR21 FLO HAZLTN TR22 | 4 |
| 2011 | ARNOLD TR 1 FLO ROSEHOLLOW-BERTRAM | 4 |
| 2011 | CHARILUCAS FLO N_CENT-SOCTRVIL_69 (Y921) | 4 |
| 2011 | SALEM_JULIEN FLO BVR CHNL_SAVANNA | 4 |
| 2011 | HAZLTN TR22 FLO ARNLD_HAZLTN+SFOX 0420 | 3 |
| 2011 | WYMNG_MTVRN FLO QUD CTY-RCK CR+CORD SPS | 3 |
| 2011 | HAZLTN_BLKHWK FLO WASHBURN TR1 161/69 | 3 |
| 2011 | CAYLER_WISDM FLO SPLIT ROCK-SIOUX CITY | 3 |
| 2011 | HAZLTN TR22 FLO DYSART-WASHBRN_161 | 3 |
| 2011 | MTOWN_WELSBRG FLO DYSRT_TRER_MTWN | 3 |
| 2011 | JEFF2 XF 1 FLO WAPELLO XF 92 | 2 |
| 2011 | BRLGTN TR91 FLO DNMRK-BRLNGTN + BRKR | 2 |
| 2011 | GLENWTH GLENWHAYWA16_11 LN | 2 |
| 2011 | E_CALMS TR91 FLO HILLS-TIFFIN | 2 |
| 2011 | FXLAKE_RTLND FLO RAUN-LAKEFIELD 345 | 1 |
| 2011 | HAZLTN TR22 FLO ARNOLD-HAZLETON 345 | 1 |
| 2011 | FOXLK-RUTLND FLO SHERCO 3 | 1 |
| 2011 | 8TH ST_KERP FLO ARNLD_HAZLTN+ SFOX BKR | 1 |
| 2011 | LORESEIP 69 FLO DUNDEE-LIBERTY-LORE_161 | 1 |
| 2012 | MADLIAJ-MADVL FLO LKFLD-FLDN-WLMRTH+SPS | 1763 |


| Year | CONSTRAINTNAME | Binding Hours |
| :---: | :---: | :---: |
| 2012 | FXLAKE-RTLND FLO LKFLDGS-FLDN-WLMRTH | 718 |
| 2012 | FXLAKE_RTLND FLO LKFLDGS_FLDN_WLMRTH | 446 |
| 2012 | MTOWN-BLRST FLO ARNOLD UNIT 1 | 432 |
| 2012 | ECALMS-DAVENPRT FLO QUAD CTY-ROCK CRK | 417 |
| 2012 | 8TH ST-SO GVW FLO LRE-AHBRY-LULN-SALM | 403 |
| 2012 | BUTLER-GRNVIL FLO GRNVIL-ARCDN (9911) | 395 |
| 2012 | LIME CRK-EMERY 1 FLO LIME CK TR92 161/69 | 392 |
| 2012 | 8TH ST TR91 FLO LORE 161/69 TR2 | 375 |
| 2012 | LIME CRK-BARTON FLO WORTH CO-GLENWTH | 338 |
| 2012 | 8TH ST TR91 FLO LORE-ASHB-JULIEN-SALM | 313 |
| 2012 | MADLIAJ_MADVL FLO LKFLD-FLDN-WLMRTH + SP | 313 |
| 2012 | MTOWN-BLRST FLO JASPER-LAURELSS 161 | 288 |
| 2012 | 8TH ST TR91 FLO ARNOLD-TIFF+SALEM3 CB200 | 283 |
| 2012 | LIME CRK-BARTN FLO WORTH CO-GLENWTH | 277 |
| 2012 | DUNDEE-AURORA 69 FLO HAZLTN-WINDSR-PSTVL | 247 |
| 2012 | GLENWRTH-HAYWARD FLO BARTONS-ADAMS | 231 |
| 2012 | RUDYARD 6923-4 FLO PNE RIVR-NINE ML 6921 | 213 |
| 2012 | TIMBRCK-MTOWN FLO STORY CO-FERNALD 161 | 202 |
| 2012 | OTTMWA-BRDGPRT FLO OTTUMWA-TRI CNTY 161 | 192 |
| 2012 | WELSBGCB TR1 FLO DYSART-TRAER-M TOWN | 175 |
| 2012 | FERNALD TR1 FLO AMES-FERNALD | 147 |
| 2012 | LUCAS 161_69 XFMR FLO BEACON-TRICTY | 147 |
| 2012 | ARNOLD TR1 FLO ARNOLD UNIT 1 | 145 |
| 2012 | DRAGE-GRJC16 FLO MONONA-CRFRDCO | 142 |
| 2012 | MANLY-LIMECK FLO WORTH CO-GLENWTH | 136 |
| 2012 | LIME CRK_BARTN FLO WORTH CO-GLENWTH | 136 |
| 2012 | ROCKCRK-DEWITT FLO SUB 91 345/161 TR1 | 127 |
| 2012 | HIAWATA TR1 FLO ARNOLD-6_ST-DWNTIND 161 | 123 |
| 2012 | GLENWTH TR1 FLO GLENWTH-HAYWARD | 112 |
| 2012 | ROQUETE-KEOKUK FLO CARBIDE 161/69 TR1 | 107 |
| 2012 | ADAMS-STWERVILL FLO BEVR CK-HARM-ADM-RIC | 107 |
| 2012 | MADLIAJ_MADVL FLO LKFLD-FLDN-WLMRTH+SPS | 101 |
| 2012 | OTTMWA-WAPLLO 2 FLO OTTMWA-WAPLLO 1 | 101 |
| 2012 | MTOWN-BLRST FLO 6TH ST-SANTSRN 115 | 99 |
| 2012 | NEWTON TR91 FLO POWESHIEK-REASNOR | 95 |
| 2012 | HAZLTN-BLKHWK FLO HAZLTN-WSHBRN | 91 |
| 2012 | CREE-CRES2 FLO CRESTON-SLAK | 74 |
| 2012 | LANSING TR1 FLO LANS-PSTVL 161 | 74 |
| 2012 | WELSBGCB TR1 FLO BLKHWK-UNTP-BUTLER | 69 |
| 2012 | GR JCT TR 92 FLO WBSTR-LEHGH | 67 |


| Year | CONSTRAINTNAME | Binding Hours |
| :---: | :---: | :---: |
| 2012 | ECALMS-DVNPRT FLO QUAD CTY-RCK CRK+CORDV | 64 |
| 2012 | LORE-GRDNR LN FLO 8TH XF91 | 61 |
| 2012 | WELSBGCB TR1 FLO FRANKLIN-BUTLER 161 | 60 |
| 2012 | WYOMING-MT VERN FLO ARNOLD 345/161 TR1 | 59 |
| 2012 | WINBAGO-RUTLAND FLO LKFLDGS_FLDN_WLMRTH | 58 |
| 2012 | 8TH ST_SO GVW FLO LRE_AHBRY_LULN_SALM | 58 |
| 2012 | LUCAS-LUCAST FLO OTTUMWA-WAPELLO | 56 |
| 2012 | BLANEYPK-CURTIS FLO INDLK-HIAWATHA | 53 |
| 2012 | ECALMS-DAVENPRT FLO ROSEHOLLOW-BERT | 53 |
| 2012 | LIME CRK TR1 FLO LIMECRK TR92 | 41 |
| 2012 | STILWEL_DUMNT FLO WLTN_DMNT | 40 |
| 2012 | LIMECRK TR1 FLO LIMECRK TR92 | 40 |
| 2012 | HAZLTN-DUNDEE FLO RCKCRK-QUADDCTY | 36 |
| 2012 | STELCTR-PRAT FLO LKFLD-FLDN-WLMRTH+SPS | 35 |
| 2012 | LIME CRK-EMERY 1 FLO MITCHLCO-ADAMS_345 | 34 |
| 2012 | SLAK-CREST FLO SLAK-CRES (Y1217) | 32 |
| 2012 | DRAGE-GRJC16 FLO LEHIGH-RAUN_345 | 32 |
| 2012 | ECALMS TR91 FLO ARNOLD-TIFFIN 345* | 32 |
| 2012 | PCI-BERT FLO ARNLD-TIF+SALEM3 CB 200S | 31 |
| 2012 | POWERSHK TR1 FLO POWESHIEK-BEACON | 31 |
| 2012 | HIAWATA-SAINTRN FLO ARNOLD-6_ST 161 | 30 |
| 2012 | MANLY-LIMECK FLO LIMECK-WORTH | 30 |
| 2012 | LUCAS-LUCAS TP FLO OTTUMWA-MONTEZUMA | 28 |
| 2012 | LUAN-MONON FLO LANSING 161/69 TR1 | 27 |
| 2012 | E_CALMS TR91 FLO HILLS-TIFFIN | 27 |
| 2012 | LUCAS-LUCT FLO BEACON-TRICTY | 27 |
| 2012 | HODEN_TIPPY FLO LUDINGTN_KEYSTONE | 27 |
| 2012 | NEWTON2 TR1 FLO NEWTON - CASEY W | 25 |
| 2012 | MADLIAJ-MADVL FLO LAKEFIELD-LAKEFLD JCT | 25 |
| 2012 | ROQUETE_KEOKUK FLO CARBIDE 161/69 TR1 | 24 |
| 2012 | STELCTR-PRAT BASE | 24 |
| 2012 | E_CALM-DAVNPRT FLO ROSEHOLLOW-BERT | 24 |
| 2012 | IAFI-IAFALLS FLO FRANKLIN-BUTLLER 161 | 24 |
| 2012 | GLENWTH XF1 FLO GLENWTH-HAYWARD | 23 |
| 2012 | TOLEDO-MTOWN FLO ARNOLD UNIT 22 | 23 |
| 2012 | MANLY-LIME FLO WORTH CO-GLENWTH 161 | 22 |
| 2012 | WAPELLO_ELDN2 FLO JEFFRSN CO-WAPELLO_1 | 22 |
| 2012 | WELSBGCB TR1 FLO WBSTR_LEHGH+WBSTR1 | 22 |
| 2012 | CHARILUCAS FLO APANOSE-SCENTERVL | 22 |
| 2012 | ECALMS-DAVENPRT FLO BVR CH-ROCK CK | 20 |


| Year | CONSTRAINTNAME | Binding Hours |
| :---: | :---: | :---: |
| 2012 | BRLGTN TR91 FLO DNMRK-BRLNGTN_VLE | 20 |
| 2012 | 8TH ST TR91 FLO 8TH ST-GALENA_161 | 18 |
| 2012 | CAYLER-TRIBOJI FLO RAUN-LAKEFIELD 345 | 18 |
| 2012 | CARBIDE TR1 FLO OG PLMYRA-MRBLHD N 161+T | 18 |
| 2012 | 8TH ST-GALENA FLO MQOKETA-SALEM | 17 |
| 2012 | LIME-MANLY FLO LIME CREEK-BARTON | 17 |
| 2012 | HANCOCK XF3 FLO HANCOCK 161/69 TR1 | 17 |
| 2012 | WYMNG-MTVRN FLO ROCK CREEK-SALEM_345 | 16 |
| 2012 | ECALMS-DAVENPRT FLO SUB 17 TR1 161/69 | 15 |
| 2012 | TRK_RIV TR91 FLO ARNOLD-HAZLETON 345 * | 15 |
| 2012 | AMBER-WYOMING FLO LIBERTY 161/69 TR91 | 14 |
| 2012 | ARNOLD TR1 FLO ARNOLD UNIT 1 (609MW) | 14 |
| 2012 | ARNLD HAZELTON BASE | 13 |
| 2012 | GLENWTH TR1 FLO LIME CREEK TR92 | 13 |
| 2012 | OTTUMWA-WAPLO 161 FLO OTTMWA-MNTZM 345 | 12 |
| 2012 | LIBERTY-LIBERTYTP FLO ROSEHOLLOW-BERTRAM | 11 |
| 2012 | OTTMWA_WAPLLO_2 FLO OTTMWA_WAPLLO_1 | 11 |
| 2012 | HARMONY-LANSING FLO GENOA-LANSING | 10 |
| 2012 | LORE TR1 FLO LORE 161/69 TR2 | 10 |
| 2012 | TRKYRIV TR91 FLO ARNOLD-HAZLETON 345 | 10 |
| 2012 | ECALM-DAVENPRT FLO ARNOLD-TIFFIN_345* | 9 |
| 2012 | LIBRTY-DUNDEE 161 FLO WALCT-SUB 92345 | 8 |
| 2012 | CHARILUCAS FLO N_CENT-SOCTRVIL_69 (Y921) | 7 |
| 2012 | BLPLN-TOLEDO FLO ARNOLD XF1 | 6 |
| 2012 | TURKEY RVR-STONE FLO ROCKDALE-PADDOCK | 5 |
| 2012 | SBRDWAY-ALEAWST FLO HAYWARD TR2 | 4 |
| 2012 | TRKYRIV TR91 FLO ARNOLD-HAZLETON 345 * | 4 |
| 2012 | LANSING TR1 FLO GENOA-LANSING_161 | 4 |
| 2012 | CHARILUCAS FLO OTTUMWA-WAPELLO | 4 |
| 2012 | PRAR_CK_TR1_TR1_XF | 4 |
| 2012 | ECALMS-DAVENPRT FLO ARNOLD-TIFFIN 345 | 4 |
| 2012 | STON_PT-BL_PLN FLO MTOWN XFMR 5 | 4 |
| 2012 | BL_PLN_BL_PLTOLED11_11 LN | 3 |
| 2012 | ATLNTC_M-38 FLO M-38-WINONA 138 | 3 |
| 2012 | LANSING LANSIPOSTV16_11 LN | 2 |
| 2012 | LANSING TR1 FLO LNSNG-HRMNY+GNOA-LNSG | 2 |
| 2012 | TOLEDO-MTOWN FLO HILLS-MNTZUMA | 2 |
| 2012 | LIME CRK_EMRY_1 FLO BARTONS-ADAMS_161 | 1 |
| 2012 | E_CALMS TR91 FLO ARNOLD-TIFFIN_345* | 1 |
| 2012 | WYOMING-MT VERNON FLO ARNOLD-TIFFIN | 1 |

## C) Minnesota Data Request Item 1d and MISO Response:

d. Based on current data, an estimated projected savings over the next 15 years in Minnesota from the completions of (i) the Salem-Hazelton Project and (ii) the Arnold-Vinton Rebuild; and additionally, the extent to which constraints in the area are mitigated by these projects. If they are not fully mitigated, state by how many of the 500 hours annually this area will see constraints with and without the projects."

## MISO's response:

Salem-Hazleton Project. The Minnesota PUC requests an estimated projected savings over the next 15 years to Minnesota from the completion of the Salem-Hazleton Project, which was first analyzed for both reliability and economic benefit in the MTEP08 planning cycle. MISO does not have available an analysis of the cost savings specific to Minnesota of the specified project. However, MISO has reviewed the MTEP08 analysis and future scenarios and believes that the results of those analyses of the project benefits are still applicable, and that the benefits ascribed to the project in the 2008 analyses will be achieved or exceeded.

MISO analyzed the Salem-Hazleton project for both reliability benefit and economic benefit in the MTEP08 planning cycle. MISO found that the Salem-Hazleton project provided both reliability and net economic benefit.

With regard to economic benefits, the Salem-Hazleton project was simulated under a reference future case to determine eligibility for cost sharing. The results indicated a Benefit-to-Cost ratio of 1.23, which demonstrates positive economic benefit. Benefits estimated for the west sub region where the State of Minnesota is located were \$26 million as a net present value of benefits. In addition, about 12\% of the ITC Midwest load is located in Minnesota which means that the benefits to Minnesota are expected to exceed the cost of the project to Minnesota load.

MTEP 08 also analyzed projected constraints for 2011, 2016 and 2021 and the project demonstrated benefits in relieving binding hours on numerous constraints. In 2011, with respect to the flow gates impacted by the Salem-Hazleton project, without the SalemHazleton project, there would be a total of 6,635 binding hours spread across 14 flow gates and with the Salem-Hazleton project there would be 6,386 binding hours spread across 9 flow gates, a reduction of 249 binding hours. In 2016, with respect to the flow gates impacted by the Salem-Hazleton project, without the Salem-Hazleton project, there would be a total of 15,237 binding hours spread across 18 flow gates and with the SalemHazleton project there would be 13,251 binding hours spread across 13 flow gates, a reduction of 1,986 binding hours. In 2021, with respect to the flow gates impacted by the Salem-Hazleton project, without the Salem-Hazleton project, there would be a total of 19,470 binding hours spread across 26 flow gates and with the Salem-Hazleton project
there would be 17,503 binding hours spread across 15 flow gates, a reduction of 1,967 binding hours.

In addition, MISO has evaluated the impact of the Salem-Hazleton project on loading levels and has identified numerous overloading conditions that would be relieved by the project, as demonstrated in the table below.

Thermal Issues in MTEP10 2015 Shoulder (SH) and Summer Peak (SP) Models with (Yes) or without (No) P1340 Salem-Hazleton 345 kV line

|  |  |  |  |  |  |  |  | 2015 | SH | 2015 | SP |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Limiting | Element |  |  |  |  |  |  | No | Yes | No | Yes |
| 630003 | LANSING |  | 69.0 | 631053 | LANSING5 | 161 | 1 |  |  | 131 | 130 |
| 630046 | JASPER |  | 69.0 | 631107 | JASPER 5 | 161 | 1 |  |  | 102 |  |
| 630053 | NEWTON |  | 69.0 | 630488 | MAYTAG 8 | 69.0 | 1 | 101 |  |  |  |
| 630053 | NEWTON | 8 | 69.0 | 631119 | NEWTON 5 | 161 | 1 | 100 |  |  |  |
| 630139 | ADAMS | 8 | 69.0 | 631122 | ADAMS_N5 | 161 | 1 | 114 | 111 |  |  |
| 630272 | KNSASRT |  | 69.0 | 630647 | TIFFIN R | 69.0 | 1 |  |  | 104 | 101 |
| 630272 | KNSASRT |  | 69.0 | 630649 | TIFFIN | 69.0 | 1 |  |  | 106 | 103 |
| 630297 | SANDRDG |  | 69.0 | 680066 | MENOMINE | 69.0 | 1 |  |  | 119 | 106 |
| 630645 | HRTLNDT |  | 69.0 | 630647 | tiffin R | 69.0 | 1 |  |  | 101 |  |
| 630679 | ALTWTIF |  | 69.0 | 636421 | TIFFIN 5 | 161 | 1 |  |  | 135 | 128 |
| 630895 | VINTON | MUNI8 | 69.0 | 630902 | VINTON 8 | 69.0 | 1 | 102 |  |  |  |
| 631051 | HAZL S |  | 161 | 631101 | DUNDEE 5 | 161 | 1 | 136 |  |  |  |
| 631054 | ASBURY |  | 161 | 631055 | CNTRGRV5 | 161 | 1 |  |  | 117 | 103 |
| 631054 | ASBURY |  | 161 | 631056 | LORE 5 | 161 | 1 |  |  | 106 |  |
| 631055 | CNTRGRV |  | 161 | 631120 | JULIAN 5 | 161 | 1 |  |  | 122 | 108 |
| 631056 | LORE | 5 | 161 | 631125 | KERPER 5 | 161 | 1 |  |  | 107 |  |
| 631057 | SALEM N |  | 161 | 631120 | JULIAN 5 | 161 | 1 |  |  | 110 |  |
| 631058 | SO.GVW. |  | 161 | 631059 | 8TH ST. 5 | 161 | 1 |  |  | 105 |  |
| 631058 | SO.GVW. |  | 161 | 631061 | SALEM S5 | 161 | 1 |  |  | 133 | 118 |
| 631059 | 8TH ST. |  | 161 | 631125 | KERPER 5 | 161 | 1 |  |  | 113 |  |
| 631095 | E CALMS |  | 161 | 636616 | SB 565 | 161 | 1 |  |  | 101 |  |
| 631100 | LIBERTY |  | 161 | 631101 | DUNDEE 5 | 161 | 1 | 115 |  |  |  |
| 631115 | OTTUMWA |  | 161 | 631143 | OTTUMWA3 | 345 | 1 | 101 |  |  |  |
| 636640 | LOUISA |  | 345 | 636641 | LOUIS31G | 24.0 | 1 |  |  | 100 |  |
| 698840 | ACEC BA | ADGERW | 138 | 699240 | SAR 138 | 138 | 1 | 117 | 113 |  |  |
| 698840 | ACEC BA | ADGERW | 138 | 699808 | PETENWEL | 138 | 1 | 119 | 115 |  |  |

Legend: Yellow are limiters mitigated by the Salem-Hazleton project. Green are limiters reduced by the Salem-Hazleton project.

The effect of the project on clearing these loading limits not only demonstrates the reliability benefits of the project but contributes to the ability to serve load in the region without the need to incur congestion costs associated with redispatch.

Since MTEP08, MISO developed the Multi Value Project cost shared project type and conducted the Regional Generation Outlet Study and Candidate Multi Value Project Portfolio study. The results of this initiative were approval of a portfolio of 17 Multi Value Projects designed to enable enough renewable generation to meet all current RPS standards applicable to Load Serving Entities within the MISO footprint. These projects were based on simulating renewable generation throughout the MISO footprint, but with a bias in the wind-rich western areas of the footprint. The development of the Multi Value Project portfolio utilized the Salem-Hazleton line as an integral part in meeting the regional public policy and economic objectives. As stated in the MTEP11 report, the regional portfolio of Multi Value Projects is expected to provide benefit-to-cost ratios in the range of 1.6 to 2.9 in Local Resource Zone 1, which includes the State of Minnesota.

Therefore, MISO concludes that the economic benefits associated with the SalemHazleton project that MISO has demonstrated for the State of Minnesota continue to be valid and are likely even higher today.

Arnold-Vinton Rebuild Project. The Arnold-Vinton rebuild project has been completed and is currently in service. This project increased the capacity of the Arnold-Vinton-Dysart-Washburn 161 kV transmission line to 446 MVA. Prior to the rebuild, the Arnold-Vinton transmission line represented one of the most binding transmission constraints in the area and frequently required implementation of Transmission Loading Relief procedures. In addition, the Arnold-Vinton line represented one of the flowgates that defined the SE Minnesota / NE Iowa / SW Wisconsin Narrowly Constrained Area. MISO does not have available an analysis of the cost savings specific to Minnesota of the specified project. However, during the first three years of MISO energy market operation (April 2005 through April 2008), the line was a binding constraint for 456 hours. For the period prior to the start of the MISO energy market from January 2001 through March 2005, the flowgate contributed to enabling Transmission Loading Relief procedures a total of 781 hours. Today, following completion of the Arnold-Vinton rebuild project, this line is no longer a binding constraint, and therefore is not listed in the table under MISO's response to Item 1a which includes congested flowgates impacting Minnesota in 2011 and 2012. Together with the Salem-Hazleton project, the Arnold-Vinton project plays an important role in relieving transmission congestion in the area.


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## 1. Executive Summary

The annual MISO Transmission Expansion Plan (MTEP) identifies solutions to meet transmission needs and create value opportunities over the next decade and beyond. These solutions are defined via the implementation of a comprehensive planning approach which identifies essential transmission projects for approval and subsequent construction. MISO staff recommends the projects listed and described in MTEP11 Appendix $\mathrm{A}^{1}$ to the MISO Board of Directors for their review and approval.

MTEP11, the eighth edition of this publication, is the culmination of more than 18 months of collaboration between MISO planning staff and stakeholders. The primary purpose of this and other MTEP iterations is to identify transmission projects that:

- Ensure the reliability of the transmission system over the planning horizon.
- Provide economic benefits, such as increased market efficiency.
- Facilitate public policy objectives, such as meeting Renewable Portfolio Standards.
- Address other issues or goals identified through the stakeholder process.

MTEP11 recommends $\$ 6.5^{2}$ billion in new transmission expansion through the year 2021 for inclusion in Appendix A and construction. This is part of a continuing effort to ensure a reliable and efficient electric grid that keeps pace with energy and policy demands. Key findings and activities from the MTEP11 cycle include:

- Recommendation of the first Multi Value Project portfolio for approval by the MISO Board of Directors: The portfolio is comprised of 17 projects, costing $\$ 5.6$ billion. ${ }^{3}$ The proposed Multi Value Project (MVP) portfolio will create a regional network that provides reliability, public policy and economic benefits spread across MISO, such as
- Reliability benefits: The proposed MVP portfolio mitigates approximately 650 reliability violations for more than 6,700 system conditions, increasing the transmission system's robustness under normal operation and extreme events.
- Public policy benefits: The proposed MVP portfolio enables the delivery of 41 million MWh of renewable energy.
- Economic benefits: The proposed MVP portfolio provides benefits in excess of the portfolio cost under all scenarios studied. These benefits are spread throughout the system, and each zone ${ }^{4}$ receives benefits of at least 1.6 and up to 2.8 times the costs it incurs.
- Qualitative benefits: The proposed MVP portfolio provides a number of additional qualitative benefits. For example, the transmission will support a variety of generation policies through utilizing a set of energy zones which support wind, natural gas and other fuel sources
- Job creation: The construction of the proposed MVP portfolio will create between 17,000 and 39,800 direct jobs, or between 28,400 and 74,000 total jobs, including construction, supplier and downstream impacts.
- Recommendation of 199 new Baseline Reliability, Generation Interconnection, or Other projects totaling $\$ 1.4$ billion for approval by the MISO Board of Directors ${ }^{5}$ : These projects, together with proposed projects listed in Appendix B, ensure compliance with all reliability standards

[^90]and requirements and allow for the interconnection of approximately $2,700 \mathrm{MW}$ of wind, nuclear, and other generation.

- Economic assessment of transmission expansion: In addition to the proposed Multi Value Project portfolio, Appendices A and B contain a variety of planned and proposed transmission projects. Although premised largely on reliability, a subset of these projects will deliver market congestion reduction benefits of 0.9 to 1.0 times their cost beginning in 2016.
- Confirmation of Long-Term Generation Resource Adequacy: The system has adequate capacity to meet its reserve requirements or Loss of Load Expectation (LOLE) criteria through 2021 based on currently announced generation retirements. However, these conclusions do not take into account capacity retirements that might be required by regulations imposed by the U.S. Environmental Protection Agency (EPA), which could significantly, and rapidly, erode reserve margins.
- Determination of the potential impacts of EPA regulations on generation retirements: At the direction of stakeholders and Board of Directors, MISO evaluated the potential impacts of four new EPA regulations, including the impact of carbon reduction requirements. This study found the following potential impacts:
- Units at risk for retirement: Depending on economic conditions, including the cost of environmental regulation compliance, approximately 13 GW of existing coal generation is atrisk for retirement.
- Potential cost of compliance: The total 20 -year net present value capital cost of compliance is expected to exceed $\$ 30$ billion. This value includes the cost of retrofits on the system, the cost of replacement capacity, the cost of fixed operations and maintenance and the cost of transmission upgrades. This cost of compliance could increase the cost of energy by $\$ 5 / \mathrm{MWh}$.
- Generation Resource adequacy impacts: If no replacement capacity is identified for Resource Adequacy purposes, then the system reserve margin could decrease to 6.6 percent in 2021. The 2021 reserve requirement is 18.2 percent.
- Full implementation of a regional transmission planning approach: The proposed MVP portfolio is the realization of more than eight years of process, policy and engineering analysis. These solutions are premised on the integration of local and regional needs into a transmission solution that, when combined with the existing transmission system, provides the least cost delivered energy to customers.

In MTEP11, MISO completed analyses showing the near and long term affects of proposed transmission lines. In the coming years, MISO, through the continued integration of reliability, economic and public policy projects, will continue to drive grid efficiencies by ensuring that near-term projects support longterm goals.

## The MISO planning approach

MISO is guided in its planning efforts by a set of principles established by its Board of Directors. These principles were created to improve and guide transmission investment in the region and to furnish an element of strategic direction to the MISO transmission planning process. These principles, confirmed in August 2011, are as follows:

- Guiding Principle 1: Make the benefits of an economically efficient energy market available to customers by providing access to the lowest electric energy costs.
- Guiding Principle 2: Provide a transmission infrastructure that safeguards local and regional reliability and supports interconnection-wide reliability.
- Guiding Principle 3: Support state and federal energy policy objectives by planning for access to a changing resource mix.
- Guiding Principle 4: Provide an appropriate cost mechanism that ensures the realization of benefits over time is commensurate with the allocation of costs.
- Guiding Principle 5: Develop transmission system scenario models and make them available to state and federal energy policy makers to provide context and inform the choices they face.

To support these principles, a transmission planning process has been implemented reflecting a view of project value inclusive of reliability, market efficiency, public policy and other value drivers across all planning horizons studied. A number of conditions must be met through this process to build long-term transmission that can support future generation growth and accommodate new energy policy imperatives. These conditions are intertwined with the planning principles put forth by the MISO Board of Directors and include:

- A robust business case for the plan.
- Increased consensus around regional energy policies.
- A regional tariff matching who benefits with who pays over time.
- Cost recovery mechanisms to reduce financial risk.

The following activities were undertaken to fulfill these conditions and-through them-the planning principles enunciated by the Board of Directors:

- Safeguarding local and regional reliability: System reliability must be maintained throughout all MISO planning efforts, both on a local and interconnection-wide basis. This requirement can be difficult, in the face of changing generation and energy policy standards. Throughout 2011, MISO continued the transformation of the planning process to create an integrated transmission network that supports current and future reliability needs, while minimizing the cost of delivered energy. This value-based planning approach demonstrates a robust view of project benefits, through the analyses of many potential reliability, economic and policy-driven variables.
- Distributing benefits commensurate with costs: The MISO planning approach is premised on the allocation of transmission costs in a manner that is commensurate with their benefits. To ensure this goal was met, MISO created a complete business case for the proposed Multi Value Project portfolio which demonstrated the regional spread of the economic benefits of the portfolio. In the future, MISO will continue to refine the business case for transmission projects and portfolios, as staff seek to optimize the transmission system to deliver the least-cost energy to consumers.
- Responding to evolving energy policy: MISO examines multiple future scenarios in order to capture the impact of a wide array of potential policy outcomes. These future scenarios include varied demand and energy growth levels, and they also include the implementation of new policies which may have large impacts on the transmission system. For example, MISO conducted a thorough analysis of the U.S. Environmental Protection Agency (EPA) regulations to determine the impacts and action which will need to be taken as the regulations go into effect.


## Investments in system reliability and efficiency

To respond to existing energy mandates and safeguard the system reliability, MTEP11 recommends 215 new projects for inclusion in Appendix A. These projects represent an incremental $\$ 6.5$ billion in transmission infrastructure investment within the MISO footprint and fall into the following four categories:

- Multi Value Projects (16 projects, $\$ 5.1^{6}$ billion): Projects providing regional public policy, reliability and/or economic benefits.
- Baseline Reliability Projects (40 projects, $\$ 424$ million): Projects required to meet North American Electric Reliability Corporation (NERC) reliability standards. These standards impact facilities of a voltage greater than 100 kV and represent the minimum standard applied across the MISO footprint.
- Generator Interconnection Projects ( 26 projects, $\$ 273$ million $^{7}$ ): Projects required to reliably connect new generation to the transmission grid. The projects recommended for approval will allow for the connection of approximately $2,700 \mathrm{MW}$ of wind, nuclear, and other generation
- Other Projects ( $\mathbf{1 3 3}$ projects, $\$ 681$ million): A wide range of projects, such as those designed to provide local economic benefit but not meeting the threshold requirements for qualification as Market Efficiency Project (MEP), and projects required to support the lower voltage transmission system.

The addition of new transmission projects in MTEP11 brings the total number of projects in Appendix A to 553, representing an expected investment of $\$ 10.0$ billion through 2021. When completed, the projects will result in approximately 6,600 miles of new or upgraded transmission lines. Since the first MTEP cycle closed in 2003, transmission projects recommended for approval total $\$ 14.3$ billion, of which $\$ 4.3$ billion is associated with projects already in service.
MTEP11 contains 24 new Appendix A projects meeting cost-sharing eligibility criteria under the Baseline Reliability Project or Generator Interconnection provisions of the MISO Tariff. This report also features 16 projects meeting Multi Value Project cost sharing methodology criteria.

## Economic assessment of planned and proposed projects

As previously described, projects currently contained in Appendices A and B are primarily intended to address a reliability issue or need on the transmission system. However, those projects also have potential to create additional value, including the following:

- Adjusted Production Cost Savings
- Reduced Energy And Capacity Losses
- Reduced Reserve Margins

For example, Table 1-1 shows an estimated Adjusted Production Cost benefit of $\$ 867$ million in 2016 against a first year modeled transmission portfolio cost of approximately $\$ 1.1$ billion. This benefit will lead to 20 to 40 year present value benefits of $\$ 9.1$ to $\$ 20.6$ billion, and economic benefit-to-cost ratios of 0.9 to 1.0 . These economic benefits are in addition to the benefits derived from increased system reliability considerations initially driving the need for the majority of these projects.

|  | 2016 Adjusted <br> Production Cost <br> savings | 20 Year Present <br> Value, 3 percent <br> Discount Rate | 20 Year Present <br> Value, 8.2 percent <br> Discount Rate | 40 Year Present <br> Value, 3 percent <br> Discount Reate | 40 Year Present <br> Value, 8,2 percent <br> Discount Rate |
| :---: | :---: | :---: | :---: | :---: | :---: |
| MISO East | $\$ 367$ | $\$ 5,627$ | $\$ 3,844$ | $\$ 8,742$ | $\$ 4,638$ |
| MISO Central | $\$ 145$ | $\$ 2,210$ | $\$ 1,509$ | $\$ 3,433$ | $\$ 1,821$ |
| MISO West | $\$ 355$ | $\$ 5,436$ | $\$ 3,714$ | $\$ 8,447$ | $\$ 4,482$ |
| MISO | $\$ 867$ | $\$ 13,273$ | $\$ 9,066$ | $\$ 20,622$ | $\$ 10,941$ |

Table 1-1: Adjusted Production Cost benefits, in millions of 2016 dollars

[^91]
## The value-based planning process

Uncertainties surrounding future policy decisions create challenges for those involved in the planning function and cause hesitancy for those with the resources to undertake transmission expansion projects. To minimize the risk in building a system under such conditions, the planning process must allow consideration of transmission projects in the context of potential outcomes. The goal is to identify plans resulting in the optimum amount of future value and the least amount of future regrets in areas such as cost incurred, right of way used, and benefits achieved.

MTEP11 identified and examined a wide array of future scenarios, which include the following:

- The Business As Usual (BAU) with Mid-Low Demand and Energy Growth Rates Future Scenario is considered a status quo future scenario and continues the economic downturnaffected growth in demand, energy and inflation rates.
- The Business as Usual (BAU) with Historic Demand and Energy Growth Rates Future Scenario is considered a status quo scenario, with a quick recovery from the economic downturn in demand and energy projections.
- The Carbon Constraint Future Scenario models a declining cap on future CO2 emissions. The carbon cap is modeled after the Waxman-Markey Bill, which has an 83 percent reduction of CO2 emissions from a 2005 baseline by the year 2050.
- The Combined Energy Policy Future Scenario includes a 20 percent federal RPS, a carbon cap modeled after the Waxman-Markey Bill, a "smart" transmission grid, and electric vehicles.


Figure 1-1: Generation Resources per Future Scenario

## Potential retail rate impacts for future policy scenarios

To measure the potential impact to rate payers under each of the future scenarios, MISO projected potential impacts to the 2026 retail rate by calculating the impact of wholesale costs related to generation capital investment, production costs, transmission capital investment and distribution costs across the forecasted energy usage levels. In general, these rate impacts reflect differences between the type of generation and the associated transmission needed to integrate the generation in the various scenarios. Refer to Figure 1-1 for additional detail on theoretical impacts under various futures.


Figure 1-2: Comparison of estimated retail rate for each future scenario (cents per KWh in 2011 dollars)

Assuming that wholesale costs flow through to retail rates, rates for retail customers are projected to increase faster than inflation in all but one scenario, but the magnitude of the rate increases will vary greatly depending on actual economic and policy conditions. Assuming that all of the increase or decrease in wholesale costs flows through to the retail customer, this impact could range from a decrease of 1 percent for the Business as Usual with Mid-low Demand and Energy Growth Rate Future to an increase of 18.7 percent for the Combined Energy Policy Future.

## Proposed MVP portfolio

The proposed MVP portfolio is the culmination of more than eight years of transmission planning solutions, as transmission projects identified in MTEP03 through MTEP10 were brought together to form a cohesive, regional plan. Approximately 11 months of intensive studies were performed on the candidate portfolio, with heavy stakeholder involvement and review. At the end of the study, MISO recommends a proposed MVP portfolio for review and approval by the Board of Directors.


Figure 1-3: Proposed MVP portfolio

The proposed MVP portfolio combines reliability, economic and public policy drivers to provide a transmission solution that provides benefits in excess of its costs throughout the MISO footprint. This portfolio, when integrated into the existing and planned transmission network, resolves about 650 reliability violations for more than 6,700 system conditions, enabling the delivery of 41 million MWh of renewable energy annually to load. The portfolio also provides strong economic benefits; all zones ${ }^{8}$ within the MISO footprint see benefits of at least 1.6 to 2.8 times their cost.

[^92]

Figure 1-4: Proposed MVP portfolio Zonal benefit-cost ratios

The portfolio also creates a transmission network that is able to respond to the ever-evolving reliability, generation and policy-based needs of the MISO footprint. For example, although the study was premised on a set of energy zones created to distribute wind capacity throughout the footprint in a least-cost pattern, these energy zones were also located with respect to existing infrastructure, such as transmission lines and natural gas pipelines. As a result the transmission will support a variety of different generation fuel sources, and with the fuel sources, a variety of generation policies.

## Resource adequacy and risk assessment

MTEP11 includes a forecast of resource adequacy based on projections of future generation and load to supplement and inform the assessment of the transmission system. The results of a study of the period 2012-2021 indicate that MISO will have sufficient generating capacity to meet demand through 2021, excluding the impacts of the EPA regulations. Net internal demand is expected to be 89 GW in 2012 and 97 GW in $2021^{9}$. A total of 113 GW of resources are expected to be available to meet this demand in 2012 for the MISO region, increasing to 115 GW in 2021.

[^93]| Reserve margin | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Reserve margin <br> (MW) | 23,930 | 22,438 | 22,064 | 21,368 | 20,760 | 20,065 | 19,287 | 19,950 | 19,031 | 18,032 |
| Reserve margin <br> (percent) | 27.0 | 24.8 | 24.2 | 23.3 | 22.5 | 21.5 | 20.5 | 21.0 | 19.9 | 18.6 |
| Planning reserve <br> margin requirement <br> (percent) | 17.4 | 17.3 | 17.3 | 17.2 | 17.4 | 17.8 | 17.8 | 18 | 18.2 | 18.2 |

Table 1.2: 2012-2021 forecasted reserves

The MISO Planning Reserve Margin requirement varied throughout the 10-year period studied, from 17.4 percent in 2012 to 18.2 percent in 2021. The reserve margins projected through the assessment time frame varies from 27.0 percent to 18.6 percent for 2012-2021. The expected ability of forecasted resources to meet demand projections is anticipated to exceed the reliability levels represented by the accepted industry standard of one day in 10 years through 2019. However, these conclusions do not take into account capacity retirements that might be required by regulations imposed by the U.S. Environmental Protection Agency (EPA) which could significantly, and rapidly, erode reserve margins.

## EPA impact analysis

The U.S. Environmental Protection Agency (EPA) is finalizing four proposed regulations that will affect the MISO system. They require utilities to choose between retrofitting their generators with environmental controls or retiring them. At the direction of stakeholders and the Board of Directors, MISO evaluated the potential impacts of the new regulations, including the impact of carbon reduction requirements. This study evaluated the effects on capacity cost, resource adequacy, cost of energy and transmission reliability. ${ }^{10}$

A survey of the current fleet within MISO revealed 298 generation units will be affected by the four proposed regulations. The capacity of the units at risk for retirement is 12.7 GW, based on the assumptions surrounding the cost of environmental regulation compliance.

The compliance cost of retrofitted units and replacement generation due to the EPA regulations are estimated to exceed $\$ 30$ billion. Identifying all the costs to maintain regulation compliance and system reliability, a 7.0 to 7.6 percent increase in retail rates could be realized.

[^94]

Figure 1-5: MISO rate impact

The proposed EPA regulations could also have an impact on the system's ability to meet demand. If no replacement capacity is identified for Resource Adequacy purposes, then the system reserve margin could decrease to 6.6 percent in 2021. The 2021 reserve requirement is 18.2 percent. However, if capacity is replaced with new and more reliable resources, there is a potential that Planning Reserve Margin (PRM) requirements could decrease by 0.2 to 1.0 percent.

|  $\begin{array}{c}\text { Forecasted reserves, } \\ \text { without EPA regulations }\end{array}$  $\begin{array}{c}\text { Forecasted reserves, with } \\ \text { EPA regulations }\end{array}$  <br>  2016 2021 2016 $] 2021$ |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | 22.5 | 18.6 | 10.1 | 6.6 |
| Reserve requirement (percent) | 17.4 | 18.2 | 17.4 | 18.2 |

Table 1-3: Potential EPA impacts on resource adequacy

## Conclusion

MISO is proud to have an independent, transparent and inclusive planning process that is well positioned to study and address future transmission and policy-based needs in the region. We are also grateful for the input and support from our stakeholder community, which allows us to create well-vetted, costeffective and innovative solutions to energize the heartland. We welcome feedback and comments from stakeholders, regulators and interested parties on the evolving electric transmission power system. For detailed information about MISO, MTEP11, renewable energy integration, cost allocation and other planning efforts, please visit www.misoenergy.org.

## 2. MTEP11 overview

### 2.1 Investment summary

This section provides investment summaries of transmission system upgrades identified in MTEP11 and past MTEP studies that are still in the construction planning or execution processes. ${ }^{11}$ Chapter 2.4 describes the definitions of Appendix A, B, and C.

- Approximately $\$ 6.5$ billion is being added to Appendix A in this planning cycle, of which about $\$ 5.1^{12}$ billion is the proposed Multi Value Project portfolio.
- The estimated investment of the projects in MTEP11 Appendix A and Appendix B for 2011-2016 is $\$ 7.5$ billion.
- Appendix A contains $\$ 6.99$ billion in investment through 2016 and an additional $\$ 3.2$ billion from 2017-2021.
- Appendix B contains $\$ 0.48$ billion of investment through 2016. Appendix B also contains $\$ 29$ billion in investment for 2017-2026, primarily comprised of two alternate Regional Generation Outlet Study (RGOS) plans.
- Appendix C contains $\$ 6.5$ billion in investment through 2016 and $\$ 37$ billion in investment for 2017-2021.
Included in Appendix C is the MTEP08 reference future extra high voltage conceptual transmission overlay in 2018. Portions of the MTEP08 extra high voltage plan have been moved to the RGOS planning effort. There are also a number of large transmission proposals to address the renewable energy requirements in the region, with a $\$ 12$ billion proposal in 2020. Therefore, there are many alternative and competing plans for renewable energy integration working their way through the planning process. Not all these proposals will reach Appendix A.
The expected project spending by year for Appendices A and

Approximately $\$ 6.5$ billion is being added to Appendix A in this planning cycle, of which about $\$ 5.1$ billion is the proposed Multi Value Proiect portfolio. B from 2011-2021 is in Figure 2.1-1. Projects may be comprised of multiple facilities. Investment totals by year assume that 100 percent of a project's investment occurs when the facility goes into service. Since a large facility may require capital investment over multiple years, this assumption causes these numbers to appear 'lumpier' than the actual expenditures.

[^95]

Figure 2.1-1: MTEP11 cumulative projected investment by year and Appendix

Transmission investment by Planning Region through 2021 is shown in Table 2.1-1. This table includes projects in Appendix A approved in prior MTEP planning cycles. Note that the projects are associated with a single planning region, though some projects may be in more than one planning region. These statistics are representative of investment in the planning regions.

| Region | Appendix A | Appendix B | Appendix C |
| :--- | :---: | :---: | :---: |
| Central | $\$ 2,265,830,000$ | $\$ 219,152,000$ | $\$ 8,996,773,000$ |
| East | $\$ 1,537,876,000$ | $\$ 148,701,000$ | $\$ 6,872,277,000$ |
| West | $\$ 6,415,878,000$ | $\$ 233,899,000$ | $\$ 27,929,197,000$ |
| Total | $\$ 10,219,584,000$ | $\$ 601,752,000$ | $\$ 43,798,247,000$ |

Table 2.1-1: Projected transmission investment by Planning Region through 2021

Table 2.1-2 shows new investment in 2011 Appendix A projects by preliminary cost allocation category and eligibility for cost sharing. Those categories are Baseline Reliability Project, Generation Interconnection Project, Transmission Service Delivery Project, Multi Value Projects, Market Efficiency Project and other. There were no Market Efficiency Projects and transmission delivery service projects in MTEP11. The numbers in Table 2.1-2 are a subset of Appendix A values shown in Table 2.1-1. These have a target Appendix of 'A in MTEP11' and are new to Appendix A in this planning cycle. Approximately $\$ 6.5$ billion of investment is being added to Appendix A in this planning cycle. Actual cost allocations for shared projects are based on annual carrying charges and not total project investment; shared means that these projects are eligible for cost sharing. Not all costs of shared projects are eligible for sharing. For example, some Baseline Reliability Project costs and Generation Interconnection Projects are not shared, though only 10 percent of some Generation Interconnection Project costs may be shared to pricing zones. Projects are associated with single planning region, though they may have investment in multiple planning regions.

| Region | Share <br> status | BRP | GIP | MVP |
| :--- | :--- | :--- | :---: | :---: | :---: |

Table 2.1-2: MTEP11 new Appendix A investment by allocation category \& Planning Region

[^96]A breakdown of new Appendix A project data reveals the new transmission build is spread over many states, with Illinois, Wisconsin, lowa and Minnesota getting around $\$ 1$ billion in new investment. The majority of that investment comes from the proposed Multi Value Project portfolio. South Dakota, Indiana, and Missouri also have significant projects. These geographic trends change over time as existing capacity in other parts of the system is consumed and new build becomes necessary there.


Figure 2.1-2: New Appendix A investment with allocation categorized by state

### 2.2 Appendix overview

## Appendix $A$ and $B$ line summary

There are approximately 6,600 miles of new or upgraded transmission lines projected from 2011--2021 in MTEP11 Appendices A and B.

- Of approximately 53,200 miles of line under MISO functional control, about 2,965 miles of transmission line upgrades are projected through 2021.
- About 3,695 miles of transmission involving lines on new transmission corridors is projected through 2021.
- Figure 2.2-1 depicts miles of new or upgraded lines by voltage class identified in Appendices $A$ and B.


Figure 2.2-1: New or upgraded line miles by voltage class in Appendix A \& B through 2021

Refer to Figure 2.2-2, which delineates new transmission line mileage by state for Appendices $A$ and $B$ through expected in service date of 2021.


Figure 2.2-2: New or upgraded line miles by state for Appendices A and B through expected in service date of 2021 by voltage class (kV)

## Appendix C summary

MTEP11 Appendix C lists and describes $\$ 48.6$ billion of conceptual and proposed transmission investment. The MTEP08 reference future Extra High Voltage (EHV) conceptual overlay is $\$ 14$ billion in 2018, comprised of approximately 65 projects. A number of those projects have been integrated into the Regional Generation Outlet Study effort and are now in Appendix B. Eleven of the MTEP08 reference future projects are now part of six proposed projects in the proposed Multi Value Projects portfolio. There are multiple proposals to enable integration and delivery of large amounts of renewable energy. One 765 kV proposal is for $\$ 12$ billion in 2020. There are two direct current proposals for renewable energy, - $\$ 1.9$ billion and $\$ 1.6$ billion, respectively - in 2014. There is a proposal for 765 kV backbone transmission in lower Michigan for $\$ 2.5$ billion in 2016. Some of these are competing proposals, so not all of the investment is expected. Many of the project proposals in Appendix C were added in order to address traditional reliability needs in the future. Some of these projects have just entered the planning process or are being revisited due to changes, such as load forecast adjustments caused by the economic downturn.

### 2.3 Cost sharing summary

## Multi Value Projects

Multi Value Projects represent a new project type eligible for cost sharing effective since July 16, 2010, and conditionally accepted by the Federal Energy Regulatory Commission on December 16, 2010. Multi Value Projects provide numerous benefits, including, improved reliability, reduced congestion costs, and meeting public policy objectives. As discussed in more detail in Section 4.1, MISO staff is recommending

## The costs of Multi Value <br> Projects will have a 100 percent regional allocation <br> and will be recovered from <br> customers through a <br> monthly energy usage <br> charge calculated using the <br> applicable MVP Usage <br> Rate.

 Directors for inclusion into Appendix A of MTEP 11. The proposed Multi Value Project portfolio includes the Michigan Thumb Loop project, approved in August 2010; the Brookings to Minneapolis-St. Paul project, conditionally approved in June 2011; and 15 additional projects being proposed to the MISO Board of Directors for the first time. The cost of the proposed MVP portfolio in 2011 dollars is $\$ 5.2$ billion, including the $\$ 1.2$ billion in projects that have previously been approved or conditionally approved by the MISO Board of Directors. See Table 4.1-1 for individual project costs.The costs of Multi Value Projects will have a uniform 100 percent regional allocation based on withdrawals and will be recovered from customers through a monthly energy usage charge. This charge will apply to all MISO load, excluding load under Grandfathered Agreements, and also to export and wheel-through transactions not sinking in PJM.

Figure 2.3-1 shows a 40-year projection of indicative annual MVP Usage Rates based on the proposed MVP portfolio using current year cost estimates and estimated in-service dates. Additional detail on the indicative MVP Usage Rate, including indicative annual MVP charges by Local Balancing Authority, is included in Appendix A-3.


Figure 2.3-1: Indicative MVP usage rate for proposed MVP portfolio from 2012 to 2051

## Baseline Reliability, Market Efficiency, and Generation Interconnection Projects

A total project cost of $\$ 446.6$ million, associated with new Baseline Reliability Projects and Generation Interconnection Projects for inclusion in MTEP 11 Appendix A, are eligible for cost sharing. The cost includes 12 Baseline Reliability Projects at $\$ 247.2$ million and 10 Generation Interconnection Projects at $\$ 199.3$ million. A total of $\$ 99.7$ million of that goes directly to the generator. Of the $\$ 346.9$ million in project costs, excluding the portion allocated to generators and eligible for cost sharing, 88.7 percent or $\$ 307.8$ million remains in the pricing zone where the project is located. The remaining 11.3 percent, or $\$ 39.1$ million, is allocated to neighboring pricing zones or system-wide to all pricing zones. Additional details on the new Baseline Reliability Projects and Generation Interconnection Projects eligible for cost sharing in MTEP 11 are in Appendix A-1.
Since the cost sharing methodologies for Baseline Reliability Projects, Generation Interconnection Projects, and Market Efficiency Projects were implemented in 2006, there have been 136 projects eligible for cost sharing. That's $\$ 3.4$ billion in transmission investment, with each project type representing the following number of projects and total project cost:

- Baseline Reliability Projects - 79 projects, $\$ 2.9$ billion.
- Generation Interconnection Projects - 56 projects, $\$ 550.4$ million with $\$ 279.1$ million allocated directly to the generator.
- Market Efficiency Project - 1 project, $\$ 5.6$ million.

Figure 2.3-2 provides the breakdown, by pricing zone, of all project costs assigned to the zone based on the cost allocation at the time of approval for Baseline Reliability Projects, Generation Interconnection Projects, and Market Efficiency Projects from MTEP06 to the current MTEP11 report. The costs of approximately $\$ 2.8$ billion, allocated to each pricing zone from prior MTEP report cycles, have been updated to reflect the current estimates on in-service project cost and in-service date. They do not include projects that have been withdrawn.
The red bar represents the Transmission Owner's share of project costs not allocated to other pricing zones, equal to $\$ 1.8$ billion across all pricing zones. The blue bar represents the portion of project costs allocated to a pricing zone for projects located in other pricing zones, equal to $\$ 927$ million across all pricing zones. Note that the values shown in Figure 2.3-2 exclude the portion of Generation Interconnection Projects assigned directly to the generator.
Additional detail by pricing zone on the information shown in Figure 2.3-2 is located in Appendix A-2.2. The cost values for the new MTEP11 cost shared projects have been converted to reflect indicative annual charges for those projects for 2012 to 2021. See Appendix A-2.1.


Figure 2.3-2: Allocated project cost from MTEP06 to MTEP11 for approved Baseline Reliability, Generation Interconnection, and Market Efficiency Projects. ${ }^{14}$

[^97]
### 2.4 MTEP Project types and Appendix overview

MTEP Appendices $A, B$ and $C$ indicate the status of a given project in the MTEP planning process. Projects start in Appendix C when submitted into the MTEP process, transfer to Appendix B when MISO has documented the project need and effectiveness, then move to Appendix A after approval by the MISO Board of Directors. While moving from Appendix C to Appendix B to Appendix A is the most common progression through the appendices, projects may also remain in Appendix C or Appendix $B$ for a number of planning cycles or may go from C to B to A in a single cycle.
MTEP11 Appendix A lists projects approved by the MISO Board of Directors in prior MTEPs but have not been built, and also lists projects and associated facilities recommended to the MISO Board of Directors for approval in this cycle. The new projects are indicated as "A in MTEP11" in the target Appendix field in the Appendix listing. The Appendix $A B C$ field is indicated as $B>A$, or $C>B>A$, for new projects and $A$ for previously approved projects. Projects in Appendix A are classified on the basis of their respective designation in Attachment FF to the Tariff.

- Baseline Reliability Projects are required to meet North American Electric Reliability Corp. (NERC) standards. Costs for a Baseline Reliability Projects may be shared if the voltage level and project cost meet the thresholds designated in the Tariff.
- Generation Interconnection Projects are upgrades that ensure the reliability of the system when new generators interconnect. The customer may share the costs of network upgrades if a contract for the purchase of capacity or energy is in place, or if the generator is designated as a network resource. Not all GIPs are eligible for cost sharing.
- Transmission Service Delivery Projects are required to satisfy a Transmission Service request. The costs are assigned to the requestor.
- Market Efficiency Projects, formerly referred to as regionally beneficial projects, meet Attachment FF requirements for reduction in market congestion. Market Efficiency Projects are shared based on benefit to cost ratio of the project, cost and voltage thresholds.
- Multi Value Projects meet Attachment FF

> Projects start in Appendix C when submitted into the
> MTEP process, transfer to Appendix B when MISO
> has documented the project need and effectiveness,
> then move to Appendix A after approval by the MISO Board of Directors. requirements to provide regional public policy economic and/or reliability benefits. Costs are shared with loads and export transactions in proportion to metered MWh consumption or export schedules.

A project not meeting any of these classifications is designated as 'Other.' The 'Other' category incorporates a wide range of projects, including those intended to provide local reliability or economic or similar benefits; but not meeting requirements as Market Efficiency Projects or Multi Value Projects (MVPs). Many other projects are required on the transmission system, less than 100 KV , which is not part of the bulk electric system under MISO functional control.

## MTEP Appendix A

MTEP Appendix A contains transmission expansion plan projects recommended by MISO staff and approved by the MISO Board of Directors for implementation by Transmission Owners.
Projects in Appendix A have a variety of drivers. Many are required for maintaining system reliability in accordance with the North American Electric Reliability Corporation (NERC) Planning Standards. Others may be required for Generation Interconnection or Transmission Service. Some projects may be required for regional reliability organization standards. Other projects may be required to provide distribution interconnections for load serving entities. Appendix A projects may be required for economic reasons, to reduce market congestion or losses in a particular area. They may also be needed to reduce resource adequacy requirements through reduced losses during system peak or reduced planning reserve. Projects may be required to enable public policy requirements, such as current state renewable portfolio standards. All projects in Appendix A address one or more MISO documented transmission issues.
Projects in Appendix A may be eligible for regional cost-sharing per provisions in Attachment FF of the Tariff. Such a project must go through the following process to be moved into Appendix A:

- MISO staff must validate that the project addresses one or more transmission issue.
- MISO staff must consider and review alternatives with the Transmission Owner.
- MISO staff must consider and review costs with the Transmission Owner.
- MISO staff must endorse the project.
- MISO staff must verify that the project is qualified for cost-sharing as a Baseline Reliability Project, Generation Interconnection Project, Market Efficiency Project or Multi Value Project per provisions of Attachment FF.
- MISO staff must hold a stakeholder meeting to review any such project or group of projects in which costs can be shared, or other major projects for zones where 100 percent of costs are recovered under Tariff.
- MISO staff must take the new project to the Board of Directors for approval. Projects are moved to Appendix A following a presentation at any regularly scheduled Board meeting.
Appendix A is periodically updated and posted as projects go through the process and are approved. Projects are generally moved to Appendix A in conjunction with the annual review of the MTEP report. A June mid-cycle approval option is available for projects which have been under study in an open process for an appropriate period of time and need to be approved prior to the normal December cycle. However, should circumstances dictate, recommended projects need not wait for completion of the next MTEP for Board of Directors approval and inclusion in Appendix A.


## MTEP Appendix B

Projects in Appendix B have been analyzed to ensure they effectively address one or more documented transmission issues. In general, MTEP Appendix B contains projects still in the Transmission Owners planning process or still in the MISO review and recommendation process. It may contain multiple solutions to a common set of transmission issues. Projects in Appendix B are not yet recommended or approved by MISO, so they are not evaluated for cost sharing. There may be some potential Baseline Reliability Projects, Market Efficiency Projects or Multi Value Projects for which MISO staff has not been able to prove the need. Thus, while some projects may eventually become eligible for cost-sharing, the target date does not require a final recommendation for the current MTEP cycle. The project will likely be held in Appendix B until the review process is complete and the project is moved to Appendix A .

## MTEP Appendix C

Appendix C may contain projects still in the early stages of the Transmission Owner planning process or have just entered the MTEP study process and have not been reviewed. Like those projects in Appendix $B$, they are not evaluated for cost sharing. There are also some long-term conceptual projects in Appendix $C$ which will require significant planning before they are ready to go through the MTEP process and move into Appendix B or Appendix A. Appendix C may also contain project alternatives to the best alternative in Appendix B. Therefore, a project could revert from B to C if a better alternative is determined and the Transmission Owner is not ready to withdraw the previous best alternative. Appendix C projects are not included in the MTEP initial power flow models used to perform baseline reliability studies.

### 2.5 Economic assessment of recommended and proposed expansion

## Expansion plan

MISO MTEP Appendix A/B contains planned/proposed projects that primarily address reliability needs. However, these projects may also provide economic benefits, including: ${ }^{15}$

- Adjusted Production Cost (APC) savings
- $\mathrm{CO}_{2}$ emission reductions
- Energy loss benefits


## Study results

This analysis models a subset of Appendix A and B projects scheduled to be in-service by 2016. Not all Appendix A and B projects are modeled. The analysis models projects that have expected in-service dates between July 15, 2011, and December 31, 2016. Except the Michigan Thumb Loop Expansion, the proposed MVP portfolio is excluded. Projects not driving economic benefits, such as capacitor banks, circuit breaker upgrades and control room upgrades, are excluded as well.
The PROMOD ${ }^{\circledR}$ simulations and economic analysis show that the Appendix $A / B$ projects will bring not only reliability, but substantial economic benefit to MISO. In 2016, these projects will create $\$ 867$ million in annual Adjusted Production Cost savings, when a total of $\$ 5.2$ billion of new transmission projects are modeled. Over the following 20 to 40 years, these projects will create $\$ 9.1$ to $\$ 20.6$ billion dollars in Adjusted Production Cost savings, creating benefits that range from 0.9

> The PROMOD ${ }^{\circledR}$ simulations and economic analysis show that the Appendix A/B projects will bring not only reliability, but substantial economic benefit to MISO. Over the 20 to 40 years following 2016, Appendix A and B projects will create approximately $\$ 9.1$ to 20.6 billion in present value henefits to 1.0 times the cost of the projects modeled. Additionally, these projects will provide even greater economic benefits under higher load growth or higher gas price assumptions.
The simulations and analysis also show that the Appendix $A / B$ projects create benefits through a reduction in line losses. In 2016, the annual energy loss decrease is about 45.8 GWH , which equates to about $\$ 41$ million in annual savings.
Finally, the Appendix A/B projects provide $\mathrm{CO}_{2}$ relief for the MISO system. The increased transmission capacity will allow for less expensive power to be imported and less wind to be curtailed. This leads to a forecasted decrease in coal unit generation and therefore a $\mathrm{CO}_{2}$ reduction of 8 million tons.

More detailed methodology and benefit calculation assumptions are described later in this chapter.

[^98]
## Economic benefits

Table 2.5-1 shows the Adjusted Production Cost savings for the MTEP11 Appendix A/B projects. The MTEP11 Appendix A/B projects will provide MISO $\$ 867$ million in Adjusted Production Cost savings.

|  | 2016 Adjusted <br> Production Cost <br> savings | 20 Year Present <br> Value, 3 percent <br> Discount Rate | 20 Year Present <br> Value, 8.2 percent <br> Discount Rate | 40 Year Present <br> Value, 3 percent <br> Discount Rate | 40 Year Present <br> Value, 8.2 percent <br> Discount Rate |
| :---: | :---: | :---: | :---: | :---: | :---: |
| MISO East | $\$ 367$ | $\$ 5,627$ | $\$ 3,844$ | $\$ 8,742$ | $\$ 4,638$ |
| MISO Central | $\$ 145$ | $\$ 2,210$ | $\$ 1,509$ | $\$ 3,433$ | $\$ 1,821$ |
| MISO West | $\$ 355$ | $\$ 5,436$ | $\$ 3,714$ | $\$ 8,447$ | $\$ 4,482$ |
| MISO | $\$ 867$ | $\$ 13,273$ | $\$ 9,066$ | $\$ 20,622$ | $\$ 10,941$ |

Table 2.5-1: Economic benefits, in millions of 2011 dollars

As discussed, the full portfolio of Appendix A and B projects is not modeled. Thus, the total cost of the MTEP11 Appendix A/B projects in the MTEP11 2016 power flow case is $\$ 5.2$ billion. Table $2.5-2$ shows the Benefit- to-Cost ratio of the Appendix A/B projects, based on the economic benefits in 2.5-1 and $\$ 5.2$ billion project cost, under different timeframes and discount rates.

| Discount Rate | Present Value <br> Timeframe | B/C Ratio |
| :---: | :---: | :---: |
| 3 percent | 20 Years | 0.88 |
| 8.2 percent | 20 Years | 0.86 |
| 3 percent | 40 Years | 1.00 |
| 8.2 percent | 40 Years | 0.91 |

Table 2.5-2: B/C ratio of MTEP11 Appendix A/B projects

Benefits will change with variation in the underlying assumptions. To see how the benefits are affected by other factors, MISO conducted sensitivity runs. The sensitivities tested were:

1) Higher load growth: Load is 5 percent higher than the load in reference future;
2) Lower load growth: Load is 5 percent lower than the load in reference future;
3) Higher gas price: Gas prices are 40 percent higher than those in the reference future;
4) Lower gas price: Gas prices are 40 percent lower than those in the reference future;

|  | Base case | 5 percent <br> higher load | 5 percent <br> lower load | 40 percent <br> higher gas <br> price | 40 percent <br> lower gas <br> price |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Annual Adjusted Production <br> Cost savings (million \$) | $\$ 867$ | $\$ 1,047$ | $\$ 748$ | $\$ 1,062$ | $\$ 716$ |
| 20 Year Present Value, 3 <br> percent Discount Rate <br> (million \$) | $\$ 13,273$ | $\$ 16,012$ | $\$ 11,457$ | $\$ 16,244$ | $\$ 10,959$ |
| 20 Year Present Value, 8.2 <br> percent Discount Rate <br> (million \$) | $\$ 9,066$ |  |  |  |  |
| 40 Year Present Value, 3 <br> percent Discount Rate <br> (million \$) | $\$ 10,937$ | $\$ 7,826$ | $\$ 11,096$ | $\$ 7,485$ |  |
| 20 Year Present Value, 8.2 <br> percent Discount Rate <br> (million \$) | $\$ 20,622$ | $\$ 24,877$ | $\$ 17,800$ | $\$ 25,239$ | $\$ 17,026$ |

Table 2.5-3: The Adjusted Production Cost savings, Load Cost savings and market congestion benefits of the MTEP11 Appendix A/B project for MISO in different sensitivities

| Discount <br> Rate | Present <br> Value <br> Timeframe | Annualized <br> project <br> cost <br> (million $\$)$ | Base <br> case | 5 percent <br> higher <br> load | 5 percent <br> lower <br> load | 40 percent <br> higher <br> gas price | 40 percent <br> lower <br> gas price |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 3 percent | 20 Years | $\$ 901$ | 0.88 | 1.06 | 0.76 | 1.08 | 0.73 |
| 8.2 <br> percent | 20 Years | $\$ 924$ | 0.86 | 1.04 | 0.74 | 1.05 | 0.71 |
| 3 percent | 40 Years | $\$ 792$ | 1.00 | 1.21 | 0.87 | 1.23 | 0.83 |
| 8.2 <br> percent | 40 Years | $\$ 872$ | 0.91 | 1.10 | 0.79 | 1.11 | 0.75 |

Table 2.5-4: Benefit-to-cost ratio sensitivity

The base case benefits-to-cost ratio of MTEP11 Appendix A/B projects range from 0.71 to 1.23 . The benefits-to-cost ratio tend to be higher in the high load case and high gas price case, and lower in the low load case and low gas price case.

The benefits captured in this section only include the economic benefits in generation production cost savings. Benefits not captured include operating reserve benefits, planning reserve margin benefits and reliability benefits. Benefits to cost ratios will be larger and may be greater than 1.0 if all those benefits are captured. Furthermore, the projects in current MTEP11 Appendix A/B are mainly reliability projects. They need to be built to relieve the reliability violations in the system. Economic benefits are side benefits from those projects. A benefit to cost ratio of less than 1 does not imply the projects are not needed.

The proposed Multi Value Project portfolio provides a wide range of benefits, as described in MTEP11 Chapter 4.1.

## Loss benefits

Loss benefits refer to the benefit of reduced line losses that occur when new high voltage transmission lines (Appendix A/B) are added to the system.
Loss benefits attributed to Appendix $A / B$ projects are summarized in Table 2.5-5. The decrease in losses in 2016 is 45,781 MWH. Using the company's hourly load-weighted LMP to price this energy loss yields a savings of approximately $\$ 41$ million.

> Loss benefits refer to the benefit of reduced line losses that occur when new high voltage transmission lines (Appendix $A / B$ ) are added to the system.

The loss at peak hour in MISO increases approximately 346.8MW from without Appendix $A / B$ case to with Appendix $A / B$ case, so the capacity loss benefits are actually negative. This is because Appendix $A / B$ projects will allow more long-distance import from nonMISO entities at peak hour to displace MISO generation. Consequently, the long distance power transportation increases losses. Since the capacity loss benefit is negative, the value of capacity loss benefit will be $\$ 0$.

|  | Energy loss <br> benefit | Value of <br> energy loss <br> benefit | Capacity of loss <br> (peak) benefit | Value of <br> capacity loss <br> benefit | Maximum hourly <br> loss decrease |
| :---: | :---: | :---: | :---: | :---: | :---: |
| MISO | $45,781 \mathrm{MWH}$ | $\$ 41$ million | -346.8 MW | $\$ 0$ | 391.4 MW |

Table 2.5-5: MISO loss benefits with Appendix A/B project in 2016

## Other benefits

Table 2.5-6 shows the annual generation and capacity factor changes for different types of MISO units. After adding the Appendix $A / B$ projects, capacity factors on fossil fuel generators stay the same or decline somewhat. MISO generation (excluding wind) decreases by about 10,457 GWH. Adding the Appendix $A / B$ projects leads to less wind energy being curtailed ( $10,143 \mathrm{GWH}$ ).
Table 2.5-6 also indicates that coal units and combined cycle

> This drives annual $\mathrm{CO}_{2}$ emission to decrease by approximately 8 million tons. units generate less in the case, including Appendix $A / B$ projects. This drives annual $\mathrm{CO}_{2}$ emission to decrease by approximately 8 million tons. That reduction is relative to the case without Appendix A/B projects, not the case without added wind generation. From Table 2.5-6, we can see the reduction in ST Coal, CT Gas and combined cycle units. The combined effect in $\mathrm{CO}_{2}$ emission is about 2 percent.

|  |  | Generation (MWH) | Capacity Factor |
| :---: | :---: | :---: | :---: |
| Combined Cycle | No Appendix projects. | 25,267,913 | 21.22 percent |
|  | With Appendix projects. | 20,804,817 | 17.47 percent |
|  | Change | -4,463,096 | -3.75 percent |
| CT Gas | No Appendix projects. | 3,252,613 | 1.61 percent |
|  | With Appendix projects. | 2,352,304 | 1.16 percent |
|  | Change | -900,309 | -0.45 percent |
| CT Oil | No Appendix projects. | 68,820 | 0.16 percent |
|  | With Appendix projects. | 15,908 | 0.04 percent |
|  | Change | -52,913 | -0.12 percent |
| Hydro | No Appendix projects. | 3,744,454 | 34.25 percent |
|  | With Appendix projects. | 3,744,116 | 34.25 percent |
|  | Change | -338 | 0.00 percent |
| IGCC | No Appendix projects. | 5,860,686 | 76.29 percent |
|  | With Appendix projects. | 5,854,798 | 76.21 percent |
|  | Change | -5,888 | -0.08 percent |
| Nuclear | No Appendix projects. | 71,312,762 | 88.91 percent |
|  | With Appendix projects. | 71,312,762 | 88.91 percent |
|  | Change | 0 | 0.00 percent |
| ST Coal | No Appendix projects. | 383,096,341 | 68.34 percent |
|  | With Appendix projects. | 378,307,444 | 67.49 percent |
|  | Change | -4,788,897 | -0.85 percent |
| ST Gas | No Appendix projects. | 708,331 | 2.86 percent |
|  | With Appendix projects. | 453,482 | 1.83 percent |
|  | Change | -254,849 | -1.03 percent |
| ST Oil | No Appendix projects. | 12,209 | 0.24 percent |
|  | With Appendix projects. | 12,399 | 0.24 percent |
|  | Change | 189 | 0.00 percent |
| Wind | No Appendix Projects | 42,108,491 | 27.99 percent |
|  | With Appendix Projects | 52,251,508 | 34.73 percent |
|  | Change | 10,143,018 | 6.74 percent |

Table 2.5-6: 2016 generation and capacity factor change for different type units

|  | $\mathrm{CO}_{2}$ emission (ton) |
| :--- | :---: |
| No Appendix projects. | $423,370,598$ |
| With Appendix projects. | $415,237,057$ |
| Emission decrease | $8,133,541$ |

Table 2.5-7: 2016 annual CO2 emission change for different type units

## Study methodology and assumptions

The data for the economic benefit assessment comes from two $\mathrm{PROMOD}^{\circledR}$ case runs: one case without the Appendix A and B projects, and one case with these projects.
Only those projects that will not drive economic benefits are excluded to provide a more accurate analysis. Examples of projects not adding economic benefit include capacitor banks, circuit breaker upgrades, rebuilds of existing lines or substations and control room upgrades. These projects will not cause impedance or rating changes to existing lines, and will not affect system topology from steady-state economic study perspective.

## PROMOD ${ }^{\circledR}$ cases

The MTEP11 2016 summer peak power flow case, which has been reviewed by MISO stakeholders and incorporates the latest PJM system update, was used as the starting point for this study. Two 2016 PROMOD ${ }^{\circledR}$ cases were developed:

- $2016 \mathrm{PROMOD}^{\circledR}$ case with Appendix A/B projects.
- 2016 PROMOD $^{\circledR}$ case without Appendix A/B projects.

Both cases use the same MTEP11 BAU (Business As Usual with low demand and energy growth rate) Future database (containing all the generator, load, fuel and environmental information). The detailed information associated with the BAU Future can be found in Appendix E2. The only difference between these two PROMOD cases is the power flow cases (i.e., the transmission topologies) that are used.

## Power flow case

To develop these two $\mathrm{PROMOD}^{\circledR}$ cases, two power flow cases are required:

- One power flow case with Appendix A/B projects.
- One power flow case without Appendix A/B projects.

For both power flow cases, the Transmission Systems outside of the MISO footprint are the same; from the Eastern Interconnection Regional Reliability Organization (ERAG) 2010 series 2016 summer peak power flow case. The MISO portion, in the power flow case with Appendix A/B projects, is from the MTEP11 2016 summer peak power flow case, including all Appendix A/B projects except proposed Multi Value Projects. The MISO portion, in the power flow case without Appendix A/B projects, is from the ERAG 2010 series 2011 summer peak power flow case, representing the current transmission topology in MISO. Table 2.5-8 summarizes the differences between these two power flow cases.

|  | Power flow case with Appendix <br> A/B | Power flow case without <br> Appendix A/B |
| :--- | :---: | :---: |
| MISO transmission | MTEP11 2016 summer peak (ERAG <br> 2011 summer peak + Appendix A/B) | ERAG 2011 summer peak |
| Non-MISO transmission | ERAG 2016 summer peak | ERAG 2016 summer peak |
| Generation/load/interchange | Not used in PROMOD(R) | Not used in PROMOD(R) |

Table 2.5-8: Power flow cases difference

In the power flow case with the Appendix A/B projects, the Michigan Thumb Loop project is in the case. None of the other proposed Multi Value Projects were included in the case because the proposed MVP portfolio is not finalized. Among them, only 3 out of 16 projects have an expected in-service date on or before 2016. The benefits of proposed MVP projects are evaluated together as a portfolio in the proposed MVP Portfolio Study. They are not included in the power flow case with Appendix A/B projects used in this study.

## New generators

The new generators identified in MTEP11 Steps 1 and 2, under the BAU Future, are included in this study. More details on these generators can be found in Appendix E2.

## Event file

The event file contains the list of flow gates which will be treated as transmission constraints. The quality of the event file has a big impact on the quality of the study results. As $\mathrm{PROMOD}^{\circledR}$ has a limit on the number of events, all $\mathrm{N}-1$ or $\mathrm{N}-2$ contingencies cannot be included in the event file. The event file for this 2016 PROMOD $^{\circledR}$ case includes the flowgates from:

- MISO master flowgates file.
- NERC book of flowgates.
- Appendix $A / B$ projects that have rating upgrades were also included in the event file with different ratings in each of the two $\mathrm{PROMOD}^{\circledR}$ cases.
The PROMOD ${ }^{\circledR}$ Analysis Tool (PAT) was also used to identify events with potential reliability problems. Those events were also included in the event file.


## Economic benefits

From each PROMOD ${ }^{\circledR}$ case, The Adjusted Production Cost (APC) was calculated. The APC is equal to the production cost adjusted by sales revenue and purchases cost.
The comparison of the economic indices from two PROMOD ${ }^{\circledR}$ cases (with Appendix A/B case, and without Appendix A/B case) yields the Adjusted Production Cost savings. These savings are the annual Adjusted Production Cost decrease from the case without Appendix A/B projects to the case with Appendix A/B projects, so there is a cost savings.

## Loss benefits

- Energy loss benefit (MWH) is the annual loss decrease (MWH) from without Appendix A/B case to with Appendix A/B case.
- Capacity loss benefit (MW) for MISO is the loss decrease (MW) from without Appendix A/B case to with Appendix A/B case in MISO's peak load hour.
- Dollar value of energy loss benefit is the annual MISO loss cost decrease from without Appendix $A / B$ case to with Appendix $A / B$ case. Company loss cost is calculated by multiplying a company's hourly losses by its load- weighted LMP. The annual sum of these values for all MISO companies is the annual MISO loss cost.
- Dollar value of capacity loss benefit represents the value of deferring additional generation construction. It is calculated using $\$ 650 / \mathrm{kW}-\$ 1200 / \mathrm{kW}$, the price range for the construction of
different units. If the capacity loss benefit is positive, the corresponding dollar value is the capacity loss benefit multiplied by these prices. If the capacity loss benefit is negative, this value will be 0 .
- Maximum hourly loss decrease is the maximum hourly loss decrease (MW) from without Appendix A/B case to with Appendix A/B case.


## Other impacts

- Generation, capacity factor and $\mathrm{CO}_{2}$ emission change compares two things: 1) the change of generation and the capacity factor of different types of units and 2) change of $\mathrm{CO}_{2}$ emission between with and without Appendix A/B projects cases.


### 2.6 MTEP 11 futures retail rate impact

The electricity industry is facing significant policy changes from the state and federal level. These changes are generating uncertainty for the industry and its customers, including potential rate increases to retail electricity customers. As shown in Figure 4.1-2, all but 1 of the 12 states in the MISO footprint has enacted a Renewable Portfolio Standard (RPS) mandate or goal. There is a great deal of uncertainty about how these goals will be achieved, including the location of future generation and the required transmission to enable renewable integration. In addition to state policies, there is on-going discussion at the federal level on implementation of policies, including federal RPS, carbon reduction, smart grid and others. To address these potential futures, MISO examines multiple scenarios through its long-term planning process to capture the wide range of potential policy outcomes.

## Current retail electricity rates

The current cost of electricity to the retail customer must be considered before examining the potential impact of the future scenarios. In MISO the current average retail rate, weighted by load in each state, for residential, commercial and industrial sector, is 8.7 cents/kWh, about 10 percent lower than the national average of 9.7 cents $/ \mathrm{kWh} .{ }^{16}$ Refer below to Figure 2.6-1, which provides the average retail rate in cents per kWh for each state in the MISO footprint. It shows the rate paid by consumers varies greatly across the MISO footprint. Based on information provided by the Energy Information Administration (EIA) in Annual Energy Outlook 2011; the generation, transmission and distribution cost components of the retail electricity rate in 2011 are estimated to average 63.0 percent, 7.1 percent and 29.9 percent, respectively. This equates to approximately 5.5 cents/kWh for generation, 0.6 cents/kWh for transmission and 2.6 cents/kWh for distribution. ${ }^{18}$ For this rate impact analysis, it is assumed the average MISO residential customer uses approximately
 $1,000 \mathrm{kWh}$ of electricity each month, equivalent to annual electricity charges of $\$ 1,044$; based on an 8.7 cents/kWh retail rate.

[^99]

Figure 2.6-1: MISO retail rate for all sectors in cents/kWh (2011 dollars)

## Future policy scenarios

MISO examined a number of policy-driven future generation expansion scenarios to develop an array of "best plans" for a range of possible outcomes. These scenarios derive from policy discussions, and they will evolve depending on the direction of legislation. The scenarios represent a range of potential policies and have been used to estimate potential impacts to retail rate payers in the MISO footprint. ${ }^{19}$

- Business as Usual with Mid-low Demand and Energy Growth Rates assumes a slow recovery from the economic downturn and its impact on demand and energy projections. This scenario assumes existing standards for resource adequacy, renewable mandates and little or no change in environmental legislation.
- Business as Usual with Historic Demand and Energy Growth Rates assumes a quicker recovery from the economic downturn and a return to historic demand and energy growth rates. This scenario assumes existing standards for resource adequacy, renewable mandates and little or no change in environmental legislation.
- Carbon Constraint models a declining cap on $\mathrm{CO}_{2}$ emissions. The carbon cap is modeled after the Waxman-Markey bill, with a modified timeline to reach a 42 percent reduction by 2033 from 2005 levels. For the 2026 rate impacts calculated in this analysis, a 25 percent carbon reduction is targeted.
- Combined Energy Policy combines the impact of multiple policy scenarios into one future. Smart grid is modeled within the demand growth rate. It is assumed an increased penetration of smart grid applications will lower overall demand growth. Growth in electric vehicle usage is captured with a higher energy growth rate and is assumed to increase off-peak energy usage.

[^100]To meet the various policy objectives, all scenarios included in this rate impact analysis require significant investment in generation and transmission expansion across the 15 -year study horizon. This is expected to affect retail electricity rates, especially since a large share of generation and transmission assets have or soon will reach the end of their recoverable book-life. For example, approximately 55 percent of the generating capacity in the MISO footprint is at least 30 years old. As shown in this analysis, all but one of the scenarios shows retail rates increasing at a rate greater than inflation.

## Overview of rate impact methodology and results

To measure the potential impact to rate payers under each of the scenarios; MISO projected a 2026 retail rate by estimating annual revenue requirements for the generation, transmission and distribution rate components. ${ }^{20}$ This projection was based on the following assumptions:

- Transmission component
- Includes proposed MVP portfolio (constant across all scenarios).
- Additional required reliability transmission investment through 2026 (constant across all scenarios). ${ }^{21}$
- Non-depreciated current transmission that would still be recoverable in 2026 (constant across all scenarios).
- Generation component
- Production costs for MISO generation resources associated with each scenario in 2026; including fuel, emissions, and variable operations and maintenance expenses.
- Capital costs, including fixed operations and management, associated with the capacity expansion for each scenario through $2026 .{ }^{22}$
- Non-depreciated current generation that would still be recoverable in 2026 (constant across all scenarios).
- Distribution component
- Assumes that the distribution component of the current MISO retail rate at 2.6 cents $/ \mathrm{kWh}$ will grow at the assumed rate of inflation through 2026.

To calculate MISO's 2026 retail rate, revenue requirements for the generation, transmission and distribution components described above were distributed uniformly across the forecasted 2026 energy usage levels. The 2026 rate was then discounted, using the assumed inflation rate to 2011 for comparison to the current MISO retail rate. The results of this calculation for each scenario are shown in Figure 2.6-2, which depicts the impact the scenarios could have on customer's retail rates. Note that the rates

All but one of the scenarios shows that retail rates can be expected to grow at a rate faster than would be experienced if rates simply increased by inflation. calculated for the future scenarios include costs for generation, transmission and distribution; but do not include general and administrative costs.

All but one of the scenarios shows that retail rates can be expected to grow at a rate faster than would be experienced if rates simply increased by inflation. However, the magnitude of this impact varies greatly across the four scenarios, from a 1 percent decrease for the Business as Usual with Mid-low Demand and Energy Growth Rate scenario to a 19 percent increase for the Combined Energy Policy Future. Major rate drivers for each scenario are discussed in more detail in the next section.

[^101]

Figure 2.6-2: Comparison of estimated retail rate for each future scenario
(Cents per KWh in 2011 Dollars)

| Scenario | Rate (cents/kWh) | Percent <br> (Change from <br> current retail <br> rate) |
| :--- | :---: | :---: |
| BAU with Mid-low Demand and Energy Growth Rates | 8.62 | -1.2 percent |
| MISO Current Retail Rate | 8.72 | 0.0 percent |
| BAU with Historic Demand and Energy Growth Rates | 8.91 | +2.1 percent |
| Carbon Constraint | 10.00 | +14.7 percent |
| Combined Energy Policy | 10.34 | +18.6 percent |

Table 2.6-1: 2026 retail rate impacts in 2011 dollars of for each future scenario

## Rate impact drivers under future policy scenarios

Table 2.6-2 compares the Business as Usual with Mid-low Demand and Energy Growth Rates (BAUMLDE) scenario's estimated retail rate to the current retail rate. This is done by using the rate components to illustrate what is driving the overall estimated decrease of $\$ 12$ to the average residential ratepayer's annual electricity costs. ${ }^{23}$ The BAUMLDE is the only scenario where we find an estimated retail rate marginally lower than the current MISO retail rate. Two factors contribute to this lower rate:

1) The lower demand growth rate will require fewer new capacity resources, though there are 23,900 MW of wind and solar resources added to meet the state renewable mandates.
2) The increased output of renewable resources, which typically have no fuel costs, and therefore very low production costs, from 8 percent of output in 2011 to 16 percent in 2026, reduces generation production cost.

|  | Rate component |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: |
|  | Generation <br> capita $^{24}$ | Generation <br> production | Transmission | Distribution | Total |
| MISO current retail rate <br> (cents per kWh2011 dollars) | 3.30 | 2.20 | 0.62 | 2.61 | 8.72 |
| BAUMLDE future retail rate <br> (cents per kWh2011 dollars) | 3.63 | 1.66 | 0.72 | 2.61 | 8.62 |
| Percentage change in <br> projected retail rate | 10.1 <br> percent | -24.4 <br> percent | 16.4 percent | - | -1.2 <br> percent |
| Projected change in avg. <br> residential rate payer's <br> annual electricity bill | $\$ 39.96$ | $\$(64.26)$ | $\$ 12.14$ | - | $\$(12.15)$ |

Table 2.6-2: Comparison of BAUMLDE future retail rate to current

[^102]Table 2.6-3 below compares the Business as Usual with Historic Demand and Energy Growth Rates (BAUHDE) scenario estimated retail rate to the MISO current retail rate to illustrate which component is influencing the overall estimated annual increase of $\$ 22$ to the average residential ratepayer's electricity costs. The increase in generation capital and transmission in the BAUHDE scenario is in part driven by the need to meet the state renewable mandates included in the study. To meet the current state RPS mandates in the MISO footprint, an additional 26,800 MW of wind and solar resources are added through 2026. Offsetting the increase in generation and transmission investment is a reduction in generation production costs as low cost renewable resources deliver an increasing share of total energy, accounting for 8 percent of output in 2011 and increasing to 16 percent in 2026.

|  | Rate component |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: |
|  | Generation <br> capital | Generation <br> production | Transmission | Distribution | Total |
| MISO current retail rate (cents <br> per kWh 2011 dollars) | 3.30 | 2.20 | 0.62 | 2.61 | 8.72 |
| BAUHDE future retail rate <br> (cents per kWh 2011 dollars ) | 3.58 | 2.07 | 0.65 | 2.61 | 8.91 |
| Percentage change in <br> projected retail rate | 8.4 percent | -6.0 percent | 6.1 percent | - | 2.1 <br> percent |
| Projected change in avg. <br> residential rate payer's annual <br> electricity bill | $\$ 33.33$ | $\$(15.76)$ | $\$ 4.52$ | - | $\$ 22.09$ |

Table 2.6-3: Comparison of BAUHDE future retail rate to current

Table 2.6-4 below compares the estimated rate under the Carbon Constraint scenario, which targets a 25 percent reduction in $\mathrm{CO}_{2}$ emissions by 2026 from 2005 levels, leading to an estimated 15 percent increase over the current MISO retail rate, equating to a $\$ 154$ increase over the current residential ratepayer's annual electricity costs.

In the Carbon Constraint scenario, there is approximately $21,600 \mathrm{MW}$ of resources retired to achieve required carbon reduction levels. However, due to the very low effective demand growth rate after considering demand response, only $10,000 \mathrm{MW}$ of non-renewable generation is added. Approximately 21,000 MW of renewable resources are added to meet the state RPS mandates. This additional 31,000 MW of resources is driving the 28 percent increase in the generation capital component of the carbon constraint scenario compared to the current retail rate.

One of the drivers for the 9 percent increase in the generation production component is the increase in energy served by natural gas fueled resources -- from 2 percent in 2011 to 18 percent in 2026. For the transmission component, note that while the percentage increase is much higher than for the BAUMLDE and BAUHDE scenarios, this does not represent an increase in transmission investment, since the same level of transmission investment is assumed for all scenarios. The energy growth rate is lower, so the cost per kWh is higher, and the transmission costs are spread over less energy.

|  | Rate component |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: |
|  | Generation <br> capital | Generation <br> production | Transmission | Distribution | Total |
| MISO current retail rate <br> (cents per kWh2011 <br> dollars) | 3.30 | 2.20 | 0.62 | 2.61 | 8.72 |
| Carbon Cap Constraint <br> future retail rate (cents <br> per kWh2011 dollars) | 4.20 | 2.38 | 0.80 | 2.61 | 10.00 |
| Percentage change in <br> projected retail rate | 27.5 percent | 8.5 percent | 30.5 percent | - | 14.7 <br> percent |
| Projected change in <br> average residential rate <br> payer's annual electricity <br> bill | $\$ 108.63$ | $\$ 22.37$ | $\$ 22.52$ | - | $\$ 153.51$ |

Table 2.6-4: Comparison of Carbon Constraint future retail rate to current

Table 2.6-5 below compares the Combined Energy Policy estimated retail rate - including a 20 percent Federal RPS, carbon constraint, smart grid investment and increased electric vehicle usage - to the MISO current retail rate by rate component. This illustrates the drivers of the overall estimated increase of 19 percent, equating to a $\$ 195$ increase for the average residential ratepayer's annual electricity cost.
Similar to the Carbon Constraint future, the Combined Energy Policy future assumes the retirement of 24,500 MW of generation resources to achieve the 25 percent reduction in carbon emissions from 2005 levels by 2026. The estimated 43 percent increase in the generation capital component is driven by the $43,200 \mathrm{MW}$ of new resources, including $28,800 \mathrm{MW}$ of new wind generation to meet the 20 percent Federal RPS.

For the generation production component, the increased usage of natural gas resources for the Combined Energy Policy scenario (from 2 percent of energy served in 2011 to 18 percent in 2026) is
slightly less than for the Carbon Constraint Future. That's likely due to the increased percentage of energy served by low-production cost wind generation -- from 8 percent in 2011 to 21 percent in 2026.

|  | Rate Component |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: |
|  | Generation <br> capital | Generation <br> production | Transmission | Distribution | Total |
| MISO current <br> retail rate <br> (cents per kWh <br> 2011 dollars) | 3.30 | 2.20 | 0.62 | 2.61 | 8.72 |
| Combined <br> energy policy <br> future retail <br> rate (cents per <br> kWh 2011 <br> dollars) | 4.70 | 2.30 | 0.73 | 2.61 | 10.34 |
| Percentage <br> change in <br> projected retail <br> rate | 42.5 percent | 4.6 percent | 19.0 percent | - | 18.6 percent |
| Projected <br> change in <br> average <br> residential rate <br> payer's annual <br> electricity bill | $\$ 168.35$ | $\$ 12.25$ | $\$ 14.01$ |  |  |

Table 2.6-5: Comparison of combined energy policy future retail rate to current
Potential rate impacts from the four future scenarios demonstrate that higher electricity rates are likely. The magnitude of the increase will vary, depending on actual economic and policy situations. The range of outcomes illustrates the importance of performing long-term scenario analyses to provide decisionmakers with the information needed to minimize rate increases to customers.

## 3. Historical MTEP plan status

This section provides an update on the implementation of projects approved in the MISO Transmission Expansion Plan (MTEP) - and furnishes a historical perspective of all past MTEP approved plans. These projects were approved by the MISO Board of Directors in previous MTEP cycles or are recommended for approval in MTEP11. Any given MTEP Appendix A contains newly approved projects, along with previously approved projects not in service when the MTEP Appendices were prepared.

### 3.1 MTEP10 status report

MISO transmission planning responsibilities include monitoring progress and implementation of essential expansions identified in the MTEP. The MISO Board of Directors approved the last MTEP (MTEP10) in December 2010. This section provides a review of the status of previously approved projects listed in MTEP10 Appendix A.
The MISO Board of Directors has been receiving quarterly updates on the status of active plans since December 2006. The information in this report reflects the 2nd Quarter of 2011 status report to the Board of Directors, which included status on MTEP10 Appendix A projects through June 30, 2011.

Tracking the progress of projects ensures a good faith effort to move projects forward, as prescribed in the Transmission Owner's agreement. Most approved projects do move forward, despite possible complications, such as equipment procurement delays, construction difficulties and regulatory processes taking longer than anticipated. A project is only considered 'off-track' if MISO cannot determine a reasonable cause for delays, as described above. These approved MTEP projects have completed the planning process and are the solution to Transmission System issues. They may be driven by reliability issues, Transmission Service requests, Generation Interconnection requests or market flow constraints. More than half of the MTEP Appendix A projects is comprised of multiple facilities.
MTEP10 Appendix A has 586 projects comprised of 1,025 facilities. These figures have been updated to reflect the progress of members' projects. MTEP10 Appendix A includes expansion facilities through 2020. A total of 99 percent of the approved facilities included in MTEP10 are in service, on track or have encountered reasonable delays. That translates to $\$ 4.680$ billion of the $\$ 4.727$ billion included in MTEP10 Appendix A.
There were 101 in-service date adjustments to projects. Little or no impact on reliability is expected because in-service date adjustments were primarily driven by the economic slowdown. Transmission Owners may adjust project in-service dates to match system needs.

Withdrawn projects should be examined to ensure the planning process of MISO and its members address required system additions, and there was a good reason for withdrawing the project, or a different project covers the need. MTEP10 Appendix A contains projects approved in past MTEPs not yet in service, so withdrawn facilities may have been approved in prior MTEPs but withdrawn after MTEP10 was approved. There were 33 facilities ( 3 percent of 1025) withdrawn for the following reasons:

- The customer's plans changed or the service request was withdrawn.
- The plan was replaced with another plan.
- The plan was redefined to better meet the needs.
- The load forecast dictated that the project was no longer needed.

All withdrawn facilities were withdrawn for valid reasons. The majority were cancelled because service requests were withdrawn or load forecast was reduced.

### 3.2 MTEP implementation history

This section encompasses the implementation and status of all approved MTEP plans, including the current MTEP plan. A historical perspective shows extensive variability in transmission plan development. This is normal, caused by the long development time of transmission plans and the regular and periodic updating of the transmission plans.
Refer to Figure 3.2-1, which depicts cumulative investment dollars for projects, categorized by plan status, for MTEP03 through the current MTEP11 cycle. MTEP11 data depicted in Figure 3.2-1, subject to Board approval, is from the current MTEP study and will be added to the data tracked by the MISO Board of Directors. The steady increase in planned facilities testifies to the coordinated planning efforts of MISO and its Transmission Owners. These statistics include only MISO members who participated in this planning cycle.

- Since MTEP03 $\$ 4.4$ billion of approved projects have been constructed and are in service.
- $\$ 199$ million of MTEP projects are currently flagged as being under construction. However, there are over $\$ 900$ million of projects with expected in service dates in 2011.
- $\$ 9.3$ billion of MTEP projects are currently planned.
- Since MTEP03 $\$ 480$ million of MTEP projects have been withdrawn.


Figure 3.2-1: Cumulative approved investment by facility status

Figure 3.2-2 depicts MTEP project investment by facility status for each MTEP iteration. The historical perspective shows extensive variability in development. This is caused by the long development time of transmission plans and the regular and periodic updating of the transmission plans. The irregular shape of the graph represents the maturation of the MTEP process, and demonstrates the good faith effort of MISO Transmission Owners to implement the approved plan.

- MTEP06 and MTEP07 were approved in the same calendar year, which accounts for the comparatively small number of projects in MTEP07.
- In MTEP08, the number of developing needs increased the number of planned projects, including several large upgrades.
- MTEP09 was a year for analysis and determination of the best plans to serve those needs. The in-service category can be seen increasing in past MTEPs as projects are built.
- MTEP10 contains significant adjustments for reduced load forecasts and presents a transmission planning approach driven by proposed Multi Value Projects (MVPs), an adaptable rather than fixed methodology, which takes into account market and policy uncertainties and defines an array of multiple facility scenarios capable of performing well no matter what the future holds, integrating mandated renewable energy sources and providing market benefits.
- MTEP11 contains most of the proposed Multi Value Project (MVP) portfolio which is comprised of approximately $\$ 5.1$ billion in transmission investment.


Figure 3.2-2: Approved MTEP investment by facility status

## 4. Regional energy policy studies

### 4.1 Proposed Multi Value Project portfolio

MISO staff recommends that the proposed Multi Value Project (MVP) portfolio be approved by the MISO Board of Directors for inclusion into Appendix A of MTEP11. This recommendation is based on the strong reliability, public policy and economic benefits of the portfolio that are distributed across the MISO footprint in a manner that is commensurate with the portfolio's costs. In short, the proposed portfolio will:

- Provide benefits in excess of its costs under all scenarios studied, with its benefit to cost ratio ranging from 1.8 to 3.0 .
- Maintain system reliability by resolving reliability violations on approximately 650 elements for more than 6,700 system conditions and mitigating 31 system instability conditions.
- Enable 41 million MWh of wind energy per year to meet renewable energy mandates and goals.
- Provide an average annual value of $\$ 1,279$ million over the first 40 years of service, at an average annual revenue requirement of $\$ 624$ million.
- Support a variety of generation policies by using a set of energy zones which support wind, natural gas and other fuel sources.

This report summarizes the key reliability, public policy and economic benefits of the proposed MVP portfolio, as well as the scope of the analyses used to determine these benefits. Additional information on the portfolio and study analyses will be available in the full MVP portfolio report, which is scheduled to be published later in 2011.


Figure 4.1-1: Proposed MVP portfolio

The proposed MVP portfolio includes the Brookings Project, conditionally approved in June 2011, and the Michigan Thumb Loop project, approved in August 2010. It also includes 15 additional projects which, when integrated into the transmission system, provide multiple kinds of benefits under all studied future scenarios ${ }^{25}$.

|  | Project | State | Voltage (kV) | In Service Year | $\begin{gathered} \text { Cost } \\ (M, \\ 2011 \$)^{26} \\ \hline \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | Big Stone-Brookings | SD | 345 | 2017 | \$191 |
| 2 | Brookings, SD-SE Twin Cities | MN/SD | 345 | 2015 | \$695 |
| 3 | Lakefield Jct. Winnebago-Winco-Burt area \& Sheldon-Burt area-Webster | MN/IA | 345 | 2016 | \$506 |
| 4 | Winco-Lime Creek-Emery-Black Hawk-Hazleton | IA | 345 | 2015 | \$480 |
| 5 | N. LaCrosse-N. Madison-Cardinal \& Dubuque Co.-Spring Green-Cardinal | WI | 345 | 2018/2020 | \$714 |
| 6 | Ellendale-Big Stone | ND/SD | 345 | 2019 | \$261 |
| 7 | Adair-Ottumwa | IA/MO | 345 | 2017 | \$152 |
| 8 | Adair-Palmyra Tap | MO/LL | 345 | 2018 | \$98 |
| 9 | Palmyra Tap-Quincy-Merdosia-Ipava \& Meredosia-Pawnee | IL | 345 | 2016/2017 | \$392 |
| 10 | Pawnee-Pana | IL | 345 | 2018 | \$88 |
| 11 | Pana-Mt. Zion-Kansas-Sugar Creek | IL/IN | 345 | 2018/2019 | \$284 |
| 12 | Reynolds-Burr Oak-Hiple | IN | 345 | 2019 | \$271 |
| 13 | Michigan Thumb Loop expansion | MI | 345 | 2015 | \$510 |
| 14 | Reynolds-Greentown | IN | 765 | 2018 | \$245 |
| 15 | Pleasant Prairie-Zion Energy Center | WI/IL | 345 | 2014 | \$26 |
| 16 | Fargo-Galesburg-Oak Grove | IL | 345 | 2018 | \$193 |
| 17 | Sidney-Rising | IL | 345 | 2016 | \$90 |
| Total |  |  |  |  | \$5,197 |

Table 4.1-1: Proposed MVP portfolio

[^103]Public policy decisions over the last decade have driven changes in how the transmission system is planned. The recent adoption of Renewable Portfolio Standards (RPS) and clean energy goals across the MISO footprint have driven the need for a more regional and robust transmission system to deliver renewable resources from often remote renewable energy generators to load centers.


Figure 4.1-2: Renewable energy mandates and clean energy goals within the MISO footprint ${ }^{27},{ }^{28}$
Beginning with the MTEP03 Exploratory Studies, MISO and stakeholders began to explore how to best provide a value added regional planning process to complement the local planning of MISO members. These explorations continued in later MTEP cycles and in specific targeted studies. In 2008, MISO, with the assistance of state regulators and industry stakeholders such as the Midwest Governor's Association (MGA), the Upper Midwest Transmission Development Initiative (UMTDI) and the Organization of MISO States (OMS), began the Regional Generation Outlet Study (RGOS) to identify a set of value based transmission portfolios necessary to enable Load Serving Entities (LSEs) to meet their RPS mandates.

The goal of the RGOS analysis was to design transmission portfolios that would enable RPS mandates to be met at the lowest delivered wholesale energy cost. The cost calculation combined the expenses of the new transmission portfolios with the capital costs of the new renewable generation,

The recent adoption of
Renewable Portfolio Standards (RPS) across the MISO
footprint have driven the need
for a more regional and robust transmission system to deliver renewable resources from often remote renewable energy generators to load nontare balancing the trade offs of a lower transmission investment to

[^104]deliver wind from low wind availability areas, typically closer to large load centers; against a larger transmission investment to deliver wind from higher wind availability areas, typically located further from load centers.

While much consideration was given to wind capacity factors when developing the energy zones utilized in the RGOS and Candidate MVP Portfolio Analyses, the zones were chosen with consideration of more factors than wind capacity. Existing infrastructure, such as transmission and natural gas pipelines, also influenced the selection of the zones. As such, although the energy zones were created to serve the renewable generation mandates, they could be used for a variety of different generation types, to serve various future generation policies. Figure 4.1-3 depicts the correlation between the natural gas

> The zones were chosen with consideration of more factors than wind capacity. Existing infrastructure, such as transmission and natural gas pipelines, also
> influenced the selection of zones. pipelines in the MISO footprint and the energy zones.


Figure 4.1-3: RGOS and Candidate MVP Incremental Energy Zones and natural gas pipelines

The output from the study, a proposed MVP portfolio, will reduce the wholesale cost of energy delivery for the consumer by enabling the delivery of low cost generation to load, reducing congestion costs and increasing system reliability, regardless of the future generation mix.

The RGOS analysis produced three reliable transmission portfolios. Elements common between these three portfolios, and common with previous reliability, economic and generation interconnection analyses, were identified to create the 2011 Candidate MVP portfolio. This portfolio represented a set of "no regrets" projects which were believed to provide multiple kinds of reliability and economic benefits under all alternate futures studied.

The 2011 Candidate MVP Portfolio Analysis hypothesized that this set of candidate projects creates a high value transmission portfolio, enabling MISO states to meet their near term RPS mandates. This study evaluated the Candidate MVP portfolio against the MVP cost allocation criteria to prove or disprove this hypothesis, as well as to confirm that the benefits of the portfolio would be widely distributed across the footprint. The output from the study, a proposed MVP portfolio, will reduce the wholesale cost of energy delivery for the consumer by enabling the delivery of low cost generation to load, reducing congestion costs and increasing system reliability, regardless of the future generation mix.
Over the course of the Candidate MVP Portfolio Analysis, the MVP portfolio was refined into the proposed portfolio that is now recommended to the MISO Board of Directors for approval. The portfolio was refined to ensure that the portfolio as a group and each project contained within it was justified under the MVP criteria, discussed below, and to ensure that the portfolio benefit to cost ratio was optimized.


Figure 4.1-4: Candidate versus proposed MVP portfolio

The proposed MVP portfolio will enable the delivery of the renewable energy required by public policy mandates, in a manner more reliable and economic than it would be without the associated transmission upgrades. Specifically, the portfolio mitigates approximately 650 reliability constraints under 6,700 different transmission outage conditions, for steady state and transient conditions under both peak and shoulder load scenarios. Some of these conditions could be severe enough to cause cascading outages on the system. By mitigating these constraints, approximately 41 million MWh per year of renewable generation can be delivered to serve the MISO state renewable portfolio mandates.
Under all future policy scenarios studied, the proposed MVP portfolio delivers widespread regional benefits to the transmission system. For example, based on scenarios that did not consider new energy policies, the benefits of the proposed portfolio were shown to range from 1.8 to 3.0 times its total cost. These benefits are spread across the system, in a manner commensurate with their costs, as demonstrated in Figure 4.1-5.


Figure 4.1-5: Proposed MVP portfolio benefits spread

The benefits created by the proposed MVP portfolio are spread across the system, in a manner commensurate with its costs.
be published later in 2011.

Taking into account the significant economic value created by the portfolio, the distribution of these value, and the ability of the portfolio to meet MVP criterion 1 through its reliability and public policy benefits, MISO staff recommends the 2011 proposed MVP portfolio to the MISO Board of Directors for their review and approval.
Additional information on the proposed MVP portfolio, and the analyses used to design the portfolio, will be summarized in the full MVP portfolio report. This report will

## MISO planning approach

The goal of the MISO planning process is to develop a comprehensive expansion plan that reflects a fully integrated view of project value inclusive of reliability, market efficiency, public policy and other value drivers across all planning horizons. This process is guided by a set of principles established by the MISO Board of Directors, adopted on August 18, 2005. The principles were created in an effort to improve and guide transmission investment in the region and to furnish an element of strategic direction to the MISO transmission planning process. These principles, modified and approved by the MISO Board of Directors System Planning Committee on May 16, 2011, are:

- Guiding Principle 1: Make the benefits of an economically efficient energy market available to customers by providing access to the lowest electric energy costs.
- Guiding Principle 2: Provide a transmission infrastructure that safeguards local and regional reliability and supports interconnection-wide reliability.
- Guiding Principle 3: Support state and federal energy policy objectives by planning for access to a changing resource mix.
- Guiding Principle 4: Provide an appropriate cost mechanism that ensures the realization of benefits over time is commensurate with the allocation of costs.
- Guiding Principle 5: Develop transmission system scenario models and make them available to state and federal energy policy makers to provide context and inform the choices they face.

A number of conditions must be met to build longer term transmission able to support future generation growth and accommodate new energy policies. These conditions are intertwined with the planning principles put forth by the MISO Board of Directors and supported by an integrated, inclusive transmission planning approach. The conditions that must be met to build transmission include:

- A robust business case that demonstrates value sufficient to support the construction of the transmission project.
- Increased consensus on current and future energy policies.
- A regional tariff that matches who benefits with who pays over time.
- Cost recovery mechanisms that reduce financial risk.


## Multi Value Project portfolio drivers

The 2011 Candidate MVP Portfolio Analysis was based on the need to economically and reliably help states meet their public policy needs. The study identified a regional transmission portfolio that will enable the MISO Load Serving Entities (LSEs) to meet their Renewable Portfolio Standards (RPS). The analyses and their results describe a robust business case for the portfolio. This business case demonstrates that not only will the proposed MVP portfolio reliably enable Renewable Portfolio Standards to be met, but it will do so in a manner where its economic benefits exceed its costs.
While the study focused upon the RPS requirements, the transmission portfolio will ultimately have widespread benefits beyond the delivery of wind and other renewable energy. It will enhance system reliability and efficiency under a variety of different generation build outs. It will also open markets to competition, reducing congestion and spreading the benefits of low cost generation across the MISO footprint. The Candidate MVP Portfolio Analysis focused on identifying and increasing the benefits of the transmission portfolio, including the reliability, economic and public policy drivers.

## Tariff requirements

The Candidate MVP Portfolio Analysis and the recommendation of the proposed MVP portfolio were premised on the MVP criteria described in Attachment FF of the MISO Tariff and shown below.

## Criterion 1

A Multi Value Project must be developed through the transmission expansion planning process to enable the transmission system to deliver energy reliably and economically in support of documented energy policy mandates or laws enacted or adopted through state or federal legislation or regulatory requirement. These laws must directly or indirectly govern the minimum or maximum amount of energy that can be generated. The MVP must be shown to enable the transmission system to deliver such energy in a manner that is more reliable and/or more economic than it otherwise would be without the transmission upgrade.

## Criterion 2

A Multi Value Project must provide multiple types of economic value across multiple pricing zones with a Total MVP benefit to cost ratio of 1.0 or higher, where the total MVP benefit to cost ratio is described in Section II.C. 7 of Attachment FF to the MISO Tariff. The reduction of production costs and the associated reduction of LMPs from a transmission congestion relief project are not additive and are considered a single type of economic value.

## Criterion 3

A Multi Value Project must address at least one transmission issue associated with a projected violation of a NERC or Regional Entity standard and at least one economic based transmission issue that provides economic value across multiple pricing zones. The project must generate total financially quantifiable benefits, including quantifiable reliability benefits, in excess of the total project costs based on the definition of financial benefits and Project Costs provided in Section II.C. 6 of Attachment FF.

The MVP cost allocation criteria requires evaluation of the portfolio on a reliability, economic and energy delivery basis. The scope of the analysis was designed to demonstrate this value, both on a project and portfolio basis. The projects in the MVP portfolio were evaluated against MVP criteria 1 and their ability to reliably enable the renewable energy mandates of the MISO states was quantified.
In addition, the Tariff identifies specific types of economic value which can be provided by Multi Value Projects. These values are:

- Production cost savings where production costs include generator startup, hourly generator no-load, generator energy and generator Operating Reserve costs. Production cost savings can be realized through reductions in both transmission congestion and transmission energy losses. Productions cost savings can also be realized through reductions in Operating Reserve requirements within Reserve Zones and, in some cases, reductions in overall Operating Reserve requirements for the Transmission Provider.
- Capacity losses savings where capacity losses represent the amount of capacity required to serve transmission losses during the system peak hour including associated planning reserve.
- Capacity savings due to reductions in the overall Planning Reserve Margins resulting from transmission expansion.
- Long-term cost savings realized by Transmission Customers by accelerating a long-term project start date in lieu of implementing a short-term project in the interim and/or longterm cost savings realized by Transmission Customers by deferring or eliminating the need to perform one or more projects in the future.
- Any other financially quantifiable benefit to Transmission Customers resulting from an enhancement to the transmission system and related to the provisions of Transmission Service.

The full proposed portfolio was evaluated against the benefits defined in the Tariff for MVP projects. In addition to the benefits described above, the operating reserve and wind siting benefits for the portfolio were quantified, as allowed under the last Tariff defined economic value. These benefits are described more fully in the economic benefit section later in the report.

## Public policy needs

Twelve of 13 states in the MISO footprint have enacted either RPS requirements or renewable energy goals which require or recommend varying amounts of load be served with energy from renewable energy resources. The Candidate MVP Portfolio Analysis focused on the transmission necessary to economically and reliably meet the state RPS mandates. Figure 4.1-6 below provides additional details on these renewable energy requirements and goals.


Figure 4.1-6: RPS mandates and goals within the MISO footprint

RPS mandates vary from state to state in their specific requirement details and implementation timing, but they generally start in about 2010 and are indexed to increase with load growth. While state laws support a number of different types of renewable resources, and multiple types of renewable resources will play a role in meeting state RPS mandates, the majority of renewable energy resources installed in the foreseeable future will likely focus on harnessing the abundant wind resources throughout the MISO footprint.

## Enhanced reliability and economic drivers

The ultimate goal of the MISO planning process is to reliably deliver energy to load at the lowest possible cost. This requires a strategy premised upon a low cost approach to transmission and generation investment. This premise supports the overall constructability of the transmission portfolio, while reducing financial risk associated with overbuilding the system.

## Transmission strategy

A transmission strategy addressing both local needs and regional drivers allows the MISO system to realize significant economic and reliability benefits. Regional transmission, such as the transmission in the proposed MVP portfolio, increases reliability in the MISO footprint, opens the market to increased competition and provides access to low cost generation, regardless of fuel type. Development of a strong regional transmission backbone is analogous to the development of the U.S. Interstate Highway System. While developed for specific wartime reasons, the system has realized significant additional benefits in subsequent years. Similarly, the proposed MVP portfolio will create reliability, economic and public policy benefits that reach beyond the immediate needs exhibited in this analysis.

The overall goal for the Candidate MVP Portfolio Analysis was to design a transmission portfolio which takes advantage of the linkages between local and regional reliability and economic benefits to bring value to the entire MISO system. The portfolio was designed using reliability and economic analyses, applying several futures scenarios to determine the robustness of the designed portfolio under a number of future potential energy policies.

## Development of the Candidate MVP portfolio

In order to provide widespread benefits commensurate with costs, MISO developed an initial portfolio of candidate MVP projects that were hypothesized to provide widespread benefits across the footprint. The projects selected as candidates for possible inclusion in the broader portfolio were then intensively evaluated in the Candidate MVP Portfolio Analysis to ensure they were justified and contributed to the portfolio business case.

The goal of the Candidate
MVP Portfolio Analysis was
to design a transmission portfolio which takes
advantage of the linkages between local and regional reliability and economic benefits to bring value to the entire MISO system.


Figure 4.1-7: Initial 2011 Candidate MVP portfolio

The Candidate MVP portfolio was the first portfolio developed for review under the recent Tariff revisions establishing the MVP cost allocation classification. It was developed by considering regional system enhancements that could potentially provide multiple types of value, including enhanced reliability, reduced congestion, increased market efficiency, reduced real power losses and the deferral of otherwise needed capital investments in transmission. The portfolio was designed to enhance and complement the existing system performance, working cohesively with the individual elements of the portfolio and with the existing transmission grid, to produce a more robust and efficient system. Ultimately, the first portfolio represents a set of "no regrets" projects, providing benefits to the system in all futures scenarios studied.

## Historical studies

MISO began to investigate the transmission required to integrate wind and provide the best value to consumers in 2002. The analyses continued through subsequent MTEP cycles, with exploratory and energy market analyses. As the demand for renewable energy grew, driven largely by an increasing level of renewable energy mandates or goals, additional regional studies were conducted to determine the transmission necessary to support these policy objectives. These studies included the Joint and Coordinated System Plan (JCSP), the Regional Generation Outlet Studies (RGOS), and analyses by the Organization of MISO States (OMS) Cost Allocation and Regional Planning (CARP) group.


Figure 4.1-8: Prior study input into Candidate MVP portfolio

As analyses continued, the policy and economic drivers behind a regional transmission plan continued to grow. This growth was partly fueled by the development of the MISO energy and operating reserve market, which allows for regional transmission to provide regional benefits through increasing market efficiency, enabling low cost generation to be delivered to load. Simultaneously, an increase in state energy policy mandates drove the need for a robust regional transmission network, capable of responding to legislated changes in generation requirements.

## Wind siting strategy

As an increasing number of states in the MISO footprint began to enact renewable energy mandates or goals, a strategy for siting wind generation was required to minimize the cost of delivered energy to consumers. To determine the low cost solution, encompassing generation and transmission capital cost, MISO developed a set of potential energy zones or locations where wind generation could feasibly be located, on a state by state basis ${ }^{29}$. In conjunction with state regulators and other stakeholders, MISO used these zones to explore a number of long term transmission and generation strategies to meet the state RPS requirements. These analyses focused on the tradeoffs between local wind generation, which typically requires less transmission expansion but a larger amount of wind turbines to deliver a given amount of wind energy; versus regional wind generation, which requires fewer wind turbines at the cost of higher levels of transmission expansion.


Figure 4.1-9: Capital costs of transmission and generation

[^105]The study results demonstrated that the low cost approach to wind generation siting, when both generation and transmission capital costs are considered, is a combination of local and regional wind generation locations, as shown by the white area in Figure 4.1-9. This approach was affirmed by the Midwest Governors' Association as the best method for wind zone selection and used as the basis for the final phase of the RGOS analysis in 2010. It was also used as the basis for the wind siting approach for the Candidate MVP Portfolio Analysis. The set of energy zones chosen for the Candidate MVP Portfolio Analysis are shown below in Figure 4.1-10 as blue ovals.


Figure 4.1-10: Candidate MVP Incremental Energy Zones ${ }^{30}$

[^106]
## Candidate MVP Portfolio Analysis study scope

The Candidate MVP Portfolio Analysis combined the MISO Board of Director Planning Principles and the conditions precedent to transmission construction to develop a transmission portfolio that meets public policy, economic and reliability requirements. The analysis built a robust business case for the recommended transmission, using the newly created Multi Value Project (MVP) cost allocation methodology approved by FERC. The candidate transmission was tested against a variety of potential policy futures. This maximized the value of the transmission portfolio and reduced potential negative risks associated with its construction due to changes in future demand and energy growth. The output of the study was a justified portfolio of proposed MVPs for inclusion in MTEP11 Appendix A and, if approved by the MISO Board of Directors, subsequent construction.

The MVP cost allocation criterion requires the evaluation of the portfolio on a reliability, economic and energy delivery basis.

The MVP cost allocation criteria requires the evaluation of the portfolio on a reliability, economic and energy delivery basis. The analyses were designed to demonstrate this value, both on a project and portfolio basis. To this end, the Candidate MVP Portfolio Analysis included the studies and output shown in table 4.1-2.

These analyses focused on three main areas. The project valuation analyses focused on justifying each individual MVP project against the MVP criteria. The portfolio valuation analyses determined the benefits of the portfolio in aggregate, quantifying additional reliability and economic benefits. Finally, a series of system performance analyses were performed to ensure that the system reliability will be maintained with the proposed MVP portfolio in service.

| Analysis Type | Analysis Output | Purpose |
| :---: | :---: | :---: |
| Steady state | List of thermal overloads mitigated by the proposed MVP portfolio transmission projects | Project valuation |
| Alternatives | Relative value of the candidate MVP projects against a stakeholder or MISO identified alternative Can include steady state and production cost analyses | Project valuation |
| Underbuild requirements | Document any incremental transmission required to mitigate constraints created by the addition of the proposed MVP portfolio | System performance |
| Short circuit | Document any incremental upgrades required to mitigate any short circuit / breaker duty violations | System performance |
| Stability | List of violations mitigated by the proposed MVP portfolio transmission projects Includes both transient and voltage stability analysis | System performance / Portfolio valuation |
| Generation enabled | Document wind curtailed, and additional wind that is enabled by the proposed MVP portfolio | Portfolio valuation |
| Production cost | Adjusted Production Cost (APC) benefits of the entire proposed MVP portfolio | Portfolio valuation |
| Robustness testing | Quantification of portfolio benefits under various policy futures or transmission conditions | Portfolio valuation |
| Operating reserves Impact | Impact of the proposed MVP portfolio on existing operating reserve zones and quantification of this benefit | Portfolio valuation |
| Planning Reserve Margin (PRM) benefits | Capacity savings due to reductions in the system wide Planning Reserve Margin caused by the addition of the proposed MVP portfolio to the transmission system | Portfolio valuation |
| Transmission loss reductions | Capacity losses savings, where capacity losses represent the amount of capacity required to serve transmission losses during the system peak hour | Portfolio valuation |
| Wind generation capital investment | Quantification of the incremental wind generator capital cost savings enabled by the wind siting methodology supported by the proposed MVP portfolio | Portfolio valuation |
| Avoided capital investment (transmission) | Document the future baseline transmission investment that may be avoided due to the installation of the proposed MVP portfolio | Portfolio valuation |

Table 4.1-2: Candidate MVP Portfolio Analyses and Output

## Proposed MVP portfolio overview



Figure 4.1-11: 2011 proposed MVP portfolio

The proposed MVP portfolio consists of 17 projects spread across the MISO footprint. These projects work together with the existing transmission network to enhance the reliability of the system, support public policy goals and enable the more efficient dispatch of market resources. Table 4.1-3 below describes the projects that make up the proposed MVP portfolio.

|  | Project | State | Voltage (kV) | In Service Year | $\begin{gathered} \text { Cost } \\ \text { (M, } \\ 2011 \$) \\ \hline \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | Big Stone-Brookings | SD | 345 | 2017 | \$191 |
| 2 | Brookings, SD-SE Twin Cities | MN/SD | 345 | 2015 | \$695 |
| 3 | Lakefield Jct. -Winnebago-Winco-Burt area \& Sheldon-Burt area-Webster | MN/IA | 345 | 2016 | \$506 |
| 4 | Winco-Lime Creek-Emery-Black Hawk-Hazleton | IA | 345 | 2015 | \$480 |
| 5 | N. LaCrosse-N. Madison-Cardinal \& Dubuque Co. -Spring Green-Cardinal | WI | 345 | 2018/2020 | \$714 |
| 6 | Ellendale-Big Stone | ND/SD | 345 | 2019 | \$261 |
| 7 | Adair-Ottumwa | IA/MO | 345 | 2017 | \$152 |
| 8 | Adair-Palmyra Tap | MO/LL | 345 | 2018 | \$98 |
| 9 | Palmyra Tap-Quincy-Merdosia-Ipava \& Meredosia-Pawnee | IL | 345 | 2016/2017 | \$392 |
| 10 | Pawnee-Pana | IL | 345 | 2018 | \$88 |
| 11 | Pana-Mt. Zion-Kansas-Sugar Creek | IL/IN | 345 | 2018/2019 | \$284 |
| 12 | Reynolds-Burr Oak-Hiple | IN | 345 | 2019 | \$271 |
| 13 | Michigan Thumb Loop Expansion | MI | 345 | 2015 | \$510 |
| 14 | Reynolds-Greentown | IN | 765 | 2018 | \$245 |
| 15 | Pleasant Prairie-Zion Energy Center | WI/LL | 345 | 2014 | \$26 |
| 16 | Fargo-Galesburg-Oak Grove | IL | 345 | 2018 | \$193 |
| 17 | Sidney-Rising | IL | 345 | 2016 | \$90 |
| Total |  |  |  |  | \$5,197 |

Table 4.1-3: Proposed MVP portfolio

## Reliability benefits and analyses

The proposed MVP portfolio maintains system reliability by resolving violations on approximately 650 transmission elements for more than 6,700 system conditions. It also mitigates 31 system instability conditions. More information on these constraints can be found in Appendix E4, and a full write up of the analyses will be included in the full MVP portfolio report. A description of the reliability analysis results follows in the next section.

## Steady state

A series of steady state analyses were conducted to determine the transmission line overloads and system voltage constraints mitigated by the proposed MVP portfolio. The primary steady state analysis was performed on a set of 2021 shoulder peak models, with both 2021 and 2026 mandated wind levels considered. Shoulder peak models were chosen for the primary analysis, as the high wind levels required by the renewable portfolio mandates are more likely to create system constraints under these conditions. A 2021 peak analysis was also conducted to ensure the full reliability benefits of the proposed portfolio were captured. Each set of analyses were performed on: 1) a model with the RPS mandated wind, without any incremental transmission; 2) a model with the RPS mandated wind and the MVP portfolio. The results from the two analyses were compared to determine what constraints were mitigated by the proposed MVP portfolio.


A total of 384 thermal overloads were mitigated by the proposed MVP portfolio under shoulder peak conditions, for approximately 4,600 system conditions. In addition, approximately 100 additional thermal overloads and 150 voltage violations were mitigated by the proposed MVP portfolio in the summer peak analysis.

## Stability

## Transient Stability

MISO performed a set of transient stability analyses to ensure the ability of existing and proposed generation to remain synchronous with other system generation under severe fault conditions, as required by NERC and regional reliability standards. Two scenarios were studied to evaluate the impact of major fault conditions without any voltage or damping criteria violations. The first scenario included all the incremental wind zones with none of the proposed MVPs portfolio modeled, and the second scenario included incremental wind zones and the proposed MVP portfolio.
Based on the comparative analysis involving simulation of approximately 650 fault conditions under both scenarios, there were 31 fault conditions that without the proposed MVP portfolio would cause the system to experience undamped oscillations, causing generators to trip offline or incur damage due to high speed rotation, creating safety risks for plant personnel and potentially causing a large scale loss of load. These conditions were resolved by the addition of the proposed MVP portfolio to the system, and no additional stability violations were determined with the MVP portfolio in service.

## Voltage Stability Analysis

MISO performed voltage stability analyses to identify voltage collapse conditions under high energy transfer conditions from major generation resources to major load sinks. Such transfers may occur during critical dispatch scenarios, such as when local area generation near large load centers are offline and remote generation resources are supplying energy to the load centers. Two scenarios were studied to evaluate the incremental energy transfer capability. The first scenario included all the incremental wind zones with none of the proposed MVP portfolio modeled, and the second scenario included all the incremental wind zones and the proposed MVP portfolio.
MISO did not observe any voltage stability issues with the proposed MVP portfolio in place, and with the high energy transfers corresponding to the highest wind resource output levels. Additionally, the comparative transfer analysis simulated high transfer conditions from the wind rich West Region of the MISO footprint to major load centers such as Minneapolis-St. Paul, Madison, St Louis and Des Moines. The results, shown in Appendix E4, illustrate that the addition of the proposed MVP portfolio causes an increase in transfer capability from wind rich regions to major load centers that ranges from 960 to 1,841 MW. This additional transfer capacity will increase system reliability and robustness, allowing additional energy sources to be dispatched to serve load centers as needed.

## Short circuit

The addition of significant amounts of new high voltage transmission to the grid can increase the system connectivity, resulting in lowered impedance for short circuit currents. This can cause available fault currents throughout the system to exceed circuit breaker interrupting capabilities. MISO staff and Transmission Owners performed a series of high level short circuit analyses to identify any breaker or substation equipment needing to be upgraded after the addition of the proposed MVP portfolio to the transmission system. These analyses were performed directly by the affected Transmission Owners, with MISO staff providing modeling information for the proposed MVP projects. Any identified circuit breaker upgrades were verified through independent analysis by MISO staff, and their costs were included in the portfolio. Overall, nine circuit breakers were identified for replacement, at a total cost of $\$ 2.2$ million.

## Underbuild requirements

To ensure that the proposed MVP portfolio works well with the existing system to maintain reliability, MISO conducted analyses to determine any constraints that are present with the proposed MVP Portfolio and not present without the proposed portfolio. Any new constraints were identified for mitigations, and the appropriate mitigation was determined in coordination with the impacted Transmission Owners.
Below is a full list of the underbuild upgrades. Overall, approximately $\$ 70$ million of transmission investment is associated with such underbuild.

| Underbuild requirements |
| :--- |
| Burr Oak to East Winamac 138 kV line uprate |
| Lake Marian $115 / 69 \mathrm{kV}$ transformer replacement |
| Arlington to Green Isle 69 kV line uprate |
| Columbus 69 kV transformer replacement |
| Casey to Kansas 345 kV line uprate |
| Lake Marian to NW Market Tap 69 kV line uprate |
| Franklin $115 / 69 \mathrm{kV}$ transformer replacements |
| Castle Rock to ACEC Quincy 69 kV line uprate |
| Kokomo Delco to Maple 138 kV line uprate |
| Wabash to Wabash Container 69 kV line uprate |
| Spring Green $138 / 69 \mathrm{kV}$ transformer replacement |
| Davenport to Sub 85161 kV line uprate |
| West Middleton West Towne 69 kV line uprate |
| Ottumwa Montezuma 345 kV line uprate |

Table 4.1-4: Proposed MVP portfolio underbuild requirements

## Alternatives assessment

To ensure the proposed MVP portfolio provides cost-effective benefits to the MISO system, MISO considered alternatives to the Candidate MVP portfolio. In addition, similar alternatives were also considered in the prior studies which led to the selection of the initial Candidate MVP portfolio.
A "do-nothing" alternative was first considered. This alternative was used as a baseline to determine the system performance in delivering future generation requirements to load. It was demonstrated that, without major additions to the regional transmission system, significant generation curtailment would be required to maintain system reliability. Such a system would lead to heavy system loading conditions, potential instabilities, reduced reliability margins and would limit the ability of the states in the MISO footprint to meet their renewable energy mandates. As such, it was determined that significant system enhancements would be needed to meet renewable energy mandates and maintain system reliability.
An alternative build-out based on a piecemeal resolution of each facility experiencing an overload was considered. Such a plan would build incremental local upgrades to mitigate the reliability issues directly caused by the injection of the mandated wind into the transmission system. This would result in a minimum of 650 transmission projects, as compared to the 17 larger projects that comprise the proposed

MVP portfolio. MISO does not believe that 650 projects on the existing system could be completed in the same reliable or timely manner as the construction of the proposed MVP portfolio.

Also, this alternative would cost approximately $\$ 4.7$ billion, based only upon the constraints found in the steady state reliability analysis. Additional investment would most likely be required to mitigate the constraints found in the stability analyses. This alternative would provide much lower benefits to the MISO system, as it does not provide long term solutions that increase the regional transmission capability. This solution would enable less wind to be delivered, endangering the ability of the states in the MISO footprint to meet their renewable energy mandates. It would provide significantly less economic benefits, as the regional values quantified below would be reduced or eliminated.


Figure 4.1-12: Candidate versus proposed MVP portfolio
The final alternative considered was the optimization of a regional transmission solution. Analysis surrounding this alternative began with the creation of the Candidate MVP portfolio, a derivative of the highest value transmission solutions from studies beginning in 2003 and continuing to the present. This candidate portfolio was optimized by evaluating each transmission line separately and in the context of other lines in the portfolio. This optimization included analyses of a different transmission configuration in lowa, the removal of the Adair to Thomas Hill line, an option to reconfigure the transmission lines across southern Illinois and the removal of the Reynolds to Sullivan 765 kV line segment from the candidate portfolio. Although not all these changes were found to be justified, the investigations into the proper portfolio configuration increased the reliability, economic and public policy benefits of the final, proposed MVP portfolio.

## Public policy benefits

The proposed MVP portfolio was built upon a set of energy zones that, although they can be used for alternative forms of generation, were premised upon a low cost approach to wind generation siting. Through resolving reliability constraints that would otherwise result in the curtailment of wind generation, the proposed MVP portfolio enables the delivery of 41 million MWh of renewable energy annually to support the renewable energy mandates of the MISO states through at least 2026.

> Through resolving reliability constraints that would otherwise result in the curtailment of wind generation, the proposed MVP portifolio enables the delivery of 41 million MWh of renewable energy annually.

## Economic benefits

Multi Value Projects represent the next step in the evolution of the MISO transmission system: a regional network that, when combined with the existing system, provides value in excess of its costs under a variety of future policy and economic conditions. These benefits are quantified below. More information on the method used to quantify the values can be found in Appendix E5, and a more detailed analysis will be included in the full MVP portfolio report, which will be published later in 2011.


Figure 4.1-13: Proposed MVP portfolio economic benefits

## Congestion and fuel savings

The proposed MVP portfolio allows for a more efficient dispatch of generation resources, opening markets to competition and spreading the benefits of low cost generation throughout the footprint. These benefits were quantified through a series of production cost analyses, which captured the economic benefits of the proposed MVP transmission and the wind it enables. These benefits reflect the savings achieved through the reduction of transmission congestion costs and through more efficient generation resource utilization.

In order to show the economic benefits of the portfolio under a variety of different potential policy based futures, MISO calculated four sets of Adjusted Production Cost (APC) benefits. The futures analyzed were designed to 'bookend' the range of potential future policy outcomes, ensuring that all of the most likely future policy scenarios and their impacts were within the range bounded by the results. The futures analyzed are described below.

- Business As Usual with Continue Low Demand and Energy Growth assumes that current energy policies will be continued, with continuing recession level low demand and energy growth projections.
- Business As Usual with High Demand and Energy Growth assumes that current energy policies will be continued, with demand and energy returning to pre-recession growth rates
- Carbon Constrained assumes that current energy policies will be continued, with the addition of a carbon cap modeled on the Waxman-Markey Bill.
- Combined Energy Policy assumes multiple energy policies are enacted, including a 20 percent federal RPS, a carbon cap modeled on the Waxman Markey Bill, implementation of a smart grid and widespread adoption of electric vehicles.

More information on these futures may be found in Appendix E2.


Figure 4.1-14: Proposed MVP portfolio Adjusted Production Cost Benefits

The future scenarios without any new energy policy mandates provide a baseline of the proposed MVP portfolio's benefits under current policy conditions. Additionally, the evaluation of the Carbon Constrained and Combined Policy future scenarios provide 'bookends' which help show the full range of benefits that may be provided by the portfolio. When the 'Business as Usual' future scenarios with no new energy policies were analyzed, the proposed MVP portfolio will produce an estimated $\$ 12.4$ to $\$ 40.9$ billion in 20 to 40 year Present Value (PV) Adjusted Production Cost (APC) benefits, depending on the timeframe, discount rate, energy growth rates and demand growth rates considered. This benefit would increase to a maximum present value of $\$ 91.7$ billion under the Combined Policy future scenario.

## Operating reserves

In addition to the energy benefits quantified in production cost analyses, the proposed MVP portfolio will also reduce operating reserve costs. The MVPs decrease congestion on the system, increasing the transfer capability into several key areas that would otherwise have to hold additional operating reserves under certain system conditions.


Figure 4.1-15: Operating reserve zones

MISO determined that the addition of the proposed MVP portfolio will eliminate the need for the Indiana operating reserve zone, and the need for additional system reserves to be held in other zones across the footprint would be reduced by half. This creates the opportunity to locate an average of 690,000 MWh of operating reserves annually where it would be most economical to do so, as opposed to holding these reserves in prescribed zones, creating benefits of $\$ 28$ to $\$ 87$ million in 20 to 40 year present value terms.

## System planning reserve margin

The system planning reserve is calculated by determining the amount of generation required to meet a one day in 10 year Loss of Load Expectation (LOLE). It has two components: the unconstrained system Planning Reserve Margin (PRM), and the congestion contribution. The proposed MVP portfolio reduces transmission congestion across MISO, thereby reducing the system PRM and decreasing the amount of generation needed to maintain the PRM.


Figure 4.1-16: Expected planning reserve margin, with and without congestion

Through reducing the PRM, the proposed MVP portfolio allows the deferral of new generation, creating $\$ 1.0$ to $\$ 5.1$ billion in present value benefits, depending on whether a 20 or 40 year present value is considered, as well as the future growth and discount rates.

## Transmission line losses

The addition of the proposed MVP portfolio to the transmission network reduces overall system losses, reducing the generation needed to serve the combined load and transmission line losses. The energy value of these loss reductions is considered in the congestion and fuel savings benefits, but the loss reduction also helps to reduce future generation capacity needs. Specifically, when installed generation capacity is only just sufficient to meet peak system load plus the planning reserve margin, a reduction in transmission losses creates benefits through reducing the amount of generation that must be built. This
creates $\$ 111$ million to $\$ 396$ million in present value savings, depending on the timeline of the present value calculations, the discount rate and energy/demand growth rates.

## Wind turbine investment

As discussed previously, MISO determined a wind siting approach that results in a low cost solution, when transmission and generation capital costs are considered. This approach sources generation in a combination of local and regional locations, placing wind local to load, where less transmission is required; and regionally, where the wind is the strongest. However, this strategy depends on a strong regional transmission system to deliver the wind energy. Without this regional transmission backbone, the wind generation would have to be sited close to load, requiring the construction of significantly larger amounts of wind capacity to produce the renewable energy mandated by public policy.


Figure 4.1-17: Local versus combination wind siting

In the RGOS study, it was determined that 11 percent less wind would need to be built to meet renewable energy mandates in a combination local/regional methodology relative to a local only approach. Approximately 2.9 GW less generation capacity is required for the combination siting approach, creating present value benefits of $\$ 1.4$ billion to $\$ 2.5$ billion.

## Transmission investment

In addition to relieving constraints under shoulder peak conditions, the proposed MVP portfolio will eliminate some future baseline reliability upgrades. A modeling simulating 2031 summer peak load conditions was created to determine what future baseline reliability upgrades would not be needed, and this model was run both with and without the proposed MVP portfolio. The proposed MVP portfolio eliminates the need for baseline reliability upgrades on 23 lines between 2026 and 2031. This creates benefits which have 20 and 40 year present values of $\$ 268$ and $\$ 1,058$ million, respectively.

## Business case variables and impacts

The projected benefits created by the proposed MVP portfolio are dependent on projections of future policy and economic variables.
The most critical variables considered were:

- Future energy policies
- Includes a range of policy, demand and energy growth assumptions
- Sensitivities were conducted to determine the impact of a legislated cost of carbon or national renewable energy mandate
- Length of Present Value Calculations: 20 or 40 years from the portfolio's in service date
- Discount Rate: 3 percent to 8.2 percent
- Natural gas prices: $\$ 5-\$ 8$ (Business as Usual Scenarios)
$\$ 8-\$ 10$ (Combination Policy and Carbon Constrained Futures)
- Wind turbine capital cost: 2.0 to 2.9 \$M/MW


Figure 4.1-18: Benefit - cost variations due to business case assumptions

[^107]Depending on which variables are assumed, the present value of the benefits created by the entire portfolio can vary between $\$ 18.5$ and $\$ 126.0$ billion in 20 to 40 year present value terms. This savings yield benefits ranging from 1.8 to 5.7 times the portfolio cost.

It should be noted that the benefits of the portfolio do not depend upon the implementation of any particular future energy policy to exceed the portfolio costs. Under existing energy policies, a conservative discount rate of 8.2 percent and 20 year present value terms, the portfolio produces benefits that are 1.8 times its cost. However, if other energy policies or enacted, or a lower discount rate is used, this benefit has the potential to greatly increase.

## Portfolio benefits and cost spread

A key principle of the MISO planning process is that the benefits from a given transmission project must be spread commensurate with its costs. The MVP cost allocation methodology distributes the costs of the portfolio on a load ratio share across the MISO footprint, so the proposed MVP portfolio must be shown to deliver a similar spread of benefits.


Figure 4.1-19: Proposed MVP portfolio production cost benefits spread

The proposed MVP portfolio provides benefits across the MISO footprint in a manner that is roughly equivalent to its costs allocation. For each of the local resource zones, as shown in Figure 4.1-19 above, the portfolio's benefits are at least 1.6 to 2.9 times the cost allocated to the zone.

## Qualitative and social benefits

The previous sections demonstrated that the proposed MVP portfolio provides widespread economic benefits across the MISO system. However, these metrics do not fully quantify the benefits of the portfolio. Other benefits, based on qualitative or social values, are discussed in the next sections. These sections suggest that the quantified values from the economic analysis may be conservative because they do not account for the full potential benefits of the portfolio.

## Enhanced generation policy flexibility

Although the proposed Multi Value Project portfolio was primarily evaluated on its ability to reliably deliver energy required by the renewable energy mandates, the portfolio will provide value under a variety of different generation policies. The energy zones, which were a key input into the Candidate MVP portfolio Analysis, were created to support multiple generation fuel types. For example, the correlation of the energy zones to the existing transmission lines and natural gas pipelines were a major factor considered in the design of the zones. This can be seen in Figure 4.1-20, which shows the correlation between the energy zones and natural gas pipelines.


Figure 4.1-20: Energy zone correlation with natural gas pipelines

## Increased system robustness

A transmission system blackout, or similar event, can have wide spread repercussions, resulting in billions of dollars of damage. The blackout of the Eastern and Midwestern U.S. during August 2003 affected more than 50 million people and had an estimated economic impact of between $\$ 4$ and $\$ 10$ billion. ${ }^{31}$

The proposed MVP portfolio creates a more robust regional transmission system which decreases the likelihood of future blackouts by:

- Strengthening the overall transmission system by decreasing the impacts of transmission outages.
- Increasing access to additional generation under contingent events.
- Enabling additional transfers of energy across the system during severe conditions.

[^108]

Figure 4.1-21: June 2011 LMP map with proposed MVP portfolio overlay

The proposed MVP portfolio will increase the transfer capability across the system, allowing access to additional generation resources to offset the impact and cost of severe or emergency conditions.

For example, the proposed MVP portfolio will allow the system to respond more efficiently during high load periods. During the week of July 17, 2011, high load conditions existed in the eastern portion of the MISO footprint, while the western portion of the footprint experienced lower temperatures and loads. Thermal limitations on west to east transfers across the system limited the ability of low cost generation from the west to serve the high load needs in the east, as shown in Figure 4.1-21. The proposed MVP portfolio will increase the transfer capability across the system, allowing access to additional generation resources to offset the impact and cost of severe or emergency conditions.

## Decreased natural gas risk

Natural gas prices have historically varied widely, causing corresponding fluctuations in the cost of energy from natural gas fueled generation. Also, recent Environmental Protection Agency (EPA) regulations and proposed regulations limiting the emissions permissible from power plants will likely lead to more natural gas fired generation. This may put additional upward pressure on natural gas costs as demand increases. However, the proposed MVP portfolio can help partially offset the associated natural gas price risk by providing additional access to generation that uses fuels other than natural gas (e.g. nuclear, wind, solar and coal) during periods with high natural gas prices.


Figure 4.1-22: Historic U.S. natural gas electric power prices

Assuming a natural gas price increase of 25 percent to 60 percent, the proposed MVP portfolio provides 5 percent to 40 percent higher production cost benefits.

## Decreased wind generation volatility

As the geographical distance between wind generation increases, the correlation in the wind output decreases. This leads to a higher average output from wind for a geographically diverse set of wind plants, relative to a closely clustered group of wind plants. The proposed MVP portfolio will increase the geographic diversity of wind resources that can be delivered, increasing the average wind output available at any given time.

Wind Output Correlation vs. Distance Between Wind Sites


Figure 4.1-23: Wind Output correlation to distance between wind sites

## Local investment and job creation

In addition to the direct benefits of the proposed MVP portfolio, studies have shown the indirect economic benefits of transmission investment. They estimated that, for each million dollars of transmission investment:

- Between $\$ 0.2$ and $\$ 2.9$ million of local investment is created.
- Between 2 and 18 employment years are created. ${ }^{32}$

The wide variations in these numbers are primarily due to the extent to which materials, equipment and workers can be sourced from a 'local' region. For example, each million dollars of local investment supports 11 to 14 employment years of local employment, as compared to 2 to 18 employment years which are created for non-location specific transmission investment.

The proposed MVP portfolio supports the creation of between 17,000 and 39,800 local jobs, as well as $\$ 1.1$ to $\$ 9.2$ billion in local investment. This calculation is based upon a creation of $\$ 0.3$ to $\$ 1.9$ million local investment and 3 to 7 employment years per million of transmission investment.

## Carbon reductions

The proposed MVP portfolio enables the more economical dispatch of generation, as low cost wind resources displace higher cost generation. This redispatch creates a reduction in the total carbon output produced by MISO generation of between 8.3 to 17.8 million tons annually.

Some of the future policy scenarios included a cost of carbon. This carbon cost is additive to the overall system production cost, and it was based upon a carbon cost of $\$ 50$ per ton.
If such a carbon cost was to occur, benefits would increase by between $\$ 3.8$ and $\$ 15.4$ billion in 20 and 40 year present value terms, respectively.

## Conclusions and recommendations

MISO staff recommends the proposed MVP portfolio to the MISO Board of Directors for their review and approval. This recommendation is premised on the ability of the portfolio to meet MVP criterion 1, as each project in the portfolio was shown to more reliably enable the delivery of wind generation in support of the renewable energy mandates of the MISO states in a cost effective manner.

The recommendation is also supported by the strong economic benefits of the portfolio, which delivers a large amount of value in excess of costs under all conditions and policy scenarios studied. Furthermore, these benefits are spread across the MISO footprint, in a manner commensurate with the allocation

> The proposed MVP portfolio reliably enables the delivery of wind generation in support of public policy needs, while delivering value in excess of its cost in all scenarios studied.

[^109]
### 4.2 EPA Regulation Impact Analysis

## Study disclaimer

The objective of the MISO EPA Regulation Impact Analysis is to inform stakeholders. MISO has no intention or authority to direct generation unit strategies. That authority belongs exclusively to the individual asset owners. The MISO analysis provides an overview of the impacts from the MISO regional perspective. Any sub regional evaluation of the data would be an incorrect interpretation and application of the results.

The detailed results of the analysis were derived from a limited set of economic assumptions that included low demand and energy growth, low gas prices and variation of carbon prices with sensitivities performed on gas and carbon prices. Retirement impacts can change with different assumptions for these variables. The study also assumes that the natural gas Transmission System is sufficient to accommodate the increased dependence on the natural gas fleet. This addresses some of those issues, but can't capture all future outcomes. To better understand the affects of changing inputs and risks of the uncertainty of carbon, additional analysis needs to be performed.

An additional caveat - since completion of this analysis - the EPA finalized the Cross State Air Pollution Rule (CSAPR). In general, the final regulation mandated more restrictive emission limits for some states than was modeled in this analysis. The final CSAPR has stronger state limitations in most cases but allows for a national trading program, which may allow for more flexibility in meeting the limits. In general, the rule appears to have the greatest impact in the near-term (1-3 years) operation of the generation fleet due to the reduction in the number and availability of both $\mathrm{SO}_{2}$ and $\mathrm{NO}_{x}$ allowances. The magnitude of this change on the MISO system is being evaluated in a follow-up study.
The EPA Regulation Impact Analysis was based on assumptions for proposed EPA regulations. Finalization of the remaining three regulations has the potential to introduce the risk of additional change and uncertainty, similar to what occurred with the CSAPR regulation. Any of the final regulations could differ from what was modeled in this analysis.

## EPA impact results summary

Over the last two years the U.S. Environmental Protection Agency (EPA) issued four proposed regulations that will affect the MISO system. One of the rules was finalized in July while the other three are still in draft form. The regulations will impact unit operations in the near-term (1-3 years) in addition to requiring utilities retrofit their generators with environmental controls or retire them in the 2015 timeframe. At the direction of its members, stakeholders and Board of Directors, MISO evaluated the impacts of the new regulations, including carbon requirements. This study evaluated the impacts on capacity cost, Resource Adequacy, cost of energy and transmission reliability.

MISO evaluated the four proposed regulations separately and in combination with each other over a nine month study period. This report focuses on the four rules as they were developed in draft form. The impact of the finalized Clean Air Transport Rule/Cross State Air Pollution Rule will be undertaken in an exhaustive follow-on study that is currently underway.

> A survey of the current fleet within MISO revealed a number of generation units will be affected. Impacts ranged from the installation of control equipment and expected redispatch to meet emission budgets, to potential retirement of units where the costs to comply outweigh the benefits of continued nneration.

The four proposed EPA regulations are:

- Cooling Water Intake Structures (CWIS) - section 316(b) of the Clean Water Act (CWA).
- Coal Combustion Residuals (CCR).
- Clean Air Transport Rule (CATR) as proposed in 2010. This regulation was finalized as the Cross State Air Pollution Rule (CSAPR) in July, 2011 after the study work was finalized.
- Mercury and Air Toxics Standards (MATS), formerly known as EGU Maximum Achievable Control Technology (MACT).

A survey of MISO's current fleet revealed that a number of generation units will be affected. Impacts ranged from the installation of control equipment and expected redispatch to meet emission budgets, to potential retirement of units where the costs outweigh the benefits of continued operation. Figure 4.2-1 shows that there are 298 coal units affected by these four proposed regulations and that the majority of the units ( 63 percent) are affected by three or all four regulations.


Figure 4.2-1: Number of coal units affected by EPA regulations.

The studies were conducted with the Electric Generation Expansion Analysis System (EGEAS) software package developed by the Electric Power Research Institute (EPRI) commonly used by utility generation planners. MISO performed more than 400 sensitivity screens using the EGEAS capacity expansion model to identify the units most at-risk for retirement. The sensitivities consisted of variation in costs for natural gas, cost uncertainty risk and retrofit compliance.

MISO identified nearly $13,000 \mathrm{MW}$ of units at risk for retirement. Those units were offered to the EGEAS model as an economic choice to retrofit for compliance or retirement. The model makes this decision by comparing alternatives and selecting an expansion forecast that minimizes costs, capital investment, production, emissions and annual fixed operations and maintenance.
MISO ran two economic alternatives. The first evaluated a $\$ 4.50$ natural gas cost, compliance for all the identified regulations and an expected cost for compliance with the regulations based on MISO stakeholder feedback through the study process. The second analysis evaluated increased compliance costs on the system. These increased costs are represented through a production cost adder coupled with the production of carbon on the system and is proxy for costs associated with the uncertainty around rules not finalized, additional life extension costs needed for balance of plant as well as the considered risk around the uncertainty of the treatment of green-house gases. It is expected that one or all are within the assumption error bounds for this analysis and the impacts will be considered in the fleet strategies of the asset owners. The results of the EGEAS analysis produced:

- 2,919 MW of coal fleet capacity at-risk for retirement under all likely scenarios. As of the publishing of this study, retirement requests of the coal fleet have amounted to $2,500 \mathrm{MW}$ in the MISO Attachment Y process.
- $12,652 \mathrm{MW}$ of coal fleet capacity at-risk for retirement identified to be within prudence considerations and error bounds for the assumptions of the MISO study.

The EGEAS retirement analysis minimizes the total system net present value costs over a twenty year planning period plus a forty year extension period. When the 2,919 MW and 12,652 MW of retired capacity were forced into the model, it was shown that the overall net present value of system costs varied by approximately 1 percent. This value is within the tolerance of assumption error. Additionally, MISO did not consider unit life extension costs in its evaluation. Because of these two considerations, it is expected that the higher value of nearly $13,000 \mathrm{MW}$ is more realistic of the potential retirements on the system.

Using a suite of planning products, MISO's evaluation on the range of potential impacts indicates the following:

- Total 20-year net present value capital cost of compliance may range from $\$ 31.6$ billion for 2,919 MW of retirement to $\$ 33.0$ billion for $12,652 \mathrm{MW}$ of retirement. Both values are in 2011 dollars and include the cost of retrofits on the system, replacement capacity, fixed operations and maintenance and transmission upgrades. The perceived balance in total system capital investment occurs because the average cost for installation of control technologies for a unit is approximately equivalent to the cost of a new

It will cost MISO approximately $\$ 30$ billion to comply with the new regulations, regardless of compliance strategy, increasing rates by more than 7 percent. combustion turbine that represents an alternative solution to compliance with the rules.

- Capital costs for retrofits are $\$ 28.2$ billion and $\$ 22.5$ billion, respectively.
- Maintenance of the Planning Reserve Margin (PRM) is obligated under the MISO tariff. So it is expected that any capacity retirements would eventually be matched with replacement capacity to support PRM requirements. To maintain this requirement, it is estimated that the replacement costs would be $\$ 1.7$ billion and $\$ 9.6$ billion.
- The bulk of the capital investment for the generation fleet is expected to occur in the 2014/2015 time frame to meet 2015/2016 requirements established through the proposed MATS regulation. This includes potential need for replacement resources as 12,652 MW of capacity retirements would erode the current installed reserves to below planning reserve margin values by 6 to 7 percentage points, Table 4.2-1.
- The annual fixed operations and maintenance impacts the total cost impact by $\$ 1.1$ billion and $\$ 0.0$, respectively.
- Retirement of units will have an impact on localized Transmission System reliability. To ensure voltage and transmission thermal support on the system, an estimated \$580 million and $\$ 880$ million, respectively, of additional transmission upgrades could be necessary to maintain system reliability. The transmission numbers depend on location and any change from the study assumptions could result in different costs. This assumes that no replacement capacity is at the retired units. If it is, the transmission upgrade costs will decrease.
- By replacing traditionally less reliable capacity with new resources, there is a potential that Planning Reserve Margin (PRM) requirements could decrease by having a more reliable fleet. Loss of Load Expectation (LOLE) analysis showed reductions of 0.2 to 1.0 percent. However, if no replacement capacity is identified for Resource Adequacy purposes, then analysis shows that the LOLE on the system could be on the order of 0.21 to 1.028 days/year. The current target is 0.1 days/year. Refer to Chapter 5.2 for more information on EPA impacts on resource adequacy.
- There will also be an increase in the MISO load-weighted LMP of between $\$ 1.2 / \mathrm{MWh}$ to $\$ 4.8 / \mathrm{MWh}$ (2011 dollars). This is driven by two key factors: (1) newly retrofitted units are less efficient because of the emission controls, and (2) retired coal facilities are replaced with natural gas fired capacity resulting in a greater dependence on the higher cost energy.
- Identifying all the costs to maintain regulation compliance and system reliability, retail rates could increase 7.0 to 7.6 percent.

|  |  | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| No retirements | Reserve <br> Margin <br> (MW) | 23,930 | 22,438 | 22,064 | 21,368 | 20,760 | 20,065 | 19,287 | 19,950 | 19,031 | 18,032 |
|  | $27.0 \%$ | $24.8 \%$ | $24.2 \%$ | $23.3 \%$ | $22.5 \%$ | $21.5 \%$ | $20.5 \%$ | $21.0 \%$ | $19.9 \%$ | $18.6 \%$ |  |
| 2.9 GW <br> Retirements <br> (impacts <br> adjusted for <br> expected <br> derates) | Reserve <br> Margin <br> (MW) | 21,603 | 20,111 | 19,737 | 19,041 | 18,433 | 17,738 | 16,960 | 17,623 | 16,704 | 15,705 |
| Reserve <br> Margin <br> (percent) | $24.3 \%$ | $22.2 \%$ | $21.7 \%$ | $20.8 \%$ | $19.9 \%$ | $19.0 \%$ | $18.1 \%$ | $18.6 \%$ | $17.5 \%$ | $16.2 \%$ |  |
| 12.6 GW <br> Retirements <br> (impacts <br> adjusted for <br> expected <br> derates) | Reserve <br> Margin <br> (MW) | 12,544 | 11,052 | 10,678 | 9,982 | 9,374 | 8,679 | 7,901 | 8,564 | 7,645 | 6,646 |

Table 4.2-1 Potential system reserve margin impacts of retirements compared to the MISO 2011 Long Term Resource Assessment

The generation capacity cost components include both the costs to retrofit and to build new capacity to eventually replace that which is retired. From the previous information, this twenty year net present value cost for $12,652 \mathrm{MW}$ of retirement is approximately $\$ 32.1$ billion. Table 4.2-2 shows where those costs are incurred in reference to the fleet to meet the proposed regulations. The investment identified is expected to occur prior to implementation of the MATS regulation and the lead time for the addition of control technology or new resources will include planning, regulatory approval, engineering, procurement, construction and installation that may require three to five years to implement on the system.

| Technology | Impacted <br> Capacity (MW) | Average Costs <br> $(\$ / k W)$ |
| :--- | :---: | :---: |
| No Action Required | 9,569 | 0 |
| Require Fabric Filters (Baghouse) | 27,921 | 150 |
| Require DSI and ACI or FGD | 20,427 | 478 |
| Replacement Greenfield Combustion <br> Turbine Capacity for Retirement | 12,652 | 663 |

Table 4.2-2 Average overnight construction costs to comply with the proposed regulations.

There is a compliance risk with the proposed regulations. Additional investment in the generation fleet and the Transmission System will maintain bulk power system reliability - at a cost. However, another risk not addressed directly that must be recognized is the time in which units must be compliant. Figure 4.2-2 demonstrates a high level timetable of rule implementation and compliance deadlines. If it is determined that capacity should be retired, it would take at least two to three years to build a combustion turbine to replace it. Also, if Transmission System reliability requires bulk transmission upgrades, a minimum of five years could be required for a transmission line to become operational. The time from final regulation to compliance may be difficult for some situations throughout the system.
Perhaps one of the most significant risk factors will be taking the existing units out for maintenance to install the needed compliance equipment. Given the tight window for compliance, much of the capacity on the MISO system will need to take their maintenance outages concurrently. The need to take multiple units out of service on extended outage has significant potential to impact resource adequacy.


Figure 4.2-2: Estimated timeline for regulation development and implementation

## Sensitivities impact

Just as in the MISO Transmission Expansion Plan (MTEP), MISO uses a scenario planning process in the analysis and evaluation of these EPA regulations. Evaluating the impact requires that many conditions be considered separately and in combination. MISO evaluated six scenarios with 77 sensitivities for each of the scenarios.

- Base conditions, no new regulations.
- Cooling Water Intake Structures section - 316(b) of the Clean Water Act (CWA).
- Coal Combustion Residuals (CCR).
- Clean Air Transport Rule (CATR) as proposed in 2010. This regulation was finalized as the Cross State Air Pollution Rule (CSAPR) in July, 2011 after the study work was finalized.
- Mercury and Air Toxics Standards (MATS) formerly known as EGU Maximum Achievable Control Technology (MACT).
- Combination of all four regulations.

Figure 4.2-3 demonstrates the sensitivities evaluated for each analysis. Since there are six regulation scenarios there would be six branches to this decision tree. Only the first branch is shown in Figure 4.2-3.


Figure 4.2-3: Decision tree of EPA cases

For each of the scenarios, 77 sensitivity cases consisting of two variations in compliance costs, natural gas costs and uncertainty risk costs represented as a cost to carbon production were modeled to produce a combined total of more than 400 sensitivity cases. The results indicated that up to $23,000 \mathrm{MW}$ of coal capacity could be at-risk because of regulation compliance.

From these sensitivity cases, a few general conclusions can be made.

- EPA regulation impacts: Compliance associated with the Mercury and Air Toxics Standards (MATS) produces the most at-risk units, since its compliance costs and emission reductions have the greatest impact of the proposed regulations.
- Stringent Rule Application: Higher compliance costs to meet more stringent rules result in more at risk units. Evaluating all natural gas and carbon sensitivities for the stringent rule application cases resulted in up to $23,000 \mathrm{MW}$ of at-risk capacity. However, running the same sensitivities at the more expected compliance costs as recommended and reviewed through the MISO stakeholder process, up to $13,000 \mathrm{MW}$ of capacity was considered to be at risk.
- Natural gas costs: Lower natural gas prices produced more at-risk capacity than higher gas prices. The lower natural gas prices provide more incentive to retire capacity as the alternative resources provide competitive energy costs for the system. Conversely, when gas prices are high, the coal units find enough revenue on the system to cover compliance costs and keep general energy prices lower.
- Risk costs: MISO evaluated the risks associated with uncertainty in regulation compliance through costs added to megawatt-hour production. This cost was represented by adding a price to carbon. Because of this, higher compliance costs put more economic pressure on the coal units within the system, and the economics favor natural gas and carbon neutral capacity. So more coal units are at-risk for retirement with the higher compliance costs applied.
The units at-risk for retirement range from 0 MW to $23,000 \mathrm{MW}$ based on the economic assumptions within the sensitivities. Cases where no units were identified to be at-risk for retirement include low compliance costs, higher gas prices and no risk costs applied. This occurs because it minimizes cost for compliance while increasing potential revenue within the energy market through higher natural gas prices. Cases that produce at-risk generation of up to $23,000 \mathrm{MW}$ include stringent rule application, low gas prices and varying levels of risk costs.

Figure 4.2-4 depicts an example of the impacts of the cost of compliance, gas and risk from the identified potential retirements of $2,919 \mathrm{MW}$ with all four EPA regulations.


Figure 4.2-4: Tornado chart demonstrating the impacts of sensitivities on potential capacity retirements

## Rate impact

In general, the retail rates on the system are driven by the costs of generation production, generation capital, transmission capital and distribution capital. The MISO EPA regulation analysis identifies costs that impact three of the four components of the rates.
The greatest impact on the rates comes from the capital cost component. The capital cost increase comes in two forms, the EPA capital compliance cost and the capital cost for replacement capacity. Figure 4.2-5 demonstrates the comparison of the rate impact of the two retirement scenarios with the current average system rate. The overall increase in the rates because of compliance with the EPA regulations is approximately 7.0 to 7.6 percent.
The relatively small rate increase difference between the two scenarios is due to the balance of capital cost configurations. The total EPA regulation related capital cost comes in three forms - 1) control equipment, 2) capital cost for replacement capacity and 3) transmission capital cost needed for retired capacity. The relationship between the three costs is a balance between retired capacity to forgo costs for control equipment while adding replacement capacity and transmission costs for the forgone capacity, versus more control costs to retrofit generation. In other words, as retirements increase, the total control equipment cost decrease, while replacement capacity and transmission costs increase - and vice versa. A balance of all three costs occurs to end up with the least cost strategy.


Figure 4.2-5: MISO rate impact

### 4.3 Generation portfolio analysis

MISO performed regional assessments using the Electric Generation Expansion Analysis System (EGEAS) on the MISO footprint as of June 1, 2011. Using assumed projected demand, energy for each company and common assumptions for resource forecasting, MISO developed models to identify least cost generation portfolios needed to meet resource adequacy requirements of the system for each future scenario.

## Future scenario definitions

Scenario-based analysis provides the opportunity to develop plans for different future scenarios. A future scenario is a postulate of what could be, which guides the assumptions made about a given model. The outcome of each modeled future scenario is a generation expansion plan, or generation portfolio. Generation portfolios identify the 'least cost' generation required to meet reliability criteria based on the assumptions for each scenario. MTEP11 has examined multiple future scenarios:

1. Business As Usual with Low Demand and Energy

> MISO developed models to identify least cost generation portfolios needed to meet resource adequacy requirements of the system for each future scenario.

## Growth Rates

2. Business As Usual with Historical Demand and Energy Growth Rates
3. Combined Energy Policy
4. Carbon Constraint

A more detailed discussion of the assumptions and methodology around these scenarios is presented later in Section 4.3 and in Appendix E.2.

Figure 4.3-1 on the following page represents capacity expansions for each defined future scenario through the $2026 \mathrm{PROMOD}^{\oplus}$ study year. The capacity added is required to maintain stated reliability targets for each region. Stated targets for MISO are defined by means of the Module E Resource Adequacy Assessment.


Figure 4.3-1: MISO modeled system aggregate nameplate installed MW from 2026 PROMOD Model.

Recognizing that redundancies across the existing MTEP10 future scenarios and assumptions did not provide any additional information, MISO staff, along with the planning advisory committee, narrowed down to four the scenarios for analysis in MTEP11. A diverse set of generation scenarios emerges when examining the MTEP11 future. While making comparisons across futures with different growth rates for demand and energy can be difficult, some observations can be made when studying future scenarios as a group or when comparing one to another.

Traditionally, most base load capacity needs have been met with coal and nuclear generation. Gas-fired combined cycle units have taken over some of the base load generation role thanks to the discovery of large quantities of shale gas and subsequent lower prices. Rising construction costs, pending EPA regulations and many uncertainties surrounding the future of nuclear generation are also factors. In the combined energy policy and Carbon Constraint scenarios coal units are retired in order to achieve the 42 percent carbon reduction cap. To achieve these targets within the specified time, 55 percent ( $\sim 44,000$ MW) of the oldest and least efficient coal units were retired in the analyses for the combined energy policy scenario and 50 percent ( $\sim 40,000 \mathrm{MW}$ ) were retired in the Carbon Constraint scenario. Much of this base load generation capacity was replaced with natural gas-fired combined cycles and energy efficiency programs.
In all future scenarios, the addition of state-mandated renewable energy capacity overshadows thermal capacity, because most states within the MISO footprint have renewable energy standards and an abundance of existing capacity. The presence of lower demand and energy starting points and growth rates during the study are also factors. A large portion of capacity needs are being met through demand response and energy efficiency programs, which are allowed to compete against traditional supply-side resources in the EGEAS program for the first time in MTEP11. The Global Energy Partners study conducted for MISO in 2010 provided the demand response and energy efficiency estimates.

Figure 4.3-2 demonstrates the value of costs for the study period through 2026. Production and capital costs are provided. Production costs include fuel, variable and fixed operations and maintenance and emissions costs (where applicable). Capital costs represent the annual revenue needed for new capacity. Each future scenario has a unique set of input assumptions, such as demand and energy growth rates, fuel prices, carbon costs and RPS requirements, which drive the future capacity expansion capital investments and total production costs.


Figure 4.3-2: MISO present value of cumulative costs in 2011 U.S. dollars

Each of the future scenarios has a different impact on carbon dioxide output. Refer to Figure 4.3-3, which demonstrates the varying impact for each of the defined future scenarios. Figure 4.3-3 compares 2005 carbon production provided by the dispatch of a 2005 EGEAS model and year-end 2030 carbon production associated with the capacity expansion for each future scenario.

Continued demand and energy growth at levels close to historic trends will result in the need for additional generating capacity. If this capacity is dominated by coal or natural gas, carbon output will increase on an annual basis. The increased penetration of renewable resources and energy efficiency will result in a system reduction in carbon dioxide.

The increased penetration of renewable resources and energy efficiency will result
in a system reduction in carbon dioxide.


Figure 4.3-3: MISO carbon production

## Siting of capacity

Generation resources forecasted from the expansion model for each of the scenarios are specified by fuel type and timing, but these resources are not site-specific. Completing the process requires a siting methodology tying each resource to a specific bus in the power flow model. A guiding philosophy and rule-based methodology, in conjunction with industry expertise, was used to site forecasted generation. Refer to Figure 4.3-4, which depicts capacity siting associated with the Business As Usual with Historical Demand and Energy Growth Rates scenario. Likewise, Figure 4.3-5 shows the associated demand response siting for the BAU with Historical Demand and Energy Growth Rates scenario. The siting methodology used for this and the other future scenarios is explained further in Appendix E2.


Figure 4.3-4: Future capacity sites for MISO BAU with historical demand and energy growth rates scenario


Figure 4.3-5 Future DR sites for MISO BAU with historical demand and energy scenario

## Generation futures development

A planning horizon of at least 15 years is needed to accomplish long range economic transmission development, since large projects normally take 10 years to complete. Performing a credible economic assessment over this time is challenging. Long-range resource forecasting, power flow and security constrained economic dispatch models are required to extend to at least 15 years. Since no single model can perform all of the functions for integrated transmission development, a value-based planning process is developed by integrating the best models available. This allows the evaluation of the long-term transmission requirements to proceed.
The following broad steps outline the value-based planning process that MISO has been implementing. It starts with the analysis of value drivers and ends with a reliability assessment to meet both economic and reliability needs.

- Step 1: Create a regional generation resource forecast.
- Step 2: Site the new generation resources into the power flow and economic models for each future scenario.
- Step 3: Design preliminary transmission plans for each future scenario, if needed.
- Step 4: Test for robustness.
- Step 5: Perform reliability assessment, consolidation and sequencing.
- Step 6: Final design of integrated plan.
- Step 7: Cost allocation.

MISO's planning approach continues to evolve to integrate its planning. One focus of the MTEP 11 planning effort is to refresh a set of available future scenarios to capture potential energy policy outcomes.

In recognition of the uncertainty of energy policies and availability of associated resources in the 15-20 year time frame, a multi-dimensional regional resource forecasting is required, to identify what's necessary to supplement generation interconnection queue capacity. The regional resource forecast model determines, on a consistent least-cost basis, the type and timing of new generation and energy efficiency needs driven by energy policies and other long-term integrated resource plans generation not reflected in the current queue.
This section summarizes Steps 1 and 2 of the integrated transmission planning process, where regional resource forecasting is performed using scenario-based analysis to identify and site generation for several potential future scenarios. With the increasingly interconnected nature of organizations and federal interests, forecasting greatly enhances the planning process for electricity infrastructure. The futures analysis provides information on the cost and effects of environmental legislation, wind development, demand-side management programs, legislative actions or inactions and many other potential scenarios which can be postulated and performed.

Future scenarios and assumptions for the models for Steps 1 and 2 were developed with stakeholder involvement. The MISO Planning Advisory Committee (PAC) provided the opportunity for stakeholder input necessary to comply with FERC Order 890 planning protocols. Scenarios have been developed and subsequently refreshed to reflect shifts in energy policies in the last few years, in coordination with the committee, through efforts in MTEP09, MTEP10, the Joint Coordinated System Planning and the Eastern Wind Integration and Transmission Study.

In MTEP11, four primary future scenarios were used for robustness (best-fit) testing of proposed transmission plans associated with major studies, such as the 2011 Candidate MVP Portfolio study and transmission project evaluation under various market efficiency studies. New to MTEP 11 future scenario development is the inclusion of Global energy study estimated DSM projections, which are offered as demand side resources to compete against conventional supply-side resources based on economics. A notable portion of capacity needs are being met through demand side programs which are economically chosen for each of the MTEP11 futures.

MISO consulted with Global Energy Partners LLC (Global) in 2010 to perform an evaluation of Demand Response (DR) and Energy Efficiency (EE) potential in the MISO footprint. This effort developed a 20year forecast for the MISO region and the rest of the Eastern Interconnection. This study demonstrated the enhanced modeling capabilities of DSM programs in the Electric Power Research Institute's (EPRI) Electric Generation Expansion Analysis System (EGEAS), the regional resource forecasting software tool used to assist in long term resource planning as part of Step 1 of the MTEP seven-step process. The study found DR and EE programs could significantly affect the load growth and future generation needs of the system. In MTEP11, Global provided DR and EE estimates for EGEAS to perform regional resource forecasting. An associated siting methodology for chosen demand response programs was also developed to facilitate business case development of proposed transmission plans. See the links below for more complete study results:
Volume 1: https://www.misoenergy.org/ layouts/MISO/ECM/Redirect.aspx?ID=78818
Volume 2: https://www.misoenergy.org/ layouts/MISO/ECM/Redirect.aspx?ID=78819

The assumptions for the models and the results presented in this document reflect the prices and policies leading to publication. MISO recognizes changes have occurred in many of these assumptions and will continue to update.

A full discussion of the assumptions and results of Steps 1 and 2 of the economic analysis process can be found in Appendix E2 of this document.

The following describes the various future scenarios in greater detail:

- The Business As Usual with Low Demand and Energy Growth Rates future scenario is considered the status quo scenario and continues the impact of the economic downturn on demand, energy and inflation rates. This scenario models the power system as it exists today with reference values and trends, with the exception of demand, energy and inflation growth rates. The demand, energy and inflation growth rates are based on recent historical data and assume existing standards for resource adequacy, renewable mandates and that environmental legislation remains unchanged. Renewable Portfolio Standard (RPS) requirements vary by state, and have many potential resources that can apply.
- The Business As Usual with Historical Demand and Energy Growth Rates future scenario is considered a status quo scenario, with a quick recovery from the economic downturn in demand and energy projections. This scenario models the power system as it exists today with reference values and trends-with the exception of demand and energy growth rates-and is based on recent historical data prior to the economic downturn. This scenario assumes existing standards for resource adequacy renewable mandates and that environmental legislation will remain unchanged. Renewable Portfolio Standard (RPS) requirements vary by state and have many potential renewable resources that can apply.
- The Combined Energy Policy future scenario was developed to capture the effects of multiple future policy scenarios into one future. This scenario includes a federal Renewable Portfolio Standard, a carbon cap and trade, smart grid and electric vehicles. The RPS is modeled assuming all states are required to meet a 20 percent federal RPS mandate by 2025. The carbon cap is modeled after the Waxman-Markey bill, which requires an 83 percent reduction of CO2 emissions from a 2005 baseline by the year 2050. That is achieved through a linear reduction from 2011 to 2050 with mid point goals of 3 percent in 2015, 17 percent in 2023 and 42 percent in 2033. This future employs coal retirements, with the oldest and least efficient coal units retired first. Smart grid is modeled by reducing the demand growth rate, assuming that a higher penetration of smart grid will lower the overall growth of demand. Electric vehicles are modeled by increasing the energy growth rate. They are assumed to increase off-peak energy usage and-increase the overall energy growth rate.
- The Carbon Constraint future scenario models a declining cap on future CO2 emissions. It is modeled in the same way as in the Combined Energy Policy future scenario. Renewable Portfolio Standard (RPS) requirements vary by state, and have many potential renewable resources that can apply.

Refer to Table 4.3-1, which illustrates the key input variables for each future scenario. Each future has a unique set of input assumptions driven by a range of policy decisions. With extensive stakeholder involvement under the Planning Advisory Committee, the consensus has been reached with respect to the methodology for determining baseline demand and energy growth rates for each of MTEP11 futures. The demand and energy growth rates were then adjusted to reflect the economically chosen DSM programs during the EGEAS capacity expansion analyses, which offer Global energy study estimated DSM projections as demand side resource options for each scenario. The resulted effective demand and energy growth rates for the four MTEP 11 futures are tabulated as follows:

| Future scenarios | MISO wind <br> penetration <br> (GW) | Effective <br> Demand <br> Growth <br> Rate | Effective <br> Energy <br> Growth <br> Rate | Gas <br> price | Carbon Cost/ <br> reduction target |
| :--- | :---: | ---: | ---: | ---: | :---: |
| Business As Usual with Low <br> Demand \& Energy | 29 | $0.78 \%$ | $0.79 \%$ | $\$ 5.00$ | None |
| Business As Usual With <br> Historical Demand \& Energy | 32 | $1.28 \%$ | $1.42 \%$ | $\$ 5.00$ | None |
| Combined Energy Policy | 40 | $0.52 \%$ | $0.68 \%$ | $\$ 8.00$ | $\$ 50 /$ ton <br> $(42$ percent by <br> 2033) |
| Carbon Constraint | 27 | $0.03 \%$ | $0.05 \%$ | $\$ 8.00$ | $\$ 50 / t o n$ <br> $(42$ percent by <br> $2033)$ |

Table 4.3-1: Future scenario input assumptions

## 5. MISO resource assessment

### 5.1 Reserve margin requirements

As directed under Module E of the MISO Tariff, the system planning reserve is calculated by determining the amount of generation required to meet a 1 day in 10 years ( 0.1 day per year) Loss of Load Expectation (LOLE). The MISO Planning Reserve Margin (PRM), based on the system-wide MISO concident load peak and resources based on their installed capacity rating (that is, PRMSYSIGEN), for the 2011/2012 Planning Year (PY) is 17.40 percent, increasing 2 percentage points from the 2010/2011's 15.40 percent. The Planning Reserve Margin based on Unforced Capacity (PRM_UCAP) declined from 4.50 percent to 3.81 percent, and applies to the non-coincident peak of each Load Serving Entity (LSE).

The majority of the 2 percent PRMSYSIGEN increase can be attributed to three factors. In approximate

## The system planning reserve is calculated by determining the amount of generation required to meet <br> a 1 day in 10 years ( 0.1 <br> day per year) Loss of Load Expectation (LOLE). The MISO Planning Reserve Margin (PRMSYSIGEN) for the 2011/2012 Planning Year (PY) is 17.40 percent.

 values: The increased uncertainty of forecasting the load contributed to 0.8 percent of the increase; the forced outage rates of resources were up and contributed to 0.7 percent of the increase; and the external system support was found less effective and contributed to 0.6 percent of the increase. While these three factors contributed a total increase of 2.1 percent, other factors contributed an offsetting decrease of about 0.1 percent.Unlike previous years, the 2011 PRM reflects no component due to transmission congestion. For example, had there been no congestion in the two previous years, the PY 2009 value would have been 0.6 percent marginally lower than its 15.4 percent, and the PY 2010 value would have been lower by 0.4 percent. All previous congestion was due to effects of bottled-up resources that could not likely be counted as available to serve system wide load. Like previous studies, the 2011 MISO LOLE found no evidence of load pockets where the lack of resources would require importing more than the Transmission System's ability to deliver.

Benefits associated with system-wide diversity must be considered since compliance with Module E Resource Adequacy Requirements is based on representing each Load Serving Entity's (LSE) noncoincident monthly peak demand on the appropriate individual CPnodes. MISO has determined that a diversity factor of 4.55 percent will be used for the 2011/12 Planning Year. This is an increase from the 3.00 percent diversity factor used last year. MISO believes the 1.55 percent increase in diversity factor is appropriate in order to appropriately capture the diversity of all LSEs within the MISO BA without significantly increasing the loss of load risk to the MISO system. After consideration for load diversity, the PRM is based on the Load Serving Entity's non-coincident peak and resources based on their installed capacity rating (that is, PRMLSEIGEN), and the value is 12.06 percent.
Projected planning reserve margin requirements for 2012 through 2020 are also calculated in the LOLE Study and are utilized in Section 5.2 as a comparison to the projected reserves. The complete 2011 report on MISO Loss of Load Expectation (LOLE) study can be found at the following link:
https://www.midwestiso.org/Library/Repository/Meeting
percent20Material/Stakeholder/LOLEWG/2011/2011 percent20LOLE percent20Report.pdf

### 5.2 Long term resource assessment

Although current load and resource forecasts do not predict insufficient capacity within the next 10 years, various uncertainties could change that forecast. Less capacity expansion than expected, increased level of generation unit retirements, uncertainty around load forecast, increased forced outage rates due to an aging generation infrastructure and possible lack of external support - are all uncertainties which may negatively affect future Resource Adequacy. The risk of these uncertainties on reliability is assessed through Loss of Load Expectation (LOLE) analysis and the results summarized in this section.

Of specific interest is the uncertainty around the pending EPA regulations, one of which has been finalized. The passage of these regulations could lead to increased unit retirements throughout the MISO region; quickly eroding reserve margins from their projected levels.
Recent proposals from the Environmental Protection Agency (EPA) and the uncertainty around carbon control may force retirements of generation within the MISO footprint, which would quickly erode reserve margins from their projected levels. With the anticipated decline of coal generation due to EPA regulations, environmental and economic trends; approximately 3,000 MW of coal generation could be retired in the MISO system by 2015, for a natural gas cost of $\$ 4.5 / \mathrm{MMBtu}$ and no carbon cost applied. These coal retirements could grow to 12.6 GW of generation, at a carbon cost of $\$ 50 / t \mathrm{ton}$. If no replacement capacity is identified for Resource Adequacy purposes, then the system reserve margin could decrease to 6.9 percent in 2021. Table 5.2-1 below shows the impact of these scenarios on 2016 and 2021 reserve margins. Refer to MTEP11 chapter 4.2 for more information about the EPA Regulation Impact Study.

| Reserve margin | 3 GW coal generation retirements |  | 12.6 GW coal generation retirements |  |
| :---: | :---: | :---: | :---: | :---: |
|  | 2016 | 2021 | 2016 | 2021 |
| Projected reserve margin (percent) | 19.9 | 16.2 | 10.1 | 6.9 |
| Planning reserve margin requirements (percent) | 17.4 | 18.2 | 17.4 | 18.2 |

Table 5.2-1: Potential EPA impacts on resource adequacy

Absent EPA regulations, MISO projects sufficient capacity relative to demand over the next 10 years. The following section summarizes this situation, and provides forecasts of future demand, capacity, and reserves through 2021. Risks, such as the proposed EPA regulations, are also examined to gauge the potential affect on resource adequacy.

The MISO 2011 Long Term Resource Assessment report will be posted at: https://www.misoenergy.org/Planning/SeasonalAssessments/Pages/SeasonalAssessments.aspx
Refer to Appendix E6 for a more detailed discussion and breakdown of the data presented below.

## Forecasted demand

MISO Load Serving Entities are required by current resource adequacy practices to report their noncoincident peak forecasted demand to MISO out 10 years. These demands were collected from the Module E Capacity Tracking (MECT) tool and aggregated to a MISO level. MISO's total internal demand and net internal demand for the 10th-year peak are expected to be approximately 101 GW and 97 GW, respectively. The forecasted MISO annual growth rate from 2012-2021 is approximately 1.0 percent, a slight increase from the 2010 LTRA.

| Demand <br> (MW) | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Unrestricted <br> non- <br> coincident | 97,206 | 99,149 | 99,560 | 100,313 | 101,034 | 101,761 | 102,574 | 103,515 | 104,475 | 105,520 |
| Estimated <br> diversity | 4,230 | 4,315 | 4,333 | 4,366 | 4,397 | 4,429 | 4,464 | 4,505 | 4,547 | 4,592 |
| Total internal | 92,976 | 94,834 | 95,227 | 95,947 | 96,637 | 97,332 | 98,110 | 99,010 | 99,929 | 100,928 |
| Direct control <br> load <br> management | 1,118 | 1,118 | 1,118 | 1,118 | 1,118 | 1,118 | 1,118 | 1,118 | 1,118 | 1,118 |
| Interruptible <br> load | 3,093 | 3,093 | 3,093 | 3,093 | 3,093 | 3,093 | 3,093 | 3,093 | 3,093 | 3,093 |
| Net internal <br> demand | 88,765 | 90,623 | 91,016 | 91,736 | 92,426 | 93,121 | 93,899 | 94,799 | 95,718 | 96,717 |

Table 5.2-2: 2012-2021 forecasted demand

## Forecasted capacity

MISO's total designated capacity for the 10th year peak is expected to be approximately 115 GW . A total of $2,549 \mathrm{MW}$ of Generation Interconnection queue projects ${ }^{33}$ are expected to be available for the 10th year peak based on a thorough study of the queue. Behind-the-Meter Generation (BTMG) is treated as a capacity resource and not a load modifier to align with the current resource adequacy practices outlined within Module E and standard industry practice.

| Capacity (MW) | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Internal designated <br> capacity resources | 103,698 | 103,698 | 103,698 | 103,698 | 103,698 | 103,698 | 103,698 | 103,698 | 103,698 | 103,698 |
| External <br> designated <br> capacity resources | 4,894 | 4,894 | 4,894 | 4,894 | 4,894 | 4,894 | 4,894 | 4,894 | 4,894 | 4,894 |
| Behind-the-meter <br> generation | 3,608 | 3,608 | 3,608 | 3,608 | 3,608 | 3,608 | 3,608 | 3,608 | 3,608 | 3,608 |
| Future planned <br> resources | 495 | 862 | 881 | 904 | 986 | 986 | 986 | 2,549 | 2,549 | 2,549 |
| Total designated <br> capacity | 112,695 | 113,062 | 113,081 | 113,104 | 113,186 | 113,186 | 113,186 | 114,749 | 114,749 | 114,749 |

Table 5.2-3: 2012-2021 forecasted capacity

## Forecasted reserves

The target reserve margin requirement varies throughout the 10-year period, from 17.4 percent in 2012 to 18.2 percent in 2021. The reserve margins projected through the assessment time vary from 27.0 percent to 18.6 percent for 2012-2021. This is in excess of the MISO target reserve margins through 2019.

| Reserve margin | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Reserve margin <br> (MW) | 23,930 | 22,438 | 22,064 | 21,368 | 20,760 | 20,065 | 19,287 | 19,950 | 19,031 | 18,032 |
| Reserve margin <br> (percent) | 27.0 | 24.8 | 24.2 | 23.3 | 22.5 | 21.5 | 20.5 | 21.0 | 19.9 | 18.6 |
| Planning reserve <br> margin requirement <br> (percent) | 17.4 | 17.3 | 17.3 | 17.2 | 17.4 | 17.8 | 17.8 | 18 | 18.2 | 18.2 |

Table 5.2-4: 2012-2021 forecasted reserves

[^110]
## Forecasted risk

To quantify effects each future uncertainty has on the 50/50 and 90/10 load level scenarios, 48 sensitivities were run. The various sensitivities simulate increased forced outage rates across the footprint, no load modifying resources, no external support and increased unit retirements due to the pending EPA regulations ( 3 GW of coal retirements and 12.6 GW ) for both 2016 and 2021. In each case, variables were changed to observe the effects on Loss of Load Expectation (LOLE).

Both 2016 and 2021 had 48 identical cases created to observe its effect on LOLE. An additional eight cases were run for 2021 based on the premise that Generation Interconnection gas-fired projects, approximately $5,000 \mathrm{MW}$, would have a 100 percent chance of being built, if MISO experiences 12.6 GW of early coal retirement due to EPA regulations.

An LOLE of one day in 10 years is an industry standard benchmark for minimum system reliability. When studying the 2016 and 2021 systems, with no early coal facility retirements due to environmental regulations, the analysis shows only a few cases exceeding this benchmark for each year. It should be noted that this is only when unlikely significant impacts occur to the system, such as a 90/10 load forecast with either combination of no external support, no load modifying resources, or 50 percent higher forced outage rates.

A summary of results for 2016 and 2021 is given in figures $5.2-1$ and $5.2-2$, respectively. The summary shows the LOLE and corresponding reserve margin for each case run in the analysis. Uncertainty exists given the potential effect of pending environmental legislation on MISO's system. The results indicate risk exponentially exceeding one day in 10 years given increased early retirement of MISO base generation, combined with current future generation resources expected to be built in the Generation Interconnection Queue.
MISO Transmission Expansion Plan 2011

Figure 5.2-1: Year 2016 LOLE sensitivity to variable adjustment

MISO Transmission Expansion Plan 2011


## 6. Near and long-term reliability analyses

MISO performs an annual Reliability Assessment through its MISO Transmission Expansion Plan (MTEP).

MISO also conducts Baseline Reliability studies in support of MTEP to ensure the Transmission System is in compliance with two entities: applicable national Electric Reliability Organization (ERO) reliability standards and reliability standards adopted by Regional Reliability Organizations applicable within the Transmission Provider region. MISO's studies typically include simulations to assess transmission reliability in the near and long term, using power flow models representing conditions two, five and 10 years out.

MISO identified various transmission issues through the studies. Planned and proposed transmission upgrades needed to mitigate identified issues are included in the 2011 MISO Transmission Expansion Plan. Planned transmission upgrades are in MTEP Appendix A following MISO Board of Directors approval. Proposed transmission upgrades are in MTEP Appendix B.

In MTEP 2011, MISO conducted regional studies using the following base models:

- 2013 Summer Peak
- 2016 Summer Peak
- 2016 Shoulder Peak
- 2016 Light Load
- 2021 Summer Peak
- 2021 Shoulder Peak

MISO member companies and external RTO companies use firm drive-in and drive-out transactions to determine net interchanges for these models. These are documented in the 2011 series Multi-Area Modeling Working Group (MMWG) interchange. MISO determines total generation necessary to be dispatched for each of the models after aggregating total load with input received from Transmission Owners.

Generation dispatch within the model building process has become complex. Growing inputs from various planning processes and expected shifts in generation portfolio within the MISO footprint are big reasons.
Inputs in the dispatching process:

- Generation retirements
- Generator market cost curves
- Generator deliverable capacity designation
- Wind generation output modeling under various system conditions
- Incremental generation needed to meet applicable renewable mandates

| Scenario | West Sub Region |  | Central Sub Region |  | East Sub Region |  | Total Load (MW) | Total Generation (MW) | Total MISO Interchange (MW) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Load <br> (MW) | Generation (MW) | Load (MW) | Generation (MW) | Load <br> (MW) | Generation (MW) |  |  |  |
| 2013 Summer Peak | 41,515 | 40,065 | 42,004 | 39,356 | 24,906 | 25,896 | 108,425 | 105,317 | -3,108 |
| 2016 Summer Peak | 43,271 | 41,183 | 42,736 | 40,931 | 25,559 | 27,809 | 111,567 | 109,923 | -1,644 |
| 2016 Shoulder Peak | 31,529 | 32,945 | 33,467 | 32,659 | 21,294 | 20,847 | 86,289 | 86,451 | 162 |
| 2016 Light Load | 22,262 | 20,778 | 28,185 | 29,264 | 9,883 | 9,511 | 60,330 | 59,553 | -777 |
| 2021 Summer Peak | 45,921 | 41,378 | 41,126 | 41,595 | 26,768 | 26,816 | 113,815 | 109,788 | -4,027 |
| 2021 Shoulder Peak | 34,557 | 37,749 | 33,876 | 30,757 | 19,932 | 18,630 | 88,365 | 87,136 | -1,229 |

Table 6-1: MTEP11 models summary

Associated power flow models in MISO Planning Regions are modeled above. Loads are received directly from members. Generation dispatched by MISO in each region is derived from a number of factors, such as modeling of wind. The 5 - and 10 -year out models have wind zones dispatched in wind integration studies (Regional Generation Outlet Study and proposed Multi Value Project study). Wind zone modeling is based on wind generation required to meet state renewable portfolio standards. Wind projects required to meet state renewable portfolio standards are incrementally needed beyond existing and planned wind with signed interconnection agreements. These wind zones are spread throughout the MISO footprint. The size of these wind zones is determined in two ways: 1) consideration of existing and planned wind near the region and 2) aggregate MISO renewable portfolio standards requirements in 5 - and 10year scenarios. MISO models all planned and incremental windexisting required to meet state mandates at 20 percent of capacity in summer peak and 90 percent of capacity in shoulder and light load scenarios.

> A total of 38 Baseline
> Reliability Projects (6-MISO East, 6-MISO Central and 26-MISO West Region) and 27 Generation Interconnection projects (3MISO East, 8-MISO Central and 16-MISO West Region), adding up to $\$ 702$ million, are being recommended in the current planning cycle. More than $\$ 676$ million in sub-transmission investment is also planned.

## Near term assessment

Near term assessment involves study of the MTEP 2- and 5-year out models. A total of 38 Baseline Reliability Projects (6-MISO East, 6-MISO Central and 26-MISO West Region) and 27 Generation Interconnection Projects (3-MISO East, 8-MISO Central and 16-MISO West Region), adding up to $\$ 693$ million, are recommended in the planning cycle. More than $\$ 685$ million in sub-transmission investment is also planned. Detailed documentation of these plans is included in Appendix D1.

## Straits power flow control - back to back HVDC voltage source converter

A notable near term Baseline Reliability plan in MTEP11 is the Straits HVDC project. Through the years, power transfers through transmission in the Upper Peninsula (UP) of Michigan have increased so much that re-dispatching local generation around the area's constraints is now a formidable task. The peninsula's system has been split for extended periods in the past few years. The split was created by opening the electrical connections between Indian Lake and Hiawatha 138 kV stations. Consequently, the Transmission System east of Hiawatha is supplied by local generation and lower Michigan through two Straits 138 kV cables. While operating in this mode for extended periods has effectively trapped through flows, performing maintenance on METC lines in lower Michigan has become harder because of the eastern Upper Peninsula's reliance on METC tie lines.

The planned addition of 200 MW Straits back-to-back DC Voltage Source Converter (VSC) will eliminate the need to split the system to prevent overloads. This improves reliability by keeping the system intact. This will improve system reliability. Modern voltage source converter HVDC technology, unlike line commutated converter HVDC technology, provides dynamic reactive power to improve system voltages. It can also be tuned to improve system damping during system swings. This VSC is expected to be able to produce approximately 100 MVARs of reactive power.
All transmission plans in the final NERC Reliability Assessment include additional planned and proposed transmission projects or operating steps. They are necessary to meet system performance requirements of applicable standards. Noteworthy MISO near term issues within the RFC footprint have been documented below and grouped into the local regions:

## Minnesota

Most constraints in Minnesota are on the 115 kV transmission lines. In most cases, use of existing Special Protection Schemes (SPS) and Operating Guides (Op-Guide) alleviate thermal issues. Coal Creek runback, Taconite Harbor special protection schemes and Ramsey special protection schemes are notable SPS and Operating Guides used in the constraint mitigation.

## Iowa

Generation re-dispatch mitigates most identified lowa constraints. In almost all cases, these constraints are driven by wind. While in the long term, proposed Multi Value Projects will provide needed outlet for these wind resources, in the near term they will need to be curtailed to alleviate thermal constraints.

## Southeast Wisconsin

Category C events (See Appendix E1 for descriptions of NERC TPL standards) drive a number of southeast Wisconsin generator outlet issues. Generation curtailment associated with outages local to the generators will be used to relieve these constraints.

## Marquette County-Michigan

Thermal loading issues in Marquette County in the Upper Peninsula of Michigan driven by Category C events were identified in both 2 - and 5 -year-out models. Local mining load curtailment will be used to mitigate these constraints.

## Illinois

A few 138 kV constraints in the Mount Vernon and St. Louis metropolitan areas are thermal constraints driven by Category C events. These conditions will be mitigated by reconductoring of a few sections and load curtailment at some stations. Constraints electrically tied closely to the Taum Sauk Pumping Station are identified in the shoulder scenario with Taum Sauk operating in a pumping mode. The situation will be mitigated by a curtailment of interruptible pumping load. Generation redispatch will mitigate a majority of the remaining constraints.

## Tippecanoe County-Indiana

A number of 138 kV loadings here are driven by wind. Proposed Multi Value projects, when approved, will alleviate loadings in the long term planning horizon. Use of wind curtailment through established Operating Guides will be employed to alleviate issues in the near term

## Cincinnati-Ohio

A couple of 138 kV circuits on the east side of the metropolitan area are overloaded for various category C events. Operating guides involving load switching and operating lines radially will alleviate the thermal constraints in the near term. A proposed project to reconductor circuits is being evaluated for the long term.

## Long term assessment

Long term assessment primarily focuses on reliability issues driven by renewable generation. In addition to existing and planned wind, an incremental 8.5 GW of nameplate capacity is needed in the 10 -year planning horizon to meet renewable mandates. The mandates grow further to 10.7 GW in the 15 -year out horizon. Growth in wind within five years is compelling wind curtailments. These curtailments will be significant in the long term. The proposed Multi Value Project Study (see Chapter 4.1) shows a possible curtailment of more than 34 TWHr wind energy, in lieu of no long term transmission plans to integrate wind. This equates to about 63 percent of the MISO renewable portfolio standards requirement. As part of the MVP Study, significant transmission (about $\$ 5$ billion) is planned in the current planning cycle. Though primarily intended to alleviate wind driven constraints in MISO, these projects provide long term help by offloading the underlying 100 kV system, and providing increased outlet for conventional generation as well. These CMVP projects mitigate thermal constraints on about 500 branches for more than 6,400 category $B$ and $C$ contingent events, encompassing study of shoulder and summer peak scenarios.


Figure 6-1: 2011 Proposed MVP portfolio

A brief summary of these new plans is documented below:

## Ellendale to Big Stone to Brookings

A new line planned from North Dakota into Minnesota provides an outlet to North Dakota wind by directly transferring wind energy at 345 kV , thus offloading the existing 230 kV circuits.

## Brookings to Twin Cities

In addition to transferring wind from North Dakota, this new 345 kV line helps transfer additional southwestern Minnesota wind into Minneapolis-St. Paul. Through various transformations throughout the path, this circuit provides on and off ramps for power transfer.

## North LaCrosse to North Madison to Cardinal

This new transmission, a continuation of the northern 345 kV path, connects the North Lacrosse station at the Minnesota-Wisconsin border into the Madison load center.

## Pleasant Prairie to Zion Energy Center

Creating a new tie line between American Transmission Company (ATC) and Commonwealth Edison (ComEd), this new 345 kV circuit provides an outlet for southeast Wisconsin generation noted in the near term assessment, in addition to allowing wind energy transfer from the Dakotas and Minnesota.

## Lakefield to Winnebago to Winco-Burt, Lime Creek to Emery to Blackhawk to Hazleton, Sheldon to Burt to Webster 345kV

These lines facilitate transfer of wind from MISO's West Region closer to large load centers in Illinois and Wisconsin by connecting existing wind heavy areas around Lakefield and Sheldon, and further accessing wind in central lowa from the Lime Creek area to Hazleton. It provides on and off ramps for power transfer through intermediate transformations.

## Dubuque County to Spring Green to Cardinal and Oak Grove to Galesburg to Fargo

Both projects, one connecting to Madison, Wisconsin; and the other to the northern Illinois station at Fargo, provide an outlet for the Western Region wind and connections to load centers. The two projects also help offload transmission constraints out of the Quad Cities Station.

## Ottumwa to Adair to Palmyra Tap

This new line provides an outlet for a wind zone in Missouri, and offloads transmission constraints driven through transfers between lowa and Illinois.

## Palmyra Tap to Pawnee to Sugar Creek

This 300 mile line connects Palmyra Tap station at the Missouri-Illinois border to Sugar Creek at the Illinois-Indiana border. The project helps facilitate wind energy transfer between MISO's West and East planning regions.

## Sidney to Rising

This new line helps offload underlying transmission and facilitates power transfer between Illinois and Indiana by closing a short electrical distance between two existing 345 stations, providing increased reliability between the states.

## Reynolds to Hiple

This new circuit offloads the existing 138 kV parallel circuits by connecting Reynolds station in Indiana's wind heavy Tippecanoe County to Hiple in northeast Indiana.

## Reynolds to Greentown

This 765 kV circuit helps further offload existing transmission by creating a new 765 kV station at Reynolds and transferring wind to the closest existing 765 kV station at Greentown. The circuit significantly reduces loadings on 138 kV as well as 345 kV transmission network in Indiana.

### 6.1 Reliability analysis results

The results of MTEP11 Reliability Analyses are included in Appendix D.2-D. 8 and posted at the Midwest ISO File Transfer Protocol (FTP) site at ftp://mtep.midwestiso.org/mtep11/. MISO Planning Regions are separated into West, Central and East. Refer to Table 6.1-1-2 on the following pages, which shows generation, load, losses and interchange modeled in each of the five planning models used in MTEP11 Reliability Analysis.

| Planning Region | BA Name | 2013 Summer Peak |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Generation | Load | Loss | Interchange |
| East | NIPSCO | 3,149 | 3,716 | 50 | -617 |
|  | METC | 12,730 | 9,722 | 317 | 2,691 |
|  | ITCT | 10,017 | 10,883 | 218 | -1,084 |
| Central | HE | 1,249 | 827 | 34 | 388 |
|  | DEI | 6,716 | 7,980 | 307 | -1,577 |
|  | Vectren | 1,561 | 1,708 | 22 | -169 |
|  | DEO\&K | 4,656 | 5,561 | 133 | -1,042 |
|  | IP\&L | 3,371 | 3,312 | 72 | -17 |
|  | BREC | 1,660 | 1,638 | 10 | 11 |
|  | CWLD | 28 | 266 | 1 | -239 |
|  | AmerenMO | 9,350 | 9,251 | 148 | -49 |
|  | AmerenIL | 9,948 | 9,867 | 186 | -104 |
|  | CWLP | 562 | 330 | 3 | 230 |
|  | SIPC | 256 | 345 | 5 | -94 |
| West | WEC | 7,208 | 7,067 | 142 | -9 |
|  | XEL | 8,704 | 10,277 | 267 | -1,846 |
|  | MP | 2,632 | 1,465 | 77 | 1,090 |
|  | SMMPA | 176 | 556 | 1 | -381 |
|  | GRE | 2,960 | 2,787 | 87 | 83 |


| Planning <br> Region | BA Name | 2013 Summer Peak |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Generation | Load | Loss | Interchange |
|  | OTP | 1,250 | 1,702 | 74 | -527 |
|  | ALTW | 4,056 | 3,895 | 73 | 88 |
|  | MPW | 242 | 161 | 1 | 80 |
|  | MEC | 6,294 | 4,716 | 93 | 1,485 |
|  | MDU | 161 | 548 | 9 | -395 |
|  | DPC | 1,215 | 926 | 62 | 228 |
|  | ALTE | 2,710 | 2,540 | 92 | 75 |
|  | WPS | 2,164 | 2,782 | 71 | -691 |
|  | MGE | 260 | 795 | 12 | -547 |
|  | UPPC | 34 | 224 | 16 | -206 |

Table 6.1-1: Near term model (2013) generation, load, losses and interchange results by balancing area
Section 6 - Near and long-term reliability analyses
MISO Transmission Expansion Plan 2011

| Planning Region | BA Name | 2016 Summer Peak |  |  |  | 2016 Shoulder Peak |  |  |  | 2016 Light Load |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Generation | Load | Loss | Interchange | Generation | Load | Loss | Interchange | Generation | Load | Loss | Interchange |
| East | NIPSCO | 3,150 | 3,837 | 52 | -739 | 1,436 | 2,953 | 49 | -1,565 | 2,003 | 2,092 | 36 | -126 |
|  | METC | 12,806 | 9,971 | 299 | 2,537 | 7,827 | 8,351 | 231 | -756 | 2,347 | 3,602 | 126 | -1,381 |
|  | ITCT | 11,853 | 11,165 | 236 | 452 | 11,584 | 9,475 | 235 | 1,874 | 5,161 | 3,908 | 119 | 1,135 |
| Central | HE | 1,443 | 827 | 40 | 576 | 1,207 | 827 | 28 | 352 | 1,625 | 827 | 25 | 773 |
|  | DEI | 6,846 | 8,138 | 307 | -1,606 | 4,863 | 5,972 | 185 | -1,301 | 3,485 | 3,803 | 82 | -408 |
|  | Vectren | 1,591 | 1,708 | 22 | -139 | 899 | 1,708 | 26 | -835 | 1,747 | 1,708 | 21 | 19 |
|  | DEO\&K | 4,656 | 5,569 | 130 | -1,047 | 3,946 | 4,040 | 76 | -174 | 3,169 | 2,514 | 42 | 609 |
|  | IP\&L | 3,415 | 3,456 | 73 | -118 | 2,218 | 2,417 | 50 | -253 | 1,179 | 1,174 | 16 | -15 |
|  | BREC | 1,719 | 1,671 | 12 | 37 | 1,259 | 1,473 | 12 | -225 | 1,449 | 1,451 | 13 | -15 |
|  | CWLD | 30 | 351 | 3 | -325 | 30 | 254 | 2 | -225 | 24 | 173 | 1 | -150 |
|  | AmerenMO | 9,513 | 9,351 | 172 | -10 | 6,806 | 7,510 | 134 | -838 | 7,258 | 7,456 | 113 | -312 |
|  | AmerenIL | 10,905 | 9,988 | 221 | 696 | 10,623 | 7,986 | 168 | 2,468 | 8,847 | 8,170 | 131 | 546 |
|  | CWLP | 561 | 330 | 3 | 228 | 562 | 330 | 3 | 229 | 330 | 330 | 1 | -2 |
|  | SIPC | 253 | 362 | 5 | -114 | 247 | 262 | 5 | -19 | 154 | 133 | 2 | 19 |
| West | WEC | 7,752 | 7,300 | 145 | 298 | 6,128 | 5,300 | 108 | 712 | 2,525 | 3,281 | 69 | -834 |
|  | XEL | 8,426 | 10,602 | 255 | -2,437 | 6,977 | 7,471 | 233 | -733 | 5,005 | 5,392 | 221 | -614 |

MISO Transmission Expansion Plan 2011
Section 6 - Near and long-term reliability analyses
2016 Shoulder Peak

| Planning Region | BA Name | 2016 Summer Peak |  |  |  | 2016 Shoulder Peak |  |  |  | 2016 Light Load |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Generation | Load | Loss | Interchange | Generation | Load | Loss | Interchange | Generation | Load | Loss | Interchange |
|  | MP | 2,594 | 1,525 | 44 | 1,018 | 1,907 | 1,414 | 39 | 416 | 1,742 | 1,296 | 82 | 372 |
|  | SMMPA | 185 | 676 | 1 | -492 | 43 | 484 | 1 | -436 | 22 | 347 | 1 | -325 |
|  | GRE | 3,001 | 2,960 | 39 | -51 | 1,996 | 2,074 | 23 | -155 | 997 | 1,252 | 26 | -285 |
|  | OTP | 1,241 | 1,429 | 81 | -270 | 1,032 | 1,016 | 80 | -65 | 1,198 | 1,037 | 74 | 84 |
|  | ALTW | 4,307 | 4,048 | 81 | 178 | 4,697 | 2,950 | 97 | 1,649 | 2,998 | 2,926 | 130 | -58 |
|  | MPW | 247 | 165 | 1 | 81 | 273 | 127 | 1 | 145 | 63 | 98 | 1 | -36 |
|  | MEC | 6,319 | 5,427 | 101 | 791 | 4,523 | 3,848 | 77 | 591 | 2,380 | 2,036 | 82 | 262 |
|  | MDU | 188 | 575 | 9 | -396 | 134 | 410 | 6 | -283 | 152 | 292 | 7 | -147 |
|  | DPC | 1,187 | 1,027 | 60 | 100 | 561 | 752 | 41 | -232 | 319 | 478 | 32 | -192 |
|  | ALTE | 2,892 | 2,654 | 87 | 148 | 2,033 | 1,940 | 64 | 27 | 1,524 | 1,233 | 37 | 251 |
|  | WPS | 2,522 | 2,829 | 68 | -377 | 2,603 | 2,143 | 57 | 402 | 1,789 | 1,328 | 41 | 418 |
|  | MGE | 288 | 830 | 12 | -555 | 10 | 583 | 11 | -585 | 40 | 341 | 6 | -308 |
|  | UPPC | 35 | 227 | 14 | -207 | 29 | 174 | 8 | -152 | 25 | 116 | 2 | -94 |

Table 6.1-2: Generation, load, losses and interchange results by balancing authority
MISO Transmission Expansion Plan 2011
Section 6 - Near and long-term reliability analyses
MISO Transmission Expansion Plan 2011

| Planning Region | BA Name | 2021 Summer Peak |  |  |  | 2021 Shoulder Peak |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Generation | Load | Loss | Interchange | Generation | Load | Loss | Interchange |
|  | MP | 2,538 | 1,643 | 95 | 800 | 2,066 | 1,643 | 84 | 760 |
|  | SMMPA | 176 | 754 | 1 | -580 | 99 | 754 | 1 | -464 |
|  | GRE | 2,793 | 3,199 | 95 | -504 | 1,951 | 3,199 | 82 | -511 |
|  | OTP | 1,595 | 1,575 | 80 | -61 | 2,256 | 1,575 | 113 | 966 |
|  | ALTW | 4,382 | 4,276 | 102 | 4 | 5,352 | 4,276 | 148 | 2,024 |
|  | MPW | 273 | 170 | 2 | 102 | 222 | 170 | 1 | 90 |
|  | MEC | 6,253 | 5,670 | 106 | 477 | 6,906 | 5,670 | 146 | 2,516 |
|  | MDU | 250 | 618 | 9 | -378 | 427 | 618 | 9 | -42 |
|  | DPC | 1,148 | 1,105 | 59 | -16 | 830 | 1,105 | 70 | -61 |
|  | ALTE | 3,420 | 2,833 | 92 | 492 | 1,876 | 2,833 | 87 | -283 |
|  | WPS | 2,486 | 2,910 | 64 | -490 | 2,538 | 2,910 | 77 | 258 |
|  | MGE | 385 | 899 | 12 | -527 | 96 | 899 | 24 | -560 |
|  | UPPC | 30 | 228 | 7 | -205 | 29 | 228 | 3 | -147 |

Table 6.1-3: Long term model generation, load, losses and interchange results by balancing authority

### 6.2 Steady state analysis results

MTEP11 Appendix E1.1.4 lists contingencies tested in steady state analysis. Contingencies were simulated in MTEP11 2013 summer peak, 2016 summer peak, shoulder peak and light load, 2021 summer peak and shoulder peak models. All steady state analysis-identified constraints and associated mitigations are tabulated in results tables in MTEP11 Appendix D.3.

### 6.3 Voltage stability analysis results

MTEP11 Appendix E1.1.1 lists types of transfers tested in voltage stability analysis. The study did not find low voltage areas or voltage collapse points for critical contingencies in transfer scenarios close to the base load levels modeled in the MTEP11 2016 summer peak and shoulder peak models. A summary report with associated p-v plots is documented in MTEP11 Appendix D.4.

### 6.4 Dynamic stability analysis results

MTEP11 Appendix E1.1.4 lists types of disturbances tested in dynamic stability analysis. Disturbances were simulated in MTEP11 2016 light load and shoulder peak load models. The system was stable. Results tables listing all simulated disturbances along with damping ratios are tabulated in MTEP11 Appendix D.5.

### 6.5 Generator deliverability analysis results

Generator deliverability analysis was performed in MTEP11 to ensure continued deliverability of aggregate deliverable network resources. A total of 370 MW of deliverability is restricted due to constraints identified in MTEP11. These constraints have not been planned for in the current MTEP cycle and will be investigated in the subsequent MTEP cycle (MTEP12). This compares to more than 900 MW in MTEP10 and more than 3,000 MW of restricted deliverability in MTEP09. This progressive reduction in restricted deliverability has been accomplished through planned upgrades in past MTEP cycles.

| MTEP10 Deliverability Constraint | Total <br> Generation <br> Restricted | Percentage <br> of MWs <br> Impacted | Rating <br> (MVA) | Percent <br> Overload | MTEP <br> Project <br> ID | Target Appendix <br> MTEP11 |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| Boone Jct.--Ft. Dodge 161 kV <br> line | 226 | 23 percent | 147 | 115.8 | 2941 | C |
| East Calamus--Grand Mound <br> 161 kV line | 237 | 24 percent | 176 | 112.8 | 1619 | In Service in <br> MTEP11, A in <br> MTEP08 |

Table 6.5-1: The list of mitigations for the outstanding constraints from MTEP10 that were proven effective

The description of table 6.5-2 column headings is below.

- An Overload Branch is caused by "bottling-up" of aggregate deliverable generation. Deliverability was tested only up to the granted NR (Network Resource) levels of the existing and future NR units modeled in the MTE11 2016 case.
- Use the Map ID to find an approximate location of the overloaded element on Fig. 6.5-1
- Contingency is the outage created in the overload. In some cases, the system may be system intact, so there is no outage. Detailed contingency definitions are included in the Appendix.
- Rating is the rating of the overloaded element used in the analysis. It's normal if the system is intact, but an emergency for post contingent constrained branches.
- Delta Increase is the difference in loading after ramping up generation compared to before ramping up of generation in the "gen pocket."

| Overloaded Branch | Area | Map <br> ID | Contingency | Rating <br> (MVA) | Delta <br> Increase |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Wilmarth to Swan Lake 115 kV line | XEL | 1 | Wilmarth to Helena 345 kV line | 110 | 19.19 <br> percent |
| Wilmarth to Eastwood 115 kV line | XEL | 1 | Wilmarth to Summit 115 kV line | 190.8 | 4.59 <br> percent |
| Medford Jct. to Waseca Junction 69 <br> kV line | ALTW | 1 | Loon Lake to Loon Lake Tap 115 kV <br> line | 30 | 8.23 <br> percent |
| Turkey Hill 345/138 kV <br> transformer | AMIL | 2 | Caokia 345/138 kV transformer <br> Cahokia to Baldwin 345 kV line | 672 | 1.81 <br> percent |

Table 6.5-2: The MTEP11 constraints that limit deliverability of about 370 MW of Network Resources. See Appendix D6 for the detailed results with a list of impacted Network Resources.

[^111]

Figure 6.5-1: General location of MTEP11 2016 SUPK baseline generator deliverability constraints

MISO will create a Technical Review Group of stakeholders to address generator deliverability issues in the MTEP12 planning cycle.

### 6.6 Long Term Transmission Rights (LTTR)

This section documents planned upgrades to address constraints driving infeasibility of Long Term Transmission Rights. Refer to Table 6.6-1, which shows the uplift costs associated with the infeasible LTTRs in the 2011 Annual Allocation.

| Year | Total Stage1A <br> (GW) | Total LTTR <br> Payment (\$M) | Total Infeasible <br> Uplift (\$M) | Uplift Ratio |
| :---: | :---: | :---: | :---: | :---: |
| 2011 Allocation | 354.3 | 211.2 | 7.6 | 3.60 percent |

Table 6.6-1: Uplift costs associated with infeasible LTTR in the 2010 annual allocation
Refer to Table 6.6-2, which further details the infeasible uplift to binding constraints from the annual auction. Binding constraints are filtered for those with values greater than $\$ 75,000$. Planned mitigations have been documented against constraints where future proposed or planned upgrades have already been identified through other planning studies. MISO constraints with no identified plans in the current planning cycle result in uplift of less than $\$ 600$ thousand or less than 10 percent. MISO will coordinate with its Transmission Owners on investigation of these constraints in MTEP12 planning cycle.
Additionally, MISO will coordinate with adjacent RTOs on seams constraints.

| Constraint | $\underset{2011}{\text { Summer }}$ | $\begin{gathered} \text { Fall } \\ 2011 \end{gathered}$ | Winter 2011 | Spring 2012 | Grand Total | Planned Mitigation |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| '3442' (Rising 345/138 TR1 <br> (flo) Dresden - Pontiac 345 kV ) | \$0 | \$1,160,037 | \$245,685 | \$0 | \$1,405,721 | P2239 Rising to Sidney 345kV CMVP Line ISD: 11/15/2016 |
| '3191' (IP Rising 345/138 XFMR 1 (flo) Clinton Brokaw 345 (IP4535)) | \$661,750 | \$0 | \$0 | \$0 | \$661,750 | P2239 Rising to Sidney 345kV CMVP Line ISD: 11/15/2016 |
| FOX LK 500161 kV to RUTLAND 500161 kV | \$93,517 | \$362,743 | \$0 | \$12,870 | \$469,130 | 3205 Lakefield-Burt \& Sheldon-Webster 345 kV line <br> 3213 Candidate MVP Portfolio 1 - Winco to Hazleton 345 kV |
| '3570' (Pleasant Prairie-Zion Energy Center 345 flo Cherry Valley-Silver Lake 345 R) | \$8,163 | \$217,895 | \$317 | \$5,725 | \$232,100 | P2844 Pleasant Prairie Zion Energy Center CMVP ISD: 3/6/2014 and P3022 Oak Grove Galesburg- Fargo CMVP ISD: 11/15/2018 |


| Constraint | $\begin{array}{c}\text { Summer } \\ 2011\end{array}$ | $\begin{array}{c}\text { Fall } \\ 2011\end{array}$ | $\begin{array}{c}\text { Winter } \\ 2011\end{array}$ | $\begin{array}{c}\text { Spring } \\ 2012\end{array}$ | $\begin{array}{c}\text { Grand } \\ \text { Total }\end{array}$ | $\begin{array}{c}\text { Planned Mitigation }\end{array}$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| $\begin{array}{l}\text { '3451' (Edwards-Kewanee } \\ \text { (CE) 138kV (flo) Powerton- } \\ \text { Goodings Gr (R)+Powerton } \\ \text { (R)-Powerton (B) 345kV) }\end{array}$ | $\$ 230,959$ | $\$ 0$ | $\$ 0$ | $\$ 0$ | $\begin{array}{c}\text { Palmyra Tap - } \\ \text { Meredosia - Pawnee + } \\ \text { Meredosia - Ipava } \\ \text { CMVP Line ISD: } \\ 11 / 15 / 2016 \text { and } \\ 11 / 15 / 2017\end{array}$ |  |
| $\begin{array}{l}\text { CEDAR_RG 3 138 kV to } \\ \text { OHMSTEAD 1 138 kV }\end{array}$ | $(\$ 153)$ | $\$ 211,978$ | $\$ 2,702$ | $(\$ 495)$ | $\$ 214,033$ | $\begin{array}{c}\text { no planned upgrade }\end{array}$ |
| $\begin{array}{l}\text { LUCAS 358 161 kV to } \\ \text { LUCAS 369 69.0 kV }\end{array}$ | $\$ 79,263$ | $\$ 47,607$ | $\$ 0$ | $\$ 79,263$ | $\$ 206,134$ | $\begin{array}{c}\text { P3170 CMVP line from } \\ \text { Ottumwa - Adair - }\end{array}$ |
| Palmyra Tap - Thomas |  |  |  |  |  |  |
| Hill ISD: 11/15/2018 |  |  |  |  |  |  |$]$


| Constraint | $\begin{array}{c}\text { Summer } \\ 2011\end{array}$ | $\begin{array}{c}\text { Fall } \\ 2011\end{array}$ | $\begin{array}{c}\text { Winter } \\ 2011\end{array}$ | $\begin{array}{c}\text { Spring } \\ 2012\end{array}$ | $\begin{array}{c}\text { Grand } \\ \text { Total }\end{array}$ | $\begin{array}{c}\text { Planned Mitigation }\end{array}$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| $\begin{array}{l}\text { '3737' (Alliat Hills 345/161 } \\ \text { Xfmr flo Tiffin-Duane Arnold } \\ 345 \text { + Tiffin-Hills 345) }\end{array}$ | $\$ 0$ | $\$ 99,826$ | $\$ 22,465$ | $\$ 0$ | $\begin{array}{c}\text { P1344 Build a new 345 } \\ \text { kV Morgan Valley } \\ \text { (Beverly) substation }\end{array}$ |  |
| which taps the Arnold - |  |  |  |  |  |  |
| Tiffin 345 kV line ISD: |  |  |  |  |  |  |
| $12 / 31 / 2014$ |  |  |  |  |  |  |$]$


| Constraint | Summer <br> 2011 | Fall <br> 2011 | Winter <br> 2011 | Spring <br> 2012 | Grand <br> Total | Planned Mitigation |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| '3353' (Lanesville 345/138 <br> (flo) Kincaid - Pawnee 345 + <br> 2106 SPS) | $\$ 81,727$ | $(\$ 14,531)$ | $\$ 16,830$ | $\$ 0$ | $\$ 84,026$ | P2236, P2237, P2238 <br> 345 kV loop around area <br> including additional <br> $345 / 138 \mathrm{kV}$ transformers. |
| 6007' (GENTLMN3 345 <br> REDWILO3 345 1) | $(\$ 270)$ | $\$ 96,112$ | $(\$ 14,467)$ | $(\$ 639)$ | $\$ 80,737$ | MRO Contraint |

Table 6.6-2: Infeasible uplift to binding constraints from the annual auction

## Appendices

Most MTEP11 appendices are available and accessible on the MISO public webpage. Confidential appendices, such as D. 2 - D.8, are available on the MISO MTEP11 FTP site. Access to the FTP site requires an id and password.

A link to the MTEP11 appendices, on the MISO public website, is below:
https://www.midwestiso.org/Library/Pages/ManagedFileSet.aspx?SetId=694
The confidential appendices are located at:
ftp://mtep.midwestiso.org/mtep11/

Appendix A: Projects recommended for approval<br>Section A.1, A.2, A.3: Cost allocations<br>Section A.4: MTEP11 Appendix A new projects<br>Appendix B: Projects with documented need \& effectiveness<br>Appendix C: Projects in review and conceptual projects<br>Appendix D: Reliability studies analytical details with mitigation plan (ftp site)<br>Section D.1: Project justification<br>Section D.2: Modeling documentation<br>Section D.3: Steady state<br>Section D.4: Voltage stability<br>Section D.5: Transient stability<br>Section D.6: Generator deliverability<br>Section D.7: Contingency coverage<br>Section D.8: Nuclear plant assessment<br>Appendix E: Additional MTEP11 Study support<br>Section E.1: Reliability planning methodology<br>Section E.2: Generations futures development<br>Section E.3: MTEP11 futures retail rate impact methodology<br>Section E.4: Proposed MVP portfolio steady state and stability results<br>Section E.5: Proposed MVP portfolio business case presentation<br>Section E.6: Resource assessment results<br>Appendix F: Stakeholder substantive comments



# ITC Midwest LLC <br> Multi-Value Project \# 3 <br> Planning Study 

March 22, 2013

Performed and Submitted by
Jeff Eddy
Joseph Berry

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## 1. Executive Summary

ITC Midwest LLC’s ("ITCM") transmission system in southwest Minnesota and northwest Iowa is comprised primarily of 161 kV and 69 kV facilities. This system was initially designed to serve load but has increasingly been called upon to support generation outlet. The primary new generation source is wind, with developers seeking out the high wind speeds available in the Buffalo Ridge region.

As more and more generators have interconnected to the electrical system in the Buffalo Ridge Region, elements on the area's existing 161 kV transmission system in southwest Minnesota have become increasingly constrained. These constraints, including the Fox Lake-RutlandWinnebago Jct. 161 kV transmission line, have resulted in the implementation of special protection systems ("SPSs") to ensure system reliability in the event of certain contingencies, and wind generation curtailment preventing the maximum delivery of wind-generated energy. The demand for further development of wind generation is expected to continue as utilities seek renewable resources to meet the Renewable Energy Standards ("RES") in Minnesota, as well as the Renewable Portfolio Standards ("RPS") that have been enacted throughout the Midwest Independent Transmission System Operator, Inc. ("MISO") footprint. Currently, 10 of the 11 States in MISO have enacted RPS requiring specific minimum levels of renewable energy to be consumed within their respective borders. These RPSs have been a major driver for the increase in renewable resources (especially wind powered generating facilities) connecting to the transmission system in the Buffalo Ridge region in southwest Minnesota, northwest Iowa, and southeast South Dakota.

In response to the need for a transmission system with the capacity to meet the projected increased demand for renewable resources, MISO developed a portfolio of 17 Multi Value Projects ("MVP") in its 2011 transmission planning process that will enable the regional transmission system to reliably and economically meet the MISO States' RPSs. One of the projects in the MVP Portfolio designated for early construction MVP \#3, which includes 345 kV connections in Minnesota and Iowa. Another 345 kV project, MISO’s MVP \#4, is also located in Iowa and interconnects with MVP \#3. All components of MVP \#3 and MVP \#4 are proposed to be constructed by ITCM and MidAmerican Energy ("MEC"). ITCM's portion of MVP \#3 is referred to as the Minnesota-Iowa 345 kV Transmission Project. Figure 1 shows these two MVPs, identifying which company will construct the various components.


The proposed MVP \#3 project would create a 345 kV connection between Minnesota and Iowa, constituting a bulk transmission tie that would enhance efficient and reliable transfer of generation resources on the 345 kV system within Minnesota and to points east.

In its 2011 planning process, MISO conducted analyses that demonstrated the need for MVPs \#3 and \#4 to reliably and cost effectively serve the MISO footprint as generation is added to meet RPS requirements. This study is intended to complement MISO's analysis on a local level, and demonstrate the benefits of MVP \#3 on a stand-alone basis. This study focuses on how MVPs \#3 and \#4, and a 161 kV transmission alternative, impact ITCM's system in Minnesota under a range of probable future wind generation scenarios. These scenarios projected the existing "base case" transfer capacity to be approximately 425 MW-445 MWs in summer peak models, and approximately 2,040-2,700 MWs in shoulder peak (about 70\% of summer peak) models, depending on three different generation scenarios.

The study's transfer capability and contingency analyses show that MVP \#3 is the best alternative, alone and in combination with MVP \#4, to (i) relieve constraints on the existing 161 kV system (including the Fox Lake-Rutland-Winnebago Jct. 161 kV constraint); (ii) increase the incremental generation transfer capability of the transmission system in southern Minnesota and northern Iowa to support wind and other generation resources; (iii) increase the reliable operation of the transmission system in southern Minnesota by eliminating the need for two SPSs on the existing system; and (iv) reduce the level of energy losses on the transmission system.

ITCM analyzed transmission alternatives based on their performance in southern Minnesota and northern Iowa. The alternatives were also analyzed with respect to how they resolved and/or created constraints on the existing transmission system. The general geographic scope of the study area is shown in Figure 2.

Figure 2 Transmission Study Area


## 2. Study Models, Input Files, and Assumptions

To study the impact of the transmission alternatives on ITCM's transmission system in Minnesota and Iowa required some assumptions about the nature of the transmission system at the time MVP \#3 and MVP \#4 would be in service. These assumptions include other new transmission projects expected to be in service, the anticipated peak load in the study area, the likely location of generation for which transfer capability will be needed, and the dispatch patterns for both new and existing generators. These issues are discussed in subsections 2.1 to 2.4.

### 2.1 Base Case Models

The study was performed using the Midwest Reliability Organization ("MRO") 2011 Series Models ${ }^{1}$ for the year 2017, the expected in service date for MVPs \#3 and \#4. Two base case models were utilized in the study:

- MRO 2017 Summer Shoulder 70\% Peak
- MRO 2017 Summer Peak

Summer shoulder is the period when the wind typically blows strongest, and summer peak is when the demand for energy is typically the greatest. Together, these two models represent a range of potential levels of wind energy transfer in the study area as of 2017.

The base case models were reviewed and updated to reflect rating and topology corrections to the 161 kV and 69 kV transmission facilities in the study area. The base case models for 2017 included the CapX2020 projects currently under construction: Fargo - St. Cloud 345 kV ; St. Cloud - Monticello 345 kV; Brookings County - Hampton 345 kV; Hampton - Rochester - La Crosse 345 kV ; and Bemidji - Grand Rapids 230 kV . The base case models were also updated to reflect approximately 6500 MWs of anticipated generation in the study area as of 2017 based on existing signed Generator Interconnection Agreements ("GIAs").

Generation was modeled differently for each base case model:

- MRO 2017 Summer Shoulder 70\% peak

Base load units were turned on;

- Wind units were turned on to $90 \%$ of nameplate capacity; and
- Peaking units were turned off.
- MRO 2017 Summer Peak
- Base load units were turned on;
- Wind units were turned on to $20 \%$ of nameplate capacity; and
- Peaking units were turned on.

[^112]These models were used in the AC Contingency Analysis and First Contingency Incremental Transfer Capacity ("FCITC") Analysis described in Sections 3 and 4, respectively.

### 2.2 Derived Study Models

### 2.2.1 MISO MVPs

MVP \#3 by itself and MVP \#3 combined with MVP \#4 were evaluated in each of the base cases using the following models:

- MRO 2017 Summer Shoulder 70\% Peak (MVP \#3)
- MRO 2017 Summer Shoulder 70\% Peak (MVPs \#3 and \#4)
- MRO 2017 Summer Peak (MVP \#3)
- MRO 2017 Summer Peak (MVPs \#3 and \#4)

These models were used in both the AC Contingency Analysis and FCITC analysis described in Sections 3 and 4.

### 2.2.2 Alternatives Considered

The study considered multiple alternatives. The alternatives included other high voltage lines, lower voltage lines, and a 161 kV line rebuild. ${ }^{2}$

The transmission line voltages higher than 345 kV are 765 kV and 500 kV . Since there are no existing transmission lines operated at those voltages in the study area, any additions at either of these voltages would require significant substation upgrades and costs for interconnection. In addition, no conditions were identified that warranted a higher voltage in the study area. Therefore voltages above 345 kV were eliminated from further analysis.

The transmission line voltages lower than 345 kV include 230 kV , $161 \mathrm{kV}, 138 \mathrm{kV}, 115 \mathrm{kV}$, and 69 kV . The 230 kV and 138 kV voltages were eliminated because there are no existing transmission lines operated at 230 kV or 138 kV in the immediate area. As a result, either of these voltage would be non-standard and require significant substation upgrades and costs for interconnection. The lower voltages of 115 kV and 69 kV would not provide enough capacity to address the identified transfer and delivery need for existing and future generation in Minnesota and the region.

Unlike the other lower voltages, a 161 kV alternative is the primary transmission voltage in the study area, and an upgraded 161 kV line has some potential to address the need for greater generation outlet capacity, as well as reduction of existing system constraints in the study area. Further, the main constraint on the electrical system in this area has historically been the Fox Lake-Rutland-Winnebago Jct. 161 kV line. ${ }^{3}$ As noted in the 2009 Minnesota Biennial

[^113]Transmission Projects Report, replacing just the conductor of the line is impractical because of the age of the line's structures. The existing structures cannot support heavier conductors. Accordingly, a 161 kV rebuild alternative that upgraded the Fox Lake-Rutland-Winnebago Jct. 161 kV ("161 kV Rebuild Alternative") was studied. The current rating on this line is 168 MVA. In this study, the line was upgraded to T2-795 ACSR conductor with a rating 446 MVA, which is ITCM's standard 161 kV conductor used in wind generation areas.

For analysis of the 161 kV Rebuild Alternative, the following two 161 kV rebuild models were used in each of the base cases:

- MRO 2017 Summer Shoulder 70\% Peak (FXLK_RTLD_WNBG)
- MRO 2017 Summer Peak (FXLK_RTLD_WNBG)

These models were used in the AC Contingency Analysis and FCITC analysis described in Sections 3 and 4.

### 2.3 Input Files

For both the AC Contingency Analysis and FCITC Analysis, all branches and ties rated 69 kV and above were monitored in all of Iowa, all of Minnesota, and portions of neighboring states. The model includes the following MISO identified model areas: Xcel Energy ("Xel"), Minnesota Power ("MP"), Southern Minnesota Municipal Power Agency ("SMMPA"), Great River Energy ("GRE"), Otter Tail Power Company ("OTP"), Dairyland Power Cooperative (DPC), Muscatine Power and Water ("MPW"), Western Area Power Administration, ("WAPA"), Montana-Dakota Utilities ("MDU"), Alliant Energy West ("ALTW"), and MidAmerican Energy (MEC). Violations were cited if branch loadings exceeded normal ratings under system intact conditions, or if branch loadings exceeded emergency ratings under contingencies.

Contingencies were simulated on 100 kV and above elements across the states of Minnesota and Iowa in the following control areas: XEL, MP, SMMPA, GRE, OTP, DPC, ALTW, MPW, and MEC. Two types of contingencies were simulated:

1. NERC Category B contingencies, which are generally defined as the loss of a single element; and
2. NERC Category C contingencies, which are generally defined as the loss of two or more (multiple) elements.

The study recognized that MVPs \#3 and \#4 may follow existing transmission routes, and consequently common tower contingencies were added to the contingency file.

### 2.4 Study Assumptions

### 2.4.1 Wind Zone Determination

Eight (8) wind zones were identified to reflect the continuing growth of renewable energy resources in the Buffalo Ridge area of Minnesota, Iowa, and South Dakota. The starting point was the wind zones developed in MISO’s Regional Generation Outlet Study ("RGOS"), which involved extensive analysis of the likely geography of wind generation development. The locations of the RGOS wind zones were then refined to reflect current wind interconnection requests totaling 7,868 MWs, as evidenced by projects participating in MISO’s System Planning \& Analysis Phase ("SPA") and Definitive Planning Phase ("DPP") studies in Minnesota and Iowa. Figure 3 is a map of the approximate locations of the refined wind zones.

Figure 3 Refined Wind Zone Locations


The maximum nameplate capacity of each wind zone was set at 1000 MWs for the FCITC analysis, discussed in Section 4).

### 2.4.2 Study Scenario Criteria

Due to the uncertainty of predicting the location of actual generating facilities, several different scenarios where analyzed to determine the effects of the MVPs on the transmission system. The wind zones where divided into two different groups, a Buffalo Ridge North group (the Lakefield, Split Rock White, and Brookings areas), and a Buffalo Ridge South group (Sheldon, Sioux City, Raun, and Webster areas). Modeling scenarios were then developed to reflect different levels of generation from the North and South zones being delivered to two different sinks to provide alternative scenarios where wind energy is consumed. One sink consisted of the Minnesota
utility areas, and the other consisted of the utility areas located on the east side of the MISO footprint ("MISO East"), including Illinois, Missouri, Michigan, and Indiana. The resulting generation scenarios that were analyzed in the study:

- Base Case

The Base Case represents the anticipated transmission system and generation that will exist in 2017, as discussed in Section 2.1 above, with no additional wind zone generation.

- Buffalo Ridge $25 \% \mathrm{~N}$ / $75 \%$ S Wind Zones - Minnesota Transfer simulates a 5,000 MW transfer from Buffalo Ridge generation to the Minnesota areas with the generation in the Buffalo Ridge north zone increased by $25 \%$ of the total transfer while generation in the south zone is increased by $75 \%$ of the total transfer.
- Buffalo Ridge 50\%N / 50\%S Wind Zones - Minnesota Transfer simulates a 5,000 MW transfer from Buffalo Ridge to the Minnesota areas with generation in the Buffalo Ridge north and south zones each increased by $50 \%$ of the total transfer.
- Buffalo Ridge $75 \% \mathrm{~N}$ / 25\%S Wind Zones - Minnesota Transfer simulates a 5,000 MW transfer from the Buffalo Ridge generation to the Minnesota areas with the generation in the Buffalo Ridge north zone increased by $75 \%$ of the total transfer while generation in the south zone is increased by $25 \%$ of the total transfer.
- Buffalo Ridge $25 \% \mathrm{~N} / 75 \%$ S Wind Zones - MISO East Transfer simulates a 5,000 MW transfer from Buffalo Ridge generation to the areas located south and east in the MISO footprint with the generation in the Buffalo Ridge north zone increased by $25 \%$ of the total transfer while generation in the south zone is increased by $75 \%$ of the total transfer.
- Buffalo Ridge $50 \% \mathrm{~N} / 50 \% \mathrm{~S}$ Wind Zones - MISO East Transfer simulates a 5,000 MW transfer from Buffalo Ridge generation to the areas located south and east in the MISO footprint with generation in the Buffalo Ridge north and south zones each increased by $50 \%$ of the total transfer.
- Buffalo Ridge 75\%N / 25\%S Wind Zones - MISO East Transfer simulates a 5,000 MW transfer from Buffalo Ridge generation to the areas located south and east in the MISO footprint with generation in the Buffalo Ridge north zone increased by $75 \%$ of the total transfer while generation in the south zone is increased by $25 \%$ of the total transfer.


## 3. AC Contingency Analysis

An AC Contingency Analysis, with no transfer on the transmission system, was performed on both base cases and then compared to AC Contingency Analysis performed on the MVP cases
and the 161 kV rebuild to determine how MVP \#3 alone, MVP \#3 in combination with MVP \#4, and the 161 kV Rebuild Alternative would resolve existing known thermal violations on the transmission system without creating an unacceptable level of new violations. The MRO 2017 Summer Shoulder 70\% Peak AC Contingency Analysis results are provided as Appendix 1, and The MRO 2017 Summer Peak AC Contingency Analysis results are provided as Appendix 2.

### 3.1 MRO 2017 Summer Shoulder 70\% Peak

The AC Contingency Analysis for MVP \#3 resulted in one new violation of a 69 kV line, ${ }^{4}$ while eliminating violations on three others. ${ }^{5}$ Otherwise, the level of overloading of the 69 kV system due to contingencies when MVP \#3 is added to the system is comparable to what it would be without MVP \#3. Typically, overloading on 69 kV system elements because of contingencies is not considered as significant as overloading on higher voltage lines because of the number of lower cost options available to address overloading of lower voltage lines.

The addition of MVP \#3 and MVP \#4 combined does not result in potential violations of elements that are 100 kV and above. The combination does add an additional 69 kV violation, ${ }^{6}$ while eliminating 14 of the violations that exist when MVP \#3 alone is added to the system.

AC Contingency Analysis was also performed on the 161 kV Rebuild Alternative. The addition of this option resulted in (i) three violations that did not occur with MVP \#3 alone or in combination with MVP \#4; ${ }^{7}$ (ii) did not create additional violations on the system; and (iii) failed to eliminate 13 of the 14 violations that the combination of MVPs \#3 and \#4 eliminated. ${ }^{8}$ On balance, the upgraded 161 kV line did the poorest job of alleviating existing violations.

### 3.2 MRO 2017 Summer Peak

The Contingency Analysis for the MRO 2017 Summer Peak models identified some overloading of 69 kV and higher voltage elements. The addition of MVP \#3 alone added two violations, ${ }^{9}$ while eliminating five. ${ }^{10}$ The addition of MVP \#4 to MVP \#3 did not add any further violations, and eliminated another five violations beyond the five eliminated by MVP \#3 alone. The 161 kV upgrade eliminated two violations that occurred when MVP \#3 was added to the system alone or in combination with MVP \#4, but it did not mitigate ten violations that were mitigated by MVP \#3 alone or in combination with MVP \#4. ${ }^{11}$ Again, the upgraded 161 kV line did the poorest job of eliminating violations.

[^114]
## 4. FCITC Analysis

### 4.1 Incremental Transfer Capability

An analysis of the increase in the incremental transfer capability of the transmission system was performed for MVP \#3, MVPs \#3 and \#4 together, and the 161 kV Rebuild Alternative. This involved establishing what the anticipated transfer capability of the system would be under the various generation scenarios discussed above in Section 2.4.2.

The first step was to establish the base case for system transfer capability for each of the six generation scenarios during peak and shoulder conditions without any of the studied transmission options. The summer shoulder condition is generally when wind generation output is at its greatest, system load is lower, and the most transfer capacity is needed. During summer peak, wind generation output is reduced, system load is higher, and less transfer capacity is needed. Then modeling was done to determine the level of incremental gain or loss in system transfer capability for the scenarios when: (i) MVP \#3 alone was added to the system; (ii) MVPs \#3 and \#4 were both added to the system; and (iii) the upgraded 161 kV line alone was added to the system. ${ }^{12}$ A 5,000 MW transfer was used in the analysis. At this level, every scenario resulted in a limiting element during peak and shoulder conditions. ${ }^{13}$

As further detailed below, his analysis showed that MVP \#3 was superior to the 161 kV Rebuild Alternative in increasing transfer capacity within Minnesota and the region, and that the combination of MVPs \#3 and \#4 provided the most transfer capacity.

Table 1 shows the increase of the incremental transfer capability of the transmission system in the study area under each generation scenario when MVP \#3 alone is added to the transmission system.

[^115]Table 1 Maximum Incremental Transfer Capability of MVP \#3
(MW)

| Minnesota Transfer | Summer Shoulder | Summer Peak |
| :--- | :---: | :---: |
| Buffalo Ridge- $25 \% \mathrm{~N} / 75 \%$ S | 809.3 | 2463.3 |
| Buffalo Ridge- 50\% N/50\% S | 1640.7 | 3045.6 |
| Buffalo Ridge- 75\% N/25\% S | 1432.2 | 2459.7 |
| MISO East Transfer | -25 | 1578.1 |
| Buffalo Ridge- 25\% N/75\% S | -47 | 1753.8 |
| Buffalo Ridge- 50\% N/50\% S | 607.6 | 1973.1 |
| Buffalo Ridge- 75\% N/25\% S |  |  |

As Table 1 demonstrates, MVP \#3's principal impact is in Minnesota. That is, MVP \#3 increases transfer capacity for wind generation to be transferred to Minnesota in all generation scenarios in both the summer shoulder and summer peak conditions. In comparison, MVP \#3 would actually decrease transfer capacity for generation to be transferred to MISO East under two of the three generation scenarios during summer shoulder.

Table 2 shows the level of incremental transfer capability of the 161 kV Rebuild Alternative based on the analysis of the study area for each generation scenario.

Table 2 Maximum Incremental Transfer Capability of the 161 kV Rebuild Alternative (MW)

| Minnesota Transfer | Summer Shoulder | Summer Peak |
| :--- | :---: | :---: |
| Buffalo Ridge- 25\% N/75\% S | 573.7 | 2113.7 |
| Buffalo Ridge- 50\% N/50\% S | 1237.7 | 2785.8 |
| Buffalo Ridge- 75\% N/25\% S | 792.8 | 2394.7 |
| MISO East Transfer |  |  |
| Buffalo Ridge- 25\% N/75\% S | 0.3 | 1405.9 |
| Buffalo Ridge- 50\% N/50\% S | 142.9 | 1544.1 |
| Buffalo Ridge- 75\% N/25\% S | 29.2 | 1610.8 |

Like MVP \#3, the principal impact of the 161 kV Rebuild Alternative is also in Minnesota. The FCITC analysis shows the alternative provides additional transfer capability to the Minnesota sink. However, like MVP \#3, the 161 kV Rebuild Alternative provides minimal additional transfer capability to the MISO East sink. Moreover, the 161 kV Rebuild Alternative does not increase generation transfer capacity for Minnesota as much as MVP \#3 in four of the six generation scenarios.

Table 3 shows how the combination of MVPs \#3 and \#4 increase the transfer capability of the transmission system in the study area under the three generation scenarios.

Table 3 Maximum Incremental Transfer Capability of MVPs \#3 \& \#4 (MW)

| Minnesota Transfer | Summer Shoulder | Summer Peak |
| :--- | :---: | :---: |
| Buffalo Ridge- 25\% N/75\% S | 1484.0 | 2875.9 |
| Buffalo Ridge- 50\% N/50\% S | 1919.8 | 3317.9 |
| Buffalo Ridge- 75\% N/25\% S | 1464.2 | 2498.8 |
| MISO East Transfer |  |  |
| Buffalo Ridge- 25\% N/75\% S | 773.7 | 1742.3 |
| Buffalo Ridge- 50\% N/50\% S | 543.2 | 1935.9 |
| Buffalo Ridge- $75 \%$ N/25\% S | 1228.0 | 2176.8 |

The principal impact of adding both MVPs to the transmission system is to improve the transfer capacity for generation to be transferred to MISO East across all six generation scenarios. For example, the 25 to 47 MW decrease in transfer capacity during summer shoulder under two of the scenarios (Buffalo Ridge- 25\% N/75\% S and Buffalo Ridge- 50\% N/50\% S respectively) with only MVP \#3 added to the system becomes a 543 to 774 MW increase when MVP \#4 is added to the system as well.

The transfer capacity also increases across all generation scenarios for the Minnesota sink with the addition of MVP \#4, with the largest increase being 675 MW for the $25 \%$ north zone/75\% south zone generation scenario in the summer shoulder season.

The FCITC Analysis also demonstrates that MVP \#3 is better suited to increase transfer capability under the scenario where most of the new wind generation is located in the North Zone in Minnesota. Table 4 shows the transfer capability achieved by MVP \#3 alone and in combination with MVP \#4 as compared to the 161 kV Rebuild Alternative under the Buffalo Ridge- $75 \% \mathrm{~N} / 25 \%$ S generation scenario. At best, the 161 kV rebuild provides only $55 \%$ of the transfer capability of MVP \#3 alone, or of MVP \#3 in combination with MVP \#4.

Table 4 Maximum Incremental Minnesota Transfer Capability-Buffalo Ridge 75\% N/25\% S Generation (MW)

| Transmission Option | Summer Shoulder | Summer Peak |
| :--- | :---: | :---: |
| MVP \#3 | 1432.2 | 2459.7 |
| MVPs \#3 and \#4 | 1464.2 | 2498.8 |
| 161 kV Rebuild Alternative | 792.8 | 2394.7 |

An FCITC analysis was also completed on a hypothetical scenario in which the 161 kV Rebuild Alternative and MPV \#4 were constructed. Under this scenario, the 161 kV facilities do not interconnect with MVP \#4. As anticipated, FCITC analyses showed that no additional transfer capability (neither for the Minnesota sink nor MISO East sink) would be achieved under any of the three generation scenarios. The results of this analysis are shown in Appendix 52.

### 4.2 Comparison of Incremental Transfer Capability

The FCITC showed that MVP \#3 outperformed the 161 kV Rebuild Alternative in all but two of the six generation scenarios. The FCITC analysis further demonstrated that MVP \#3 in combination with MVP \# 4 provides the most transfer capability under all scenarios.

Figures showing the performance of each of the alternatives in summer peak and summer shoulder conditions are provided. Figures 4 and 5 show that MVP \#3 alone and MVP \#3 and MVP \#4 together outperform the 161 kV Rebuild Alternative in improving generation transfer capacity in Minnesota.

Figure 4 Incremental Transfer Capability of Transmission Options Minnesota Summer Shoulder


Figure 5 Incremental Transfer Capability of Transmission Options Minnesota Summer Peak


Figure 6 shows that neither MVP \#3 nor the 161 Rebuild Alternative significantly increase generation transfer capacity for the eastern portion of the MISO footprint under two of the three generation scenarios during the high wind season. However, a significant increase in generation transfer capacity is achieved under all generation scenarios by a combination of MVPs \#3 and \#4.

Figure 6 Incremental Transfer Capability of Transmission Options MISO East Summer Shoulder


Figure 7 shows that while all three options significantly increase transfer capacity during summer peak, MVP \#3 alone and in combination with MVP \#4 again outperforms the 161 kV Rebuild Alternative.

Figure $7 \quad$ Incremental Transfer Capability of Transmission Options MISO East Summer Peak


### 4.3 Fox Lake-Rutland-Winnebago Jct. 161 kV Constraint

Tables 1 through 6 in Appendix 51 identify the existing Fox Lake-Rutland-Winnebago Jct. 161 line as the "limiting element" that determines the maximum transfer capability under all six generation scenarios for the summer peak base case (i.e., the case before the addition of MVP \#3, MVPs \#3 and \#4, or the 161 kV Rebuild Alternative). ${ }^{14}$ This line is also the limiting element under three of the six generation scenarios for the summer shoulder base case. ${ }^{15}$

After the addition of MVP \#3, MVPs \#3 and \#4, or the 161 kV Rebuild Alternative, the Fox Lake-Rutland-Winnebago Jct. 161 kV line is no longer a limiting element in any of the cases under any of the generation scenarios.

### 4.4 Special Considerations

The wind zones and scenarios analyzed above capture, at a system level, the different transfer capabilities that would be present under those scenarios. Because the ultimate location of actual wind development has a significant effect on its system impacts, further sensitivity analyses were undertaken to evaluate how the 161 kV Rebuild Alternative and MVP \#3 alternatives would perform on a more micro level. Specifically, how would each perform if generation were geographically concentrated near the existing 161 kV system. This scenario is particularly realistic in evaluating wind generation areas because existing wind generators seek to take advantage of the best combination of available wind and transmission resources which can be geographically limited. Given the strong wind resources in the area, it is very likely that

[^116]additional generators would seek to connect directly to a newly upgraded 345 kV or 161 kV alternative.

An analysis was performed to determine how much generation could be connected to the area transmission system before the capacity provided by the 161 kV Rebuild Alternative would be depleted. ${ }^{16}$ Using the Summer Peak base case described in Section 2.2 (MRO 2017 Summer Peak (FXLK_RTLD_WNBG)), the 161 kV Rebuild Alternative was monitored under contingency conditions while generation was increased in the surrounding area. The results showed that directly connecting 500 MWs to the rebuilt line would consume all the capacity provided by the line’s upgrade.

Another important consideration when evaluating the 161 kV Rebuild Alternative is its regional impact. MVP \#3 in combination with MVP \#4 is a needed 345 kV connection between the Minnesota and Iowa 345 kV systems, and that is currently the most efficient voltage system in the region for moving large amounts of energy long distances, such as from the Buffalo Ridge region to load centers in the Twin Cities, Iowa metropolitan areas, and points east. This connection also provides system operators with flexibility in reliably operating the electrical grid when conditions warrant larger transfers of energy between states. While the 161 kV Rebuild Alternative could potentially resolve local overloading problems on the 161 kV system in southwest Minnesota, it provides no regional reliability benefit. As Table 5 demonstrates, the maximum transfer capability of the 161 kV Rebuild Alternative and MVP \#4 combined is virtually no different than the maximum transfer capability of the 161 kV Rebuild alone. ${ }^{17}$

Table $5 \quad$ Maximum Gross Transfer Capability of 161 kV Rebuild Alone and Combination of 161 kV Rebuild and MVP \#4 (MW)

|  | 161 kV Rebuild |  | Combination of 161 kV Rebuild and MVP \#4 |  |
| :---: | :---: | :---: | :---: | :---: |
| Minnesota Transfer | Summer <br> Shoulder | Summer Peak | Summer <br> Shoulder | Summer Peak |
| Buffalo Ridge- 25\% N/75\% S | 3087.6 | 2559.4 | 3287.2 | 2559.0 |
| Buffalo Ridge- 50\% N/50\% S | 3841.5 | 3224.7 | 3677.6 | 3272.9 |
| Buffalo Ridge- 75\% N/25\% S | 3490.1 | 2827.1 | 3358.9 | 2841.1 |
| MISO East Transfer |  |  |  |  |
| Buffalo Ridge- 25\% N/75\% S | 2201.3 | 1842.6 | 2469.7 | 1883.5 |
| Buffalo Ridge- 50\% N/50\% S | 2576.8 | 1974.3 | 2649.8 | 2019.4 |
| Buffalo Ridge- 75\% N/25\% S | 2067.5 | 2034.8 | 1989.7 | 1945.6 |

## 5. Special Protection System ("SPS") Analysis

There are currently two SPSs affecting ITCM's transmission system in southwestern Minnesota the Fieldon Capacitor Bypass SPS and the Nobles County - Wilmarth SPS. Generally, an SPS is

[^117]a remedial operating solution to a transmission reliability violation, often resulting from the installation of new facilities which either aggravate or initiate the violation. SPSs can function well as operational solutions to address certain transmission deficiencies, but do not obviate the underlying need for new transmission facilities.

The history of the SPSs implemented to prevent overloading of the Fox Lake-RutlandWinnebago line in the event of certain contingencies began in 2001. At that time, Great River Energy's Lakefield Junction Station ("LGS") power plant connected to the grid on NSP's Lakefield-Wilmarth 345 kV line. A loss of the 345 kV line from LGS to Wilmarth would result in all of the output power being directed to ITC Midwest's Lakefield Junction Substation, which overloads ITC Midwest's Lakefield-Fox Lake-Rutland-Winnebago 161 kV line sections. To alleviate this concern, GRE initially configured the LGS substation to be connected to the system via an unprotected tap off the 345 kV line so that a line fault on either the Lakefield-LGS 345 kV line or LGS-Wilmarth 345 kV line would trip both line sections and effectively isolate the LGS from the grid. But this configuration has the undesirable effect of the plant losing station power during a contingency. To correct this, an SPS was then installed to trip the LGS generators if there was a fault on the line from LGS to Wilmarth.

After this, a series capacitor was installed on the LGS -Wilmarth 345 kV line section to increase flows on the line, which in turn mitigated power flows on transmission lines in Nebraska resulting from the generation additions at Buffalo Ridge. But the series capacitor could produce sub-synchronous resonance oscillations due to the interaction of the series capacitor with the generation at LGS if LGS were radially fed from the LGS-Wilmarth 345 kV line. This led to the Fieldon SPS being installed to bypass the series capacitor if the Lakefield-LGS 345 kV line were lost.

When NSP installed the Split Rock to Lakefield 345 kV line in 2007 to deliver more wind generation from southwest Minnesota and eastern South Dakota to the Twin Cities metropolitan area, the new line further aggravated the loading on ITC Midwest's 161 kV facilities. To address this, NSP implemented the Wilmarth/Nobles SPS to open the Split Rock-Lakefield 345 kV line if any line section is open between Lakefield and Wilmarth. Then when the Elm Creek and Elm Creek II wind farms were constructed in 2009 and 2011, respectively, they were added to Wilmarth/Nobles SPS, as was the existing Trimont wind farm. Now there is a condition that if the LGS-Wilmarth 345 kV line trips, the SPS will trip any units at the LGS, as well as the Trimont and Elm Creek Wind Farms, as well as the 345 kV line from Split Rock to Lakefield

ITCM's experience is that SPSs are generally undesirable because they can lead to exponential growth in demands placed on the transmission system and create operational complexities. As a result of this, and the inherent risks associated with operating its transmission system with multiple SPSs, ITCM has revised its policy on SPSs:

It is ITC Midwest policy that new Special Protection Schemes (SPS) not be installed on the ITC Midwest system. ITC Midwest will not support the installation of an SPS on a neighboring system whose purpose is to mitigate potential issues on the ITC Midwest system. For those SPSs that have already been placed in service,
periodic reviews should be performed to ensure that the scheme is deactivated when the conditions requiring its use no longer exist or system improvements to remove the SPS are warranted. ${ }^{18}$

ITCM performed an analysis to determine whether the addition of MVP \#3 or the 161 kV Rebuild Alternative would allow for the Fieldon Capacitor Bypass and Nobles County Wilmarth SPSs to be retired. ITCM developed a model that recreated the scenario, described above, for both the Fieldon Capacity Bypass and the Nobles County - Wilmarth SPSs that drove the need for the installation of the SPSs. MVP \#3 was then added to the model and the scenario was again recreated. The results of the analysis indicate that the impact of MVP \#3 on the transmission system would allow for the retirement of both SPSs. MISO makes the final determination whether the SPSs can be retired if either alternative were constructed.

## 6. No Build Alternative Analysis

As part of this study, ITCM evaluated a "no build" alternative. If no new transmission facilities are built, transfer capability will remain at current levels. Planning engineers reached this conclusion based on the anticipated load growth in southwest Minnesota.

Winter and summer peak load forecast information was collected from MISO planning models for the years 2013, 2014, 2018 and 2023 for relevant substations within the study area in southwest Minnesota, where the generation interconnection points are located. The forecast information was developed by load serving entities or their power suppliers for MISO planning purposes. A list of the area substations and forecast loads are provided in Appendix 53.

The forecasts show that load growth in the Project area is expected to be moderate. The coincident Peak load is expected to grow by 38 MW between 2013 and 2023, and off-peak load is estimated to grow 36 MW during the same period. This load growth is insufficient to utilize the thousands of MWHs of energy, primarily from wind, being produced in southwest Minnesota. As a result, if no facilities are built, existing constraints will persist, requiring continued reliance on SPSs and curtailing existing wind energy deliveries from southwest Minnesota. Further development of wind energy in the area will also be inhibited.

## 7. Losses Evaluation

New transmission lines added to the electric system affect the resistive losses of the system. In turn, the need for capacity and amount of energy generation on the system are affected by these changes in losses. If adding a new transmission line reduces losses, capacity and energy requirements, and costs to provide capacity and energy will be reduced.

Loss effects have been analyzed for MVP \#3, MVP \#3 and MVP \#4 together, and the 161 kV rebuild alternative compared to a scenario without transmission upgrades in this area. The amount of local generation was held constant between the cases compared in order to isolate the impact on losses from each project from other factors that also could impact capacity and energy

[^118]losses. Figure 8 compares the losses performance of the alternatives across the transmission systems serving Minnesota customers (all of Minnesota and portions of North Dakota, South Dakota, Iowa, and Wisconsin).

Figure 8 Losses Performance Comparison

| Year <br> Case | System <br> Capacity <br> Loss Savings <br> (MW) | Annual <br> Energy Loss <br> Savings <br> (GWh) |
| :--- | :---: | :---: |
| 161 kV Rebuild <br> Alternative added | 2 | 5 |
| Proposed MVP \#3 <br> added | 5 | 13 |
| Proposed MVP \#3 <br> and \#4 added | 13 | 34 |

The loss reduction delivered by MVP \#3 alone is more than double that delivered by the 161 kV Rebuild Alternative. And the combination of MVPs \#3 and \#4 delivers more than double the loss reduction of MVP \#3 alone, and more than six times that of the 161 kV Rebuild Alternative.

Based on the calculation shown in Figure 9, the present value of the cost of capacity and energy savings for a 1 MW loss reduction over twenty years is approximately $\$ 6.2$ million. This calculation was performed to quantify the cost impact of reductions in losses using conservative assumptions (time period, loss factor), since the actual changes in losses will not be static over time as other transmission facilities and generation are added to the system.

Figure $9 \quad$ Present Value of a 1 MW Reduction in Transmission Losses


Based on a present value savings from a 1 MW loss reduction over twenty years of $\$ 6.2$ million, MVP \#3 would yield approximately $\$ 19$ million more in present value savings than the 161 Rebuild Alternative, whereas MVP \#3 and \#4 together would yield over \$68 million more in present value savings compared to the 161 kV Rebuild Alternative. These results illustrate that
new 345 kV transmission facilities are more effective in achieving energy loss reductions than the addition of lower voltage facilities to the system.

## 8. Costs

MISO's planning cost estimate in MTEP11 for MVP \#3 was \$506 million, and for MVP \# 4 was $\$ 480$ million. ITC Midwest's estimated cost for the 161 kV Rebuild Alternative is $\$ 52$ million, which includes rebuilding the Winnebago Junction Substation and adding to the Lakefield Junction Substation.

## 9. Double-Circuit Design Issues

When developing the design for the Minnesota portion of MVP \#3, ITCM evaluated the feasibility of co-locating the new 345 kV line with the existing Lakefield Jct.-Fox LakeWinnebago Jct. 161 kV line, as well as the possibility of providing for future expansion opportunities on the same structures.

Electrically, the co-location alternative performed adequately. The contingency analysis demonstrated that the new 345 kV line could be co-located on the same poles as the existing 161 kV line and meet system requirements in compliance with NERC Standard TPL-003-0a (Loss of Two or More Bulk Electric System Elements). ITCM also undertook a transfer analysis to determine whether the double circuit design with the existing 161 kV line ( $345 \mathrm{kV} / 161 \mathrm{kV}$ ) would provide additional transfer capability if the existing 161 kV line's capacity were increased as proposed in the 161 kV Rebuild Alternative. The analysis showed that no additional transfer capability was achieved, as the flows moved on the 345 kV system regardless of whether the 161 kV line was upgraded.

For future expansion, ITCM considered using double circuit "upsized" structures that could be used for a new circuit in the future when conditions warrant. This included looking at a $345 \mathrm{kV} / 345 \mathrm{kV}$ double circuit design like that used on the recent CapX2020 projects, as well as a $345 \mathrm{kV} / 161 \mathrm{kV}$ design. These double-circuit options were relevant in the event the eventual route for the proposed project would include "greenfield" right-of-way. ITCM has concluded that $345 \mathrm{kV} / 161 \mathrm{kV}$ is the preferred configuration after considering a variety of factors: (i) characteristics of the existing system; (ii) reliability considerations; (iii) costs; and (iv) system development flexibility if the Project is built on new right-of-way.

The characteristics of the existing system and costs favor a $345 \mathrm{kV} / 161 \mathrm{kV}$ configuration over a $345 \mathrm{kV} / 345 \mathrm{kV}$ configuration. The existing 161 kV facilities form the backbone of the transmission system in the study area and provide the principal source for the underlying load serving 69 kV system across southern Minnesota and northern Iowa. Removing these 161 kV sources from the underlying 69 kV system would cause reliability and voltage issues affecting the majority of the load on the system. Further, to uprate the existing 161 kV system to 345 kV would require costly upgrades to many of the existing 161 kV facilities. As a result, it appears there will be a need for the existing 161 kV system for the foreseeable planning horizon. Future generation and transmission needs may also call for future expansion of the 161 kV system.

In addition, the costs of the $345 \mathrm{kV} / 161 \mathrm{kV}$ configuration are lower. The estimated cost for the $345 \mathrm{kV} / 161 \mathrm{kV}$ configuration is $\$ 2.45$ million per mile with overheads; the $345 \mathrm{kV} / 345 \mathrm{kV}$ configuration is estimated to cost $\$ 2.76$ million per mile, a difference of $\$ 310,000$ per mile or 12 percent.

Moreover, while MVP \#3 provides significant transfer capability for generation in the study area, future generation may develop beyond the capacity provided for by the Project. In that event, and even if a new 345 kV line were to be determined to be the best alternative to meet the increased transfer need, it would not be prudent to double-circuit the new 345 kV line with the Project because that would create a NERC Category C contingency (common tower $345 \mathrm{kV} / 345 \mathrm{kV}$ ). Because two 345 kV lines on a common tower poses the risk that a single incident results in the outage of both circuits, the system must be able to reliably withstand the outage of both circuits under contingency. Therefore the capacity of the system would be limited to the amount of capacity available in the event both circuits were out of service and would not create significant additional capacity.

There is also a positive benefit associated with a future 345 kV line being located in separate right-of-way rather than double-circuited with the Project. Having separate right-of-way for new 345 kV transmission will enlarge the 345 kV footprint within the transmission system and thus provide generation developers with more opportunities to connect to the system.

## 10. Conclusion

This study confirms that construction of MVP \#3 would meet long-standing transmission needs in Minnesota. Specifically, MVP \#3 would effectively relieve constraints on the existing 161 kV system. The new 345 kV line would also provide a critical addition to the 345 kV bulk transmission system serving Minnesota, Iowa and the region. This bulk transmission system provides the most robust and efficient means of delivery for thousands of megawatts of new generation from the Buffalo Ridge to points in Minnesota and further east.

The creation of this 345 kV corridor for new generation will also relieve constraints on the underlying 161 kV system serving southwest Minnesota. It is also highly likely to result in the elimination of two SPSs currently in place to protect the system under certain contingencies.

While a rebuild of the Fox Lake-Rutland-Winnebago Jct. 161 kV transmission line would provide certain benefits, it is not a reasonable alternative to MVP \#3. Enhancements to the transmission system are needed in southwest Minnesota to support the growing demand for transfer capability to serve new generators. The improvements need to be made to the bulk transmission system where large amounts of energy must be delivered long distances to remote load centers. Further expansion of the existing 161 kV load serving system would not provide the support needed to reliably operate the transmission system to deliver substantial amounts of new wind energy within Minnesota and beyond to points east. The 345 kV voltage is the prudent voltage for meeting this current capacity need with the flexibility to meet additional future need.

Further, the 345 kV alternative also provides a strong tie with Iowa, where wind generation development is also increasing, thus providing additional transfer capability into Minnesota.

Based on the foregoing, the MVP \#3 alternative is recommended.
Appendices
Appendix 1: SU70 AC Cont

Appendix 2: SUM AC Cont


Appendix 3: SU70 BC Buffalo Ridge 25\%N / 75\%S Gen - MN Scenario


Appendix 4: SU70 MVP 3 Buffalo Ridge 25\%N / 75\%S Gen - MN Scenario


Appendix 5: SU70 MVP 3 and 4 Buffalo Ridge 25\%N / 75\%S Gen - MN Scenario


Appendix 6: SU70 FXLK-RTLD-WNBG Buffalo Ridge 25\%N / 75\%S Gen - MN Scenario


Appendix 7: SUM BC Buffalo Ridge 25\%N / 75\%S Gen - MN Scenario


Appendix 8: SUM MVP 3 Buffalo Ridge 25\%N / 75\%S Gen - MN Scenario


Appendix 9: SUM MVP 3 and 4 Buffalo Ridge 25\%N / 75\%S Gen - MN Scenario


Appendix 10: SUM FXLK-RTLD-WNBG Buffalo Ridge 25\%N / 75\%S Gen - MN Scenario


Appendix 11: SU70 BC Buffalo Ridge 50\%N / 50\%S Gen - MN Scenario


Appendix 12: SU70 MVP 3 Buffalo Ridge 50\%N / 50\%S Gen - MN Scenario


Appendix 13: SU70 MVP 3 and 4 Buffalo Ridge 50\%N / 50\%S Gen - MN Scenario


Appendix 14: SU70 FXLK-RTLD-WNBG Buffalo Ridge 50\%N / 50\%S Gen - MN Scenario


Appendix 15: SUM BC Buffalo Ridge 50\%N / 50\%S Gen - MN Scenario


Appendix 16: SUM MVP 3 Buffalo Ridge 50\%N / 50\%S Gen - MN Scenario


Appendix 17: SUM MVP 3 and 4 Buffalo Ridge 50\%N / 50\%S Gen - MN Scenario


Appendix 18: SUM FXLK-RTLD-WNBG Buffalo Ridge 50\%N / 50\%S Gen - MN Scenario


Appendix 19: SU70 BC Buffalo Ridge 75\%N / 25\%S Gen - MN Scenario


Appendix 20: SU70 MVP 3 Buffalo Ridge 75\%N / 25\%S Gen - MN Scenario


Appendix 21: SU70 MVP 3 and 4 Buffalo Ridge 75\%N / 25\%S Gen - MN Scenario


Appendix 22: SU70 FXLK-RTLD-WNBG Buffalo Ridge 75\%N / 25\%S Gen - MN Scenario


Appendix 23: SUM BC Buffalo Ridge 75\%N / 25\%S Gen - MN Scenario

| AC FCITI ${ }^{-}$ | Limiting Constrain | Contingency $\quad \stackrel{\text { r }}{ }$ | PreShift ${ }^{\text {- }}$ | PostShif: ${ }^{-1}$ | Ratin - | AC TD ${ }^{-}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 432.4 | L:613370 RUTL | AND5 161631042 FOX LK $5 \quad 161$ | 148.3 | 166.7 | 167.0 | 0.04251 |
|  |  | C:601029 LKFLDXL3 345601032 FIELD_S3 3451 |  |  |  |  |
|  |  | Open 601029 LKFLDXL3 345601032 FIELD_S3 3451 |  |  |  |  |
|  |  |  |  |  |  |  |
| 432.4 | L:613370 RUTI | AND5 161631042 FOX LK $5 \quad 161$ | 148.3 | 166.7 | 167.0 | 0.04251 |
|  |  | C:601032 FIELD_S3 345601033 FIELD_N3 3451 |  |  |  |  |
|  |  | Open 601032 FIELD_S3 345601033 FIELD_N3 3451 |  |  |  |  |
|  |  |  |  |  |  |  |
| 432.4 | L:613370 RUTI | AND5 161631042 FOX LK $5 \quad 161$ | 148.3 | 166.7 | 167.0 | 0.04251 |
|  |  | C:601004 WILMART3 345601033 FIELD_N3 3451 |  |  |  |  |
|  |  | Open 601004 WILMART3 345601033 FIELD_N3 3451 |  |  |  |  |
|  |  |  |  |  |  |  |
| 878.1 | L: 613370 RUTI | AND5 161631043 WINBAGO5 161 | 125.7 | 165.0 | 165.0 | 0.04477 |
|  |  | C:601032 FIELD_S3 345601033 FIELD_N3 3451 |  |  |  |  |
|  |  | Open 601032 FIELD_S3 345601033 FIELD_N3 3451 |  |  |  |  |
|  |  |  |  |  |  |  |
| 878.1 | L:613370 RUTI | AND5 161631043 WINBAGO5 161 | 125.7 | 165.0 | 165.0 | 0.04477 |
|  |  | C:601029 LKFLDXL3 345601032 FIELD_S3 3451 |  |  |  |  |
|  |  | Open 601029 LKFLDXL3 345601032 FIELD_S3 3451 |  |  |  |  |
|  |  |  |  |  |  |  |
| 878.2 | L: 613370 RUTI | AND5 161631043 WINBAGO5 161 | 125.7 | 165.0 | 165.0 | 0.04477 |
|  |  | C:601004 WILMART3 345601033 FIELD_N3 3451 |  |  |  |  |
|  |  | Open 601004 WILMART3 345601033 FIELD_N3 3451 |  |  |  |  |
|  |  |  |  |  |  |  |
| 2825.7 | L: 652504 BROO | KNG7 115652538 WHITE 7 7 1151 | 72.7 | 176.1 | 176.0 | 0.03658 |
|  |  | C:652529 WATERTN3 345652537 WhITE 303451 |  |  |  |  |
|  |  | Open 652529 WATERTN3 345652537 WHITE 303451 |  |  |  |  |
|  |  |  |  |  |  |  |
| 3157.8 | L:601004 WILM | ART3 345601033 FIELD_N3 3451 | 511.7 | 1195.2 | 1195.1 | 0.21643 |
|  |  | C:601031 BRKNGCO3 345601048 LYON CO 3 |  |  |  |  |
|  |  | Open 601031 BRKNGCO3 345601048 LYON CO 3 3451 |  |  |  |  |
|  |  |  |  |  |  |  |
| 3899.2 | L:631102 TRIBOJI5 161631124 DKSN_CO5 |  | 101.2 | 223.4 | 223.0 | 0.03133 |
|  |  | C:ITCM-B102-NW-LAKEFIELD_SPS |  |  |  |  |
|  |  | Open 601029 LKFLDXL3 345601032 FIELD_S3 3451 |  |  |  |  |
|  |  | Open 601034 NOBLES 30345631138 LAKEFLD3 3451 |  |  |  |  |
|  |  | Set bus 615100 GRE-TRIMWNDW. 575 generation to0.0 MW |  |  |  |  |
|  |  | Set bus 615041 GRE-LGS 31G13.8 generation to0.0 MW |  |  |  |  |
|  |  | Set bus 615042 GRE-LGS 32G13.8 generation to0.0 MW |  |  |  |  |
|  |  | Set bus 615043 GRE-LGS 33G13.8 generation to0.0 MW |  |  |  |  |
|  |  | Set bus 615044 GRE-LGS 34G13.8 generation to0.0 MW |  |  |  |  |
|  |  | Set bus 615045 GRE-LGS 35G13.8 generation to0.0 MW |  |  |  |  |
|  |  | Set bus 615046 GRE-LGS 36G13.8 generation to0.0 MW |  |  |  |  |
|  |  |  |  |  |  |  |
| 3665.5 | L:640386 TWIN | $\begin{array}{cc}\text { CH4 } & 230652565 \\ \text { SIOUXCY4 }\end{array}$ | 198.0 | 320.0 | 320.0 | 0.03328 |
|  |  | C:C2-RAUN-0270 |  |  |  |  |
|  |  | Open 635200 RAUN 330345645451 S3451 30 |  |  |  |  |
|  |  | Open 635200 RAUN 30345640226 HOSKINS3 3451 |  |  |  |  |

Appendix 24: SUM MVP 3 Buffalo Ridge 75\%N / 25\%S Gen - MN Scenario


Appendix 25: SUM MVP 3 and 4 Buffalo Ridge 75\%N / 25\%S Gen - MN Scenario


Appendix 26: SUM FXLK-RTLD-WNBG Buffalo Ridge 75\%N / 25\%S Gen - MN Scenario


Appendix 27: SU70 BC Buffalo Ridge 25\%N / 75\%S Gen - MISO East Scenario


Appendix 28: SU70 MVP 3 Buffalo Ridge 25\%N / 75\%S Gen - MISO East Scenario


Appendix 29: SU70 MVP 3 and 4 Buffalo Ridge 25\%N / 75\%S Gen - MISO East Scenario


Appendix 30: SU70 FXLK-RTLD-WNBG Buffalo Ridge 25\%N / 75\%S Gen - MISO East Scenario


Appendix 31: SUM BC Buffalo Ridge 25\%N / 75\%S Gen - MISO East Scenario


Appendix 32: SUM MVP 3 Buffalo Ridge 25\%N / 75\%S Gen - MISO East Scenario


Appendix 33: SUM MVP 3 and 4 Buffalo Ridge 25\%N / 75\%S Gen - MISO East Scenario


Appendix 34: SUM FXLK-RTLD-WNBG Buffalo Ridge 25\%N / 75\%S Gen - MISO East Scenario


Appendix 35: SU70 BC Buffalo Ridge 50\%N / 50\%S Gen - MISO East Scenario


Appendix 36: SU70 MVP 3 Buffalo Ridge 50\%N / 50\%S Gen - MISO East Scenario


Appendix 37: SU70 MVP 3 and 4 Buffalo Ridge 50\%N / 50\%S Gen - MISO East Scenario


Appendix 38: SU70 FXLK-RTLD-WNBG Buffalo Ridge 50\%N / 50\%S Gen - MISO East Scenario


Appendix 39: SUM BC Buffalo Ridge 50\%N / 50\%S Gen - MISO East Scenario


Appendix 40: SUM MVP 3 Buffalo Ridge 50\%N / 50\%S Gen - MISO East Scenario


Appendix 41: SUM MVP 3 and 4 Buffalo Ridge 50\%N / 50\%S Gen - MISO East Scenario


Appendix 42: SUM FXLK-RTLD-WNBG Buffalo Ridge 50\%N / 50\%S Gen - MISO East Scenario


Appendix 43: SU70 BC Buffalo Ridge 75\%N / 25\%S Gen - MISO East Scenario


Appendix 44: SU70 MVP 3 Buffalo Ridge 75\%N / 25\%S Gen - MISO East Scenario


Appendix 45: SU70 MVP 3 and 4 Buffalo Ridge 75\%N / 25\%S Gen - MISO East Scenario


Appendix 46: SU70 FXLK-RTLD-WNBG Buffalo Ridge 75\%N / 25\%S Gen - MISO East Scenario


Appendix 47: SUM BC Buffalo Ridge 75\%N / 25\%S Gen - MISO East Scenario


Appendix 48: SUM MVP 3 Buffalo Ridge 75\%N / 25\%S Gen - MISO East Scenario


## Appendix 49: SUM MVP 3 and 4 Buffalo Ridge 75\%N / 25\%S Gen - MISO East Scenario



Appendix 50: SUM FXLK-RTLD-WNBG Buffalo Ridge 75\%N / 25\%S Gen - MISO East Scenario


Table 1: Buffalo Ridge 25\%N / 75\%S - Minnesota Scenario Results

| Case | Maximum <br> Gross Transfer <br> Capability (MW) | Limiting Element |
| :--- | :---: | :--- |
| SU 70 Base Case | 2513.9 | Rutland - Fox Lake 161 kV |
| SU 70 MVP \#3 | 3323.2 | Austin - Hayward 161 kV |
| SU 70 MVP \#3 and \#4 | 3997.9 | Twin Church - Sioux City 230 kV |
| SU 70 FXLK-RTLD-WNBG | 3087.6 | Boone Jct. - Fort Dodge 161 kV |
| SUM Base Case | 445.7 | Rutland - Fox Lake 161 kV |
| SUM MVP \#3 | 2909.0 | Blue Earth - Winnebago Jct. 161 kV |
| SUM MVP \#3 and \#4 | 3321.6 | Twin Church - Sioux City 230 kV |
| SUM FXLK-RTLD-WNBG | 2559.4 | Webster - Wright 161 kV |

Table 2: Buffalo Ridge 50\%N / 50\%S - Minnesota Scenario Results

| Case | Maximum <br> Gross Transfer <br> Capability (MW) | Limiting Element |
| :--- | :---: | :--- |
| SU 70 Base Case | 2603.8 | Rutland - Fox Lake 161 kV |
| SU 70 MVP \#3 | 4244.5 | Twin Church - Sioux City 230 kV |
| SU 70 MVP \#3 and \#4 | 4523.6 | Twin Church - Sioux City 230 kV |
| SU 70 FXLK-RTLD-WNBG | 3841.5 | Lakefield - Fox Lake Ckt. 1161 kV |
| SUM Base Case | 438.9 | Rutland - Fox Lake 161 kV |
| SUM MVP \#3 | 3484.5 | Twin Church - Sioux City 230 kV |
| SUM MVP \#3 and \#4 | 3756.8 | Twin Church - Sioux City 230 kV |
| SUM FXLK-RTLD-WNBG | 3224.7 | Twin Church - Sioux City 230 kV |

Table 3: Buffalo Ridge 75\%N / 25\%S - Minnesota Scenario Results

| Case | Maximum <br> Gross Transfer <br> Capability (MW) | Limiting Element |
| :--- | :---: | :--- |
| SU 70 Base Case | 2697.3 | Rutland - Fox Lake 161 kV |
| SU 70 MVP \#3 | 4129.5 | Brookings - White 115 kV |
| SU 70 MVP \#3 and \#4 | 4161.5 | Brookings - White 115 kV |
| SU 70 FXLK-RTLD-WNBG | 3490.1 | Triboji - Dickinson Co. 161 kV |
| SUM Base Case | 432.4 | Rutland - Fox Lake 161 kV |
| SUM MVP \#3 | 2892.1 | Brookings - White 115 kV |
| SUM MVP \#3 and \#4 | 2931.2 | Brookings - White 115 kV |
| SUM FXLK-RTLD-WNBG | 2827.1 | Brookings - White 115 kV |

Table 4: Buffalo Ridge 25\%N / 75\%S - MISO East Scenario Results

| Case | Maximum <br> Gross Transfer <br> Capability (MW) | Limiting Element |
| :--- | :---: | :--- |
| SU 70 Base Case | 2201.0 | Boone Jct. - Fort Dodge 161 kV |
| SU 70 MVP \#3 | 2176.0 | Boone Jct. - Fort Dodge 161 kV |
| SU 70 MVP \#3 and \#4 | 2974.7 | Wapello - Ottumwa 161 kV |
| SU 70 FXLK-RTLD-WNBG | 2201.3 | Boone Jct. - Fort Dodge 161 kV |
| SUM Base Case | 436.7 | Rutland - Fox Lake 161 kV |
| SUM MVP \#3 | 2014.8 | Twin Church - Sioux City 230 kV |
| SUM MVP \#3 and \#4 | 2179.0 | Twin Church - Sioux City 230 kV |
| SUM FXLK-RTLD-WNBG | 1842.6 | Twin Church - Sioux City 230 kV |

Table 5: $\quad$ Buffalo Ridge 50\%N / 50\%S - MISO East Scenario Results

| Case | Maximum <br> Gross Transfer <br> Capability (MW) | Limiting Element |
| :--- | :---: | :--- |
| SU 70 Base Case | 2433.9 | Twin Church - Sioux City 230 kV |
| SU 70 MVP \#3 | 2386.9 | Boone Jct. - Fort Dodge 161 kV |
| SU 70 MVP \#3 and \#4 | 2977.1 | Twin Church - Sioux City 230 kV |
| SU 70 FXLK-RTLD-WNBG | 2576.8 | Twin Church - Sioux City 230 kV |
| SUM Base Case | 430.2 | Rutland - Fox Lake 161 kV |
| SUM MVP \#3 | 2184.0 | Twin Church - Sioux City 230 kV |
| SUM MVP \#3 and \#4 | 2366.1 | Twin Church - Sioux City 230 kV |
| SUM FXLK-RTLD-WNBG | 1974.3 | Twin Church - Sioux City 230 kV |

Table 6: Buffalo Ridge 75\%N / 25\%S - MISO East Scenario Results

| Case | Maximum <br> Gross Transfer <br> Capability (MW) | Limiting Element |
| :--- | :---: | :--- |
| SU 70 Base Case | 2038.3 | Cayler - Wisdom 161 kV |
| SU 70 MVP \#3 | 2645.9 | Boone Jct. - Fort Dodge 161 kV |
| SU 70 MVP \#3 and \#4 | 3266.3 | Twin Church - Sioux City 230 kV |
| SU 70 FXLK-RTLD-WNBG | 2067.5 | Cayler - Wisdom 161 kV |
| SUM Base Case | 424.0 | Rutland - Fox Lake 161 kV |
| SUM MVP \#3 | 2397.1 | Twin Church - Sioux City 230 kV |
| SUM MVP \#3 and \#4 | 2600.8 | Twin Church - Sioux City 230 kV |
| SU 70 FXLK-RTLD-WNBG | 2034.8 | Triboji - Dickinson Co. 161 kV |

## Appendix 52: Transfer Capability of 161 kV Rebuild Alternative with MVP \#4

Fox Lake - Rutland - Winnebago and MVP \#4 Scenario Summary

| Scenario | Maximum <br> Gross Transfer <br> Capability (MW) | Limiting Element |
| :--- | :---: | :--- |
| SU 70 BR 25\% - 75\% - MN | 3287.2 | Webster - Wright 161 kV |
| SU 70 BR 50\% - 50\% - MN | 3677.6 | Lakefield - Fox Lake 161 kV |
| SU 70 BR 75\% - 25\% - MN | 3358.9 | Triboji - Dickinson Co. 161 kV |
| SU 70 BR 25\% - 75\% - MISO | 2469.7 | Twin Church - Sioux City 230 kV |
| SU 70 BR 50\% - 50\% - MISO | 2649.8 | Twin Church - Sioux City 230 kV |
| SU 70 BR 75\% - 25\% - MISO | 1989.7 | Cayler - Wisdom 161 kV |
| SUM BR 25\% - 75\% - MN | 2559.0 | Webster - Wright 161 kV |
| SUM BR 50\% - 50\% - MN | 3272.9 | Twin Church - Sioux City 230 kV |
| SUM BR 75\% - 25\% - MN | 2841.1 | Brookings - White 115 kV |
| SUM BR 25\% - 75\% - MISO | 1883.5 | Twin Church - Sioux City 230 kV |
| SUM BR 50\% - 50\% - MISO | 2019.4 | Twin Church - Sioux City 230 kV |
| SUM BR 75\% - 25\% - MISO | 1945.6 | Triboji - Dickinson Co. 161 kV |

SU70 FXLK-RTLD-WNBG and MVP\#4 Buffalo Ridge 25\%N / 75\%S Gen - MN Scenario


SU70 FXLK-RTLD-WNBG and MVP\#4 Buffalo Ridge 50\%N / 50\%S Gen - MN Scenario


SU70 FXLK-RTLD-WNBG and MVP\#4 Buffalo Ridge 75\%N / 25\%S Gen - MN Scenario


SU70 FXLK-RTLD-WNBG and MVP\#4 Buffalo Ridge 25\%N / 75\%S Gen - MISO Scenario


## SU70 FXLK-RTLD-WNBG and MVP\#4 Buffalo Ridge 50\%N / 50\%S Gen - MISO Scenario



SU70 FXLK-RTLD-WNBG and MVP\#4 Buffalo Ridge 75\%N / 25\%S Gen - MISO Scenario


SUM FXLK-RTLD-WNBG and MVP\#4 Buffalo Ridge 25\%N / 75\%S Gen - MN Scenario


SUM FXLK-RTLD-WNBG and MVP\#4 Buffalo Ridge 50\%N / 50\%S Gen - MN Scenario


SUM FXLK-RTLD-WNBG and MVP\#4 Buffalo Ridge 75\%N / 25\%S Gen - MN Scenario


SUM FXLK-RTLD-WNBG and MVP\#4 Buffalo Ridge 25\%N / 75\%S Gen - MISO Scenario


SUM FXLK-RTLD-WNBG and MVP\#4 Buffalo Ridge 50\%N / 50\%S Gen - MISO Scenario


SUM FXLK-RTLD-WNBG and MVP\#4 Buffalo Ridge 75\%N / 25\%S Gen - MISO Scenario


Appendix 53: Load Forecast by Project Area Substation

| Sub Name | $\begin{gathered} \text { PSS/E } \\ \text { Bus Num } \end{gathered}$ | PSS/E Bus Name | ITC <br> Owned or CoOwned ? | Pload <br> (MW) | Pload (MW) | Pload (MW) | Pload <br> (MW) | Pload (MW) | Pload (MW) | Pload (MW) | Pload (MW) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 10TH STR |  |  |  |  |  |  |  |  |  |
| Tenth Street | 613000 | 69.000 | no | 20.378 | 16.685 | 20.478 | 16.785 | 21.078 | 17.285 | 21.478 | 17.585 |
| City of |  |  |  |  |  |  |  |  |  |  |  |
| Adrian | 630057 | ADRIANM8 | no | 2.88 | 3 | 2.91 | 3.03 | 3.05 | 3.18 | 3.22 | 3.36 |
| Amboy | 630105 | AMBOY | no | 0.939 | 0.747 | 0.942 | 0.75 | 0.998 | 0.796 | 1.059 | 0.848 |
| Bat Lake | 630073 | BATLAKE8 <br> BL EART8 | no | 0.551 | 0.438 | 0.553 | 0.44 | 0.586 | 0.467 | 0.621 | 0.497 |
| Blue Earth | 630100 | 69.000 | yes | 1.138 | 0.905 | 1.142 | 0.908 | 1.209 | 0.965 | 1.283 | 1.027 |
| Briclyn | 630103 | BRICLYN8 | yes | 2.844 | 2.262 | 2.854 | 2.27 | 3.024 | 2.412 | 3.208 | 2.567 |
| Butterfield | 605279 | BUTRFLD8 | no | 1.443 | 1.159 | 1.45 | 1.167 | 1.476 | 1.189 | 1.486 | 1.204 |
| Comfrey | 630071 | COMFREY8 | no | 1.255 | 0.998 | 1.259 | 1.002 | 1.334 | 1.064 | 1.416 | 1.133 |
| Corn Plus | 630702 | CORNPLUS | no | 8.82 | 8.82 | 8.82 | 8.82 | 8.82 | 8.82 | 8.82 | 8.82 |
| Delavan | 630099 | DELAVAN8 | no | 1.119 | 0.89 | 1.124 | 0.894 | 1.19 | 0.95 | 1.263 | 1.011 |
| Dovray | 630062 | DOVRAY | no | 0.262 | 0.208 | 0.263 | 0.209 | 0.278 | 0.222 | 0.295 | 0.236 |
| Elmore | 630102 | ELMORE | no | 2.429 | 1.931 | 2.437 | 1.939 | 2.582 | 2.06 | 2.74 | 2.192 |
| Fairmont | 613080 | FAIRMONT | no | 10.2 | 8.2 | 10.3 | 8.2 | 10.5 | 8.4 | 10.7 | 8.6 |
| Farmland | 630093 | FARMLND8 | no | 0.325 | 0.258 | 0.326 | 0.259 | 0.346 | 0.276 | 0.367 | 0.293 |
| Fox Lake (station svc) | 629046 | FOXLK53G | yes | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 |
| Fulda Jct | 629079 | FULDA | yes | 3.816 | 3.519 | 3.827 | 3.528 | 4.1 | 3.774 | 4.29 | 4.032 |
| Garden City | 630092 | GARDNCY8 | no | 0.623 | 0.495 | 0.625 | 0.497 | 0.662 | 0.528 | 0.703 | 0.562 |
| Adrian | 618924 | GRE-ADRIAN | no | 1.2 | 2.3 | 2.5 | 2.4 | 2.7 | 2.5 | 2.8 | 2.7 |
| Albin | 616235 | GRE-ALBIN | no | 1.2 | 1.3 | 1.2 | 1.3 | 1.2 | 1.4 | 1.3 | 1.5 |
| Buffalo |  | GRE- |  |  |  |  |  |  |  |  |  |
| Lake | 617310 | BFFLKET869.000 | no | 14.2 | 13.4 | 14.3 | 13.6 | 15.3 | 14.5 | 16.1 | 15.4 |
| Blue Earth <br> (GRE) | 617222 | GRE- <br> BLUEEAR869.000 | no | 1.2 | 1.2 | 1.2 | 1.2 | 1.3 | 1.3 | 1.4 | 1.3 |


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|  |  | $\stackrel{\rightharpoonup}{3}$ |  | $\begin{aligned} & 0 \\ & \text { N. } \\ & \text { On } \end{aligned}$ | $\begin{aligned} & \text { O} \\ & \stackrel{\sim}{0} \end{aligned}$ |  |  |  | N ले Oै | $\stackrel{\rightharpoonup}{N}$ | $$ | $\begin{aligned} & 0 \\ & \text { on } \\ & \widehat{6} \end{aligned}$ |  |  |  |  | 顾 |
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| Westside | 618929 | GRE- <br> WSTSIDE869.000 | no | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.6 | 0.7 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Hanska | 630091 | HANSKA | no | 1.706 | 1.357 | 1.712 | 1.362 | 1.814 | 1.447 | 1.925 | 1.54 |
| Heron Lake | 630066 | HERONLK8 | yes | 2.067 | 1.644 | 2.075 | 1.651 | 2.198 | 1.754 | 2.332 | 1.866 |
| Heron Lake |  | HLK ETH8 |  |  |  |  |  |  |  |  |  |
| Ethanol | 630163 | 69.000 | no | 7.06 | 7.06 | 7.06 | 7.06 | 7.06 | 7.06 | 7.06 | 7.06 |
| Jackson |  |  |  |  |  |  |  |  |  |  |  |
| North | 658066 | JACKSON | yes | 10.514 | 8.517 | 10.594 | 8.587 | 11.084 | 8.977 | 11.734 | 9.507 |
| City of |  |  |  |  |  |  |  |  |  |  |  |
| Lakefield | 630076 | LAKFLDM8 | no | 3.556 | 2.854 | 3.576 | 2.874 | 3.706 | 2.974 | 3.886 | 3.124 |
| Lamberton | 630068 | LAMBRTN8 | no | 3.079 | 2.448 | 3.09 | 2.458 | 3.273 | 2.611 | 3.473 | 2.779 |
| Lewisville | 630089 | LEWSVL_8 | yes | 0.767 | 0.61 | 0.77 | 0.613 | 0.816 | 0.651 | 0.866 | 0.693 |
| Madeliavill |  |  |  |  |  |  |  |  |  |  |  |
| e | 605063 | MADELVL8 | no | 6.081 | 4.569 | 6.172 | 4.637 | 6.551 | 4.922 | 7.057 | 5.302 |
| Magnolia | 629076 | MAGNLIA9 | yes | 9.166 | 8.038 | 9.293 | 8.061 | 9.838 | 8.633 | 10.422 | 9.139 |
| Mountain |  | MT LAKE8 |  |  |  |  |  |  |  |  |  |
| Lake | 630072 | 69.000 | yes | 5.702 | 4.9 | 5.902 | 5 | 6.402 | 5.5 | 7.202 | 6.1 |
| Sherburn | 630084 | SHERBRN8 | no | 2.23 | 1.773 | 2.238 | 1.78 | 2.371 | 1.892 | 2.516 | 2.013 |
| City of |  |  |  |  |  |  |  |  |  |  |  |
| Springfield | 630070 | SPRINGM8 | no | 6.095 | 5.098 | 6.195 | 5.298 | 6.795 | 5.898 | 7.595 | 6.398 |
| City of St. |  |  |  |  |  |  |  |  |  |  |  |
| James East | 605075 | STJ EAS8 69.000 | no | 2.44 | 2.44 | 2.44 | 2.43 | 2.65 | 2.6 | 2.94 | 2.84 |
| City of St. |  |  |  |  |  |  |  |  |  |  |  |
| James | 605070 | STJMSMU8 | no | 9.714 | 7.46 | 9.714 | 7.45 | 9.924 | 7.62 | 10.214 | 7.86 |
| Storden Jct. | 630067 | STORDEN8 | yes | 1.192 | 0.948 | 1.196 | 0.951 | 1.267 | 1.011 | 1.344 | 1.076 |
| Trimont | 630083 | TRIMONT8 | no | 2.067 | 1.644 | 2.075 | 1.651 | 2.198 | 1.754 | 2.332 | 1.866 |
| Truman | 630088 | TRUMAN | no | 0.767 | 0.61 | 0.77 | 0.613 | 0.816 | 0.651 | 0.866 | 0.693 |
| City of |  |  |  |  |  |  |  |  |  |  |  |
| Truman | 630087 | TRUMANM8 | no | 3.164 | 2.595 | 3.212 | 2.634 | 3.409 | 2.796 | 3.672 | 3.012 |
| Vernon |  |  |  |  |  |  |  |  |  |  |  |
| Center | 630094 | VERNNCY8 | no | 0.831 | 0.661 | 0.834 | 0.663 | 0.883 | 0.705 | 0.937 | 0.75 |
| Wabasso | 630069 | WABASSO8 | yes | 3.331 | 2.649 | 3.343 | 2.66 | 3.542 | 2.826 | 3.758 | 3.007 |


| Walters | 630104 | WALTERS8 | yes | 1.715 | 1.364 | 1.721 | 1.369 | 1.824 | 1.455 | 1.935 | 1.548 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Local | 630095 | WBGO | yes | 3.927 | 3.123 | 3.941 | 3.135 | 4.176 | 3.331 | 4.43 | 3.545 |
| Wells | 613410 | WELLS | no | 4.7 | 3.8 | 4.8 | 3.8 | 4.8 | 3.8 | 4.9 | 3.9 |
| City of |  |  |  |  |  |  |  |  |  |  |  |
| Westbrook City of | 630063 | WESTBKM8 | no | 1.641 | 1.656 | 1.651 | 1.666 | 1.741 | 1.736 | 1.861 | 1.846 |
| Windom City of | 630074 | WINDMMU8 | no | 16.204 | 13.402 | 16.404 | 13.602 | 17.504 | 14.602 | 18.904 | 15.602 |
| Worthingto n 1 <br> City of | 630059 | WORTHMN8 | no | 25.983 | 20.333 | 26.333 | 20.613 | 27.713 | 21.693 | 29.493 | 23.093 |
| Worthingto <br> n 2 | 630085 | WRTHMN28 | no | $\begin{aligned} & 17.33 \\ & 323.75 \end{aligned}$ | $\begin{aligned} & 13.56 \\ & 289.72 \end{aligned}$ | $\begin{aligned} & 17.56 \\ & 326.68 \end{aligned}$ | $\begin{aligned} & 13.74 \\ & 292.75 \end{aligned}$ | $\begin{aligned} & 18.48 \\ & 344.06 \end{aligned}$ | 14.47 | $\begin{aligned} & 19.67 \\ & 362.17 \end{aligned}$ | 15.4 |
|  |  |  | Total | 1 | 8 | 1 | 6 | 8 | 308.657 | 3 | 325.826 |

Appendix 54: ITC Midwest’s Transmission Planning Criteria

## ITC Midwest

# Transmission Planning Criteria 

100 KV and Above ${ }^{1}$



May, 2012

[^119]
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## 1 Goal

This document describes the criteria to be used in assessing the reliability of the ITC Midwest transmission ( 100 kV and above ${ }^{2}$ ) system. This transmission planning criteria is intended to result in an ITC Midwest transmission system that economically and reliably allows our transmission system customers to serve load from generation of choice.

## 2 NERC \& MRO Reliability Criteria

ITC Midwest adheres to the NERC Reliability Standards and the MRO Standards.
In Table 1 of the NERC TPL Standards (TPL-001-0, TPL-002-0, TPL-003-0 \& TPL-004-0), four categories of conditions have been defined as follows (SLG is single line ground and $3 \phi$ is three phase):

[^120]Table 1 - Transmission System Standards - Normal and Emergency Conditions

| Category | Contingencies | System Limits or Impacts |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Initiating Event(s) and Contingency Elements(s) | System Stable and both Thermal and Voltage Limits within Applicable Rating ${ }^{\text {a }}$ | Loss of Demand or Curtailed Firm Transfers | Cascading Outages |
| A <br> No Contingencies | All Facilities in Service | Yes | No | No |
| B <br> Event resulting in the loss of a single element. | Single Line to Ground (SLG) or 3-Phase <br> (3Ø) Fault, with Normal Clearing: <br> 1. Generator <br> 2. Transmission Circuit <br> 3. Transformer <br> Loss of an Element without Fault | Yes <br> Yes <br> Yes <br> Yes | $\begin{aligned} & \mathrm{No}^{\mathrm{b}} \\ & \mathrm{No}^{\mathrm{b}} \\ & \mathrm{No}^{\mathrm{b}} \\ & \mathrm{No}^{\mathrm{b}} \end{aligned}$ | $\begin{aligned} & \text { No } \\ & \text { No } \\ & \text { No } \\ & \text { No } \end{aligned}$ |
|  | Single Pole Block, Normal Clearing ${ }^{\text {e }}$ : 4. Single Pole (dc) Line | Yes | No ${ }^{\text {b }}$ | No |
| C <br> Event(s) resulting in the loss of two or more (multiple) elements. | SLG Fault, with Normal Clearing ${ }^{\text {e }}$ <br> 1. Bus Section <br> 2. Breaker (failure or internal fault) | $\begin{aligned} & \text { Yes } \\ & \text { Yes } \end{aligned}$ | Planned/Controlled ${ }^{\text {c }}$ <br> Planned/Controlled ${ }^{\text {c }}$ | $\begin{aligned} & \text { No } \\ & \text { No } \end{aligned}$ |
|  | SLG or $3 \varnothing$ Fault, with Normal Clearinge, Manual System Adjustments, followed by another SLG or $3 \emptyset$ Fault, with Normal Clearing ${ }^{\text {e }}$ <br> 3. Category B (B1, B2, B3 or B4) contingency, manual system adjustments, followed by another Category B (B1, B2, B3 or B4) contingency | Yes | Planned/ Controlled ${ }^{\text {c }}$ | No |
|  | Bipolar Block, with Normal Clearing: <br> 4. Bipolar (dc) Line Fault (non 3Ø), with Normal Clearinge: <br> 5. Any two circuits of a multiple circuit towerline ${ }^{\mathrm{f}}$ | Yes Yes | Planned/ Controlled ${ }^{\text {c }}$ <br> Planned/ Controlled ${ }^{\text {c }}$ | No <br> No |
|  | SLG Fault, with Delayed Clearing ${ }^{\text {e }}$ (stuck breaker or protection system failure): <br> 6. Generator <br> 7. Transformer <br> 8. Transmission Circuit <br> 9. Bus Section | Yes <br> Yes <br> Yes <br> Yes | Planned/ Controlled ${ }^{\text {c }}$ <br> Planned/ Controlled ${ }^{\text {c }}$ <br> Planned/ Controlled ${ }^{\text {c }}$ <br> Planned/ Controlled ${ }^{\text {c }}$ | $\begin{aligned} & \text { No } \\ & \text { No } \\ & \text { No } \\ & \text { No } \end{aligned}$ |


| $\mathbf{D}^{\text {d }}$ <br> Extreme event resulting in two or more (multiple) elements removed or cascading out of service. | $3 Ø$ Fault, with Delayed Clearing ${ }^{\text {e }}$ (stuck breaker or protection system failure): <br> 1. Generator <br> 2. Transmission Circuit <br> 3. Transformer <br> 4. Bus Section | Evaluate for risks and consequences <br> - May involve substantial loss of customer demand and generation in a widespread area or areas. <br> - Portions of all of the interconnected systems may or may not achieve a new, stable operating point. <br> - Evaluation of these events may require joint studies with neighboring systems. |
| :---: | :---: | :---: |
|  | $3 Ø$ Fault, with Normal Clearinge: <br> 5. Breaker (failure or internal fault) |  |
|  | 6. Loss of towerline with three or more circuits |  |
|  | 7. All transmission lines on a common right of way |  |
|  | 8. Loss of a substation (one voltage level plus transformers) |  |
|  | 9. Loss of a switching station (one voltage level plus transformers) |  |
|  | 10. Loss of all generating units at a station |  |
|  | 11. Loss of a large load or major load center |  |
|  | 12. Failure of a fully redundant Special Protection Scheme (or Remedial Action Scheme) to operate when required. |  |
|  | 13. Operation, partial operation, or misoperation of a fully redundant Special Protection Scheme (or Remedial Action Scheme) in response to an event or abnormal system condition for which it was not intended to operate. |  |
|  | 14. Impact of severe power swings or oscillations from disturbances in another Regional Reliability Organization. |  |

a) Applicable rating refers to the applicable Normal and Emergency facility thermal Rating or system voltage limit as determined and consistently applied by the system or facility owner. Applicable Ratings may include Emergency Ratings applicable for short durations as required to permit operating steps necessary to maintain system control. All Ratings must be established consistent with applicable NERC Reliability Standards addressing Facility Ratings.
b) Planned or controlled interruption of electric supply to radial customers or some local Network customers, connected to or supplied by the Faulted element or by the affected area, may occur in certain areas without impacting the overall reliability of the interconnected transmission systems. To prepare for the next contingency, system adjustments are permitted, including curtailments of contracted Firm (non-recallable reserved) electric power Transfers.
c) Depending on system design and expected system impacts, the controlled interruption of electric supply to customers (load shedding), the planned removal from service of certain generators, and/or the curtailment of contracted Firm (non-recallable reserved) electric power Transfers may be necessary to maintain the overall reliability of the interconnected transmission systems.
d) A number of extreme contingencies that are listed under Category D and judged to be critical by the transmission planning entity(ies) will be selected for evaluation. It is not expected that all possible facility outages under each listed contingency of Category D will be evaluated.
e) Normal clearing is when the protection system operates as designed and the Fault is cleared in the time normally expected with proper functioning of the installed protection systems. Delayed clearing of a Fault is due to failure of any protection system component such as a relay, circuit breaker, or current transformer, and not because of an intentional design delay.
f) System assessments may exclude these events where multiple circuit towers are used over short distances (e.g., station entrance, river crossings) in accordance with Regional exemption criteria.

The following requirements are specified in the MRO Standard TPL-503-MRO-01 System Performance.

## Table 2 - MRO System Performance Table ${ }^{1}$

| NERC Categories | Transient <br> Voltage <br> Deviation <br> Limits | Rotor Angle Oscillation <br> Damping Ratio Limits |
| :--- | :--- | :--- |
| A | Nothing in addition to NERC Requirements |  |
| B (See Notes 2 <br> and 6) | Minimum 0.70 <br> p.u. at any bus. <br> (See Note 5) | Not to be less than <br> 0.0081633 for disturbances <br> with faults or less than <br> 0.0167660 for line trips. <br> (See Note 7) |
| C (See Notes 2, <br> 3, and 6) | Minimum 0.70 <br> p.u. at any bus. <br> (See Note 5) | Not to be less than <br> 0.0081633 for disturbances <br> with faults or less than <br> 0.0167660 <br> (Ser line trips. |
| D (See Note 7) |  |  |

Notes:

1. The MRO System Performance Table including the notes applies to the initial transient period following the contingency (up to 20 seconds) and the post-disturbance period ( 20 seconds to the end of the allowed readjustment period as described in MRO Regional Reliability Standard TPL-503-MRO-01_R1.4).
2. The following summarizes the automatic and manual readjustments that are permissible for all NERC Category B disturbances.
A. Generation adjustments - Reducing or increasing generation while keeping the units on-line or by bringing additional units on line. The amount of generation change is limited to that amount that can be accomplished within the allowed readjustment period. Due consideration shall be given to start up time and ramp rates of the units.
B. Capacitor and reactor switching - The number of capacitors and reactors which may be switched is limited to those which could be switched during the allowed readjustment period. This includes those capacitors and reactors that would be switched by automatic controls within the same period.
C. Adjustment of Load Tap Changers (LTCs) to the extent possible within the allowed readjustment period. This includes both LTCs which would automatically adjust and those under operator control which could be adjusted within the allowed readjustment period.
D. Adjustment of phase shifters to the extent possible within the allowed readjustment period.
E. An increase or decrease to the flow on HVDC facilities to the extent possible within the allowed readjustment period.
F. Generation rejection to the extent possible within the allowed readjustment period. Shall not exceed the normal operating reserve of the generation reserve sharing pool to which the MRO Member belongs or of the MRO Member itself if the MRO Member self-provides generation reserves.
G. Transmission reconfiguration - Automatic and operator initiated tripping of transmission lines or transformers to the extent possible within the allowed readjustment period.
H. Automatic or manual tripping of interruptible load or curtailment of or pre-determined redispatching of Firm Point-to-Point Transmission Service to the extent possible within the allowed readjustment period. Curtailment of Firm Transmission Service within the readjustment period is permitted only to prepare for the next contingency.
3. The following additional readjustment may be considered for all NERC Category C contingencies.
A. Automatic or manual tripping of firm Network or Native Load or curtailment of or predetermined redispatching of Firm Transmission Service to the extent possible within the allowed readjustment period.
4. The following additional readjustments may be considered for all NERC Category D contingencies.
A. Planned and/or controlled islanding - Automatic underfrequency load shedding, as specified in NERC PRC-006-0, is permitted to arrest declining frequency and generation rejection is permitted to arrest increasing frequency in order to assure continued operation within the resulting islands.
B. Automatic undervoltage load shedding is permissible to arrest declining voltages and prevent widespread voltage collapse.
5. The voltage of 0.7 per unit is the point at which load dropping begins to occur due to motor contactors dropping out and induction motors stalling and also the point where sensitive (power electronics) begin to drop out.
6. Apparent impedance transient swings into the inner two zones of distance relays are unacceptable for NERC Category B disturbances, unless documentation is provided showing the actual relays will not trip for the event. Apparent impedance transient swings into the inner two zones of distance relays are unacceptable for NERC Category C disturbances, unless documentation is provided that demonstrates that a relay trip will not result in instability (including voltage instability), uncontrolled separation, or cascading outages.
7. Damping is required during the initial transient period following the disturbance (up to 20 seconds). The machine rotor angle damping ratio is determined by appropriate modal analysis (for example. Prony analysis). Alternatively, the Rotor Angle Oscillation Damping Factor or Successive Positive Peak Ratio (SPPR) can be calculated directly from the rotor angle, where the rotor angle response allows such direct calculation. For a disturbance with a fault, the SPPR must be less than 0.95 or the damping factor must be greater than $5 \%$. For a disturbance without a fault, the SPPR must be less than 0.90 or the damping factor must be greater than $10 \%$. (The SPPR criteria were chosen to define positive rotor angle damping for study purposes in MAPP. The Rotor Angle Oscillation Damping Ratio Limits were derived from the SPPR criteria.)

## 3 Introduction to ITC Midwest Planning Criteria

This planning criteria manual sets down the planning guidelines used to determine system needs and justify modifications to the transmission system. This manual defines and explains the current planning criteria and will be reviewed and updated as required.

The planning criteria contained in this manual are, in general, to be uniformly interpreted and utilized in the testing and planning of the transmission system unless some deviation is justified as a result of special, economical or unusual considerations. Such instances should not necessarily be considered to conflict with this criterion or to justify revising the criteria, but should be recognized as unusual and special cases. The reliability implications of all such deviations shall be quantified to the extent possible or otherwise qualified sufficiently to ensure minimal reliability impacts. The planning criteria in this manual are guidelines to assist the planning engineer in making capital project and/or operating solution proposals for anticipated system needs.

Planning for the transmission system is intended to provide a network capable of transmitting power between generating sources and loads. The ITC Midwest system is utilized by various generation sources and load throughout the Eastern Interconnection via Network Integration Transmission Service or various other forms of Transmission Service. The implementation of the projects and operating solutions identified by application of this planning criteria shall result in a ITC Midwest system for which the probability of initiating cascading failures is very low. The system should also provide operating flexibility including, but not limited to, allowing maintenance outages. Non-consequential loss of load may be tolerated for extreme contingencies.

In meeting the above objectives, the planning engineer must recognize the present state-of-theart with regard to equipment, construction practices, scheduling and the practical needs of operating the electrical system. It must be recognized that thermal overloading can shorten the equipment life and lead to sudden failures and that abnormal voltages can also cause equipment failures and/or voltage sensitive equipment to be affected. The planning engineer also needs to be cognizant of intangible considerations, such as the social and political implications of his work as well as visual and ecological effects. In particular, one social implication that the planning engineer needs to consider is the social benefit of the loads being able to access the most economical generation available. Many of these elements cannot be guided by exact rules and the engineer's judgment must be factored into the proposed projects. In summary, the material gathered in this manual is intended to provide basic system planning guidelines. The planning engineer, however, must still apply ingenuity, experience and judgment in order to develop projects which lead to an economic and reliable power system and supports the access to economical generation. Where judgment is used, it should be recognized as such and documented so as to be part of the record for future planning.

## 4 Thermal Loading and Voltage Planning Criteria

### 4.1 Description

The transmission system is used to transmit power and energy from interconnected generation plants to interconnected loads. Some of the generation and load that utilize the ITC Midwest system are not directly interconnected with the ITC Midwest system but are part of the larger interconnected grid and utilize the ITC Midwest system through its ties with neighboring systems.

### 4.2 Design Considerations

The ITC Midwest system should be designed such that foreseeable normal and contingency conditions do not result in equipment damage or in exceeding acceptable loss of load (see Table 3 - ITC Midwest Planning Criteria for allowable load loss by contingency type). Planning studies are to be carried out for projected annual peak system load conditions, but the planning criteria also holds for load levels less than annual peak. Additionally, the planning criteria evaluates projected shutdown conditions (a single element shutdown plus a single element forced out) at a lower load level.

The ITC Midwest system will be planned to be within its thermal capacity, to remain stable, to be within equipment short circuit capabilities, and to be within acceptable voltage limits while meeting projected needs of users of the transmission system. These needs may be communicated by reservations on the transmission system including network service or through other mechanisms.

Studies to determine transmission needs for a given power plant will be based on the maximum reasonable expected generation output from that plant and adverse, but credible, dispatch scenarios for other nearby generation.

MRO models are typically used to evaluate system performance for compliance with the NERC TPL Standards. Details of model development can be found in the MRO Model Building Manual.

For those conditions and events that do not meet the performance requirements of Table 3 - ITC Midwest Planning Criteria, corrective plans involving capital projects will be developed.
Operating guides will only be used as interim solutions, prior to completion of system upgrades.

### 4.3 Project Proposal Guidelines

Project proposals will be submitted if one or more of the following guidelines are met.
$>$ Replacement of equipment which is unsafe to operate and/or presents a hazard. This includes projects required to replace interrupting devices that could be subjected to fault currents which exceed momentary or interrupting ratings, as well as projects required to replace equipment that periodic maintenance tests have shown to have incipient failure.
> Replacement of equipment that presents a costly maintenance burden. This includes projects required to replace equipment that periodic maintenance tests have shown increasing economic costs to maintain for reasons such as that equipment that is, or is becoming, obsolete.
> Interconnection of reasonably documented new customers or committed increases in load at existing customer stations. Related projects should be proposed if one or more of the planning criteria are violated.
$>$ Relocation of ITC Midwest facilities on public property as required by federal, state, county or local governmental units. Other requests for relocations are to be done only if the requestor has contracted to pay for the relocation or if economic justification exists.
$>$ Repair, rebuild or replacement of equipment which has failed.
$>$ Repair, rebuild or replacement of facilities needed to provide acceptable reliability. This includes facilities which due to design no longer provides acceptable reliability and/or facilities in which normal maintenance is not effective to maintain reliability due to the overall condition of the facilities.
$>$ Requirements to maintain spare equipment to a level sufficient to provide timely replacements for normal failure rates.
> Mitigation of instances with violations or projected violations of the planning criteria.
> Purchase of corridor, station and/or substation sites as needed for other projects. Approved property purchases can also be associated with reasonable expected future needs.

Reasonable future conditions such as load growth, changes in regional and interregional system flow patterns and future generators must be considered when developing projects. The goal is to develop a robust transmission system today which can be efficiently expanded to reliably and economically accommodate tomorrow's load and generation patterns.

### 4.4 Voltage and Facility Loading Criteria

### 4.4.1 Generally Applicable Criteria

## Table 3 - ITC Midwest Planning Criteria

| Description | NERC Category | Allowable Load Loss | Ratings Used | Load Level | Minimum Voltage b, e, f | Maximum Voltage b, e, f |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| System Normal | A | none | normal | 100\% | 95\% | 105\% ${ }^{\text {k }}$ |
| Single Generator | B1 | none | emergency | 100\% | 93\% ${ }^{\text {j }}$ | 110\% $\%^{\text {j, }}$ |
| Single UG Cable | B2 | none ${ }^{\text {a }}$ | emergency | 100\% | 93\% ${ }^{\text {j }}$ | 110\% ${ }^{\text {j, }}$ |
| Single OH Line | B2 | none ${ }^{\text {a }}$ | emergency | 100\% | 93\% ${ }^{\text {j }}$ | 110\% ${ }^{\text {j, }}$ |
| Single Transformer | B3 | none ${ }^{\text {a }}$ | emergency | 100\% | 93\% ${ }^{\text {j }}$ | 110\% ${ }^{\text {j, }}$ |
| Bus Section | C1 | none ${ }^{\text {a,g }}$ | emergency | 100\% | 93\% ${ }^{\text {j }}$ | 110\% ${ }^{\text {j, }}$ |
| Circuit Breaker | C2 | none ${ }^{\text {a,g }}$ | emergency | 100\% | 93\% ${ }^{\text {j }}$ | 110\% ${ }^{\text {j, }}$ |
| Shutdown + Contingency | $\begin{gathered} \text { B1, B2 or } \\ \text { B3 } \end{gathered}$ | none ${ }^{\text {a,g }}$ | emergency | 70\% | 93\% | 110\% ${ }^{\text {j, }}$ |
| Double Circuit Tower ${ }^{\text {i }}$ | C5 | none ${ }^{\text {a,g }}$ | emergency | 100\% | 93\% ${ }^{\text {j }}$ | $110 \%^{\text {j, }}$ |
| Double Contingencies ${ }^{\text {d }}$ |  |  |  |  |  |  |
| 1. After First Contingency (Prior to System ReAdjustment) | C3 | none ${ }^{\text {a }}$ | emergency | 100\% | 93\% | 110\% ${ }^{\text {' }}$ |
| 2. After First Contingency (After System ReAdjustment) | C3 | none ${ }^{\text {a }}$ | normal | 100\% | 95\% | $105 \%{ }^{\text {k }}$ |
| 3. After Second Contingency <br> (Prior to System Re-Adjustment) <br> 4 After Second | C3 | none ${ }^{\text {a,g }}$ | emergency | 100\% | 90\% | 110\% ${ }^{\prime}$ |
| Contingency (After <br> System Re-Adjustment) | C3 | none ${ }^{\text {a,g }}$ | emergency | 100\% | 93\% | 105\% ${ }^{\text {k }}$ |
| Extreme Contingencies ${ }^{\text {d }}$ | D | no cascading | emergency | 100\% | no cascading | no cascading |

a) There may be some consequential load loss in the event of the loss of a radial circuit, a transformer in direct series with a radial circuit or the loss of a load fed from a radial tap off of a network circuit provided the load lost was served directly by the outaged facility.
b) System Normal voltage limits represent pre-contingent system voltage limits (SOLs) under normal system conditions. Post-contingent system voltage limits (SOLs) are emergency voltage limits under abnormal or emergency system conditions.
c) The normal and emergency ratings are developed in accordance with PWR-601 ITC Midwest Equipment Thermal Load Ratings. The normal and emergency rating may be the same.
d) The NERC Planning Standards consider a single category B event followed by operator intervention followed by another category B event as a category C event. Action must be taken within 30 minutes of initial disturbance. The loss of two elements without time between for operator action is interpreted by ITC Midwest to be more severe than category C and is treated like an extreme contingency.
e) All Nuclear Plant Interface Requirements (NPIRs) in the ITCMW footprint shall be monitored and upheld. The normal and contingent DAEC 161 kV voltage requirement is a minimum of $99.2 \%$ and a maximum of $104.14 \%$.
f) The voltage limits listed are steady state voltage limits. Voltage control devices (e.g., tap changers, switched shunts, and phase shifting transformers) should be set to control during the analysis.
g) There may be some load loss to a defined pocket of load as a direct consequence of the system topology.
h) The Load Level shown is the maximum load level (in percent of the system peak) to which this part of the criteria should be applied. It is also valid at any load level less than that shown.
i) Any two circuits of a multiple circuit towerline excludes transmission circuits where multiple circuit towers are used over a cumulative distance of 1 mile or less in length.
j) Voltage must be restorable to the System Normal range after system adjustments. Action must be taken within 30 minutes of disturbance.
k) $107 \%$ for 115 kV buses.
l) System studies should monitor at the System Normal Maximum Voltage.

Tests should be applied as appropriate to examine the system's susceptibility to voltage collapse. The system should be monitored for voltage deviations greater than $5 \%$. The reactive reserve in an area (comprised of "unused" reactive capability of generators or shunt capacitors) may be monitored in studies to identify possible voltage collapse scenarios. Low reactive reserves may be an indication of being near the "knee" of the PV curve.

When contingencies result in buses being isolated from all sources of the same or higher voltage, it is not considered a violation of the planning criteria for voltages on the isolated buses to be outside the parameters of Table 3 - ITC Midwest Planning Criteria, provided that the voltages on the underlying system are within acceptable limits.

Projects should be proposed if the loading on system elements (overhead conductors, underground cables and/or station equipment), minimum voltages, maximum voltages, or the amount of load loss are outside of the applicable contingency category parameters as set forth in of Table 3 - ITC Midwest Planning Criteria for any reasonably expected generation dispatch pattern, or a dispatch that represent an average condition. Where projects are proposed for additional dispatch scenarios, their use will be justified and documented.

### 4.4.2 Shutdown Conditions

For load levels at or below the maximum planned for load level with shutdowns (see Table 3 ITC Midwest Planning Criteria) it is expected that the shutdown of a single component would result in element loadings and system voltage within normal ranges. Further, it is expected that contingent loss of a component on top of the shutdown of a single component would result in element loadings and system voltages within emergency ranges.

There must be a significant, continuous time during the year when a system element can be shutdown for inspection, maintenance, adjacent hazard and/or element replacement. Planning studies must therefore evaluate the system under shutdown conditions using the maximum planned load level with shutdowns (see Table 3 - ITC Midwest Planning Criteria). The maximum planned for load level with shutdowns should periodically be re-evaluated to ensure that the application of that criterion is consistent with the requirement of having a significant, continuous time during the year when a system element can be shutdown for inspection, maintenance, adjacent hazard and/or element replacement.

MRO summer off-peak models are typically used to evaluate system performance for shutdown conditions. MRO defines summer off-peak (shoulder) load as $70 \%$ of summer peak load conditions.

### 4.4.3 Single Contingency Followed by Operator Action Followed by Another Single Contingency

The forced outage of a single generator, transmission circuit (or portion thereof) or transformer followed by operator interaction and then followed by another forced outage of a single generator, transmission circuit (or portion thereof) or transformer is considered to be a NERC Category C event. For these events, NERC Reliability Standard TPL-003-0 requires all remaining system elements to be within applicable thermal and voltage limits and also allows load shedding. ITC Midwest has separated the allowable load shedding in the Standard into two categories. In the first category, load is shed via operator-initiated actions following the loss of two elements in order to keep the loading of system elements within established longer-term emergency ratings and system voltages within established limits. Following the loss of two elements and prior to load shed, the loading of system elements must be within established shortterm emergency ratings. Since ITC Midwest does not use short-term emergency ratings, this type of load shedding is not allowed. In the second category, supply to a defined pocket of load is lost as the direct consequence of the system topology. An example of the second category would be a substation which serves distribution load and has only two supplies. The concurrent outage of both supplies will result in the load at that substation being dropped. This type of load shedding is allowed.

### 4.4.5 NERC Category D - Extreme Event

The ITC Midwest system will be evaluated using a number of extreme contingencies that are judged by Planning to be critical. It is not expected that it will be possible to evaluate all possible facility outages that fall into NERC Category D. These events may involve substantial load and generation loss in a widespread area. These critical category D contingencies should not result in cascading outages beyond the ITC Midwest system area and any immediately adjacent areas.

## 5 Stability Criteria

Stability is the ability of a generator or power system to reach an acceptable steady-state operating point following a disturbance. This requires that thermal loadings, load loss, and voltage following the disturbance are within the guidelines established in Table 3 - ITC Midwest Planning Criteria.

Generator and system stability shall be maintained during and after the most severe of the contingencies listed below:

1. With the transmission system normal, a three-phase fault at the most critical location ${ }^{\text {a }}$ with normal ${ }^{\text {b }}$ clearing.
2. Simultaneous phase-to-ground faults on two transmission circuits on a multiple circuit tower with normal ${ }^{\text {b }}$ clearing.
3. A single phase-to-ground fault at the most critical location ${ }^{\mathrm{a}}$ with delayed ${ }^{\mathrm{c}}$ clearing.
4. With one element (transmission line, transformer, protective relay, or circuit breaker) initially out of service, a three phase-to-ground fault at the most critical location ${ }^{a}$ with normal ${ }^{\text {b }}$ clearing.
5. A single phase-to-ground internal breaker fault with normal ${ }^{\text {b }}$ clearing.
6. Where single pole tripping is enabled, single phase-to-ground faults on the transmission circuit with successful reclosing, and unsuccessful reclosing due to permanent single phase-to-ground faults with normal ${ }^{\mathrm{b}}$ clearing.
a) Faults should be placed on generators, transmission circuits, transformers, and bus sections.
b) Norma1 clearing means that all protective equipment worked as intended and within design guidelines.
c) Delayed clearing means that a circuit breaker, relay or communication channel has malfunctioned or failed to operate within design guidelines. If the delayed clearing is due to a failure to operate, local and remote backup clearance is appraised.

Performance during and after the disturbance shall meet the requirements of the NERC TPL standard's Table 1 - Transmission System Standards - Normal and Emergency Conditions, and the MRO System Performance Table of MRO Standard TPL-503-MRO-01.

A one-cycle ${ }^{3}$ safety margin must be added to the actual or planned fault clearing time.

## 6 Short Circuit Criteria

Short circuit currents are evaluated in accordance with industry standards as specified in American National Standards report ANSI C37.5-1981 for older breakers rated on the total current (asymmetrical) basis and American Standards Association report C37.010-1979 (Reaff 1988) for new breakers rated on a symmetrical current basis.

In general, fault currents must be within specified momentary and/or interrupting ratings for studies made with all facilities in service, and with generators and synchronous motors represented by their appropriate (usually sub-transient saturated) reactance.

## 7 Power Quality/Reliability Criteria for Delivery Points

Details of Power Quality and Reliability Criteria for Delivery Points are covered in the individual Interconnection Agreement Documents with the Load Serving Entities. The Planning Engineer shall propose projects as required in those agreements.

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## 8 Voltage Deviation Standards

### 8.1 Capacitor Switching

The maximum percent change (step-change) in system voltage under normal system conditions shall be $3 \%$ when sizing capacitor banks.

### 8.2 Loss of Generation

Over the normal generation availability range, with all transmission elements in service, the voltage change measured anywhere in the system shall be considered for a single generator tripping.

### 8.3 Loss of an Element

Over the normal generation availability range, the voltage change measured anywhere in the system shall be considered for a single transmission element tripping.

## 9 Coordination with Other Transmission Systems

### 9.1 Joint Planning

The ITC Midwest system has interconnections with neighboring systems. These systems include neighboring transmission systems as well as distribution systems. The contractual commitments with the interconnected neighbors, as well as the properties of interconnected operations require coordinated joint planning with others of not only the interconnection facilities, but also consideration of the networks contiguous to those interconnections. Joint planning is accomplished by participation in several regional planning groups.

### 9.2 Interchange Capability

Interconnections with other transmission systems are intended to facilitate the economic and reliability needs of generators and loads directly interconnected with the ITC Midwest system. In addition, these interconnections can also support the economic and reliability needs of generators and loads not directly interconnected with the ITC Midwest system. Interchange capability is the amount of power that can be transferred across transmission systems without exceeding transmission system facility limitations. Accordingly, the evaluation and planning of interchange capability is necessarily a joint effort by the concerned utilities. ITC Midwest participates in the transfer analysis performed by several regional planning groups.

## 10 Special Protection Systems (SPS)

It is ITC Midwest policy that new Special Protection Schemes (SPS) not be installed on the ITC Midwest system. ITC Midwest will not support the installation of an SPS on a neighboring system whose purpose is to mitigate potential issues on the ITC Midwest system.

For those SPS's that have already been placed in service, periodic reviews should be performed to ensure that the scheme is deactivated when the conditions requiring its use no longer exist or system improvements to remove the SPS are warranted.

Appendix 55: Generation Sensitivity Analysis of 161 kV Rebuild Alternative

Limiting element: 613370 RUTLAND5 161631043 WINBAGO5 1611
Contingency : 2698 ITCM-C206-NW-BF (Lakefld_161_bus_tie)
Worst dispatch FCITC : 514.2 MW Worst Dispatch Rating: 1
$\begin{array}{lll}\text { Study Transfer FCITC : } & 21068.0 \mathrm{MW} & \text { Study Transfer Rating: } O(P) \text { TDF below } 0.030 \\ 20553.8 \mathrm{MW}\end{array}$ Change in FCITC : 20553.8 MW

============ MW Flow (at Fixed Participation Factor) Table ============

|  | WrstDisp | FCITC |  |  |
| :--- | :--- | :--- | :--- | :--- |
|  | Base Case FCITC | Flow | Flow | Study |
| PreShift | WrstDisp | 514.2 | 21068.0 | DistFact |

Limiting Element Flow:
with outage
$\begin{array}{lllll}20.6 & 446.0 & 30.9 & 446.0 & 0.0202 \\ 74.0 & 284.16\end{array}$
$\begin{array}{llllll}\text { Contingency } & 2698 \text { ITCM-C206-NW-BF (Lakefld_161_bus_tie) } & & -19.9 & -0.0045 \\ & & & \text { Complex Contingency }\end{array}$

Detailed analysis of worst dispatches ordered by transfer capability.
Maximum export - 5000.0 MW


Iowa MVPs
Constraint Analyses Constraints shown based on:

- Contingency analysis on 2021 cases with and without
proposals
- Transfer analyses starting at 2021 levels and increasing
until limits found
- Transfer sources are all incremental wind zones
- Transfer sinks are non-wind merit order
- RPS milestone wind levels:
- 2022 ~ 454 MW
•2023 ~ 909 MW
• $2024 \sim 1363 \mathrm{MW}$
• $2025 \sim 1818 \mathrm{MW}$
. $2026 \sim 2272 \mathrm{MW}$
MIS

Iowa Constraints | •Red Highlights- |
| :--- |
| Constraints in CMVP |
| Study 2021 Shoulder |
| pre-IA CMVP Case |
| •Yellow Highlights- |
| Constraints in Transfer |
| Study (Beyond 2021 |
| Wind Levels) |
| •2022 ~ 454 MW |
| $\bullet 2023 \sim 909$ MW |
| $\bullet 2024 \sim 1363 \mathrm{MW}$ |
| $\cdot 2025 \sim 1818 \mathrm{MW}$ |
| $\bullet 2026 \sim 2272 \mathrm{MW}$ |

(1) Incremental Wind | Zone (2021) |
| :--- |









## (1) $\begin{aligned} & \text { Incremental } \\ & \text { Wind Zone }\end{aligned}$ <br> Constraints





$$
\begin{aligned}
& \text { Iowa Summary } \\
& \text { Alternate Route is superior to proposed CMVPs } \\
& \text { - Routed through Lime Creek wind heavy area } \\
& \text { constraints aggravated by through transfers } \\
& \text { - Alternate Route helps reduce loading on existing } \\
& \text { transmission path by about half } \\
& \text { - Relieves congestion on Mitchell-Hazelton } 345 \mathrm{kV} \\
& \text { path increasing wind transfer capability through lowa } \\
& \text { by over 4,000 MW } \\
& \text { - Circumvents wind heavy northern lowa regions with } \\
& \text { reliable 345 kV looped system with various } \\
& \text { transformation stations which would help facilitate } \\
& \text { future wind connections } \\
& \text { MIS }
\end{aligned}
$$


Wind Curtailment
Percentage of RPS that cannot be enabled 'but for' Multi
Value Project (MVP) Portfolio (in lieu of MVPs)

- Assimilate all constraints identified as mitigated by proposed
MVP portfolio
- Calculate impact of all wind-existing, planned and incremental
wind zones on all constraints
- Utilize impacts to calculate MISO net optimal wind curtailment
required to bring constraint loadings within line capacity
- Estimate energy curtailment through MISO wide weighted
capacity factor
- Calculate percentage of RPS curtailment as a ratio of curtailed
energy over full RPS energy
Constraints

Target loading $\leq 95 \%$ applicable rating
Wind Curtailment Methodology
Flowgates

Optimization Logic


$$
\begin{aligned}
& \text { Conservative Estimate } \\
& \text { - Only worst contingency-constraint pair studied: Other } \\
& \text { contingencies may yield additional wind curtailment } \\
& \text { - Target loading reductions reduced to obtain solution } \\
& \text { - Capacity factors weighted MISO wide: Capacity factors } \\
& \text { associated with individual wind units may yield higher wind } \\
& \text { energy curtailment } \\
& \text { - Algorithm is by definition tuned to select optimal wind } \\
& \text { reduction: Actual wind curtailment for these aggregate } \\
& \text { constraints may be higher }
\end{aligned}
$$

Wind Curtailment Result


- Calculated Percentage Curtailed Energy $=63.1 \%$ ( $34,711,578$ /
55,010,629)
MIS
Conclusion
- 63\% RPS curtailment in lieu of MVP portfolio indicates existing
and planned wind (not including incremental required to meet
2026 RPS mandate) generation in MISO footprint is already
constrained
- Additional calculations to be done to determine wind enabled by
the MVP portfolio in excess of 2026 RPS mandate levels
Questions?
- Digaunto Chatterjee (dichatterjee@misoenergy.org)
- West Sub Region and Wind Curtailment Engineering
Questions
- Adam Solomon (asolomon@misoenergy.org)
- Central and East Sub Region Engineering Questions
- Mike Dantzler (mdantzler@misoenergy.org)


# LMP Impacts of Proposed Minnesota-Iowa 345 kV Transmission Project 

Analysis Group

March 2013

# LMP Impacts of Proposed Minnesota-Iowa 345 kV Transmission Project 

Rodney Frame<br>Todd Schatzki Pavel Darling

## Executive Summary

ITC Midwest LLC is proposing to develop the Minnesota - Iowa 345 kV Transmission Project (the Project). The Project involves construction of new 345 kV transmission lines and associated facilities in Minnesota and Iowa with the purpose of providing economic, policy and reliability benefits. The Project is part of MVP 3, one of the 17 Multi-Value Project (MVP) Portfolio of the Midwest Independent Transmission System Operator, Inc. (MISO).

Using the PROMOD market simulation model, the analyses herein estimate the change in locational marginal prices (LMPs) in Minnesota from implementing the Project and other components of MVPs 3 and 4. MVP 4 interconnects to MVP 3 at a substation in Kossuth County, Iowa.

With development of MVPs 3 and 4, average LMPs for Minnesota fall by $\$ 0.70$ per MWh (2.4\%) in 2021 and $\$ 0.71$ per MWh (2.2\%) in 2026 under Business As Usual: Low Demand market conditions. Under Business As Usual: High Demand market conditions, price reductions are similar: \$0.61 per MWh (1.7\%) in 2021 and $\$ 0.90$ per MWh (2.0\%) in 2026. These LMP changes result in annual reductions in wholesale energy payments for Minnesota load that range from $\$ 48.3$ million (2021 Business As Usual: High Demand) to $\$ 76.6$ million (2026 Business As Usual: High Demand).
LMP reductions from the implementation of MVPs 3 and 4 are also estimated to be widespread across the eight individual load-serving entities (LSEs) in Minnesota included in the PROMOD analysis. Average LMPs decline for all eight LSEs in 2021 and for seven of the eight LSEs in 2026.

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# LMP Impacts of Proposed Minnesota-Iowa 345 kV Transmission Project 

Rodney Frame Todd Schatzki<br>Pavel Darling

## 1. BACKGROUND ON THE MINNESOTA-IOWA PROJECT

ITC Midwest LLC (ITC Midwest) is proposing to construct new 345 kV transmission lines and associated facilities with the purpose of providing economic, policy and reliability benefits. This project, the Minnesota - Iowa 345 kV Transmission Project (the "Project" or "MN-IA Project"), is being developed as part of the Midwest Independent Transmission System Operator, Inc.'s (MISO) 17 MultiValue Project (MVP) portfolio. MVPs are transmission projects in the MISO footprint that have been "determined to enable the reliable and economic delivery of energy in support of documented energy policy mandates or laws that address, through the development of a robust transmission system, multiple reliability and/or economic issues affecting multiple transmission zones." ${ }^{1}$ The costs of MVPs are recovered from all load within and exports from MISO via a per MWh charge. ${ }^{2}$

Among other things, the portfolio of MVPs is intended to help enable the reliable delivery of renewable energy, including wind power, within the MISO footprint, allow for a more efficient dispatch of generation resources, open markets to further competition and spread the benefits of low-cost

[^122]Criterion 2. A Multi Value Project must provide multiple types of economic value across multiple pricing zones with a Total MVP Benefit-to-Cost ratio of 1.0 or higher ....
Criterion 3. A Multi Value Project must address at least one Transmission Issue associated with a projected violation of a NERC or Regional Entity standard and at least one economic-based Transmission Issue that provides economic value across multiple pricing zones. The project must generate total financially quantifiable benefits, including quantifiable reliability benefits, in excess of the total project costs ....

[^123]generation. The Federal Energy Regulatory Commission (FERC) approved the methodology used by MISO to identify the MVP portfolio as "an important step in facilitating investment in new transmission facilities to integrate large amounts of location-constrained resources, including renewable generation resources, to further support documented energy policy mandates or laws, reduce congestion, and accommodate new or growing loads."3

MISO’s Multi Value Project Portfolio, Results and Analysis, January 10, 2012 (MISO MVP Report) provides a comprehensive assessment of the complete 17 MVP portfolio and recommends that each of the 17 projects be approved by MISO's Board of Directors for inclusion in Appendix A of the MISO Transmission Expansion Plan process and implemented. On December 8, 2011, the MISO Board approved this recommendation.

The MN-IA Project consists of a 345 kV transmission line and associated facilities located in Jackson, Martin, and Faribault counties in Minnesota, and Kossuth County in Iowa. ${ }^{4}$ The MN-IA Project, together with other facilities being proposed by MidAmerican to be constructed in Iowa ${ }^{5}$ comprises what is referred to as MVP 3 in MISO's MVP portfolio. The development of MVP 3 is closely tied to MVP 4, which is also being proposed by ITC Midwest and MidAmerican. ${ }^{6}$ Together, MVPs 3 and 4 provide new pathways to help power flow from western Minnesota and Iowa to eastern Iowa, along with providing reliability and congestion relief benefits. The analysis herein relies on MISO-developed information on changes in system resources for MVPs 3 and 4 combined. As a result, the locational marginal price (LMP) results that are reported reflect the combined effects of both MVPs 3 and $4 .{ }^{7}$

[^124]
## 2. METHODOLOGY

Wholesale electricity price changes resulting from MVPs 3 and 4 have been examined using the PROMOD IV (PROMOD) market simulation model. PROMOD, which is marketed by Ventyx, simulates the operation of the regional generation and transmission system, in so doing reflecting a variety of generator operating characteristics and constraints, and transmission system topology and limits. Among other things, PROMOD allows the estimation of time-varying LMPs ${ }^{8}$ under different sets of operating conditions and infrastructure development. The PROMOD analysis and the data set employed are described more fully in Appendix A. The PROMOD market simulation model and the data set employed are identical to those used by MISO in the MISO MVP Report assessing the 17 projects in the MVP portfolio package.

The hour-by-hour LMP values produced by the PROMOD analysis were used, along with the amount of load served from each of the pricing nodes, to develop load-weighted average wholesale energy prices. These load weighted prices were determined for Minnesota taken as a whole and for each of the eight individual Minnesota load-serving entities (LSEs) that are represented in the PROMOD database. ${ }^{9}$ Appendix A provides further detail on these computations. The PROMOD analysis uses a "base case" in which all 17 projects in the MVP portfolio except MVPs 3 and 4 are assumed to be in service, and computes LMP differences between that base case and a "study case" in which all 17 MVPs are assumed to be in service. The difference between the load-weighted average electric energy prices without MVPs 3 and 4 (base case) and the load-weighted average electric energy prices with MVPs 3 and 4 (study case) then represents the wholesale energy price effect from implementing MVPs 3 and 4. If this difference is negative, as turns out generally to be the case, then this is an indication that MVPs 3 and 4 will lower average wholesale electric energy prices in Minnesota. The annual change in total wholesale market energy payments for Minnesota load is calculated by multiplying these differences by total Minnesota load.

The PROMOD analyses were run for two future study years, 2021 and 2026, using two different scenarios for each year. These scenarios, which are described further below and which were also used in the MISO MVP Report, contain different assumptions about load growth. The geographic region covered by the PROMOD analysis includes a large portion of the Eastern Interconnection, ${ }^{10}$ including all of MISO

[^125]and the footprint of the adjacent PJM Interconnection and other directly and indirectly interconnected systems.

The PROMOD analysis quantifies the lower wholesale electric energy prices that will result from the Project, but it does not quantify other potential wholesale electricity price benefits such as lower operating reserve costs and lower capacity requirements and prices. Focusing just on wholesale electric energy price comparison results of the PROMOD analysis therefore will understate the full range of price benefits that can be expected from the Project.

The following two scenarios were included:
(i) Business as Usual: Low Demand-assumes the continuation of current energy policies and continuing "recession-level" demand and energy growth; and
(ii) Business as Usual: High Demand-assumes the continuation of current energy policies and a return to pre-recession demand and energy growth levels.

These two scenarios are described more completely in Appendix A, attached.
The PROMOD analysis relies on the same data used by MISO in its economic analysis of the MVP portfolio. These data include information on customer loads, transmission infrastructure, forecasted fuel prices, and existing and new generation resources. Similarly, the Business as Usual: Low Demand and Business as Usual: High Demand scenarios analyzed were also analyzed by MISO in the MISO MVP Report (in addition to other scenarios that MISO examined). The assumptions regarding customer demand and energy growth, fuel prices, wind penetration and carbon prices are the same as employed by MISO. New renewable resources are added so that each state in the MISO region can comply with its state Renewable Portfolio Standards. Aside from MVPs 3 and 4, the only difference between the study case and the base case is the quantity of wind power assumed. As discussed more fully in Appendix A, the quantity of wind power resources is reduced in the base case based on MISO's determination that fewer wind resources can be reliably supported without the construction of MVPs 3 and 4 .

## 3. RESULTS

The estimated price impacts arising from the Project are reported in Tables 1 to 3 . Table 1 shows the price impacts in each of the study years for Minnesota taken as a whole, for each of the two scenarios evaluated. Tables 2 (Business as Usual: Low Demand) and 3 (Business as Usual: High Demand) then provide the results for the individual Minnesota LSEs. ${ }^{11}$ As indicated, Table 1 shows the weighted average prices for Minnesota for each of the two scenarios evaluated. The weighted average prices shown reflect each of the eight Minnesota LSEs represented in PROMOD, with weightings in turn reflecting the portion of each company's load that is in Minnesota. In the Business as Usual: Low Demand case for 2021, the Minnesota average LMP is $\$ 27.95$ with MVPs 3 and 4 in service and $\$ 28.66$

[^126]without MVPs 3 and 4 in service. The results indicate a weighted average LMP reduction of $\$ 0.70$ per MWH from the implementation of MVPs 3 and 4, or $2.4 \%$. In the Business as Usual: High Demand case, the weighted average LMP in 2021 is reduced by $\$ 0.61$ per MWH from the implementation of MVPs 3 and 4 , or $1.7 \%$. When these weighted average LMP reductions are multiplied by Minnesota load levels, the resulting change in annual wholesale energy payments for those Minnesota loads range from $\$ 48.3$ million for the 2021 Business As Usual: High Demand Case to $\$ 76.6$ million for the 2026 Business As Usual: High Demand Case.

Table 2 reports, for the Business As Usual: Low Demand Case, the load weighted LMPs for each Minnesota LSE with and without MVPs 3 and 4. Table 3 reports similar figures for the Business as Usual: High Demand Case. The price effects vary across companies and generally show significant price decreases for all LSEs across study years and growth scenarios after the inclusion of MVPs 3 and 4. The principal exception, Dairyland Power Cooperative, which has only about 12 percent of its load in Minnesota, experiences a slight price increase in both scenarios in the 2026 analysis (but not the 2021 analysis). The largest (beneficial) price impacts are for the Southern Minnesota Municipal Power Agency (SMMPA). For example, as shown in Table 2, for SMMPA in 2021 the average LMP is $\$ 26.54$ with MVPs 3 and 4 in service, and $\$ 27.73$ without MVPs 3 and 4 in service. Thus, the effect of MVPs 3 and 4 is to lower average LMPs for SMMPA by $\$ 1.19$, or $4.3 \%$ in 2021. (The effects are similar for the Business as Usual: High Demand Case shown in Table 3.) The smallest price impacts are for Dairyland Power Cooperative. For Dairyland, in 2021, for the Business as Usual: Low Demand Case, the average LMP is $\$ 30.96$ with MVPs 3 and 4 in service, and $\$ 31.11$ without MVPs 3 and 4 in service. Thus, the effect of implementing Projects 3 and 4 is to lower LMPs by $\$ 0.15$, or $0.5 \%$.
Load Weighted LMP (\$ per MWh)

$\$ 46.11$
[1] Both scenarios include all other projects in the MVP portfolio.
LMP Impacts of Proposed Minnesota-lowa 345 kV Transmission Project

| Area | LMP <br> Busi | $\begin{array}{r} \text { T } \\ \text { hanges } \\ \text { ess as I } \end{array}$ | le 2 om MVPs 3 and ual: Low Demand |  | LMP Change | Percent Difference |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Percent of Sales in Minnesota | Year | Load Weighted LMP (\$ per MWh) |  |  |  |
|  |  |  | With <br> MVPs 3 and 4 | Without <br> MVPs 3 and 4 |  |  |
| Alliant West - Interstate Power \& Light | 5.5\% |  | [A] | [B] | $[C]=[A]-[B]$ | [D] $=[\mathrm{C}] /[\mathrm{B}]$ |
|  |  | 2021 | \$29.08 | \$29.56 | -\$0.48 | -1.6\% |
|  |  | 2026 | \$33.07 | \$33.25 | -\$0.18 | -0.5\% |
| Dairyland Power Cooperative | 11.5\% | 2021 | \$30.96 | \$31.11 | -\$0.15 | -0.5\% |
|  |  | 2026 | \$35.51 | \$35.04 | \$0.48 | 1.4\% |
| Great River Energy | 99.6\% | 2021 | \$27.47 | \$28.27 | -\$0.80 | -2.8\% |
|  |  | 2026 | \$29.82 | \$30.67 | -\$0.85 | -2.8\% |
| Minnesota Power and Light Company | 100.0\% | 2021 | \$28.22 | \$28.79 | -\$0.57 | -2.0\% |
|  |  | 2026 | \$31.41 | \$32.06 | -\$0.66 | -2.1\% |
| Minnkota Power Coop | 45.1\% | 2021 | \$30.22 | \$30.71 | -\$0.49 | -1.6\% |
|  |  | 2026 | \$34.44 | \$35.20 | -\$0.76 | -2.2\% |
| Northern States Power Company | 74.8\% | 2021 | \$27.91 | \$28.61 | -\$0.70 | -2.4\% |
|  |  | 2026 | \$31.44 | \$32.15 | -\$0.70 | -2.2\% |
| Otter Tail Power Company | 48.4\% | 2021 | \$28.53 | \$29.13 | -\$0.60 | -2.0\% |
|  |  | 2026 | \$31.02 | \$31.76 | -\$0.74 | -2.3\% |
| Southern Minnesota Municipal Power Agency | 100.0\% | 2021 | \$26.54 | \$27.73 | -\$1.19 | -4.3\% |
|  |  | 2026 | \$28.60 | \$29.42 | -\$0.82 | -2.8\% |
|  |  |  |  |  |  |  |
| [1] Percent of sales in MN is calculated using data from 2011 Form EIA-861. <br> [2] Both scenarios include all other projects in the MVP portfolio. |  |  |  |  |  |  |

LMP Impacts of Proposed Minnesota-Iowa 345 kV Transmission Project

| Area | Table 3 <br> LMP Changes From MVPs 3 and 4 Business as Usual: High Demand |  |  |  | LMP Change | Percent Difference |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Percent of Sales in Minnesota | Load Weighted LMP (\$ per MWh) |  |  |  |  |
|  |  | Year | With <br> MVPs 3 and 4 | Without MVPs 3 and 4 |  |  |
| Alliant West - Interstate Power \& Light | 5.5\% |  | [A] | [B] | $[C]=[A]-[B]$ | [D] $=[\mathrm{C} / /[\mathrm{B}]$ |
|  |  | 2021 | \$32.46 | \$33.34 | -\$0.89 | -2.7\% |
|  |  | 2026 | \$39.62 | \$40.63 | -\$1.01 | -2.5\% |
| Dairyland Power Cooperative | 11.5\% | 2021 | \$36.04 | \$36.27 | -\$0.23 | -0.6\% |
|  |  | 2026 | \$44.84 | \$44.31 | \$0.53 | 1.2\% |
| Great River Energy | 99.6\% | 2021 | \$33.58 | \$34.37 | -\$0.79 | -2.3\% |
|  |  | 2026 | \$42.40 | \$43.52 | -\$1.11 | -2.6\% |
| Minnesota Power and Light Company | 100.0\% | 2021 | \$33.77 | \$34.36 | -\$0.59 | -1.7\% |
|  |  | 2026 | \$42.00 | \$42.90 | -\$0.90 | -2.1\% |
| Minnkota Power Coop | 45.1\% | 2021 | \$36.01 | \$36.57 | -\$0.56 | -1.5\% |
|  |  | 2026 | \$44.87 | \$45.95 | -\$1.08 | -2.4\% |
| Northern States Power Company | 74.8\% | 2021 | \$35.19 | \$35.68 | -\$0.49 | -1.4\% |
|  |  | 2026 | \$48.10 | \$48.91 | -\$0.82 | -1.7\% |
| Otter Tail Power Company | 48.4\% | 2021 | \$33.97 | \$34.64 | -\$0.67 | -1.9\% |
|  |  | 2026 | \$41.00 | \$42.18 | -\$1.18 | -2.8\% |
| Southern Minnesota Municipal Power Agency | 100.0\% | 2021 | \$31.55 | \$32.84 | -\$1.30 | -4.0\% |
|  |  | 2026 | \$38.60 | \$39.53 | -\$0.93 | -2.3\% |
| Notes: |  |  |  |  |  |  |
| [1] Percent of sales in MN is calculated using da [2] Both scenarios include all other projects in the | from 2011 Fo <br> MVP portfolio. | n EIA-8f |  |  |  |  |

## Appendix A

## PROMOD Modeling and Data

This appendix provides a summary of the PROMOD IV (PROMOD) model, data and assumptions used in analyzing the Minnesota-Iowa 345 kV Transmission Project in Jackson, Martin, and Faribault Counties, Minnesota (the Project), and the methodology for estimating the effect of the Project on wholesale electric energy prices in Minnesota.

## 1. THE PROMOD MODEL

PROMOD is an electric market simulation model marketed by Ventyx. PROMOD provides a geographically and electrically detailed representation of the topology of the electric power system, including generation resources, transmission resources, and load. This detailed representation allows the model to capture the effect of transmission constraints on the ability to flow power from generators to load, and thus calculates Locational Marginal Prices (LMPs) at individual nodes within the system. PROMOD and similar dispatch modeling programs are used to forecast electricity prices, understand transmission flows and constraints, and predict generator output. It can also perform and support various reliability analyses, including calculation of loss-of-load probability, expected unserved energy, and effective capacity support.

## 2. DATA AND ASSUMPTIONS

The analysis relies on data developed by the Midwest Independent Transmission System Operator, Inc. (MISO) in its Multi Value Project (MVP) process. A detailed description of MISO’s MVP process and data analysis is provided in the MVP Report. ${ }^{12}$ As described by MISO, the principal purposes of the MVPs are "to meet one or more of three goals: reliably and economically enable regional public policy needs; provide multiple types of economic value; and provide a combination of regional reliability and economic value." ${ }^{13}$ To identify these transmission projects, MISO has performed detailed economic and engineering analyses of many alternative transmission projects and portfolios using PROMOD. The analyses herein are based on the same data sets and analyses developed by MISO to perform its analysis.

The data and assumptions used by MISO in its MVP analysis are based on Ventyx-provided data, and have been modified as needed by MISO. These data include:

[^127]1. load forecasts provided by individual utilities within MISO, ${ }^{14}$
2. transmission line data from transmission operators, ${ }^{15}$
3. unit specifications for existing generation resources, ${ }^{16}$
4. new generation resources based on units planned and under construction, ${ }^{17}$
5. future generation resource additions developed by a capacity expansion model, ${ }^{18}$
6. retirement of generation facilities based on currently announced retirements, but not in response to economic or regulatory factors, including EPA regulation, ${ }^{19}$
7. "hurdle rates" for transactions between NERC regions, ${ }^{20}$ and
8. fuel and emission price forecasts.

The system modeled includes individual generator data and complete transmission information for the Eastern Interconnection, ${ }^{21}$ at the bus ${ }^{22}$ level.

[^128]The quantity and location of future renewable resources, including wind and solar, are determined by MISO both to meet state RPS requirements and reduce the combined cost of renewable and transmission resources. ${ }^{23}$ Based on these requirements, MISO's analysis assumes that 8,765 MW of new wind resources are added in 2021, and an additional 2,272 MW of new wind resources are added by 2026. ${ }^{24}$

MVPs 3 and 4 represent two separate projects within the MVP portfolio. ${ }^{25}$ These two projects are listed in Table A1, and are shown geographically in Figure A1. The analysis herein compares scenarios with and without MVPs 3 and 4. Both scenarios include all of MISO's other (i.e., non-MVPs 3 and 4) MVP projects. ${ }^{26}$ Apart from the presence of MVPs 3 and 4 themselves, the only other difference between the "with MVPs 3 and 4" and "without MVPs 3 and 4" cases is the capacity of wind resources in service. In the "without MVPs 3 and 4" case, the quantity of new wind resources has been reduced because the transmission system cannot support all new MVP wind resources without introducing reliability risks. Unless new wind additions are reduced from "study case" levels (where all 17 MVPs are assumed in service), power flows may exceed line capacities under certain contingencies. To determine the quantity of wind capacity that can be supported, MISO performs an analysis that identifies the minimum quantity of wind capacity curtailments that allow line loading to be kept within limits. ${ }^{27}$ Based on MISO's analysis, there is 1,740 MW less wind capacity in cases "without MVPs 3 and 4 " than in cases "with MVPs 3 and 4 ". ${ }^{28}$
accounts for aggregate regional flows to and from these areas through the use of fixed transactions. For more detail, see MTEP PROMOD Assumptions, p 24.
${ }^{22}$ A bus is the specific geographical point that a generator is located at or that a transmission line connects to.
${ }^{23}$ MISO determined the amount of wind enabled by the MVP portfolio by first determining the amount of wind needed to meet RPS targets, and then determining what amount of wind would not be supported but for the MVP portfolio. This process is detailed by MISO in the MVP Report, pp 17-20 and 48-49.
${ }^{24}$ Table 4.2, MVP Report. MISO also finds that the MVP portfolio can support an additional 2,230 MW of additional wind power from the wind zones without incurring additional reliability constraints. MVP Report, pp 4849.
${ }^{25}$ These two are: (1) Lakefield Jct. -Winnebago-Winco-Burt area \& Sheldon-Burt area-Webster and (2) WincoLime Creek-Emery-Black Hawk-Hazleton.
${ }^{26}$ These "other" MVPs are identified in Table 1.1 of the MVP Report.
${ }^{27}$ For further detail on this analysis, see MVP Report at p 48.
${ }^{28}$ Direct communication with MISO, March 7, 2013. For more detail, see MVP Report at pp 17-18.

## Table A1

## Project Elements

| MVP <br> Element | Project | Voltage | In-Service <br> Year |
| :---: | :---: | :---: | :---: |
| 3 |  <br> Sheldon-Burt area-Webster | 345 | 2016 |
| 4 | Winco-Lime Creek-Emery-Black Hawk- <br> Hazleton | 345 | 2015 |

## Figure A1

## Map of MVP Portfolio



## 3. ANALYTICAL METHOD

The analysis estimates the change in wholesale electric energy prices, measured through LMPs, as a result of implementing MVPs 3 and 4, and the resulting change in annual wholesale energy payments for Minnesota. Computation of wholesale electric energy prices and annual payments is based on two outputs from the PROMOD model: area LMPs and area loads. Within PROMOD, areas generally correspond to the service territories of load-serving entities. A "Minnesota area" as used below refers to a PROMOD area that includes some portion of Minnesota. The process used to develop changes in wholesale energy prices is as follows:

1. Area LMPs are calculated by PROMOD and reflect the load-weighted LMP of all nodes within the area.
2. Area load is based on the PROMOD inputs developed by MISO, and reflects hour-by-hour load forecasts for individual areas within MISO. ${ }^{29}$ The hourly area LMP is weighted by the hourly area load to calculate the annual cost of wholesale electric energy for each area across all hours in the year. ${ }^{30}$ For areas that include portions of both Minnesota and one or more neighboring states, the Minnesota area LMPs are assumed to equal the prices across the entire area.
3. A Minnesota load-weighted LMP is calculated, which reflects each Minnesota area’s weighted average LMP and each Minnesota area's load. Because some Minnesota areas include portions of both Minnesota and one or more neighboring states, an adjustment must be made to the MISO area loads to estimate the quantity of load only inside Minnesota. To make this adjustment, the percent of each area's load that is in Minnesota is calculated. These percentages, which are reported in Tables 2 and 3, are developed using data from the Energy Information Administration. ${ }^{31}$ To calculate the Minnesota area load, each area's total load is multiplied by the percent of that area's load that is in Minnesota. To calculate the load-weighted LMP for Minnesota, each Minnesota area's LMP, calculated as described above in \#2, is weighted by the estimated load for each Minnesota area, as described above.
4. The change in annual wholesale energy payments for Minnesota is calculated by multiplying the total Minnesota load, based on the calculations noted in \#3 above, and the change in LMP between the "with MVPs 3 and 4" and "without MVPs 3 and 4".
[^129]
## 4. SCENARIOS

The results presented in the body of this report reflect two scenarios, which are detailed below and in Table A2. Each scenario was designed by MISO in its MVP portfolio analysis, and no additional changes have been made. The definitions are provided by MISO in its MVP portfolio analysis report. ${ }^{32}$

- Business As Usual: Low Demand - assumes that current energy policies will be continued, with continuing recession level low demand and energy growth projections. ${ }^{33}$
- Business As Usual: High Demand - assumes that current energy policies will be continued, with demand and energy returning to pre-recession growth rates. ${ }^{34}$

Table A2
Scenario Assumptions ${ }^{35}$

| Future <br> Scenarios | Wind <br> Penetration | Effective <br> Demand <br> Growth Rate | Effective <br> Energy <br> Growth <br> Rate | Gas <br> Price | Carbon Cost <br> /Reduction <br> Target |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Business As <br> Usual: Low <br> Demand | State RPS | 0.78 percent | 0.79 percent | BAU | None |
| Business As <br> Usual: High <br> Demand | State RPS | 1.28 percent | 1.42 percent | BAU | None |

[^130]
[^0]:    ${ }^{1}$ A Completeness Checklist identifying the informational requirements for a Certificate of Need Application and where those requirements are addressed in this Application is included in Appendix A.

[^1]:    ${ }^{2}$ See Minn. Stat. § 216B.243, subd. 2 (requiring a certificate of need for a large energy facility) and Minn. Stat. § 216B.2421, subd. 2(1) (defining a "large energy facility" as, among other things, a transmission line with a capacity of 100 kV that (i) has more than ten miles of its length in Minnesota; or (ii) crosses a state line).

[^2]:    ${ }^{3}$ There are additional statutory requirements that also must be met relating to renewable energy, distributed generation, and community-based energy projects. A table identifying these statutory requirements and where they are addressed in this Application is included in Appendix A.

[^3]:    ${ }^{4}$ For this reason, ITC Midwest does not maintain the information sought in Minnesota Rule 7849.0280 A (power planning programs) and H (monthly adjusted net demand/capability data, and the correlation of that data with planned maintenance outages).

[^4]:    ${ }^{5}$ The $\$ 152$ million estimate is for Route B, where $345 \mathrm{kV} / 161 \mathrm{kV}$ double-circuit capable structures would be used but only the 345 kV arms, insulators, and conductors would be installed. The $\$ 164$ million estimate is for Route A , which includes $345 \mathrm{kV} / 161 \mathrm{kV}$ doublecircuit capable structures with the arms, insulators, and conductors installed for both circuits.

[^5]:    ${ }^{6}$ Minn. Stat. § 216B.2421, subd. 2(2).

[^6]:    ${ }^{7}$ Minn. Stat. § 216E.01, subd. 4.

[^7]:    ${ }^{8}$ The Commission determined, in its order, that no notification to tribal officials was necessary.
    ${ }^{9}$ Minn. R. 7849.0200, subp. 5 and 7850.2000, subp. 1.
    ${ }^{10}$ Minn. Stat. § 216B.243, subd. 4.
    ${ }^{11}$ Minn. Stat. § 216E.03, subd. 6 and Minn. R. 7850.2300, subp. 1.

[^8]:    ${ }^{12}$ Minn. R. 7849.1200; Minn. Stat. § 216E.03, subd. 5.
    ${ }^{13}$ Minn. R. 7849.1400, subps. 3-6; Minn. R. 7850.2500, subps. 2-3.
    ${ }^{14}$ Minn. R. 7850.2500, subps. 6-9.
    ${ }^{15}$ Minn. Stat. §§ 216B.243, subd. 4 and 216E.03, subd. 6; Minn. R. 7849.0230, subp. 2 and 7850.2600 .
    ${ }^{16}$ Minn. R. 7850.2700.

[^9]:    ${ }^{17}$ Minn. Stat. §§ 216B.243, subd. 5 and 216E.03, subd. 9.

[^10]:    ${ }^{18}$ See NERC Company Overview, Fast Facts, at: http://www.nerc.com/page.php?cid=1/7/10.

[^11]:    ${ }^{19} 2011$ Biennial Transmission Report, at 79.

[^12]:    ${ }^{20}$ Mandatory Reliability Standards for the Bulk-Power System, Order No. 693, 72 Fed. Reg. 16,416 (Apr. 4, 2007), FERC Stats. \& Regs. ब 31,242 (2007); order on reh'g, 120 FERC ब 61,053 (July 19, 2007).

[^13]:    ${ }^{21}$ Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, 72 Fed. Reg. 12,266 (March 15, 2007), FERC Stats. \& Regs. ๆ 31,241 (2007).

[^14]:    ${ }^{22}$ Preventing Undue Discrimination and Preference in Transmission Service，Order No．890， 118 FERC 【 61，119（2007），order on reh＇g，Order No．890－A， 121 FERC ब 61,297 （2007），order on reh＇g， Order No．890－B， 123 FERC 【 61，299（2008），order on reh＇g，Order No．890－C， 126 FERC 【 61，228 （2009），order on clarification，Order No．890－D， 129 FERC 『 61，126（2009）．
    ${ }^{23}$ MTEP 2009 （＂MTEP09＂）at 52.
    ${ }^{24} \mathrm{Id}$ ．
    ${ }^{25}$ Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities， Order No．1000， 136 FERC 【 66，051（2011），order on reh＇g，Order No．1000－A， 139 FERC 【 61，132 （2012），order on reh＇g and clarification，Order No．1000－B， 141 FERC 61，044（2012）．
    ${ }_{26}$ MISO Transmission Expansion Plan 2012 at page 17，which can be found at： https：／／www．midwestiso．org／Library／Pages／Results．aspx？q＝MISOTransmissionExpansionPl an2012．

[^15]:    ${ }^{27}$ ITC Midwest is a transmission-only utility. As such, ITC Midwest does not own generation, and it does not have a "service area" in which it provides retail electric service to end-users. Rather, ITC Midwest provides transmission service across a multi-state area to investor owned public utilities, electric cooperatives, and municipal utilities, who in turn provide retail electric service in their respective service areas.
    28 A list of current MISO members can be found at: http://www.midwestiso.org/StakeholderCenter/Members/Pages/MembershipList.aspx.
    ${ }_{29}$ MISO 2012 Summer Resource Assessment at pages 15-17, which can be found at: https://www.midwestiso.org/Library/Pages/Results.aspx?q=2012\%20Summer\%20resource\% 20assessment.

[^16]:    ${ }^{30}$ Midwest Indep. Transmission Sys. Operator, Inc., 137 FERC ब| 61,074 (2011) ("Rehearing Order") and Midwest Indep. Transmission Sys. Operator, Inc., 133 FERC $\mathbb{1}$ 61,221 (2010) ("MVP Order").
    ${ }^{31}$ Rehearing Order at 9116.
    ${ }^{32}$ MVP Order at $\mathbb{4} 28$.
    ${ }^{33}$ Rehearing Order at $\mathbb{1} 173$.
    ${ }^{34}$ Rehearing Order at $\mathbb{1} 174$.
    ${ }^{35}$ Rehearing Order at 9175.
    ${ }^{36}$ Rehearing Order at n. 369; "Therefore, Minnesota recommends that [FERC] approve MISO's proposal of charging 100 percent of the cost of MVP projects to the load across MISO's system . . . ." Joint Comments of the Commission and Minnesota Department of Commerce, Sept. 10, 2010.

[^17]:    ${ }^{37}$ See, e.g., "Joint Coordinated System Plan (JCSP),"Volume 1: Economic Assessment at 8-9 (2008) and EnerNex Corporation (for National Renewable Energy Laboratory), "Eastern Wind Integration and Transmission Study" at 38 (rev. Feb. 2011), available at: http://www.nrel.gov/docs/fy11osti/47078.pdf (accessed Mar. 4, 2013).

[^18]:    ${ }^{38}$ MISO Candidate MVP Reliability Analysis Wind Curtailment at 7. This curtailment analysis can be found in Appendix L to this Application.

[^19]:    ${ }^{39}$ For a twelve-month time period in 2011-2012, MISO reported $\$ 469,130$ in market uplift costs associated with infeasible Long Term Transmission Rights relating to the Fox Lake-RutlandWinnebago 161 kV constraint. See Appendix I of this Application, MTEP 2011 ("MTEP11") at 117. This was the third highest uplift cost in MISO's footprint for the 2011-2012 period reviewed.
    ${ }^{40}$ Julie Buntjer, "Wind Turbines Create Windfall for Counties, Townships," Worthington Globe (April 1, 2012), available at:
    http://www.dglobe.com/event/article/id/56283/(accessed March 1, 2013).

[^20]:    ${ }^{41}$ MISO MVP Portfolio Results and Analyses (January 10, 2012) at 3.
    ${ }^{42}$ At the time MTEP11 was completed, Ohio utilities First Energy and Duke were members of MISO. Duke Energy and FirstEnergy have since left MISO and joined PJM Interconnection LLC. ${ }^{43}$ MISO MVP Portfolio Results and Analysis at 19.
    ${ }^{44}$ MISO. "Wind Output in MISO Surpasses 10GW; Nov. 23 peak represented 25 percent of total output" Press Release, (November 27, 2012), available at:

[^21]:    https://www.midwestiso.org/AboutUs/MediaCenter/PressReleases/Pages/WindOutputSur passes10GW.aspx (accessed February 21, 2013).
    ${ }^{45}$ Id.
    ${ }^{46}$ RGOS at 25.
    ${ }^{47}$ RGOS at 27.
    ${ }^{48}$ RGOS at 27.

[^22]:    ${ }^{49}$ RGOS at 28.
    ${ }^{50}$ Appendix G, UMTDI at 9. The other four projects are (i) Big Stone - Brookings 345 kV line; (ii) Brookings - Twin Cities [Hampton] 345 kV line; and (iii) La Crosse - Madison - Dubuque Spring Green - Cardinal 345 kV line.
    ${ }^{51}$ MISO MVP Portfolio Results and Analysis at 18.

[^23]:    ${ }^{52}$ Appendix I, MTEP11 at 46. Candidate MVPs from RGOS were evaluated to determine whether they could reliably enable MISO states to meet their renewable energy mandates. Id. at 49.
    ${ }^{53}$ ITC Midwest has conferred with MISO regarding the move to Huntley Substation and understand that MISO agrees that running the 345 kV line from Lakefield Junction to the new Huntley Substation is not electrically different than running it from Lakefield Junction to the existing Winnebago Substation.

[^24]:    ${ }^{54}$ Appendix I, MTEP11 at 43.
    ${ }^{55}$ https://www.midwestiso.org/Library/Repository/Meeting\%20Material/Stakeholder/RSC/ 2013/20130129/20130129\%20RSC\%20Item\%2014\%20Wind\%20Curtailment\%20Data.pdf.
    ${ }^{56}$ Appendix I, MTEP11 at 117.
    ${ }^{57}$ See Appendix H of this Application, MISO Response to ITC Midwest LLC Regarding Commission Order Requesting Data Dated May 15, 2012 ("MISO Response to May 2012 MPUC

[^25]:    Order"), Table of ITC Midwest Binding Constraints Impacting Minnesota Nodes ("Constraint Table") at 1-5.
    ${ }^{58}$ Appendix H, MISO Response to May 2012 MPUC Order, Constraint Table at 6-7.
    ${ }^{59}$ In the Matter of the Joint Petition for Approval of Transfer of Transmission Assets of Interstate Power and Light Company to ITC Midwest LLC, Docket No. E001/P A-07-540, ORDER APPROVING TRANSFER OF TRANSMISSION ASSETS, WITH CONDITIONS at 7 (Feb. 7, 2008).
    ${ }^{60}$ Id., ORDER REQUIRING FILINGS at ordering point 1.b (May 15, 2012).
    ${ }^{61}$ Id., ITC Midwest's Compliance Filing at 2 (June 28, 2012).

[^26]:    ${ }^{62}$ An extensive analysis completed by MISO in 2010 confirmed that the Lakefield-Fox LakeRutland 161 kV line constitutes a highly congested flowgate that requires mitigation. MTEP 2010 ("MTEP10") at 198-99.

[^27]:    ${ }^{63}$ The relevant NERC standards for the MRO are Standard PRC-012-1 (requiring review procedures for planning and using an SPS); Standard PRC-013-0 (requiring records of each SPS's objective, operation and modeling); and Standard PRC-014-0 (requiring assessment of the operation, coordination, and effectiveness of all installed SPSs).
    ${ }^{64}$ The relevant NERC standards for the transmission owner are Standard PRC-015-0 (requiring SPS data and documentation); Standard PRC-016-0.1 (requiring analyses and records of all SPS operations and misoperations); and Standard PRC-017-0 (requiring SPS maintenance and testing).

[^28]:    ${ }^{65}$ ITC Midwest Transmission Planning Criteria- 100 kV and Above at page 16. A copy of ITC Midwest's Transmission Planning Criteria is included as Appendix 54 of ITC Midwest's MN-IA Project Planning Study, located in Appendix J of this Application.

[^29]:    ${ }^{66}$ Appendix I, MTEP11 at 49.
    ${ }^{67}$ Appendix I, MTEP11 at 49.
    ${ }^{68}$ Appendix I, MTEP11 at 50.

[^30]:    ${ }^{69}$ Appendix I, MTEP11 at 44-45.
    ${ }^{70}$ Appendix I, MTEP11 at 46.
    ${ }^{71}$ Appendix I, MTEP11 at 7.

[^31]:    ${ }^{72}$ Appendix I, MTEP11 at 8.
    ${ }^{73}$ Appendix K of this Application contains an excerpt of MISO's September 16, 2011 PowerPoint summarizing its analysis of the RGOS candidate MVPs for Iowa and MVP Projects 3 and 4 ("MISO Iowa MVP Analysis").
    ${ }^{74}$ Appendix K, MISO Iowa MVP Analysis at 16, 18, and 19.
    ${ }^{75}$ Appendix K, Id.

[^32]:    ${ }^{76}$ Appendix K, MISO Iowa MVP Analysis at 23-25.
    ${ }^{77}$ Appendix K, id.

[^33]:    ${ }^{78}$ Appendix J, ITC Midwest Project Planning Study at 10-11.
    ${ }^{79}$ Appendix J, ITC Midwest Project Planning Study, Appendices 3-50 contain the complete FCITC results for each case under each generation scenario. Appendices 3-10 contain the results for the Buffalo Ridge $25 \%$ N / $75 \%$ S Gen - Minnesota scenario; Appendices 11-18 contain the results for the Buffalo Ridge $50 \% \mathrm{~N} / 50 \%$ S Gen - Minnesota scenario; Appendices 19-26 contain the results for the Buffalo Ridge $75 \%$ N / 25\%S Gen - Minnesota scenario; Appendices 27-34 contain the results for the Buffalo Ridge $25 \% \mathrm{~N} / 75 \%$ S Gen - MISO East scenario; Appendices 35- 42 contain the results for the Buffalo Ridge $50 \%$ N / 50\%S Gen - MISO East scenario; and Appendices 43-50 contain the results for the Buffalo Ridge 75\%N / 25\%S Gen - MISO East scenario.

[^34]:    ${ }^{80}$ Appendix J, ITC Midwest Project Planning Study at Section 4.3.
    ${ }^{81}$ Appendix J, ITC Midwest Project Planning Study at Section 5.

[^35]:    ${ }^{83}$ Appendix J, ITC Midwest Project Planning Study at Section 7.
    ${ }^{84}$ A copy of the Analysis Group's report, LMP Impacts of Proposed Minnesota-Iowa 345 kV Transmission Project ("LMP Analysis"), can be found in Appendix M.

[^36]:    ${ }^{85}$ Appendix M, LMP Analysis at 3.
    ${ }^{86}$ Appendix M, LMP Analysis at 3-4.
    ${ }^{87}$ Appendix M, LMP Analysis, Executive Summary.
    ${ }^{88}$ Appendix M, LMP Analysis, Executive Summary.

[^37]:    ${ }^{89}$ MTEP09 at 182.
    ${ }^{90} 2009$ Minnesota Biennial Transmission Report at 246
    ${ }^{91}$ See Section 5.1 of this Application, and Appendix K at 16, 18, 19.

[^38]:    ${ }^{92}$ Total minority is calculated by adding the populations for all non-white races and the population for white-Hispanics.

[^39]:    ${ }^{93}$ On December 10, 2012, the MnDNR proposed amendments to Minnesota Rules Chapter 6134 to alter the designation of certain species in Minnesota. The lists and discussions contained herein refer only to the designations identified in the adopted rules and not those proposed by the MnDNR.

[^40]:    ${ }^{1}$ On December 20, 2012, the Commission met to clarify its December 6, 2012 decision.

[^41]:    ${ }^{2}$ No tribal governments were identified within the proposed notice area.
    ${ }^{3}$ The Commission also corrects a minor typographical error found in ITCM's proposed recommendations in its reply comments, attachments B and C, page 2, third paragraph, and Attachment G, page 1, last paragraph as set forth below:

    EFP may elect to combine these two documents and issue one document and an EIS, which satisfies the environmental review requirements for the Certificate of Need and Route Permit proceedings.

[^42]:    Cleighton R Johnson Life Estate et al．
    Lawrence Farm Inc Lawrence Farm Inc Ingrid Elise Pechumer

    Marsha A．Kadlecik
    Thomas E．\＆Margaret Hanson Rory Hardt

    Lillian L Hartwick
    Robert T Murphy Life Est et al． Robert T Murphy Life
    Fern Anderson Trust Julie Irene Willmert

    Terry Stensland
    Regina Jean Eisch
    Joann M \＆Howard W Lange
    Eldon M \＆Jean L Beenken
    Thomas J \＆Rebecca P Plocker
    Donald \＆Colleen True
    John A \＆Candace L Arends
    Wayne D \＆Donna Lawrence
    Minn－lowa Christian Broadcasting
    Foundation Inc
    Mary Ayleen Carr
    Paul T Carr c／o Tom Carr
    B E Industrial Service Co c／o Robert L
    Hammond
    Blue Earth Valley Comm Inc
    Comtech Resources Inc
    Rural Communications Holding
    Larporation O \＆Susan R Cassens
    David G Anderson et al．
    George \＆Jean Murphy
    Curt \＆Cindy H Sorgenfrie
    Patrick A \＆Angela J Murphy
    Raymond H \＆Carmel T Murphy
    Robert \＆Carol Moore
    Cody A Feder et al．\＆Wayne \＆Lynda I
    Feder
    Kevin L Krieger \＆Margaret Sonnek
    Krieger
    Denise Traetow \＆C Gronwald

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    13915 US Highway 169
    14136 365th Ave
    1420 Industrial Dr
    

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[^46]:    Robert, William D \& Mary K Truesdell Janette C Loe et al.

    Brian \& Renee Pen
    Lucille E Gorgen Marjorie M Mapson (LE) et al. Trust Lynn \& Devorah Schwieger Irrev Tr
    Reanard A \& L Moen Living Trust Junice Hamre Life Est et al. Landmark Management Co of Mart
    Marie Riegel LLP Marie Riegel LLP
    Steven S Poetter Bartlett J \& Helen Eriksen Evangelical Church Steve \& Jody Lyle John E \& Diane R Evans
    Curtis \& Jeanette Howard Ajax Best Inc James R \& Jim Tow
    Richard \& Betty Wiederhoeft Dorothy M \& Lyle E Saxton Mary Mach Cross (LE) et al. Robert Huemoeller Lynn M \& Lyn M Johnson
    Richard C Buckmeier Steven L \& Barbara L Kuehl
    Donald M \& Evelyn D Strause Donald M \& Evelyn D Strauser Beatrice L Hanson

    Douglas \& Dawn Willner

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[^48]:    Center Creek Township
    Ralph E \& P A Messer et al.
    E-W Trust
    John, Robert \& Melissa Garry
    Alan N \& Stephannie K Langager Monica Mcdonald
    Gary S \& Pamela Dwaine L \& Evelyn J Peterson Jeremiah J \& Alycia M Johnson
    Kenneth K Baker

    Kenneth K Baker
    Catherine K Maya
    Jason L \& Melissa Engel Matthew R \& Angela J Brown
    Robert \& Kathleen Leet Kevin W Hanning
    James M Oltman Revoc Trust Karen M \& James Oltman Ryan A \& Cornelia M Hagedorn
    Dean R \& Wendy Howard Dean R \& Wendy Howard
    Kelly Mcdermott et al. Matthew J \& Jennifer Schuster
    Jeffrey C \& Merry L Lewis Mark R \& Sandra M Johnson Ronald Svoboda Richard \& Kendra Armon \& Tyler Carl A \& Lola M Petersen Luverna Kopischke
    Virginia D Nicholson

    Michael L \& Amy S Sheplee

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[^54]:    Jon A \& Jennifer Saxen
    SDH Irrevocable Trust
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    Jacob P Shoen
    Thomas E \& Penny Claussen
    Keith A \& Patrice M Frick
    Patrick J \& Karen A McConnell
    Brian M \& Lee Ann Steen
    Daryl \& Deanna Anderson
    Dale V \& Lee Ann Erickson
    David L \& Jean Lundquist
    Karen Hieb
    Nathan L \& Mary J Whitehead
    Paul D \& Elaine Ficken
    Duane L \& Amber L Engebretson
    Arden J Hanson
    Bradley K \& Barbara A Skerik
    Donald Becker Farms Inc
    Tylan Remmers
    Peggy Holtz
    Jerrad C Juhl
    Eric M \& Stacy S Schettler
    Martin Juhl
    Randy \& A A Sippel (LE) et al.
    Jonathan W \& L K Schafer
    Schafer Shores LLC
    Jerome M \& Gail E Finke
    Dennis A Peterson
    Robert K \& Janice Nelson
    Jay \& Marilyn Oltmans Liv Trust
    James M \& Monica Chukuske
    Wm C \& Sue Ellen Koons
    Edward H Lee Jr
    Elm Creek Township
    Fox Lake Golf Club Inc
    Warren D Olson
    Warren D \& Michelle F M Olson
    Matthew T \& Jill N Peterson
    Earl O \& Charlotte A Cordes
    Ervin H Cordes Sr et al.
    Loren A Matejka
    Roger \& Rita Matejka
    William D Snyder
    Paul E \& Rita A Matejka
    Zane Anderson
    Robert W \& Elizabeth A Arnold
    Timothy L \& Barbara J Jordi
    Adeline Simmons
    Adeline M Simmons et al
    Joseph L \& Suzanne D Biehn
    Vivian Bontjes
    Steve \& Beverly Thom Trusts
    Garry M Roeker
    Scott \& Mary Brolsma
    Steven \& Cheryl Thom
    John L \& Faye L Hogan
    Clifford \& Marla Anderson
    Gerald \& Joanne Tumbleson
    Ronald E \& Vicki L Gerhardt
    Carol Suter
    Gail Suter

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[^59]:    Doug \& June Nelson et al.

[^60]:    Robert F \& Jannelle Spear

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[^62]:    Dobson School House Cemetery Ass＇n
    （Richardson Cemetery）c／o George Hu George Jr \＆Mary Huber

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[^64]:    Ronald D \＆Dor
    Mary C Fowler
    Brian J \＆Louise Ostlie
    Brian J \＆Louise Ostlie
    Terry John Theobald
    Wayne H Larsen
    Kirk \＆Kay Vogt
    Terry \＆Betty Grunig
    Elliot R \＆Connie J Belgard
    
    Michael L \＆Kathleen Lundgren Daniel P \＆Diane K Southwick

    Matthew R \＆Jaime L Fretty | Mathew R \＆Jaime |
    | :--- |
    | Kenneth $J$ \＆Bretty |

    Clarice A Kleinschrodt Gary Roloff et al．

    Ray A \＆Vicki L Davison
    Steven \＆Vanessa Graham
    Steven \＆Vanessa Graham
    Robert Lee \＆Faith Ann Sitzman Leroy G \＆Susan M Risk
    Watonwan Farm Service Co Mark S \＆Sandra Grefe Michael J \＆Penny J Stolz Mark Hansen
    Ask Farm，LLC Flohrs Farm LLC Jacob M \＆Vanessa L Bettin
    Russell \＆Linda Osmundsen Rahm Farms Inc Jeffrey Hoppe
    James R Hansen

    James R Hansen Albert T \＆Drusilla Egeness
    Lois I Peterson（LE）et al． Mark，Kay，Brian，\＆Linda Sauck E \＆M Sauck Irrev Family Trust Ernest E Jr \＆Virginia Salic

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[^66]:    Robert J \＆Diann Ambrose Living Trust Rober L \＆Jamie N Koep
    Kayle
    Daron J \＆Jody E Buresch Jay \＆Roslyn Schumann Jon \＆Amy Timko
    Joyce Bretzman Trust Joyce Bretzman Trust Deloris A Strom
    Martha \＆Meil Jr Buresch Dwaine \＆Gertrude Hodnefield Michael D \＆Randy D Hendrickson Steven \＆Deborah Fricke Stanley \＆Joanne Sievert
    Wade \＆Debra Salzwedel Bonnie B Fricke Bonnie Gyberg
    Scott \＆Bradley Sievert Current Resident

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    Gene R Oeltjenbruns

[^67]:    Hastings MN 55033-8593
    Hastings MN 55033-8593 Hastings MN 55033-8593
    Hinckley MN 55037-7402
    santi MN 55040-5210 Lakeville MN 55044-4623
     Lonsdale MN 55046-9559
    
    

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[^70]:    Tamara R \& Michael J Hoffman
    Blossom M Spencer Irrev Trust
    James B Spencer
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    Tobola Farms
    John Jacobson c/o Brett Peterson
    Wayne E \& Saundra J Johnston Joint
    Living Trust
    State of MN
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    Blossom M Spencer Irrev Trust
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    J Robert Wardin
    Tobola Farms
    John Jacobson c/o Brett Peterson
    Wayne E \& Saundra J Johnston Joint
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    Wayne E \& Saundra J Johnston Joint
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    K \& S Malecha Investments
    J Robert Wardin
    Tobola Farms
    John Jacobson c/o Brett Peterson
    Wayne E \& Saundra J Johnston Joint
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    J Robert Wardin
    Tobola Farms
    John Jacobson c/o Brett Peterson
    Wayne E \& Saundra J Johnston Joint
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    State Of Minnesota - DNR - Division of Land \& Minerals
    State of MN
    State Of Minnesota - DNR - Bureau of
    Real Estate Mgmt Land \& Minerals
    State of MN
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    Real Estate Mgmt Land \& Minerals
    State of MN
    State Of Minnesota - DNR - Bureau of
    Real Estate Mgmt Bob Patton

[^71]:    Eileen E \& Larry V Fringer

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[^76]:    Marlys Jagerson Lorman Jahnke
     Michael Gerken
    Jason Steuber иеш라и！ 7 Heqoy Larry Maday
    Myron Moeller Kydınw KıoБəə
     Daniel Rosenberg David Butler
    Roxane Wedel Billeye Rabbe Roxane Wedel
    Mike Humpal Randy Quiring Andrew Lucas Wes Clerc
    Harlan Gorath Joe Kallemeyn Darin Rahm
    
     Alan Langager
     Greg Schock Robert Garry
    Terry Murphy Eric Colby Darlene Sparks
     Melissa Engel Dale Strauser Charles Haugen Willard Abel
    Nina Patten Nina Patten
    Don Selvig Warren Schultze Tom Wakey Larry Baarts Rick Weber
    Tom Koeritz Roger Kusick Al Franken
    Lee Petersen

[^77]:    Notary Public

[^78]:    ${ }^{1}$ As shown in Exhibit A, certain Iowa portions of the Project will be constructed and owned by MidAmerican Energy Company.

[^79]:    ${ }^{2}$ Minn. R. 7849.0010, subp. 24.
    ${ }^{3}$ See, e.g., In the Matter of the Application of Prairie Rose Wind, LLC for a Certificate of Need for up to 200 MW wind project in Rock and Pipestone Counties, Docket No. IP6838/CN-10-80, OrDER Approving Exemption Petition, OES Cmts at 3 (May 14, 2010); In the Matter of the Application of Pleasant Valley Wind, LLC for a Certificate of Need for the 299.5 MW Pleasant Valley Project in Dodge, Olmstead and Mower Counties, Docket No. IP6828/CN-09-937, Order Approving Exemption Requests, OES Cmts at 2 (Oct. 8, 2009); In the Matter of the Application of Goodhue Wind, LLC for a

[^80]:    Certificate of Need for a 78 MW Wind Project and Associated Facilities in Goodhue County, Docket No. IP6701/CN-09-1186, ORDER Finding Application Complete and Initiating Informal Review Process at 2-3 (Dec. 30, 2009).
    ${ }^{4}$ In re Midwest Independent Transmission System Operator , Inc., 133 FERC $\mathbb{1}$ 61,221 (2010).

[^81]:    ${ }^{5}$ In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for a Certificate of Need for the Upgrade of the Southwest Twin Cities Bluff Creek - Westgate Area 69 kV Transmission Line To 115 kV Capacity, Docket No. E002/CN-11-332, Order Granting Applicant's Exemption Request, OES Cmts at 3 (Nov. 16, 2011) ("Twin Cities Bluff Creek-Westgate Exemption Order"); In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy and Great River Energy for a Certificate of Need for the Upgrade of the Southwest Twin Cities (SWTC) Chaska Area 69 kV Transmission Line to 115 kV Capacity, Docket No. E002/CN-11-826, Order Granting Applicants' Exemption Request, OES Cmts at 3 (Nov. 4, 2011) ("SWTC-Chaska Area Exemption Order"); In the Matter of the Application of Great River Energy and Minnesota Power for a Certificate of Need for a 115 kV High Voltage Transmission Line in St. Louis and Carlton Counties, Docket No. E-002/CN-10-973, Order Approving ExEmptions and Proposed Provision of Alternative Data, OES Cmts at 3 (Nov. 2, 2010) ("St. Louis/Carlton Counties Exemption Order");

[^82]:    ${ }^{6}$ Bemidji-Grand Rapids Exemption Order, OES Cmts at 5-6; 345 kV Projects Exemption Order at 11; In the Matter of the Otter Tail Power Company Application for a Certificate of Need for a 115 kV Transmission Line Between Appleton and Canby Substations, Docket No. E- 017/CN-06-677, Order Granting Exemptions and Approving Notice Plan as Modified at 3, 5 (Aug. 1, 2006) ("Appleton-Canby Exemption Order").

[^83]:    ${ }^{7}$ See MTEP11 at 50 and Figure 4.1-6.
    ${ }^{8}$ MTEP11 at 42.
    ${ }^{9}$ MTEP11 at 44.
    ${ }^{10}$ MTEP11 at 44-45 and Figure 4.1-3.

[^84]:    ${ }^{11}$ Twin Cities Bluff Creek-Westgate Exemption Order, OES Cmts at 4; SWTC-Chaska Area Exemption Order, OES Cmts at 4; Greater Rochester Area Exemption Order at 2, 3; Appleton-Canby Exemption Order at 3, 5.
    ${ }^{12}$ In the Matter of the Application of Rapids Power LLC for a Certificate of Need for its Grand Rapids Cogeneration Project, Docket No. IP-4/CN-01-1306, Order Granting Exemptions from Filing ReqUirements at 6 (Oct. 9, 2001).
    ${ }^{13}$ Id. (waiving the requirements of Minnesota Rule 7849.0290 for a Certificate of Need application for a wholesale generation plant).

[^85]:    ${ }^{14}$ Twin Cities Bluff Creek-Westgate Exemption Order, OES Cmts at 4-5; SWTC-Chaska Area Exemption Order, OES Cmts at 5; Greater Rochester Area Exemption Order at 2-3; In the Matter of the Application for Certificates of Need for Three 115 kV Transmission Lines in Southwestern Minnesota, MPUC Docket No. E-002/CN-06-154, Order Granting Exemptions at 3-4, 7 (July 24,2006 ) ("Southwestern Minnesota 115 kV Lines Exemption Order").
    ${ }^{15}$ Mud Lake Order at 5.

[^86]:    ${ }^{16}$ See In the Matter of the Application of Calpine Corporation for a Certificate of Need for a Large Electric Generating Facility, MPUC Docket No. IP-6345/CN-03-1884, Order Granting Exemptions FROM FiLING REQUIREMENTS AND LIMITING SCOPE at 8 (Feb. 6, 2004) (granting request to provide alternative data on the impacts of delay because independent power producer did not have system facilities that could be impacted by delay as contemplated by Rule 7849.0340).
    ${ }^{17}$ Twin Cities Bluff Creek-Westgate Exemption Order, OES Cmts at 4-5; SWTC-Chaska Area Exemption Order, OES Cmts at 5; Greater Rochester Area Exemption Order at 2, 3; Southwestern Minnesota 115 kV Lines Exemption Order at 4, 7.

[^87]:    ${ }^{1}$ After entering Iowa, the 345 kV line would continue south to connect to a new ITC Ledyard Substation near Ledyard, Iowa and then run further into Iowa.

[^88]:    ${ }^{2}$ Note that the Petition apparently has a typographical error referring to Minnesota Rules 7849.0260 (D).

[^89]:    ${ }^{3}$ In the Matter of the Otter Tail Power Company Application for a Certificate of Need for a 115 kV Transmission Line Between Appleton and Canby Substations, ORDER GRANTING EXEMPTIONS AND APPROVING NOTICE PLAN AS MODIFIED, Docket No. E-017/CN-06-677 (Aug 1, 2006); In the Matter of the Application of Otter Tail Power Company, Minnesota Power, and Minnkota Power Cooperative, Inc. for a Certificate of Need for the 230kV Transmission Line from Bemidji to Grand Rapids, Minnesota, Docket No. E017, E015, ET6/CN-07-1222 (Dec. 24, 2007); In the Matter of the Application of Great River Energy, Northern States Power Company d/b/a Xcel Energy and Others for a Certificate of Need for the CapX 345kV Transmission Project, ORDER DESIGNATING APPLICANTS' AND SETTING FILING REQUIREMENTS, Docket No. ET2, E002, et al./CN-06-1115 (June. 4, 2007).

[^90]:    ${ }^{1}$ Projects in Appendix A reflect planned projects approved by or recommended for approval by the Board of Directors. Projects in Appendix B represent proposed projects for which a need has been identified, but are not timely or require additional analysis. Appendix C contains projects for which the need has not been verified.
    ${ }^{2} \$ 6.5$ billion figure includes the $\$ 849$ million in projects that were either approved or conditionally approved at the June 2011 MISO Board of Directors meeting.
    3 Portfolio cost is as submitted and reflects nominal in-service date costs in whole or in part; the portfolio cost is equivalent to $\$ 5.2$ billion in 2011 dollars. Total portfolio cost includes the Brookings County project, conditionally approved in June 2011 and the Michigan Thumb project, approved in December 2010.
    4 Benefits were calculated based on the MISO proposed Local Resource Zones for Resource Adequacy
    ${ }^{5}$ Total includes $\$ 118.5$ million of projects that were approved during the June approval cycle.

[^91]:    6 Portfolio cost shown is as submitted and reflects nominal in-service date costs in whole or in part; equivalent to $\$ 4.7$ billion in 2011 dollars. The Michigan Thumb Loop Expansion project with a cost of $\$ 510$ million (2011 dollars) was approved in MTEP 10 and is part of the proposed Multi Value Project Portfolio. Its costs are not included in the above figure.
    ${ }^{7}$ Project cost shown is the total cost, not just the cost shared or Transmission Owner contribution.

[^92]:    8 Benefits were calculated based on the MISO proposed Local Resource Zones for Resource Adequacy

[^93]:    9 Net internal demand is equal to the median forecasted load. There is a 50 percent chance that peak load levels will exceed this prediction, while there is a 50 percent likelihood that peak load levels will be less than this prediction.

[^94]:    10 The EPA Regulation Impact Analysis was based on assumptions for proposed EPA regulations. The finalization of these regulations has the potential to introduce change and uncertainty.

[^95]:    ${ }^{11}$ A summary of MTEP transmission investment including projects which have gone into service is included in section 3.
    ${ }^{12}$ Cost shown is as submitted and reflects nominal in-service date costs in whole or in part; equivalent to $\$ 4.7$ billion in 2011 dollars. The Michigan Thumb Loop Expansion project with a cost of $\$ 510$ million (2011 dollars) was approved in MTEP 10 and is part of the proposed Multi Value Project Portfolio. Its costs are not included in the above figure.

[^96]:    ${ }^{2}$ The Michigan Thumb Loop Expansion project with a cost of $\$ 510$ million ( 2011 dollars) was approved in MTEP 10 and is part of the proposed Multi Value Project Portfolio. Its costs are not included in the above table. Costs shown is as submitted and reflects nominal in-service date costs in whole or in part; equivalent to $\$ 4.7$ billion in 2011 dollars.

[^97]:    ${ }^{14}$ Costs allocated for projects located in the now non-existent First Energy pricing zone are included in the values shown. The MI13AG and MI13ANG zones have been combined into the MICH13A zone.

[^98]:    ${ }^{15}$ MISO benefits include all MISO members as of 12/6/2011. First Energy is excluded.

[^99]:    ${ }^{16}$ Data courtesy of the Energy Information Administration (EIA) Electric Power Monthly from March 2011. MISO average rate was calculated by taking the load weighted average of the 12 states in the MISO footprint.
    ${ }^{17}$ MISO average generation, transmission and distribution components were calculated based on rate component data provided in the EIA Annual Energy Outlook in 2011 for the following modeling regions: MRO-East, MROWest, RFC-MI, RFC-West, SERC-Central, and SERC-Gateway. The modeling regions were weighted based on MISO load in each of the regions.
    ${ }^{18}$ Each category assumes some allocation of general and administrative expenses.

[^100]:    ${ }^{19}$ For additional description of the MTEP 11 scenarios refer to section 4.3 and Appendix E. 2

[^101]:    ${ }^{20}$ Additional detail on the rate calculation methodology is provided in Appendix E.3.
    ${ }^{21}$ Based on the proposed MVP portfolio listed in Table $4.1-1$ in Section 4.1 with a total project cost of more than $\$ 5.2$ billion.
    ${ }^{22}$ Refer to Section 4.3 for details on the capacity expansion, by fuel type, for each MTEP 11 Future. Generation siting maps for each MTEP 11 Future are also provided in Section 4.3.

[^102]:    ${ }^{23}$ Residential annual electricity costs calculated assuming average monthly usage of $1,000 \mathrm{kWh}$.
    ${ }^{24}$ Generation Capital includes both annual capital charges and fixed O\&M expenses.

[^103]:    ${ }^{25}$ More information on these scenarios may be found in the business case description.
    ${ }^{26}$ Costs shown are inclusive of transmission underbuild upgrades and upgrades driven by short circuit requirements.

[^104]:    ${ }^{27}$ Existing and planned wind as included in the Candidate MVP Portfolio. State RPS mandates and goals include all policies signed into law by June 1, 2011.
    ${ }^{28}$ The higher number for Iowa's state RPS mandates and goals reflects the wind online rather than a statutory requirement.

[^105]:    ${ }^{29}$ More information on the zone development may be found in the RGOS report at http://www.midwestiso.org/Library/Repository/Study/RGOS/Regional percent200utlet percent20Study.pdf.

[^106]:    ${ }^{30}$ Zones shown represent the rough geographic area of each energy zone.

[^107]:    Under existing energy policies, the proposed MVP portfolio creates benefits that are at least 1.8 times its cost.

[^108]:    ${ }^{31}$ Data sourced from: The Economic Impacts of the August 2003 Blackout, The Electricity Consumers Resource Council (ELCON)

[^109]:    ${ }^{32}$ Source: Employment and Economic Benefits of Transmission Infrastructure Investment in the U.S. and Canada, The Brattle Group

[^110]:    ${ }^{33}$ Generator Interconnection Queue data as of March 28 ${ }^{\text {th }}, 2011$

[^111]:    ${ }^{34}$ The Turkey Hill 345/138 kV transformer has a MTEP Appendix C project 3001 that will mitigate the deliverability constraint. Projects targeted as mitigation for deliverability constraints will be moved to Appendix B.

[^112]:    ${ }^{1}$ This study was commenced before the MRO 2012 Series became available in mid-October 2012.

[^113]:    ${ }^{2}$ ITCM also evaluated a "no build alternative," where no new facilities would be constructed. That alternative is discussed in Section 6.
    ${ }^{3}$ Northern States Power Company's construction of a second 161 kV line south of I-90 between Lakefield Jct. and Fox Lake in 2006 moved the constraint that previously existed between Lakefield Jct. and Fox Lake to points east.

[^114]:    ${ }^{4}$ See Appendix 1, the OSCELCT - ALLNDRF 69 kV branch.
    ${ }^{5}$ See Appendix 1, the LMCK - MCNWCSS 69 kV branch, and LIME CK - EMERY and CGORDO - HANCOCK 161 kV branches.
    ${ }^{6}$ See Appendix 1, the ADRIANM - RUSHMRT 69 kV branch.
    ${ }^{7}$ See Appendix 1, the LMCK - MCNWCSS 69 kV branch, and LIME CK - EMERY and CGORDO - HANCOCK 161 kV branches.
    ${ }^{8}$ See Appendix 1, "FXLKRTWN" column
    ${ }^{9}$ See Appendix 2, the CBLUFFS - INDNCRK and LELAND - T FC 69 kV branches.
    ${ }^{10}$ See Appendix 2, the LORE - LORE E, HAZLTN - BLKHAWK, HZL - WASHBRN, CALMS - GR MND, and CALMS - SB 161 kV branches.
    ${ }^{11}$ See Appendix 2, "FXLKRTWN" column.

[^115]:    ${ }^{12}$ Appendices 3-50 contain the complete FCITC results for each case under each generation scenario. Appendices 3-10 contain the results for the Buffalo Ridge $25 \%$ N / 75\%S Gen - Minnesota scenario; Appendices 11-18 contain the results for the Buffalo Ridge 50\%N / 50\%S Gen - Minnesota scenario; Appendices 19-26 contain the results for the Buffalo Ridge $75 \%$ N / 25\%S Gen - Minnesota scenario; Appendices 27-34 contain the results for the Buffalo Ridge $25 \%$ N / 75\%S Gen - MISO East scenario; Appendices 35-42 contain the results for the Buffalo Ridge 50\%N / 50\%S Gen - MISO East scenario; and Appendices 43-50 contain the results for the Buffalo Ridge 75\%N / 25\%S Gen - MISO East scenario.
    ${ }^{13}$ Appendix 51 contains summary tables detailing the maximum gross transfer capability and corresponding limiting element for each transmission option under the base cases and each generation scenario.

[^116]:    ${ }^{14}$ App. 51, Tables 1-6.
    ${ }^{15}$ App. 51, Tables 1-3.

[^117]:    ${ }^{16}$ Appendix 55 contains the generation sensitivity analysis for the 161 kV Rebuild Alternative.
    ${ }^{17}$ Appendix 52 contains a summary table detailing the maximum gross transfer capability of the 161 kV Rebuild Alternative and MVP \#4 combined, including the corresponding limiting element under the base cases and each generation scenario, followed by the the complete FCITC results for that combination under each generation scenario.

[^118]:    ${ }^{18}$ ITC Midwest Transmission Planning Criteria- 100 kV and Above at page 16. A copy of ITC Midwest’s Transmission Planning Criteria is included in Appendix 54.

[^119]:    ${ }^{1}$ This manual defines and explains the current planning criteria and will be reviewed and updated as required. The planning criteria contained in this manual are, in general, to be uniformly interpreted and utilized in the testing and planning of the transmission system unless some deviation is justified as a result of special, economic or unusual considerations. Such instances should not necessarily be considered to conflict with this criterion or to justify revising the criteria, but should be recognized as unusual and special cases. The reliability implications of all such deviations shall be quantified to the extent possible or otherwise qualified sufficiently to ensure minimal reliability impacts. The planning criteria in this manual are guidelines to assist the planning engineer in making capital project and/or operating solution proposals for anticipated system needs.

[^120]:    ${ }^{2}$ For these criteria, this includes transformers with a low side voltage rating above 100 kV .

[^121]:    ${ }^{3}$ The basis for the one-cycle safety margin is that it has historically been used by MAPP and is listed in the MAPP Members Reliability Criteria and Study Procedures Manual dated April 2009, and the MISO Transmission Planning Business Practices Manual dated 11-20-10.

[^122]:    ${ }^{1}$ Federal Energy Regulatory Commission, Order, Docket No. ER10-1791-00, December 16, 2010 Order (133 FERC © 61,221), at Para 1. See also the listing of the three MVP criteria in Section II.C. 2 of Attachment FF of the MISO Tariff, as follows:
    Criterion 1. A Multi Value Project must be developed through the transmission expansion planning process for the purpose of enabling the Transmission System to reliably and economically deliver energy in support of documented energy policy mandates or laws that have been enacted or adopted through state or federal legislation or regulatory requirement that directly or indirectly govern the minimum or maximum amount of energy that can be generated by specific types of generation. The MVP must be shown to enable the transmission system to deliver such energy in a manner that is more reliable and/or more economic than it otherwise would be without the transmission upgrade.

[^123]:    ${ }^{2}$ See MISO Tariff, Schedule 26A, Multi-Value Project Usage Rate, and Attachment MM, Multi-Value Project Charge.

[^124]:    ${ }^{3}$ Midwest Indep. Transmission Sys. Operator, Inc., 133 FERC $\mathbb{1}$ 61,221 at Para 3 (Dec. 16, 2010 Order).
    ${ }^{4}$ In Minnesota, ITC Midwest’s existing Lakefield Junction Substation will be expanded for a new 345 kV line to be constructed between the substation and a new Huntley Substation, proposed to be located south of the existing Winnebago Junction Substation. The Winnebago Junction Substation will be removed and the four existing 161 kV lines connecting to Winnebago Junction will be re-connected to the Huntley Substation. From Huntley, the 345 kV transmission line will run south to cross the Minnesota/Iowa border and connect first to a new ITC Midwest Ledyard Substation, and then to a new Kossuth County Substation owned by MidAmerican Energy Company ("MidAmerican"), both in Kossuth County, Iowa. Details on the route taken by the Project, and new and modified changes to substations and transformers, are provided in Section 2.3 of Chapter 2, Project Description and Regulatory Overview. The expected total cost of the Project is approximately $\$ 271$ to $\$ 283$ million (plus or minus 30 percent.) Chapter 2, Project Description and Regulatory Overview.
    ${ }^{5}$ As a part of MVP 3, MidAmerican is proposing to (1) construct a 345 kV connection that runs from the Kossuth County Substation south to its existing Webster Substation, near Fort Dodge, Iowa, and (2) construct a 345 kV line running west from the Kossuth County Substation to its new O’Brien Substation, near Sanborn, Iowa.
    ${ }^{6}$ MVP 4 includes new transmission infrastructure that runs across Iowa through Winco, Lime Creek, Emery, Blackhawk and Hazelton.
    ${ }^{7}$ Changes in wind generation capacity resulting from a failure to construct MVPs 3 and 4 (in comparison to a base case where all 17 MVPs are constructed) are described in greater detail in Appendix A.

[^125]:    ${ }^{8}$ In MISO, electricity prices are developed for individual "nodes" on the system. These location-specific "nodal" prices commonly are referred to as locational marginal prices or LMPs. Differences in LMPs from location to location occur because of differences in marginal losses as well as the presence of congestion. When congestion is present, it is not possible fully to exploit differences in marginal generating costs at different locations and LMPs in transmission-constrained areas will rise above LMPs outside those transmission-constrained areas.
    ${ }^{9}$ These eight Minnesota LSEs are Alliant West—Interstate Power \& Light, Dairyland Power Cooperative, Great River Energy, Minnesota Power and Light Company, Minnkota Power Cooperative, Northern States Power Company, Otter Tail Power Company and Southern Minnesota Municipal Power Agency. All but three of these entities also have retail load in states other than Minnesota, requiring the development of a means to unbundle the Minnesota portion of the LMP effects.
    ${ }^{10}$ The Eastern Interconnection includes roughly the eastern two-thirds of the "lower 48 " (with the exception of portions of Texas) plus Canadian provinces to the east of Alberta.

[^126]:    ${ }^{11}$ The LSEs for which weighted average LMPs are estimated include some that serve only Minnesota customers and others that serve customers in Minnesota and other states. Tables 2 and 3 provide an estimate of the share of each LSE's total load that is accounted for by Minnesota customers developed using data from the Energy Information Administration.

[^127]:    ${ }^{12}$ MISO, Multi Value Project Portfolio: Results and Analyses, January 10, 2012 (hereafter "MVP Report").
    ${ }^{13}$ MISO website, available at https://www.midwestiso.org/Planning/Pages/MVPAnalysis.aspx, accessed November 6, 2012.

[^128]:    ${ }^{14}$ Demand and energy growth rates for each region are provided in: MISO, MISO Transmission Expansion Plan 2011: PROMOD Case Assumptions Document, p 23 ("MTEP PROMOD Assumptions" hereafter).
    ${ }^{15}$ Transmission constraints are based on the most recent Book of Flowgates from MISO and North American Electric Reliability Corporation (NERC), updated to include rating and configuration changes from studies performed during the MTEP 11 process. Transmission line data includes items such as the voltage rating of the line and the buses that each line runs between.
    ${ }^{16}$ Individual unit specifications include maximum operating capacity; fuel type; variable costs; no-load and startup costs; minimum run times; emission rates; and heat rate curves.
    ${ }^{17}$ Detailed information on the existing, under construction and planned units in each region is provided in MTEP PROMOD Assumptions, p 17.
    ${ }^{18}$ MISO relies upon the Electric Generation Expansion Analysis System (EGEAS) model developed by the Electric Power Research Institute. EGEAS is designed to find the optimized capacity expansion plan to meet forecast demand (load plus planning reserve margin target minus losses) through a least cost-mix of supply-side and demand-side resources. Planning reserve margins are identified in MTEP PROMOD Assumptions, pp 23-24.
    ${ }^{19}$ As part of MTEP 2011, MISO has performed an EPA Regulation Impact Analysis that identifies planning needs arising from the retirement of coal-fired generation facilities due to EPA regulations and other market factors (e.g., competition from natural gas-fired generation). Aside from those already announced, MISO's MVP analysis does not incorporate any retirements of coal-fired generation.
    ${ }^{20}$ PROMOD allows power to flow between regions based on economic transactions (subject to security constraints and congestion) such that prices must exceed generator costs in a neighboring region by a dollar per MWh "hurdle rate" in order for power to flow across regions.
    ${ }^{21}$ The Eastern Interconnection comprises roughly the eastern two-thirds of the "lower 48" (excluding portions of Texas), including the Canadian provinces east of Alberta and the following NERC regions: Midwest Reliability Organization (MRO), Southwest Power Pool (SPP), SERC Reliability Corporation (SERC), Florida Reliability Coordinating Council (FRCC), ReliabilityFirst Corporation (RFC), and Northeast Power Coordinating Council (NPCC). MISO’s PROMOD modeling excludes Peninsular Florida, New England, and Eastern Canada, but

[^129]:    ${ }^{29}$ These loads reflect forecasts for annual peak load and annual energy shaped over 8,760 hours.
    ${ }^{30}$ Hours in which the LMP for a Minnesota area is less than $-\$ 10 / \mathrm{MWh}$ are dropped for the purposes of calculating an annual load-weighted average LMP. Hours in which the LMP for a Minnesota area is greater than $\$ 1,000 / \mathrm{MWh}$ are capped at $\$ 1,000 / \mathrm{MWh}$.
    ${ }^{31}$ See Form EIA-861 data files, available at http://www.eia.gov/electricity/data/eia861/index.html, accessed September 20, 2012.

[^130]:    ${ }^{32}$ MVP Report, p 52.
    ${ }^{33}$ Note that the MVP Report titles this case "Business As Usual with Continued Low Demand and Energy Growth (BAULDE)."
    ${ }^{34}$ Note that the MVP Report titles this case "Business As Usual with Historic Demand and Energy Growth (BAUHDE)."
    ${ }^{35}$ Table A2 is based on Table 8.1 from the MVP Report.

