

Draft MPFCA for MH TSRs - MP TSR Study

02/13/2013



Follow up since 1/9/13 meeting

- Questions
- New Proposal

Mid Line Proposal

- Purpose of Study

Presently Three Plans Under Consideration

- Does plan meet customer requirements
- Other Options Available

Draft Facility Construction Agreement

- Explanation
- Basis

Decision by Customers

- Who is willing to pay?

Next Steps

Follow up on Questions and Proposals

- **Reason for Sensitivity Studies based on 2009/2010 model**
 - 2010 FaS results has been posted but no action taken to date
 - Sensitivity Study was required for new proposal based on an “apples to apples” approach
- **New Proposal**
 - TO’s especially CapX requested that MISO consider another option
 - This plan is based on a plan under consideration in 2009/2010 Option W1. (Updated to mirror MHWSS west option)

Mid Line Proposal

- **The purpose of this study is to perform sensitivity analysis on an alternative transmission option for the MH to US south bound TSRs**
- **Mid Plan (500kV Option W1)**
 - Dorsey, CA – Barnesville, MN 500kV
 - Barnesville, MN – Alexandria, MN 345kV
 - Alexandria, MN – Quarry, MN 345kV
 - Quarry, MN – Monticello, MN 345kV
- **Scenarios being studied**
 - Increments of 250 MW, 750 MW & 1100 MW
 - Same base cases as Eastern Line was run on.

Presently Three Plans Under Consideration

Western Plan (1100MW 500kV Option 1)

- Dorsey, CA - Bison, ND - Helena, MN
- Estimated cost \$1,463,690,000 (US facilities only included)

- **Eastern Plan (250, 750, 1100 MW)** Presently in draft

- Dorsey, CA - Blackberry - Arrowhead, MN
- Estimated cost \$796,549,721 (US facilities only included)
- Additional \$9,660,000 mitigations costs (*G519 online*)

- **Mid Plan (500kV Option W1)**

- Dorsey, CA - Barnesville - Alexandria - Quarry- Monticello, MN
- Estimated cost (Presently being studied)

Western, Eastern & Mid 1100MW Proposals



Draft Facility Construction Agreement

- **First draft was based on the Western line proposal**
- **Latest draft is based on the Eastern Line proposal**
 - Draft agreement being sent out to customers on 2/13/2012
- **Eastern Plan (250, 750, 1100 MW)** Presently in draft
 - Dorsey, CA - Blackberry - Arrowhead, MN
 - Estimated cost \$796,549,721 (US facilities only included)
 - Additional \$9,660,000 mitigations costs (*G519 online*)
- **TSR Customers included in study and FCA**
 - Manitoba Hydro – F088, WPPI Energy – F091, Minnesota Power – F089, Wisconsin Public Service – F090 , Great River Energy – F092

Decision by Customers

- **Does plan meet customer requirements**
 - MP has entered into a 250MW MH PPA beginning in June 2020
 - Other TSR customers are more towards a 2025+ ISD
 - Willingness to commit and pay
- **Alternative Options**
 - Withdraw and resubmit
 - Refine upgrades for confirmed level
 - Resubmit fund incremental needs

Next Steps

- **Need finalize Mid Plan study TO's and MISO**
 - Create Pros and Cons of each plan
- **Need commitment from TSR Customers to fund upgrades**

Because

- **Upgrades are required for the TSR's to be approved**
 - Finalizing which upgrade plan is preferred
- **Funding plan required**
- **Once (Multi-Party) Facility Construction Agreement executed, TSRs confirmed subject to upgrades in service**

How Does the Upgrade Get into MTEP Appendix A?

- **Two paths: TSR or “Other” project**
- **Both paths require funding commitment and peer review**
- **TSR Path**
 - Funding comes from customers/sponsors
 - Peer review in ad hoc process
 - Board approval implicit with confirmed TSR
 - MISO would inform the Board at the next meeting after the confirmation
- **“Other” Path**
 - Funding must be determined
 - Peer review comes from FERC 890 process
 - Earliest possible Board approval is June