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UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PUBLIC SERVICE COMMISSION

Green Power Express LP

)

Docket No. ER09-681-000

MOTION FOR LEAVE TO ANSWER AND
LIMITED ANSWER OF THE
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.

Pursuant to Rules 212 and 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (the "Commission" or "FERC"), 18 C.F.R. § 385.212 and § 385.213 (2008), the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") hereby submits this Motion for Leave to Answer and its Limited Answer to the comments filed in the above referenced proceeding. Specifically, the Midwest ISO seeks to comment on whether the subject project has been or should have been subjected to the Midwest ISO planning process.

I. BACKGROUND

On February 9, 2009, Green Power Express LP ("GPE") filed a request for approval of certain accounting treatments, a formula rate for transmission service, various transmission rate incentives, and certain waivers as enumerated in its application for a proposed 3,000 mile, 765 kilovolt transmission network that it states will be capable of transmitting up to 12,000 megawatts ("MW") of wind energy and stored energy from the Dakotas, Minnesota, and Iowa to Midwest load centers, including Chicago, Southeastern Wisconsin, and Minneapolis. As proposed, the GPE project would traverse the Regional Transmission Organizations ("RTO") boundaries of the Midwest ISO and PJM Interconnection, L.L.C. GPE notes that it intends to be

a member of both RTOs and that the project will likely need to be vetted in both RTOs transmission expansion processes. In its filing, GPE notes that the project is in the initial stages of development but states that approval of its application, as well as the incentives that it is seeking will provide the degree of regulatory certainty that it requires to finalize its business plans including potential investors.

Consistent with the Commission’s notice in this proceeding, a number of entities intervened and filed comments and/or protests on various aspects of the GPE proposal. As concerns the Midwest ISO, many parties expressed concern that the project had not been vetted through the Midwest ISO planning process. Representative of these comments are those of the Midwest TDUs who request that the Commission should make clear that it will hold GPE to its commitment to work through a Commission approved regional planning process, and unless a one-stop process is developed, the project must “be considered in the regional planning processes of the Midwest ISO, PJM, . . . and the Mid-Continent Area Power Pool.”¹ Xcel Energy Services Inc., raises similar concerns in its protest of the GPE application complaining that the filing should be rejected, among other reasons, because the project has not participated in any FERC-approved regional transmission planning processes.² Nearly 20 additional entities raised similar concerns in their various comments and protests on the filing. It is with regard to this limited issue of participation in the Midwest ISO’s planning process that the Midwest ISO seeks to offer these comments in answer to the concerns raised in this proceeding.

¹ Motion to Intervene and Comments of the Midwest TDUs at pp. 6-7.

² Protest of Xcel Energy Services Inc., at pp.8-11.

II. MOTION FOR LEAVE TO ANSWER

The Midwest ISO seeks leave to submit this Limited Answer to the comments and protests filed in the above captioned proceeding in order to clarify the issues raised with regard to the GPE project and the Midwest ISO planning process, and thereby aid in the Commission's decision-making process. The Midwest ISO recognizes that the Commission permits answers where, as here, the information provided in an answer will facilitate the Commission's decisional process or aid in the explication of issues.³ The Midwest ISO, therefore, respectfully requests that Rule 213(a)(2) be waived and that the Commission accept this Answer for good cause shown.

III. ANSWER

It appears from the comments filed in this proceeding that the GPE project is being planned outside of the normal RTO planning processes. The Midwest ISO does not believe that to be the case with respect to the Midwest ISO planning process. The GPE project has been introduced by the Company into the Midwest ISO planning process and is currently being evaluated.

Under the Midwest ISO's planning process, which has been found to be compliant with Order No. 890⁴ and Order No. 890-A,⁵ provisions exist by which Transmission Owners are required to identify and introduce proposed transmission projects into the planning process in a timely manner that permits coordinated integration and regional review of the proposals. These

³ *Morgan Stanley Capital Group, Inc. v. New York Indep. Sys. Operator, Inc.*, 93 FERC ¶ 61,017 at 61,036 (accepting answer as "helpful in the development of the record") (2000); *New York Indep. Sys. Operator, Inc.*, 91 FERC ¶ 61,218 at 61,797 (allowing answer as "useful in addressing the issues arising in these proceedings") (2000); *Central Hudson Gas & Elec. Corp.*, 88 FERC ¶ 61,137 at 61,381 (1999) (accepting pleadings because they helped to clarify the issues and because of the complex nature of the proceeding).

⁴ *Midwest Independent Transmission System Operator, Inc.*, 123 FERC ¶ 61,154 (2008).

⁵ *Midwest Independent Transmission System Operator, Inc.*, 126 FERC ¶ 61,109 (2009).

provisions include a requirement for stakeholders to identify alternative proposals to resolve planning issues identified throughout the planning cycle. Many of these projects are studied under the more routine system reliability analysis process. However, the regional planning analyses engaged in by the Midwest ISO include a number of so-called Targeted Studies, the need for which may be identified by stakeholders or the Midwest ISO itself. The list of Targeted Studies to be executed within each annual Midwest ISO Transmission Expansion Plan reporting cycle are reviewed, and prioritized when necessary, by stakeholders through the Planning Advisory Committee.

The GPE proposed project is an appropriate alternative expansion proposal to be considered in the Regional Generation Outlet Study (“RGOS”) that is one of the priority Targeted Studies in progress in the present planning cycle which has been underway since early in 2008. The RGOS has as its goal the identification of transmission expansion that is appropriate to provide for the efficient and reliable delivery of energy, a goal that is also consistent with the Renewable Portfolio Standards in place in many of the Midwest ISO states. In addition, the GPE proposal, while not identical to, aligns well with elements of the preliminary high voltage overlay proposals that the Midwest ISO and other Eastern Interconnection participants studied and reported upon in the recently published Joint Coordinated System Plan (“JCSP”). The Midwest ISO views the GPE as an appropriate expansion alternative to be integrated into the RGOS regional studies in progress as well as with the continuation of the JCSP inter-regional planning efforts. The RGOS Studies have been divided into two phases, both of which are currently scheduled for completion during the 2009 study cycle, at which time the results, including the GPE proposal, will receive the consideration

due under the Midwest ISO Open Access Transmission, Energy and Operating Reserve Markets
Tariff.

The Midwest ISO takes no position on the disputes between the applicant and the
interveners, but wishes to make clear it will be treating the project inside the planning process in
a manner consistent with approved regional planning processes. The presence or absence of a
rate/accounting treatment proceeding at the Commission has not been an element in determining
how the Midwest ISO has responded to such requests in the past.

IV. CONCLUSION

WHEREFORE, the Midwest ISO respectfully moves for leave to file this Answer, and
asks that the Commission consider this Answer in resolving the issues raised by the IMM's
Findings.

Respectfully submitted,

/s/ Arthur W. Iler

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March 13, 2009

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding and all parties that have filed interventions to-date.

Dated at Carmel, Indiana, this 13th day of March, 2009.

/s/ Arthur W. Iler
Arthur W. Iler