

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Grid Resilience in Regional Transmission            )  
Organizations and Independent System                )     Docket No. AD18-7-000  
Operators    )

**Comments of the North Dakota Public Service Commission**

The North Dakota Public Service Commission (“NDPSC”) respectfully submits comments in reply to comments filed by Regional Transmission Organization (“RTOs”) and Independent System Operators (“ISOs”) as directed by the Federal Energy Regulatory Commission’s (“FERC”) January 8, 2018 Order initiating the “Grid Resilience in Regional Transmission Organizations and Independent System Operators” (“Grid Resilience”). The NDPSC previously filed comments in response to the “Grid Reliability and Resilience Pricing” rulemaking in Docket No. RM18-1-000. As a result of FERC ordering the termination of the proceeding initiated in Docket No. RM18-1-000, the NDPSC refiles these comments for continued consideration in Docket No. AD18-07-000.

**Background**

The NDPSC is a constitutionally established agency granted jurisdiction and authority for regulating public utilities within the State of North Dakota. In addition, the NDPSC is vested with statutory authority to take necessary action to investigate and address unreasonable practices in interstate business in the interest of North Dakota before the FERC. The State of North Dakota has a long-standing history of being a net energy exporter and contains a robust source supply and generation mix of wind, gas, and coal generation. In the State of North

Dakota, power producers are traditionally integrated investor-owned utilities (“IOU”) and cooperatives. However, while the utilities have many of the aspects of traditionally integrated IOUs, they operate in the organized markets through the Midcontinent Independent System Operator (“MISO”) and Southwest Power Pool (“SPP”) regulated by FERC.

### **Comments**

The North Dakota Public Service Commission would like to thank the FERC for this opportunity to provide comments regarding Grid Resilience in Docket No. AD18-7-000. The NDPSC has concerns regarding the early retirement of baseload generation and the evolving resource mix and appreciates the exploration of the challenges that the bulk power system is facing. Many factors internal and external to the FERC regulated marketplace have encumbered coal-fired baseload generation from being able to compete in regional electric markets, including regulatory burdens, lack of full valuation for traditional baseload resources, subsidies resulting in negative market pricing, as well as low gas prices. The NDPSC believes that baseload generation provides certain resiliency and reliability benefits essential to grid operations and that FERC approved markets do not accurately value or adequately compensate for these benefits.

The NDPSC believes that markets need to be further refined to appropriately compensate baseload facilities and prevent early retirement while maintaining affordable rates for customers. A thorough analysis is needed to define reliability and resiliency benefits and how baseload generation contributes to grid operations in order to evaluate the best path forward. Fuel supply is one of many attributes that must be considered to arrive at a comprehensive and workable solution. The NDPSC requests that the FERC evaluate the extent to which baseload provides value to ensure that markets adequately compensate for its benefits. Attributes such as inertia to maintain frequency, supplemental and operative reserves, voltage support, reactive power

compensation, and other baseload benefits should be fairly compensated for the value provided to grid operations.

### **Conclusion**

The North Dakota Public Service Commission appreciates the opportunity offered by the FERC to discuss these critical issues and for the opportunity to comment in this proceeding. The NDPSC respectfully requests that these comments are considered as FERC evaluates resilience in the bulk power system and that further development of these issues be explored to arrive at a comprehensive and workable solution while ensuring affordable costs to the consumer.

Respectfully submitted,

*/s/ John M. Schuh*

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