

Ruso Wind Partners, LLC  
Ruso Wind Project  
Docket Nos. PU-19-28

**Supplement to Late-Filed Exhibit No. 59 – Update on Interconnection Request**

At the North Dakota Public Service Commission’s (“Commission”) working session on August 28, 2019, questions were raised regarding the Midcontinent Independent System Operator (“MISO”) and Southwest Power Pool (“SPP”) Generation Interconnection Procedures (“GIP”), and more specific comments and questions regarding projects receiving ERIS (Energy Resource Interconnection Service) vs NRIS (Network Resource Interconnection Service) and their impact on the future upgrade costs allocated to local transmission owners and their customers.

This document has been developed by Ruso Wind Partners, LLC (“Ruso Wind”) and will recap some of the comments and concerns raised at the Working Session and provide a brief response to each of those concerns. In addition, Power System Engineering, Inc. (“PSE”) has developed a document (the “PSE Memorandum”) to provide additional background on the MISO and SPP GIP and Transmission Expansion Planning (“TEP”) processes along with a more detailed discussion of ERIS and cost allocations. The PSE Memorandum is provided as **Late-Filed Exhibit No. 59(a)**.

- ***Comment #1: If congestion issues develop later, at least partially due to a large number of ERIS projects injecting a lot of power on the grid, and the RTO recommends & executes system upgrades, a large portion of the upgrade costs are borne by local ratepayers (not by the ERIS projects).***
  - **Response:** Cost allocation of transmission and GIP modeling are very important items that are currently being addressed by both MISO and SPP.
    - Generally speaking, FERC policy directs costs of the transmission system to be borne either by the entity (or entities) that cause the need for the upgrade, or by the entity (or entities) that receive the benefit(s) of the upgrade. Broad cost allocation and GIP improvements – such as the policy direction provided by the SPP Holistic Integrated Tariff Team (“HITT”) to the SPP Cost Allocation Working Group (“CAWG”) and the newly-created NRIS ERIS Deliverability Task Force (“NEDTF”) – are addressing these matters through established stakeholder processes.
    - GIP models used during the interconnection processes and planning studies should more closely align with expected market dispatch and real-time conditions to better identify operational needs driven by new interconnection requests.
- ***Comment #2: ERIS project reviews go very quickly without receiving a very thorough evaluation of the impacts they cause on the transmission system.***
  - **Response:** Generators seeking ERIS interconnection generally do not proceed quickly and do receive a thorough evaluation; in fact, the average “wait time” for a

project to enter the GI queue and complete the study process is 24 to 48 months for MISO and SPP. The duration of the interconnection process for ERIS interconnections is the exact same as for NRIS interconnections. The mitigation thresholds that trigger upgrade requirements for both ERIS and NRIS interconnection requests in MISO and SPP are commensurate with other transmission providers across the country. The only difference occurs after the interconnection process when MISO and SPP will perform a quarterly deliverability study, which details the available capacity of an ERIS generator.

- ***Comment #3: Upgrade costs borne by ERIS projects are extremely minimal.***
  - ***Response:*** At a broad level, upgrades assigned to ERIS interconnection requests are usually less than NRIS interconnection requests. However, there can be exceptions. The latest MISO August 2017 DPP West cluster contained 27 projects and were assigned \$3.9 B in network upgrades. Generally speaking, ERIS interconnections pay millions of dollars in network upgrades without certainty of recouping that investment.
  
- ***Comment #4: The question was brought up as to how the RTO keeps track of when and how ERIS projects would be curtailed during times of system congestion; statements were made that ERIS vs. NRIS “doesn’t come into play” when the system is running, and that as soon as there is a likelihood of congestion in an area, whether caused by NRIS or ERIS projects, that area would have system upgrades executed by the RTO, and a large portion of the cost for these upgrades would be paid for by local ratepayers.***
  - ***Response:*** In locational marginal price (“LMP”) markets (such as RTOs), the market dispatch does not differentiate between ERIS and NRIS interconnections. Each has a signed agreement with the RTO and the Transmission Owner to be dispatched on the existing transmission system *as the system is available*, which is dictated through prices that include the marginal costs of energy, congestion, and electrical losses. The matter of real-time constraints caused by new generator interconnections not being resolved during the interconnection process is a cost allocation and GIP assumption problem (see response to Comment #1 above).