

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

Midwest Independent Transmission)	Docket No. ER13-38-000
System Operator, Inc.)	

**JOINT MOTION TO INTERVENE AND COMMENTS OF
WISCONSIN POWER AND LIGHT COMPANY AND
MADISON GAS AND ELECTRIC COMPANY**

Pursuant to Rules 211, 212 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“FERC” or “Commission”), 18 C.F.R. §§ 385.211, 385.212 and 385.214, Wisconsin Power and Light Company (“WPL”) and Madison Gas and Electric Company (“MGE”) (collectively, “the Companies”) respectfully file this joint motion to intervene and provide comments in the above-captioned docket.

I. COMMUNICATIONS

The Companies request that all communications regarding this motion to intervene and supporting comments be addressed to the following persons:

Cortlandt C. Choate, Jr.
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behalf of Wisconsin Power and Light Company
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Docket No. ER13-38-000

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The Companies also request that Messrs. Choate, Myhre and Mathis be placed on the Commission's official service list for this docket.

II. MOTION TO INTERVENE

On October 5, 2012, the Midwest Independent System Operator, Inc. ("MISO") filed, pursuant to Section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 824d and Part 35 of the Commission's regulations, 18 C.F.R. § 35, *et. seq.*, a System Support Resources ("SSR") Agreement by and between The City of Escanaba ("Escanaba") and MISO. The Escanaba units, located in the American Transmission Company ("ATC") footprint, are the first resource with which MISO has identified the need for an SSR agreement.

The Companies are Load Serving Entities ("LSE") that own and operate electric facilities engaged in the generation, purchase, distribution, and sale of electric power and energy in Wisconsin. The Companies do not own or operate transmission facilities and are located in the ATCLLC transmission zone of MISO. The Companies are MISO market participants and incur costs associated with the purchase of transmission, capacity, energy, and ancillary market services within the MISO market.

The Companies have a direct and substantial interest in this docket, and request participation because the Companies and their customers will be directly affected by the outcome.

Docket No. ER13-38-000

The Companies' participation is in the public interest due to their unique obligations as public utilities providing the sole source of electric service in their service territories. No other party can adequately represent the Companies' interests before the Commission.

III. BACKGROUND

An Attachment Y request must be submitted to MISO at least 26 weeks prior to the date a Generation Resource or a Synchronous Condenser Unit would like to retire or be placed in an extended reserve shutdown¹. Through the Attachment Y process MISO will use information submitted by a resource owner to perform an analysis to determine if a resource is needed for reliability. In the case where a resource is needed for reliability, MISO will then evaluate and consider any alternatives that could be employed to address the reliability concern. If no alternatives are found, MISO's SSR Tariff provisions allow MISO to negotiate compensation for a Generation Resource for its continued operation to ensure reliability. The existence of the SSR will be required until a solution can be put in place to alleviate the reliability issue.

The costs of SSR units required to address reliability issue in the ATC footprint are allocated to all LSEs within the footprint on a *pro rata* basis. The City of Escanaba, Michigan is located within the ATC footprint and is responsible for providing electricity to the residents of Escanaba, Michigan. As a result of this SSR agreement, the costs allocated to the City of Escanaba on annual basis for the operation of the units will be \$8,750 with \$3,701,530 being allocated to other LSEs in the ATC footprint.

¹ Section 38.2.7.j of the MISO Tariff.

Docket No. ER13-38-000

On July 25, 2012 MISO filed proposed SSR related Tariff changes in order to update these provisions to reflect current system reliability, regulatory, and economic conditions². On September 21, 2012, the Commission issued an Order related to MISO's proposed changes which conditionally accepted the changes and directed compliance filings to be made in 90 and 180 days³. In its Order, the Commission stressed that MISO should only use SSR Agreements as a last-resort measure to meet short-term reliability needs caused by the retirement or suspension of a resource and that SSR Agreements should have a limited and short duration. Several of the compliance requirements the Commission required were aimed at ensuring that MISO fully consider SSR alternatives and limit the term of SSR Agreements.

III. COMMENTS

MISO's October 5th filing attempts to provide an explanation of the analysis and study performed on the Escanaba units; however, the filing is deficient in several areas. More information is needed for affected parties to have a reasonable level of assurance of the prudence of this SSR agreement. In addition, MISO states in its filing that with the need for the Escanaba SSR now being disclosed, MISO can engage stakeholders in discussing other alternatives that could be put in place to alleviate the necessity for this SSR⁴. Without being properly informed, stakeholders will not have the information needed to effectively participate in determining and evaluating possible shorter term solutions.

² MISO July 25, 2012 Filing, Docket No. ER12-2302-000

³ *Midwest Independent Transmission Operator, Inc.* 140 FERC ¶ 61,237 (2012) at P 1.

⁴ October 5th filing, page 4.

Docket No. ER13-38-000

The first area requiring additional information relates to the reliability need for the SSR. MISO has explained that the Escanaba units are needed for reliability for a limited period of time with the unavailability of either or both of the Escanaba Steam Units 1 and 2 resulting in violations of the North American Electricity Reliability Corporation (“NERC”) Transmission Planning (“TPL”) Standards TPL002-0b and TPL-003-0a⁵. The Companies request that MISO provide further information related to the reliability analysis performed in order for stakeholders to better understand the reliability issue that needs to be addressed. MISO should provide to stakeholders information on which contingencies cause the need for the SSR designation, what issues that are caused by these contingencies, and the severity of the issues with and without the Escanaba Units available. The Companies believe this is all relevant and important information that should be required to justify MISO’s SSR designation. Due to the nature of this information, the Companies believe that MISO requiring applicable non-disclosure agreements to be executed before providing such information to stakeholders may be appropriate.

The next area requiring more details is MISO’s consideration of alternatives to the SSR. MISO has stated that alternatives related to transmission operating steps, generation and demand curtailment were consider but only vague descriptions of MISO’s efforts in this regard are provided. The Companies request more specific information as to what exact alternatives were and were not considered as part of this effort. MISO should provide details on why operating guides, system re-configuration, and generation re-dispatch are not viable alternatives to allow the Escanaba Units to go into suspension. MISO should also expand on any consideration of near-term upgrades that could be implemented prior to the completion of the Holmes – 18th Road

⁵ October 5th filing, Exhibit C.

Docket No. ER13-38-000

138 kV line, such as capacitor banks, that would allow one or both of the Escanaba Units to be suspended until the long term solution is in place.

Finally, MISO's October 5th filing assigns the SSR Agreement from the City of Escanaba to Escanaba Clean Energy upon close of purchase of the units. Escanaba Clean Energy plans to convert the units from coal fueled to biomass fueled and the SSR Agreement indicates that MISO has the right to cease the Agreement when this conversion takes place⁶. There is however, no indication of the time when this conversion may occur. The Companies request that MISO provide more information regarding the process the units will go through with the conversion to biomass, including an expected timeline for this conversion. LSE's such as the Companies who are bearing the costs of this SSR agreement need some indication of when the conversion may take place and the SSR terminated for internal planning efforts.

The Companies are encouraged to hear of MISO's commitment to work with stakeholders to consider additional alternatives; however, the Companies request that MISO provide more detail on the exact effort and steps MISO will go through, including a timeline, as to when this effort will occur. These procedures need to be laid out clearly in order to ensure that complete consideration of all alternatives (e.g. accelerated transmission construction, demand response, operating guides, or other equipment such as capacitor banks or temporary transformers) is performed as quickly as possible with stakeholders.

A final issue the Companies raise with the October 5th filing is MISO's proposal to retroactively apply charges for Escanaba SSR for the period of June 15, 2012 to September 5,

⁶ October 5th filing, page 4.

Docket No. ER13-38-000

2012⁷. The Companies find this approach to be unreasonable. The date the Escanaba SSR was executed was September 5, 2012, as such, there is no basis to provide compensation to Escanaba prior to this execution date. MISO's alternative request that an effective date of September 5, 2012 be granted is the appropriate effective date and is consistent with the Commission's rule that service agreements must be filed within 30 days of commencing service.

WHEREFORE, for the reasons discussed above, the Companies respectfully request that the Commission grant its motion to intervene in this proceeding and consider their comments herein.

Respectfully submitted,

Wisconsin Power and Light Company

/s/ Cortlandt C. Choate, Jr.

Cortlandt C. Choate, Jr.
Senior Attorney
Alliant Energy Corporate Services, Inc. on behalf of
Wisconsin Power and Light Company

Madison Gas and Electric Company

/s/ Gary Mathis

Gary Mathis
Senior Director, Electric Policy
Madison Gas and Electric Company

October 26, 2012

⁷ October 5th filing, page 8.

CERTIFICATE OF SERVICE

In accordance with 18 C.F.R. § 385.2010, I hereby certify that I have on this 26th day of October, 2012, caused a copy of the foregoing Joint Motion to Intervene and Comments to be sent to each person designated on the official service list compiled by the Secretary of the Commission in Docket Number ER13-38-000.

/s/ Cortlandt C. Choate, Jr.

Cortlandt C. Choate, Jr.
Senior Attorney
Alliant Energy Corporate Services, Inc. on
behalf of Wisconsin Power and Light Company

Document Content(s)

ER13-38-000_WPL_MGE Intervention_Comments_10.26.12.PDF.....1-8