

## Staff Briefing Papers

Meeting Date	September 4, 2025		Agenda Item 6*
Company	All Electric Utilities		
Docket No.	E999/PR-25-21		
	<b>In the Matter of MN PUC Filings to Federal Energy Regulatory Commission</b>		
Issues	MN PUC response to Complaint of North Dakota Public Service Commission, et al. v. Midcontinent Independent System Operator, Inc. (FERC Docket No. EL-25-109)		
Staff	Stephen Rose	Stephen.Rose@state.mn.us	651-201-2222
	Lise Trudeau	Lise.B.Trudeau@state.mn.us	651-201-2254
	enter name.	Click or tap here to enter text.	Click here to enter text.

---

✓ Relevant Documents	Date
North Dakota PSC, et. al. complaint to FERC (docket EL25-109-000)	7/30/2025

To request this document in another format such as large print or audio, call 651.296.0406 (voice). Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email [consumer.puc@state.mn.us](mailto:consumer.puc@state.mn.us) for assistance.

The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.



## Table of Contents

BACKGROUND .....	2
I. Issue statement.....	2
II. Issue overview.....	2
A. The North Dakota, <i>et al.</i> Complaint to FERC.....	2
B. MISO’s Tranche 2.1 portfolio of transmission projects .....	3
DISCUSSION .....	4
III. Staff analysis .....	4
A. Minnesota contributed significantly to development of Tranche 2.1 .....	4
B. Tranche 2.1 supports electric reliability and resource adequacy in Minnesota and MISO Midwest states.....	5
C. Ratepayers across Minnesota and MISO Midwest will share the costs of Tranche 2.1 .....	5
D. Minnesota and MISO Midwest ratepayers will benefit from Tranche 2.1 .....	5
IV. Summary of proposed MN PUC comments to FERC.....	6
A. MISO did not violate its tariff .....	6
B. Minnesota and other states remain supportive of MISO’s process to develop the Tranche 2.1 portfolio .....	6
C. The complaint makes numerous mischaracterizations that should be corrected .....	6
DECISION OPTIONS .....	7

## BACKGROUND

### I. Issue statement

Pursuant to authority in Minn. Stat. § 216A.05, the Commission will consider whether to join comments to be filed with the Federal Energy Regulatory Commission (FERC) in FERC Docket EL25-109-000 to confirm that the Midcontinent Independent System Operator (MISO) followed its FERC-approved tariff process to designate the Tranche 2.1 portfolio of transmission projects (Tranche 2.1) as Multi-Value Projects.<sup>1</sup>

The comments oppose a FERC complaint (Complaint) by a coalition of five MISO states. The Complaint asks FERC to overturn MISO's designation of the Tranche 2.1 projects as Multi-Value Projects and order MISO to revise its tariff to require FERC review and approve Multi-Value Projects.

### II. Issue overview

#### A. The North Dakota, *et al.* Complaint to FERC

On July 30, 2025, the Public Service Commissions of North Dakota, Montana, Arkansas, Mississippi, and Louisiana (Complainants) filed a Complaint (Complaint) with FERC seeking to overturn the cost allocation method that MISO's board approved for the LRTP Tranche 2.1 projects (docket EL25-109-000).<sup>2</sup> Those projects are classified as "Multi-Value Projects" (MVPs) because the sum of their quantifiable benefits exceed their costs. The cost of these MVPs will be shared across MISO's North and Central regions as a charge on each MWh of energy consumed.

The Complaint makes three claims against the Tranche 2.1 MVP designation:

- MISO's modeling assumptions inflated the Tranche 2.1 benefits
- Tranche 2.1 is designed to effectuate states' policy goals
- MISO's MVP transmission process lacks regulatory oversight and cost control

The Complaint asks FERC to (a) declassify the Tranche 2.1 projects as MVPs and (b) require MISO to obtain FERC approval on the business case and cost-benefit justification for future portfolios of transmission projects.

---

<sup>1</sup> Attachment FF of the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff.

<sup>2</sup> *Concerned Commissions*, Complaint of the Concerned Commissions and Request for Expedited Action and Fast Track Processing (Complaint), Docket No. EL25-109-000 at p 1.

Likely effects of the Complaint if FERC agrees:

- **Delay all generator interconnection studies and increase costs in MISO Midwest**  
*Any generator interconnection requests studied after Dec. 2024 assume the existence of the Tranche 2.1 portfolio. All those requests, including Expedited Resource Addition Study (“ERAS”) projects,<sup>3</sup> totaling more than 100GW of new generation must be re-studied if the Tranche 2.1 portfolio is changed or delayed. That could add many months to the process for building new generators and increase the cost to build generation and transmission.*
- **Reduce the amount of regional transmission to support resource adequacy and reliability**  
*If the Tranche 2.1 portfolio is cancelled, less regional transmission capacity will be constructed to support resource planning to serve load and maintain reliability.*

#### **B. MISO’s Tranche 2.1 portfolio of transmission projects**

Tranche 2.1 is a portfolio of transmission projects approved by MISO’s Board of Directors in December 2024. The projects were developed through an extensive MISO stakeholder process that began in 2022 and ended in December 2024. The total estimated cost is \$22 billion, of which \$4.3 billion is for new transmission lines in Minnesota.

The Tranche 2.1 projects are designated as Multi-Value Projects (MVPs), which means their costs are allocated to all electricity consumers in MISO North and Central on per-MWh of electricity consumption.

---

<sup>3</sup> The Expedited Resource Addition Study is a “fast lane” that enables MISO to do expedited interconnection studies of generation specific resources that meet a resource adequacy or reliability need verified by a Relevant Electric Retail Regulatory Authority (RERRA, which is the PUC for regulated utilities in Minnesota) [link](#).

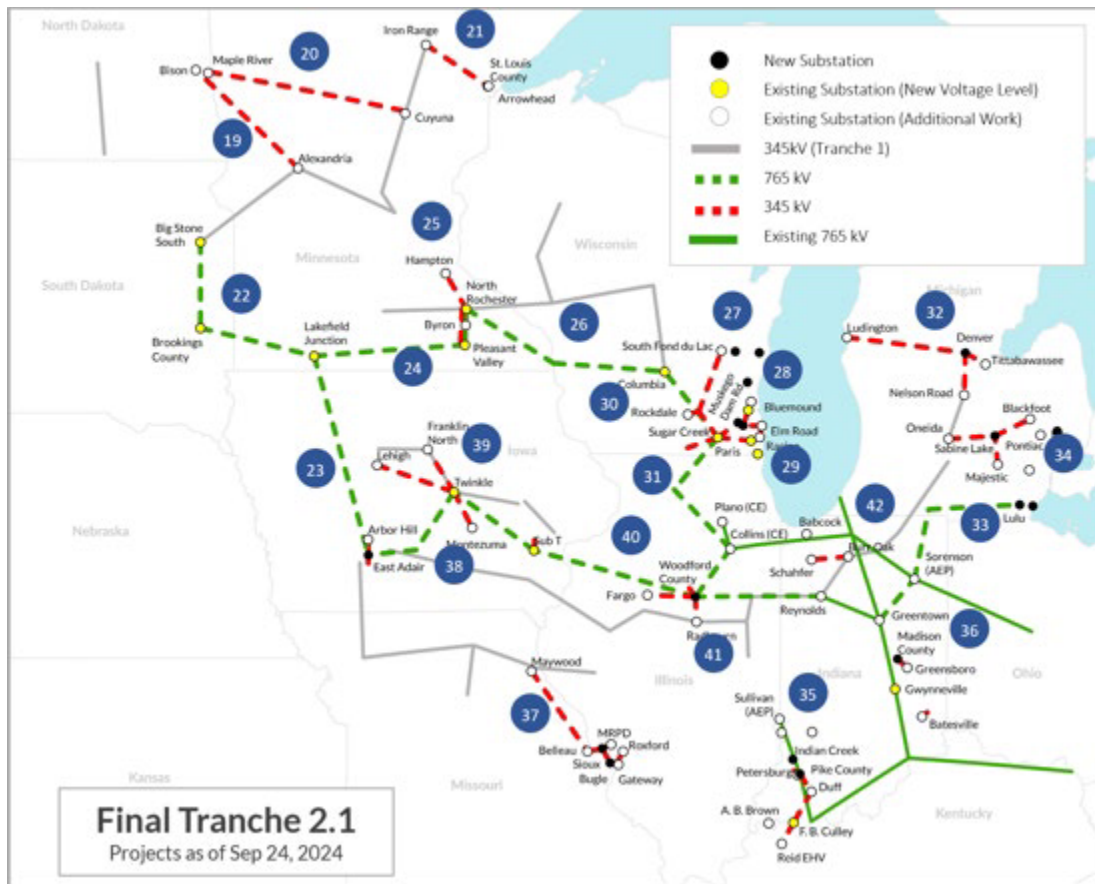


Figure 1: Map of showing the locations and voltages of approved Tranche 2.1 projects in dashed red and green. Lines from Tranche 1 are shown in grey. (From MISO Fact Sheet: *Long Range Transmission Planning (LRTP) Tranche 2.1*, [link](#))

## DISCUSSION

The Minnesota PUC can join comments to FERC to oppose the Complaint, verify that MISO followed its tariff process, and correct the Complaint's mischaracterizations.

### III. Staff analysis

The following items highlight the impact of the MISO decision and the potential FERC reversal of that decision on Minnesota and the MISO Midwest region.

#### A. Minnesota contributed significantly to development of Tranche 2.1

Minnesota utilities, Commissioners and PUC staff, Department of Commerce, public-interest organizations, and other non-governmental stakeholders provided thorough review and input

on assumptions<sup>4</sup> and methodology<sup>5</sup> in the development of the Tranche 2.1 portfolio of transmission lines.

**B. Tranche 2.1 supports electric reliability and resource adequacy in Minnesota and MISO Midwest states.**

The Tranche 2.1 portfolio was designed to meet the generation plans of utilities in Minnesota and other MISO Midwest states, including Commission-approved IRPs, to meet increasing electricity demand and economic growth.<sup>6</sup> The Tranche 2.1 portfolio gives utilities access to a diverse mix of lower-cost resources in Minnesota and other states and addresses grid stability issues to support regional electric reliability at the times of highest need.

The Tranche 2.1 transmission portfolio supports Minnesota's statutory requirements for greenhouse gas emissions and renewable energy generation.<sup>7</sup> The future scenarios MISO used to design Tranche 2.1 incorporates that requirement and the goals of individual utilities. MISO estimates about 75% of the region's total load is served by utilities with decarbonization and/or renewable energy goals.<sup>8</sup>

**C. Ratepayers across Minnesota and MISO Midwest will share the costs of Tranche 2.1**

Over the next few decades, Minnesota ratepayers will share the costs with other MISO Midwest states for the Tranche 2.1 transmission portfolio. Those costs will be allocated as an approximately \$5/MWh charge on electricity consumption.<sup>9</sup> Minnesota's share of the cost will be approximately 14%, based on the geographic distribution of energy consumption in 2021.<sup>10</sup>

**D. Minnesota and MISO Midwest ratepayers will benefit from Tranche 2.1**

MISO estimates the benefits of Tranche 2.1 are 2.2 to 4.9 greater than the cost in MISO Zone 1,

---

<sup>4</sup> Comments from Otter Tail Power, Xcel, Great River Energy, and Minnesota Power about the future scenarios are summarized in MISO's Feedback Responses, LRTP Workshop on Apr. 28, 2023 ([link](#))

<sup>5</sup> Great River Energy submitted further comments to MISO about the methodology used to estimate the benefits of Tranche 2.1 on May 13, 2025 ([link](#))

<sup>6</sup> Xcel IRP docket E-002/RP-24-67, Minnesota Power IRP docket E-015/RP-21-33, Otter Tail IRP docket E-017/RP-21-339

<sup>7</sup> *MISO Futures Report, Series 1A*, p. 14, Nov. 1, 2023 ([link](#))

<sup>8</sup> 2024 MISO Transmission Expansion Plan Report (MTEP24 Report), December 2024, at page 4, [link](#).

<sup>9</sup> MISO Fact Sheet: *Long Range Transmission Planning (LRTP) Tranche 2.1*, [link](#)

<sup>10</sup> MN load ratio share calculated from electric power sales in EIA Form 861 data, summarized in Table 57 of Purdue State Utility Forecasting Group 2023 *MISO Independent Energy and Peak Demand Forecast*, Nov. 2023 ([link](#))

which includes Minnesota, North Dakota, and parts of Wisconsin and South Dakota.<sup>11</sup> The primary benefits are avoided capacity cost, mitigation of reliability issues, and decarbonization.

The enhanced transmission capability from Tranche 2.1 can save ratepayers money by increasing access to competitive low-cost resources and reducing the need to build redundant generation at a higher cost. Increased regional transfer capability through Tranche 2.1 will improve reliability and resiliency to mitigate outages and extreme weather. It will also increase access to available resources at times when the grid is constrained and wholesale electricity costs are high. At times when the grid has the highest need (and highest energy pricing), utilities with extra available capacity can deliver their product to a larger market – offsetting costs for their own ratepayers.<sup>12</sup>

#### **IV. Summary of proposed MN PUC comments to FERC**

Minnesota could submit comments to FERC or join comments with others that make the following arguments:

##### **A. MISO did not violate its tariff**

MISO considered substantial stakeholder input on two key areas:

- Methods for calculating benefits of these transmission projects
- Utility resource plans (IRPs) and state policies/goals

##### **B. Minnesota and other states remain supportive of MISO's process to develop the Tranche 2.1 portfolio**

- MISO's process was thorough and transparent
- Tranche 2.1 reflects states' resource plans
- Minnesota and other MISO states support long-term, coordinated, regional planning for Multi-Value Projects like Tranche 2.1.<sup>13</sup>

##### **C. The complaint makes numerous mischaracterizations that should be corrected**

- MISO states were active in the robust Tranche 2.1 development process
- MISO's planning process does not displace states' role in Resource Adequacy planning
- Long-term regional transmission planning gives access to more and lower-cost generation options that can increase reliability
- State commissions do not approve MISO transmission plans
- States have authority over transmission siting and determination of need

---

<sup>11</sup> MTEP24 report at page 163, [link](#).

<sup>12</sup> [MISO 2021 Arctic Event Report](#) and [MISO Overview of Winter Storm Elliot December 2023 Event](#).

<sup>13</sup> Organization of MISO States, Long-Range Transmission Planning Principles, 6/13/2019, [link](#).

## DECISION OPTIONS

The focus of Minnesota PUC comments to FERC is outlined in **section IV** above. The Minnesota PUC can decide to do one of the following options:

1. Authorize Commissioner Sullivan, as the designated MISO lead commissioner on behalf of the Commission, to join joint comments to FERC with content as described above.
2. Decline to authorize the submission of comments to FERC.