



John R. Bear
Chief Executive Officer
317-249-5176
jbear@misoenergy.org

August 16, 2022

Chairman Tom Appel, and the
Rural Minnesota Energy Board
2401 Broadway Ave, Suite 1
Slayton, MN 56172

Chairman Tom Appel and the Rural Minnesota Energy Board,

MISO sincerely appreciates your recent letter expressing support for our Long-Range Transmission Planning (LRTP) efforts. Like you, we agree that LRTP is urgently needed to “build out much-needed transmission infrastructure to connect new renewable energy to the grid while enhancing reliability and providing customers access to least-cost electricity supplies.”

I am happy to report that the MISO Board of Directors **unanimously approved** the Tranche 1 portfolio on July 25, 2022. This portfolio includes 18 transmission projects, representing \$10.3 billion in new infrastructure investment. We believe Tranche 1 is the largest portfolio of its type in U.S. history. All or part of three of these projects, representing \$2.2 billion in investment, are in Minnesota.

MISO’s conservative quantification of the transmission portfolio’s benefits indicates a [benefit-to-cost ratio of 2.6 to 3.8](#) times the costs. Benefits include congestion and fuel savings, avoided capital costs of local resource investment, avoided transmission investment, resource adequacy savings, avoided risk of load shed, and decarbonization.

This important milestone would not have been achieved without the broad support of community leaders like the Rural Minnesota Energy Board. Minnesota’s Public Utility Commission and Department of Commerce have also been very engaged and collaboratively working with other states to bring this first tranche to fruition.

The goal of MISO's LRTP effort is to enable an effective and efficient transition of the region's electricity grid while ensuring reliable and affordable electricity. Much work remains to achieve this goal. Minnesota's continued leadership is critical for both (1) specific state-level approvals needed for Tranche 1 projects, and (2) the development of future tranches of projects to enable this transition.

While LRTP represents the longer-term solution, we also recognize that your counties are experiencing significant challenges in the near-term regarding congestion and the curtailment of wind resources. We understand the negative effects that decreased revenues from these wind assets can have on rural economic development and the reduction in production tax revenues to your counties.

MISO is actively working with the MISO Transmission Owners, wind developers and off-takers, and seams partners like SPP, in searching for short- and medium-term solutions that can be put in place ahead of the LRTP transmission build-out. For example, a key element of these efforts is underway in the Reliability Sub-Committee (RSC) of MISO's stakeholder process. There, we've established a [Reconfiguration for Congestion Costs Task Team](#) (RCCTT) to create a quick turnaround process to identify, evaluate, and implement more immediate solutions to these congestion issues. These efforts are new and ongoing.

We share the views expressed in your letter about the importance of ensuring that the grid can cost-effectively maintain the reliability of the system while we collectively make this transition in generation resource types. Within MISO, we call this the region's Reliability Imperative, and the LRTP is a key pillar of [MISO's response to the Reliability Imperative](#).

Continued regional collaboration and your support, encouragement, and engagement are very important to the success of these efforts.

Sincerely,



John R. Bear
Chief Executive Officer

Cc:
MN PUC Commissioner Sullivan
MN PUC Commissioner Tuma
Brian Tulloh, MISO External Affairs