



Iowa Utilities Commission

Federal & Regional Update

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Regional Transmission Organization (RTO)

- Regulated by the Federal Energy Regulatory Commission (FERC)
- Functions
 - Manage electricity transmission across multiple states and wholesale markets; this is considered interstate commerce under US law, hence the regulation at the federal level
 - Operate the transmission grid, managing flow of electricity and maintaining reliability
 - Plan for the grid (transmission projects, impact studies)
- Two RTOs with a presence in Iowa
 - Midcontinent Independent System Operator (MISO)
 - Southwest Power Pool (SPP)
- The IUC advocates for Iowa ratepayers by being involved in:
 - policy development related to electric generation supply
 - policy development for transmission project cost allocation

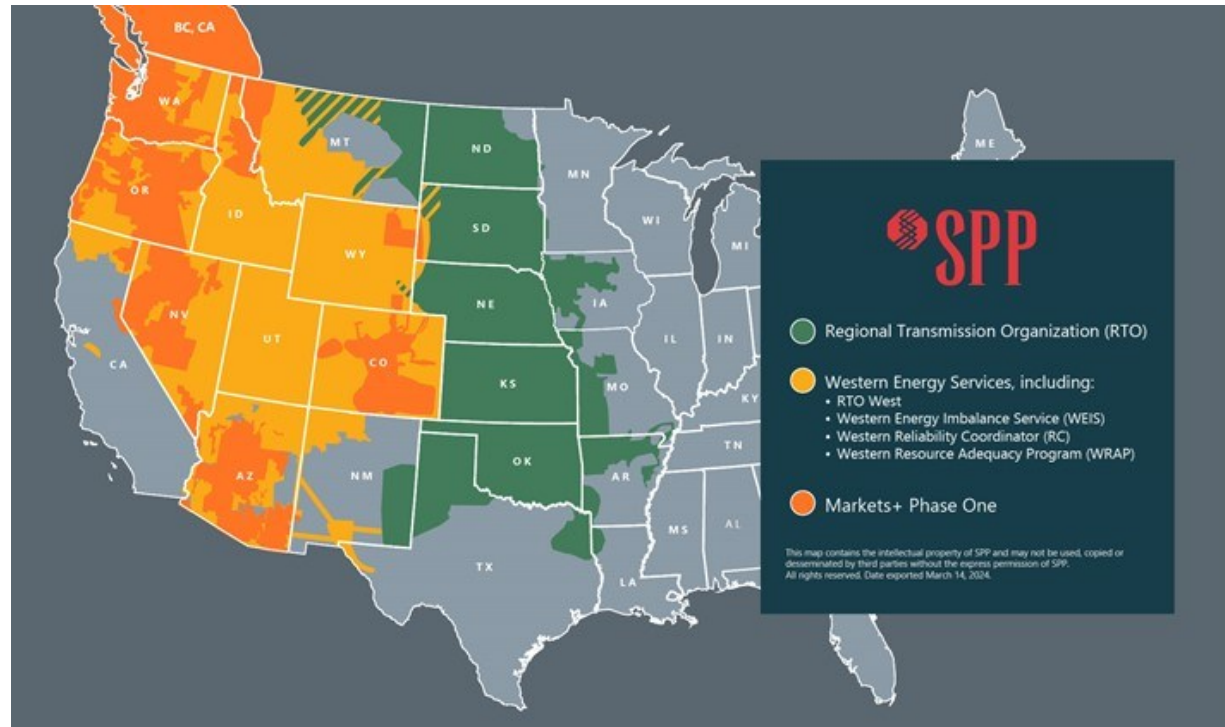
Midcontinent Independent System Operator (MISO)

- By the numbers
 - Area served: 15 states and Manitoba
 - Population served: 45 million
 - Transmission lines: 77,000 miles
 - Members: 56 transmission owners; 173 non-transmission owners
 - Market participants: > 550
- Committees and work groups (meetings open to public)
 - Advisory, Market, Planning Advisory, Resource Adequacy, Distributed Energy Resources, Interconnection Process, Regional Expansion Criteria & Benefits, and others



Southwest Power Pool (SPP)

- SPP operates in 14 states, and will add Wyoming, Colorado, Utah and Arizona next year.
- SPP's footprint in Iowa includes approximately:
 - 100 utilities
 - 60,000 households
 - 9,000 businesses
 - 5,000 industrial
- In 2028, SPP will open a Day Ahead Market for utilities in the rest of the West and British Columbia.



MISO Current Issues

- Expedited Resource Addition Study (ERAS)
 - MISO's temporary process for expediting the study and approval of interconnection projects needed for resource adequacy and/or reliability needs
 - Effective date of August 6th; first quarter study submissions due August 11th; first study cycle begins September 2
 - Requests for entrance into process require RERRA verification (load addition claimed by interconnection customer is valid and/or proposed generating facility will address a resource adequacy deficiency)
 - Staff has received & reviewed some inquiries and requests
 - MISO will reveal number of projects submitted sometime at end of August
- Load Modifying Resource Testing Requirements
 - Comments filed by Voltus and Advanced Energy United (AEU) opposing a testing waiver opt-out for retail programs overseen by a regulatory authority
 - Currently in process of creating comments to respond
- North Dakota, Montana, Mississippi, Louisiana, Arkansas filed a complaint against MISO regarding the Tranche 2.1 business case → continuing to monitor
- DOE 202(c) emergency order to MISO regarding the continued operation of Consumers Energy coal plant in Michigan (costs for operation were requested to be allocated to central states, including IA) → continuing to monitor

SPP Current Issues

The Regional States Committee approved the following initiatives in its Q3 meeting:

- Targeted Market Efficiency Projects - Region-wide Cost Allocation for projects that relieve congestion and have a 4 year payback period based on the avoided cost of congestion
- Safe Harbor Review waived this year which covers the requirements for LREs that want to get base plan funding for transmission projects. Funding is limited to \$180,000 per megawatt and must meet the following criteria:
 - 20% or less of Designated Resources are wind
 - 5 year minimum term of commitment
 - 125% of load or less in all Designated Resources
- RR684 – Consolidated Planning Process - Grid Contribution Cost Allocation for generators.
 - This additional downpayment to connect to the grid will only apply to generators requesting firm transmission without a designated load. All generators will pay the base interconnection downpayment.
- RR689 – Transmission Congestion Rights bidding on Electrically Equivalent System Locations (EESL) Enhancement - This will close an unintended market loophole that allows for gaming by bidding on paths that connect two EESLs.