

House Concurrent Resolution 3014

Presented by: Randy Christmann, Chair
Public Service Commission

Before: Senate Energy and Natural Resources Committee
The Honorable Dale Patten, Chair

Date: March 17, 2023

TESTIMONY

Mr. Chair and committee members, I am Randy Christmann, Chair of the Public Service Commission, and I'm here to testify in support of this resolution on behalf of the Public Service Commission. We also want to provide more information about what the Commission has already been doing and what we hope to do to achieve these goals.

It cannot be stressed enough how much the evolution of RTOs has impacted our agency and utilities in North Dakota. To further complicate things, we have two RTOs to cover – both MISO and SPP are integrated throughout our entire state. (maps attached) Within the structure of each of the RTOs, there is an organization that includes state membership. For MISO that is the Organization of MISO States (OMS) and for SPP it is the Regional State Committee (RSC). The PSC has been actively engaged in each of these organizations, in fact Commissioner Fedorchak has held the President position within OMS and I have held the President position within the RSC in recent years.

Here are some examples of actions taken by each of these organizations to address reliability concerns:

MISO:

- **Seasonal Construct:** Historically MISO has tied its resource requirements to meet its annual summer peak. But more resources are clearly needed during cold winter mornings and hot summer evenings when load is high and wind and solar availability is low. Starting with the next planning year, MISO will value all resources based on their availability during the hours when the system is the tightest. This is intended to help drive investment to firm up resources to operate across all hours. And utilities will have a separate planning reserve margin for each season.
- **Reliability Based Demand Curve:** Historically MISO has attached no value to excess capacity resources utilities have beyond their planning reserve margin. This new demand curve for the annual Planning Resource Auction will provide significantly higher value to available capacity resources, sending an appropriate price signal for their reliability value.

SPP:

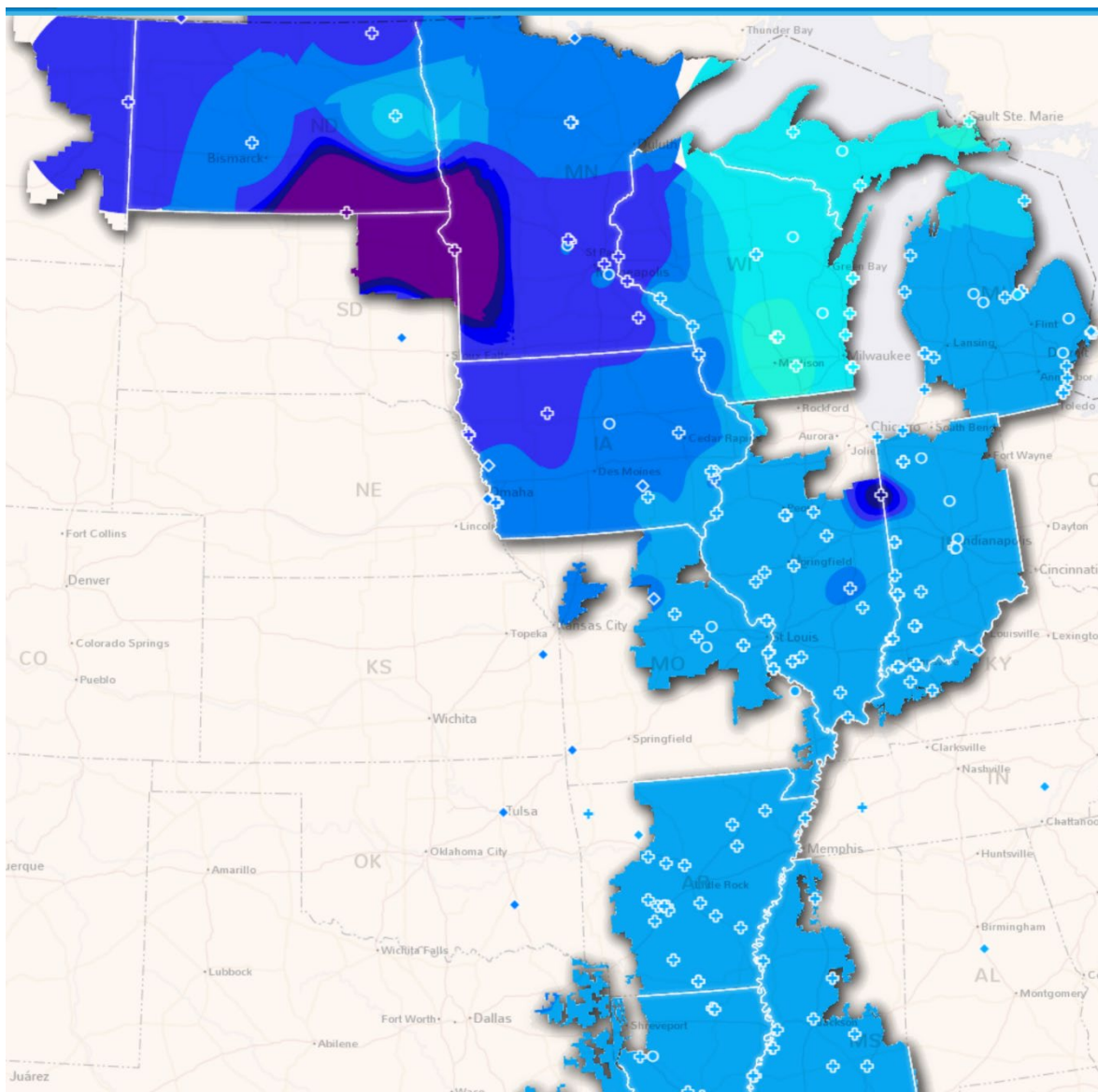
- **Performance Based Accreditation:** In 2022, the RSC adopted the use of Performance Based Accreditation. Performance Based Accreditation accredits generation resources based on their historical performance and outages, not just nameplate capacity, thereby giving more accuracy to the amount of capacity that can be counted on during times of high demand.
- **Planning Reserve Margin:** The planning reserve margin in SPP has been 12% for many years. Due to continuing concerns about retirements, growing deployment of intermittent resources and the availability of resources during peak times, the Regional State Committee of the Southwest Power Pool increased the planning reserve margin from 12% to 15%.

As you can see, policies and decisions made at the RTO level directly affect utilities operating in North Dakota and it is imperative that we are at the table when those decisions are being made. It has become increasingly critical that we maximize our influence at the RTO's, which means monitoring and being involved in numerous meetings and working groups as policies are developed and momentum for those policies flourishes or declines.

Some states have 2 to 3 full-time employees working with each respective RTO; comparatively, we have only 4 analysts working in our entire Public Utilities Division. Once again, we support the goals of this concurrent resolution and are hopeful that FTE requests in our budget are approved so we can increase our involvement with the RTOs and ensure that North Dakota is present and actively engaged when these decisions are being made. All of these decisions have a significant economic and reliability impact for our state, its citizens and businesses.

Mr. Chair, this concludes our testimony. I will be happy to answer any questions.

Markets Displays



Legend

- Labels
- ★ HUB
- + GEN
- ◆ INT
- LZN

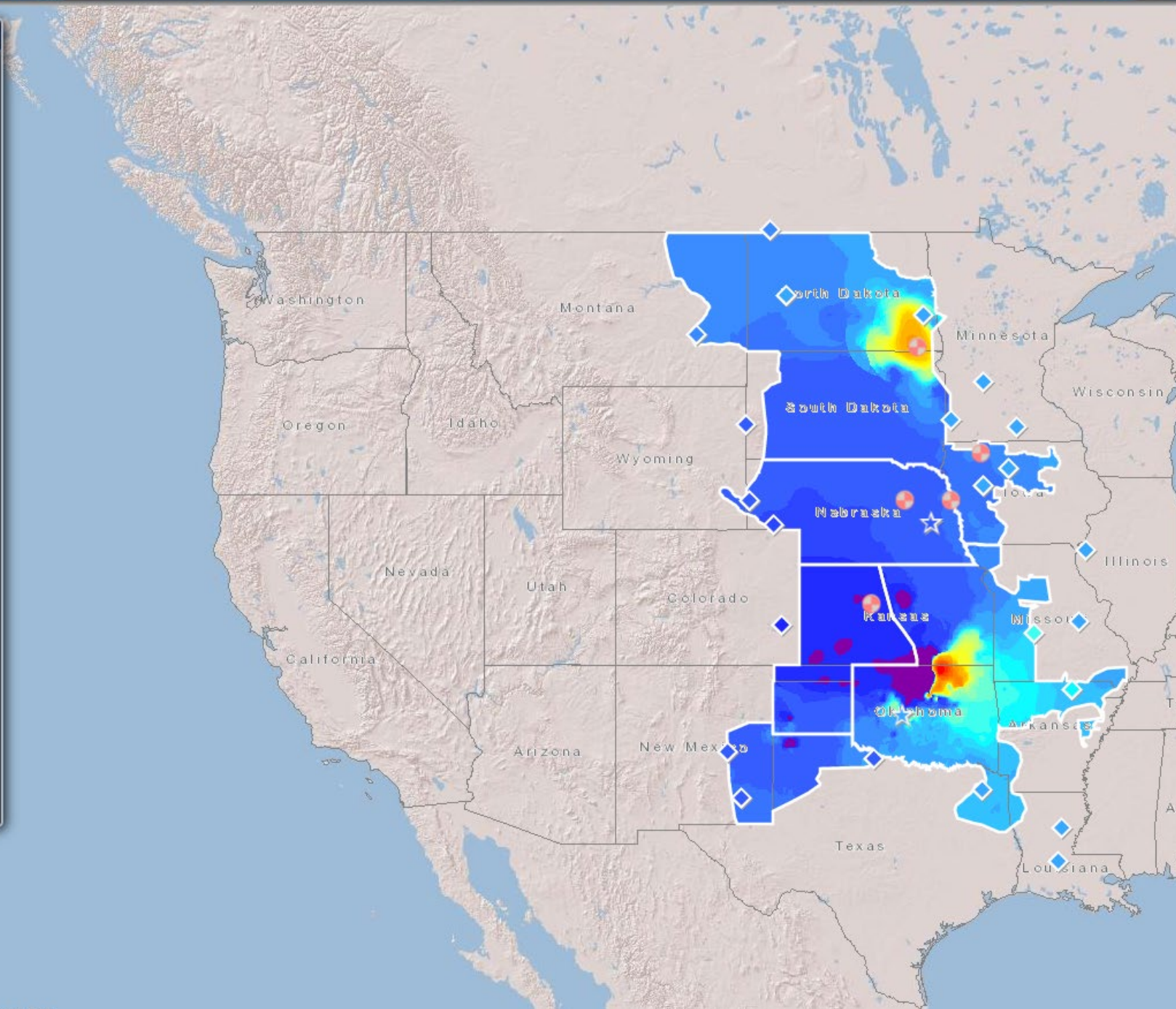
- 800.00 to 1,000.00 (0)
- 600.00 to 800.00 (0)
- 500.00 to 600.00 (0)
- 400.00 to 500.00 (0)
- 300.00 to 400.00 (0)
- 250.00 to 300.00 (0)
- 200.00 to 250.00 (0)
- 150.00 to 200.00 (0)
- 125.00 to 150.00 (0)
- 100.00 to 115.00 (0)
- 90.00 to 100.00 (0)
- 82.00 to 90.00 (0)
- 76.00 to 82.00 (0)
- 68.00 to 76.00 (0)
- 62.00 to 68.00 (0)
- 56.00 to 62.00 (0)
- 50.00 to 56.00 (0)
- 46.00 to 50.00 (0)
- 42.00 to 46.00 (0)
- 38.00 to 42.00 (0)
- 34.00 to 38.00 (8)
- 30.00 to 34.00 (18)
- 26.00 to 30.00 (1)
- 20.00 to 26.00 (261)
- 14.00 to 20.00 (26)
- 6.00 to 14.00 (13)
- 0.00 to 6.00 (6)
- -10.00 to 0.00 (2)
- -999.00 to -10.00 (2)



Legend

- ★ Hub
- ◆ Interface
- M2M Constraints

LMP



STAKEHOLDER GROUPS

Select a committee, working group or task force listed below to view a complete summary. Each page contains an overview, roster and related documents. The [SPP Group Organizational Chart](#) lists SPP's groups and their respective chairs and secretaries.

To keep updated about SPP organizational group activities, subscribe to [The Org Report](#), a monthly e-newsletter that summarizes the groups' key activities. To subscribe, visit our [Exploder page](#), fill in the blanks and select Organizational Group E-Newsletter.

ORGANIZATIONAL GROUPS ›

- **Board of Directors/Members Committee**
 - **Consolidated Planning Process Task Force**
 - **Corporate Governance Committee**
 - **Finance Committee**
 - **Credit Practices Working Group**
 - **Human Resources Committee**
 - **Oversight Committee**
 - **Strategic Planning Committee**
 - **New Member Integration**
 - **DC Tie Solution Group**
 - **DC Tie Task Force**
 - **Members Forum**
 - **State Commissioners Forum**
 - **Markets and Operations Policy Committee**
 - **Deliverability Steering Committee**
 - **Economic Studies Working Group**
 - **Market Working Group**
 - **Operating Reliability Working Group**
 - **Ambient Adjusted Ratings Implementation Task Force**
 - **System Operating Limits Methodology Task Force**
 - **Order 2222 Task Force**
 - **Project Cost Working Group**
 - **Minimum Design Standards Task Force (MDSTF)**
 - **Regional Allocation Review Task Force**
 - **Regional Tariff Working Group**
 - **Supply Adequacy Working Group**
 - **Generator Testing Task Force**
 - **Transmission Owner Selection Process Task Force**
 - **Transmission Working Group**
 - **GI Manual Task Force**
 - **AQ Improvement Task Force**
 - **Dynamic Load Task Force**
 - **Transmission Planning (TPL) Task Force**
- **Membership**
- **Regional State Committee**
 - **Cost Allocation Working Group**
 - **Improved Resource Availability Task Force**
 - **SPP - RSC/OMS Liaison Committee**

ADVISORY GROUPS ›

- **Future Grid Strategy Advisory Group**
- **Model Development Advisory Group**
- **Reliability Compliance Advisory Group**
- **Seams Advisory Group**
 - **Interregional Planning Stakeholder Advisory Committee (IPSAC)**
- **Security Advisory Group**
- **System Protection and Control Advisory Group**