

Reps. Price, Shirkey, Opsommer, Haveman and Nesbitt offered the following concurrent resolution:

House Concurrent Resolution No. 9.

A concurrent resolution to urge the Federal Energy Regulatory Commission to grant a rehearing and modify its December 16, 2010 order approving the Midwest Independent Transmission System Operator's cost allocation proposal to share transmission costs.

Whereas, The need for and cost of new, long distance transmission lines are important challenges facing the electric industry in the United States. New transmission facilities are needed to provide essential electric reliability and meet the future demands of a technologically driven economy. However, the Department of Energy estimates that expanding the use of wind power could require transmission expansion costs of \$60 billion by 2030; and

Whereas, Ultimately, the costs of new transmission and who pays these costs are determined by the Federal Energy Regulatory Commission (FERC). Under the Federal Power Act, FERC has the authority to regulate interstate transmission and must ensure that transmission rates are just and reasonable. Justness is also a centerpiece of FERC's Order 890, first issued in 2007, which establishes the commission's transmission cost allocation principles. Under Order 890, FERC stated that when determining who pays for new transmission, it will first consider whether the cost allocation proposal fairly assigns costs among participants, including those who cause them to be incurred and those who otherwise benefit from them. FERC also stated the intent to consider the support of state authorities and participants when approving cost allocation proposals; and

Whereas, The transmission tariff proposed by the Midwest Independent Transmission System Operator (MISO), which controls the grid in Michigan, 12 other states, and the province of Manitoba, proposes to allocate 100 percent of the costs of certain transmission projects designated as "Multi Value Projects" (MVP) to all customers in the MISO region. The tariff does not consider the unique situation of Michigan as a peninsular state that may not benefit from the construction of transmission lines in other parts of the MISO region. Additionally, the tariff does not adequately consider the principle of cost causation with regard to lower voltage transmission facilities proposed for shared cost allocation; and

Whereas, Since Michigan accounts for 20 percent of the MISO load, Michigan consumers would be responsible for one-fifth of any new MVP transmission facilities approved to be built in the MISO region. FERC's ruling allows for an uncommon method of allocating costs on a regional basis. There are concerns about the cost benefit analysis that is being used by MISO to approve MVP transmission facilities; and

Whereas, Several states, utilities, and ratepayer groups have filed for rehearing and clarification, including the Michigan Public Service Commission; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That we support the Michigan Public Service Commission's and the MISO Northeast Transmission Customers' requests for clarification and applications for rehearing of FERC's December 16 Order approving the Midwest Independent Transmission System Operator's cost allocation proposal to share transmission costs; and be it further

Resolved, That copies of this resolution be transmitted to the Chairman of the Federal Energy Regulatory Commission, the Chairman of the Michigan Public Service Commission, the President and Chief Executive Officer of the Midwest Independent Transmission System Operator, and the members of the Michigan congressional delegation.