

November 13, 2018

OMS and MISO have been working together to establish joint priorities to address the future of Distributed Energy Resources (DER) in the MISO footprint. This memo describes joint priorities and establishes an approximate timeline that outlines how OMS and MISO will work together moving these items forward within the stakeholder community. The tasks described here require broad stakeholder engagement and may be modified as this engagement continues. The process must be transparent and communication will be robust.

OMS has once again identified DER as a strategic priority for 2019 and looks forward to working collaboratively with stakeholders at both the state and MISO level. State regulators will continue to shape the integration of DERs into the system in a way that maintains the integrity and reliability of the distribution system and associated rates, rules, and customer protections.

Phase 1 (Q1-Q2 2019)

- Stakeholder Education – Establish a series of workshops to describe DERs, discuss interconnection processes, visibility, and communication/data issues and requirements. Establish a common language among stakeholders to facilitate meaningful discussion.
- Information Exchange – Engage Stakeholders to determine what information is currently shared, how existing processes are currently changing with the addition of DERs, and what additional changes might be necessary moving forward.
- Roles and Responsibilities, Phase I – Discuss and understand the current roles and responsibilities of, and communication & data paths between: the balancing area operator, reliability coordinator, transmission owner/operator, state regulator, distribution operator, and load-serving entities.

Phase 2 (Q1-Q4 2019)

- Interconnection Coordination – Ensure MISO provides the Bulk Power System information, as requested by states, for states to implement interconnection standards, (e.g., the recently updated IEEE 1547-2018).
- Roles and Responsibilities, Phase II – Understand the potential drivers or needs, if any, for modifications to the current framework and communication & data paths between: the balancing area operator, reliability coordinator, transmission owner/operator, distribution operator,

and load-serving entities. This task may also include coordination of system reliability needs between all parties, discussion of state planning policies, and load forecasting.

- Wholesale and Retail Treatment – Discuss the coordination needs of value-stacking DERs in capacity and wholesale market operations. Complete the review of regulatory policy and DER participation in retail versus wholesale markets to highlight concerns of double-counting while maximizing DER value. Review examples of how load serving entities, balancing authority/authorities, and MISO are currently handling participation.

Phase 3 (Q3 2019 – Q2 2020)

- Roles and Responsibilities, Phase III – If modifications are needed, further study of coordination of system reliability issues. Once the roles and drivers are clarified, ensure a protocol for communication and dispatch is established with the appropriate entities.
- Transmission Impacts and Value – Evaluate the potential of DERs and other non-transmission alternatives to provide additional value to the grid, ensuring appropriate metrics exist to complete a robust comparison of DER and transmission alternatives.

MISO and OMS both agree that the issuance of a FERC Order could re-prioritize this list and may result in removal or expansion of some of these items. By establishing joint priorities and working toward greater visibility, all parties may benefit from additional understanding and an increased ability to address a FERC Order.

The MISO footprint includes a diverse array of stakeholders with varying interests, benefits, and impacts from DER assets. There is no single solution for DER interactions with the bulk electric system and the wholesale markets. OMS and MISO look forward to working with stakeholders to develop the optimal solution for the unique needs of the MISO region.