

appropriate, and to intervene in proceedings before the Commission to express the positions of the OMS member agencies. As such, the OMS files its Notice of Intervention in this proceeding under Rule 214(a)(2), 18 C.F.R. §385.214(a)(2), of the Commission's Rules of Practice and Procedure.

Service of pleadings, documents, and communications should be made on the following:

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II. Comments

The OMS supports MISO's Generation Replacement Proposal as it will provide a much needed option for replacing old or uneconomic units with modern, more advanced equipment at the same location. The proposed process will help ensure MISO's Generation Interconnection Process ("GIP") does not restrict state-led resource decisions, while also safeguarding the MISO transmission system against any material adverse impacts. OMS members actively participated in several Interconnection Process Task Force ("IPTF") meetings which resulted in development of the Proposal and supported development of the Proposal throughout the stakeholder process. The Proposal provides a necessary option for generation replacement that OMS members will likely rely upon to enact resource decisions in a timely and reliable manner.

A. The Proposal ensures MISO’s interconnection processes do not interfere with state resource planning

Most of the states¹ within the MISO footprint have traditional regulatory authority over resource adequacy decisions. Consistent with that authority, these states conduct long-term resource planning that includes a careful examination of the need for, timing, and location of generation resources. The current disjointed process to retire an old generating facility, and then subsequently interconnect, a replacement generating facility at the same point of interconnection creates unnecessary delay and financial risk to ratepayers.

Requiring replacement generating facilities to go through the existing GIP, even without having an adverse impact on the grid, risks delays which could lead to inefficient resource planning, and in turn, result in harm to ratepayers. For example, generator owners could be forced to account for this risk by moving forward with a generator replacement sooner than needed in order to make sure the resource is available when it is critical to meet planning requirements. If sufficient additional time were not included, a delay caused by MISO’s existing GIP could mean a Load Serving Entity would be forced to procure additional capacity to meet its needs while a replacement generating facility is held up in the interconnection queue.

Most states within MISO have decided against introducing competition for generation through wholesale markets. Therefore, competition for interconnection on top of this predominantly traditional regulatory structure could lead to conflict. Generator owners are required to pay for interconnection upgrades at the time of interconnection, and the ratepayers that fund these upgrades should not lose the associated benefits due to a misalignment in timing.

¹ For the purposes of this filing the term “state” should be interpreted to include the state members of OMS as well as the City of New Orleans.

B. The Proposal is Consistent with Current MISO Processes and FERC Order 845.

Under MISO's Generator Replacement Proposal, if a proposed generator replacement results in materially adverse impacts on the transmission system, MISO will process that request as a new interconnection request under its existing GIP.² This material impact assessment is currently utilized effectively within MISO for purposes of fuel-switching and generator rebuilds.³ If a material impact is identified, the Proposal ensures that any new impacts to the system are studied in conjunction with other interconnection requests on a level playing field and avoids introducing unnecessary complexity into MISO's interconnection process.

MISO's proposal is consistent with Order No. 845⁴ and Commission precedent on competition for interconnection service. In Order 845, the Commission ordered Transmission Providers to update their *pro-forma* Large Generator Interconnection Agreements to allow an interconnection customer to utilize surplus interconnection capability at an interconnection point as the customer sees fit, without having to provide for a competitive solicitation process for such surplus interconnection capability.⁵ Under MISO's Proposal, future replacement requests cannot exceed the existing level of interconnection capability at an interconnection point, so no new interconnection capability is being created on the system. This is comparable to how a generator owner can rebuild a generator in perpetuity if the owner chooses to, assuming avoidance of a material adverse impact, without making the interconnection capability available to others during the period of generator rebuild. New interconnection customers will still be able to compete for

² Attachment X of the MISO Tariff § 3.3

³The Public Service Commission of Wisconsin encourages MISO, through its stakeholder process, to ensure its definition of what constitutes "material adverse impacts on the transmission system" within the Business Practice Manual, are such that the metrics used for this assessment and determination, fully captures all aspects of the system's performance and reliability. The metric should ensure evaluation of the performance and behavior of the system from a fraction of a second to long term behavior of the grid.

⁴ *Reform of Generator Interconnection Procedures and Agreements*, Order No. 845, 163 FERC ¶ 61,043 (2018).

⁵ *Id.* at ¶ 471 (2018).

the new interconnection capability that is created on the system at new interconnection points. The Commission correctly determined in Order 845 that competitive solicitation was not required for surplus interconnection capability at an interconnection point, and should make a similar determination here in regards to replacement generation proposals that do not cause a material adverse impact to the system.

III. Conclusion

The OMS submits these comments because a majority of its members have agreed to generally support them.⁶ Individual OMS members reserve the right to file separate comments regarding the issues discussed in these comments.

Respectfully Submitted,

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⁶ The Illinois Commerce Commission abstained. The Manitoba Public Utilities Board and North Dakota Public Service Commission did not participate.

Dated: March 8th, 2019

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated this 8th day of March 2019.