

UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

Midwest Independent System Operator, Inc.)

Docket No. ER19-637-000

NOTICE OF INTERVENTION AND INITIAL COMMENTS OF THE ORGANIZATION OF MISO STATES

Pursuant to Rule and 214(a)(2) of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. §385.211 and §385.214(a)(2), the Organization of MISO States (“OMS”) submits its Notice of Intervention and comments in the above-captioned docket.

On December 20, 2018, the Midcontinent Independent System Operator, Inc. (“MISO”) filed proposed revisions to its Open Access Transmission, Energy, and Operating Reserves Market Tariff (“Tariff”) amending its Generator Interconnection Procedures (“GIP”). The changes are part of ongoing and extensive stakeholder process to evaluate and improve the GIP as a whole and is geared toward reducing study delays and provide increased certainty to interconnection customers. The OMS supports MISO’s efforts to further improve the GIP.

I. Notice of Intervention

The OMS is a non-profit, self-governing organization comprised of representatives from the seventeen regulatory bodies with jurisdiction over entities participating in MISO and serves as the regional state committee. The purpose of the OMS is to coordinate regulatory oversight among its members; make recommendations to MISO, the MISO Board of Directors, the Commission, and other relevant government entities and state and local commissions as

appropriate; and 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 appreciates MISO’s continued efforts to improve the GIP. The current process continues to experience significant delays which, in turn, impact the ability to attain needed generation online in a timely manner. A more efficient approach to bring new generation online has become increasingly important as large thermal generators continue to retire, accelerating the change of the generation mix in the region, and there is an increased need to ensure reliability is not adversely impacted.

Highly Certain Resources Should Not Be Unnecessarily Delayed¹

The majority of state and local regulators in MISO retain full control of resource adequacy decisions within the MISO footprint. This provides for comprehensive review of resource needs within each state and local jurisdiction, coupled with a regional look of the

¹ The Illinois Commerce Commission (“ICC”) does not support this section of the OMS comments as it does not reflect the manner in which new generation is developed in Illinois. While the ICC supports the timely and accurate study of highly certain resources by MISO, resources “deemed necessary and approved by their regulator” should not be given preference over other certain resources in the interconnection queue. The ICC believes that MISO’s proposal will increase the efficiency of its generation interconnection process and at the same time, address any concerns with respect to highly certain resources.

resource adequacy picture through such means as the OMS-MISO Resource Adequacy Survey. These regulators carefully consider the timing of new generation coming online, aligning it to identified resource needs as closely as possible. These resources are highly certain since they have been deemed necessary and approved by their regulator(s). Any disruption to the online date of generation that is needed to meet a resource need brought on by the GIP could lead to adverse reliability impacts and unnecessary financial harm and risk to ratepayers.

The OMS recognizes there are more drivers behind new generation development besides just state and local resource planning, but also recognizes the need for a fair and equitable generation interconnection queue. That said, the certainty associated with proposed generation outside of state and local resource planning varies widely. Resources proposed and planned to meet a legal requirement placed on utilities through regulatory commissions are far-and-away the most certain (i.e., interconnection ready). These approved resources should not be denied a timely and accurate study of their interconnection simply because the process is filled with generators that do not have a comparable chance of being built. The changes proposed by MISO help to ensure the GIP only includes generators that have comparable chances of being built, which benefits all generators within that process.

Participation in Stakeholder Process

Although recent changes made to MISO's GIP have experienced some success; those changes were made with the understanding that there was more to be done. After two years of experience with the most recent major changes, it is clear that only half of the equation (resources exiting the queue) was successfully addressed.

The stakeholder process involved robust discussion and comments on the proposed modifications supported in this filing wherein MISO did incorporate the stakeholder feedback. This includes modifications to the new site control requirements and switching from a fixed M2 milestone payment to the use of a three-year rolling average based on the entire footprint.

Support for Proposed Modifications

The OMS supports MISO's goal of increasing the accuracy of information and certainty provided by the GIP. The modifications proposed in the instant filing are appropriate to address the identified issues with the existing GIP and are reasonable steps to reach this goal.

Specifically, the OMS supports the modifications to site-control requirements and increases to the milestone payments. Changes to the site control requirements are the most direct way to show project readiness. These requirements will have the added benefit of reducing the number of redundant projects in the queue, which leads to more accurate estimates of the true cost of interconnection for all interconnection customers and reduces the likelihood of study delays caused by late-cycle dropouts.

By modifying the calculation method to determine the costs of each milestone payment, MISO is further ensuring that only projects that have a comparable chance of being built and are on a path to be ready to interconnect are entering the queue. The OMS supports the use of the three-year rolling average to continually update the value of the M2 milestone. Not only does the proposed method ensure an accurate signal is sent to interconnection customers, it also reduces the likelihood that changes will be made to the calculation methodology in the future.

Lastly, the OMS is also supportive of MISO's proposed transition period. Providing an avenue to treat all projects (current and future queued projects) equally in a timely manner will

be the best solution for all stakeholders. The only way to ensure highly-certain projects actually begin moving through the queue is to adopt this type of transition plan approach. The OMS supported MISO's 2017 queue reform proposal with the hopes that it would address the issue of queue delays.² As the queue has continued to grow, and delays have continued to occur, it has become obvious that more action is needed in the near-term.

The OMS submits these comments because a majority of its members have agreed to generally support them.³ Individual OMS members reserve the right to file separate comments regarding the issues discussed in these comments.

Respectfully Submitted,
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² Notice of Intervention and Comments of the Organization of MISO States under ER17-156, November 14, 2016.

³ The Manitoba Public Utilities Board did not participate in this filing.

Dated: January 18, 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 18th day of January 2019.

Marcus Hawkins