

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Improvements to Generator Interconnection)
Procedures and Agreements)

Docket No. RM22-14-000

**INITIAL COMMENTS OF
THE ORGANIZATION OF MISO STATES, INC.**

On June 16, 2022, the Federal Energy Regulatory Commission (“FERC” or “Commission”) issued its Notice of Proposed Rulemaking (“NOPR”), which primarily focuses on reforming its *pro forma* generator interconnection procedures and agreements to address interconnection queue backlogs, improve cost and timing certainty, and prevent undue discrimination for new technologies.¹ The NOPR expands upon many of the proposals contained in the Commission’s Advance Notice of Proposed Rulemaking (“ANOPR”) issued on July 15, 2021, after considering and incorporating the extensive feedback submitted in response to the ANOPR.² The Organization of MISO States, Inc. (“OMS”) filed initial comments and reply comments in response to the ANOPR and appreciates the opportunity to share its perspectives and experiences regarding the NOPR’s recommended reforms to generator interconnection processes.

OMS is a non-profit, self-governing organization comprised of representatives from the seventeen regulatory bodies with jurisdiction over entities participating in the Midcontinent Independent System Operator (“MISO”) and serves as the regional state committee for the MISO region. The purpose of OMS is to coordinate regulatory oversight among its members, to make recommendations to MISO, the MISO Board of Directors, the Commission, and other relevant government entities and state commissions as appropriate, and to intervene in proceedings before

¹ *Improvements to Generator Interconnection Procedures and Agreements*, Notice of Proposed Rulemaking, 179 FERC ¶ 61,194 (2022) (“NOPR”).

² *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Advanced Notice of Proposed Rulemaking, 176 FERC ¶ 61,024 (2021) (“ANOPR”).

the Commission to express the positions of OMS member agencies.

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

Marcus Hawkins
Executive Director
Organization of MISO States
811 E. Washington Avenue, Suite 400
Madison, WI 53703
marcus@misostates.org

Brad Pope
Director of Legal & Regulatory Affairs
Organization of MISO States
811 E. Washington Avenue, Suite 400
Madison, WI 53703
brad@misostates.org

I. INTRODUCTION

OMS shares the Commission's commitment to increasing the speed of interconnection queue processing and has a demonstrated history of supporting sensible interconnection queue reforms within the MISO stakeholder process and in filings before the Commission.³ OMS agrees with the Commission that the current extreme backlog of interconnection requests awaiting studies beyond tariff-defined deadlines is patently unsustainable and creates a high degree of uncertainty regarding the cost and timing of the interconnection process. These backlogs are created and exacerbated by several factors, including the sheer volume of interconnection requests, the rapidly changing resource mix, the emergence of new technologies, and inconsistent practices among transmission providers.

Over the last several years, MISO's ability to manage its interconnection queue has been challenged in particular by the increasing quantity of interconnection requests. On September 27, 2022, MISO announced that it received 956 interconnection requests representing approximately

³ See, e.g., Comments of OMS, Docket No. ER08-1169-000 (filed July 17, 2008); Comments of OMS, Docket No. EL11-30-000 (filed May 13, 2011); Notice of Intervention and Initial Comments of OMS, Docket No. ER17-1156 (filed Nov. 14, 2016); Notice of Intervention and Initial Comments of OMS, Docket No. ER19-637-000 (filed Jan. 18, 2019); Notice of Intervention and Comments of OMS, Docket No. ER20-41-000 (filed Oct. 25, 2019).

171 GW of new generation – 96 percent of which is renewable or storage resources.⁴ This is the third consecutive year that MISO has established a new record for interconnection requests, and this trend is expected to continue. In 2021, MISO received 487 interconnection requests representing 77 GW.⁵ These figures represent a dramatic shift in the quantity and type of resources that have traditionally sought to interconnect to the MISO transmission system.

Although considerable room for improvement remains, OMS is encouraged by the progress MISO and its stakeholders have made to accelerate generator interconnection queue processing.⁶ For instance, the expected time it takes resources to progress through MISO’s Definitive Planning Phase (“DPP”) study process to a signed interconnection agreement has decreased from 505 days to as short as 373 days.⁷ Furthermore, many of the reforms and practices embraced by the MISO community have led to and are reflected in this NOPR. These practices include but are not limited to MISO’s initiatives regarding cluster studies, site control, shared network upgrades, milestone payments, surplus interconnection, facilities construction agreements, and heat maps for geographically advantageous siting locations. OMS is encouraged by the Commission’s recognition of these successful measures and believes that they may be successfully implemented in other regions under the Commission’s jurisdiction.

OMS also acknowledges that the imposition of overly prescriptive compliance obligations may disrupt and potentially dismantle many of the successful processes and practices already

⁴ See MISO’s Generator Interconnection Queue Cycle Set New Record (Sept. 27, 2022), available at: <https://www.misoenergy.org/about/media-center/misos-generator-interconnection-queue-cycle-set-new-record/>.

⁵ *Id.*

⁶ In 2008, 2012, and 2016, MISO implemented major interconnection queue reforms to address delays, backlogs, and late-stage terminations. *Midwest Ind. Sys. Operator, Inc.*, 124 FERC ¶ 61,183 (2008); *Midwest Indep. Transmission Sys. Operator, Inc.*, 138 FERC ¶ 61,233, *order on reh’g*, 139 FERC ¶ 61,253 (2012); *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,172, *order denying reh’g*, 161 FERC ¶ 61077 (2017).

⁷ See MISO, DPP Study Schedule Update, presented to the MISO Interconnection Process Working Group on June 6, 2022, available at: <https://cdn.misoenergy.org/20220606%20IPWG%20Item%2003b%20DPP%20Study%20Cycle%20Update625049.pdf> (Depending on a customer’s need to have certainty in the results of the final Network Upgrade Facility study, the time could be 463 days.).

underway in the MISO region. As such, we recommend that the Commission permit transmission providers that are initiating their own stakeholder-supported interconnection reforms – like MISO – to continue developing regionally appropriate solutions upon a compliance showing of substantial conformity with the requirements of a final rule. Still, OMS recognizes that the Commission has a unique role in mitigating one of the primary causes of generator interconnection study delays: Affected System studies.

Lastly, OMS appreciates the seriousness with which the Commission is treating this important issue given the direct connections between the Commission-regulated interconnection queue processes and state resource adequacy determinations. New resources must not be allowed to race through state planning processes only to face a persistent tripping hazard at the finish line. It is critically important that we do not lose sight of this important connection given the potential reliability impacts from delays.

II. COMMENTS

A. Implementing a First-Ready, First-Served Cluster Study Process

As a foundational reform to the *pro forma* Large Generator Interconnection Procedures (“LGIP”) and *pro forma* Large Generator Interconnection Agreement (“LGIA”), the Commission proposes a first-ready, first-served cluster study process, which includes increasing access to information prior to entering the queue, a mechanism to study interconnection requests in groups, and increased financial commitments and readiness requirements to enter and proceed through the queue. OMS only supports a subset of these proposed reforms as explained further below.

i. Informational Interconnection Studies

In an attempt to provide valuable data to prospective interconnection customers before they officially enter an interconnection queue, the NOPR proposes to revise the *pro forma* LGIP to

require that transmission providers offer informational interconnection studies.⁸ These studies would provide early cost estimates for the transmission provider's interconnection facilities and network upgrades specific to the interconnection scenario detailed in the study agreement. The Commission requests comment on whether the informational interconnection study would provide prospective interconnection customers with sufficient and timely information to inform decision-making prior to submitting an interconnection request.⁹

OMS appreciates the Commission's intent on supporting prospective interconnecting customers with the best available data prior to submitting interconnection requests. However, OMS is concerned that implementing the informational interconnection study as proposed may have unintended consequences that could further delay transmission providers' ability to process interconnection requests. The NOPR's proposed informational interconnection studies are, by definition, outside the queue study process and thereby create an increased administrative burden on transmission providers that are already overwhelmed with interconnection-related studies and data requests. This increasing workload is expected to intensify in light of the Inflation Reduction Act's tax incentives for new generation sources. As such, the informational interconnection study process could hinder transmission providers' ability to efficiently resolve queue backlogs by redirecting scarce resources towards speculative informational studies while providing limited additional benefit. Furthermore, OMS believes that MISO's current interconnection practices – and those in the process of implementation – will help achieve the objectives of the informational interconnection study proposal. In particular, the sequential nature of MISO's DPP study process, MISO's requirements regarding milestone payments, and MISO's recent site control reforms will serve to significantly screen out and deter speculative or immature interconnection requests.

⁸ NOPR at P 42.

⁹ NOPR at P 47.

The Commission also proposes to “set minimum requirements for transmission providers to publicly post available information pertaining to generator interconnection” so potential customers may evaluate efficient points of interconnection before entering the queue and reduce the incentive to submit multiple speculative interconnection requests.¹⁰ We note that MISO already offers a heat map to potential interconnection customers that represents geographically advantageous siting locations.¹¹ Furthermore, many generator interconnection customers perform their own studies prior to submitting an application. Therefore, OMS believes that imposition of this proposed requirement on MISO is unnecessary because MISO’s current practices satisfy the intended objectives.

ii. Cluster Studies and Allocation of Costs

In the NOPR, the Commission observes that the current first-come, first-served interconnection study process in the *pro forma* LGIP is a substantial cause of interconnection queue delays and backlogs.¹² To remedy this problem, the Commission recommends revising the *pro forma* LGIA and *pro forma* LGIP such that transmission providers replace this serial study process by implementing a “first-ready, first-served cluster study process, coupled with increased financial commitments and readiness requirements....”¹³ Under the first-ready framework, interconnection requests are processed based on when interconnection customers meet certain project development milestones rather than on the order they are received. The Commission invites comments on this proposal including whether it should require transmission providers to conduct

¹⁰ NOPR at P 49.

¹¹ See MISO’s “Points of Interconnection” Tool, at: <https://giqueue.misoenergy.org/PoiAnalysis/index.html>.

¹² NOPR at P 53.

¹³ NOPR at P 63.

cluster studies on subgroups of interconnection customers based on areas of geographic and electric relevance.”¹⁴

OMS supports cluster studies based on geographic and electric relevance. Clustering has two main goals in making the interconnection process more efficient: 1) Minimize the study time; and 2) Minimize the first mover disadvantage by sharing costs among those resources that need the same upgrades. This practice helps regions identify foundational facilities that provide efficiencies in the system to the benefit of ratepayers and is much more efficient than studying interconnection requests in a serial fashion. For these reasons, a majority of transmission providers and other entities are moving to or have already moved to cluster studies, including MISO.

As part of its current DPP process, MISO performs clustered interconnection studies for specific geographically organized groups of interconnection requests. The DPP is a sequential review process that facilitates a structured study and restudy of proposed generation projects to determine whether there is available transmission capacity to accommodate their interconnection or whether network upgrades are needed. The Commission accepted MISO’s three-phase DPP on January 3, 2017.¹⁵ However, MISO’s recognition of the need for cluster or group interconnection studies dates back as far as 2003. As part of its compliance filing to Order Nos. 2003 and 2003-A, MISO stated that the geographic expanse of its footprint made it inefficient to process interconnection requests according to time of receipt, without regard for geography; thus, MISO proposed revisions to the *pro forma* LGIP in order to use a “group study” approach to queue processing.¹⁶ OMS supports the expanded use of these revisions in a final rule.

¹⁴ NOPR at P 77.

¹⁵ *Midcontinent Indep. Sys. Operator, Inc.*, 158 FERC ¶ 61,003, *order on reh’g*, 161 FERC ¶ 61,137 (2017).

¹⁶ *Midwest Indep. Transmission Sys. Operator, Inc.*, 108 FERC ¶ 61,027, at PP 122-123, *order on reh’g*, 109 FERC ¶ 61,085, at PP 11-12 (2004).

While the Commission proposes to require clustered interconnection studies, it also notes, “the *pro forma* LGIP...does not explain how transmission providers should allocate network upgrade costs among interconnection customers within a cluster.”¹⁷ As such, the Commission proposes to modify the *pro forma* LGIP to require transmission providers to allocate network upgrade costs to clustered interconnection customers using a “proportional impact method.”¹⁸ OMS believes the proposed method is consistent with MISO’s current practice.

The Commission requests comment on whether some interconnection requests should be processed outside of the annual cluster study process, and if so, in what circumstances, and on what timeframe, and on what priority compared to any active clusters.¹⁹ OMS has considered the benefits of some sort of a fast-lane process for resources that are more certain, like those that have received all necessary permits and regulatory approvals, but OMS is hesitant to take a position on this issue at this time. We recognize that utilization of such a mechanism may be important or even necessary in the future to address reliability concerns. Still, OMS is neutral on the proposal because bypassing the queue invites a myriad of potential unintended consequences that might not outweigh the value OMS otherwise envisions in this type of mechanism.

While the Commission posits several potential reforms to enhance the generator interconnection process, OMS cautions that overly prescriptive requirements may stunt the exploration of innovative or regionally specific solutions. For example, MISO and SPP have collaborated since the beginning of 2021 on their Joint Targeted Interconnection Queue (“JTIQ”) Study. The goal of this study is to meet the needs of interconnection customers along the two RTOs’ seam in the near-term and to identify and implement coordination process improvements

¹⁷ NOPR at P 84.

¹⁸ NOPR at P 88.

¹⁹ NOPR at P 79.

in the longer term. Through the JTIQ process, the RTOs also intend to impose a cost allocation method that allocates project costs to both generators and load through a proportional impact cost assignment (i.e., \$/MW charge). OMS is optimistic that this proposal may afford cost certainty and timely interconnection processing by avoiding delays attributed to affected system studies. The JTIQ process is fundamentally different from the typical generator interconnection process but represents how RTOs can work together outside standard coordinated system plan processes.²⁰

iii. Shared Network Upgrades

In the NOPR, the Commission acknowledges that the *pro forma* LGIP does not require that transmission providers share network upgrade costs between earlier-in-time and later-in-time interconnection customers.²¹ The Commission also recognizes, however, that MISO's Commission-approved tariff *does* require interconnection customers in later cluster studies to share costs if they: (1) connect to that network upgrade; or (2) pass a two-part power flow screening.²²

OMS believes MISO's current method of sharing network upgrades appropriately balances interconnection customers' interests despite being infrequently utilized. OMS understands that while cost-sharing arrangements can be resource intensive and contentious, they can be crucial to facilitating an equitable interconnection process. OMS agrees with the Commission that interconnection customers may be reluctant to advance an interconnection request if there is no opportunity to recover some of the costs associated with the construction of significant network upgrades that are likely to benefit interconnection customers in subsequent cluster studies.²³

iv. Increased Financial Commitments and Readiness Requirements

1. Site Control

²⁰ OMS is not commenting on a proposed JTIQ cost allocation methodology at this time.

²¹ NOPR at P 90.

²² NOPR at P 91.

²³ NOPR at P 97.

In an effort to curb speculative, non-commercially viable proposed generating facilities from clogging the interconnection queue, the Commission proposes requiring more stringent site control requirements.²⁴ Specifically, the Commission proposes to revise the *pro forma* LGIP to require that interconnection customers demonstrate 100 percent site control for their proposed facilities upon submission of an interconnection request including a showing of exclusive land rights to develop, construct, operate and maintain its generating facility or a shared land use right where facilities are co-located.²⁵

Currently, the *pro forma* LGIA defines “site control” as documentation demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the generating facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between the interconnection customer and the entity having the right to sell, lease, or grant the interconnection customer the right to possess or occupy a site for such purpose. Furthermore, interconnection customers may suspend their LGIA for up to three years before providing additional security or demonstrating site control.²⁶

OMS is well aware that speculation in the interconnection process is a significant source of study delays. However, OMS is concerned that the NOPR’s proposed site control reforms would render MISO’s recently overhauled site control processes noncompliant. On October 4, 2019, MISO proposed certain Tariff revisions to improve the effectiveness of its generator interconnection process, which the Commission accepted.²⁷ MISO’s reforms were intended to reduce the number of non-ready projects in the DPP and to provide increased cost and timing certainty for the viable projects remaining in the generator interconnection queue. Specifically,

²⁴ NOPR at P 115.

²⁵ NOPR at P 117.

²⁶ NOPR at P 111.

²⁷ *Midcontinent Indep. Sys. Operator, Inc.*, 169 FERC ¶ 61,173 (2019).

MISO identified three issues with its current DPP: weak site control requirements; inadequate milestone payment structure; and ineffective milestone payment refund rules. MISO observed that there were many non-ready projects in the generator interconnection queue sponsored by developers with capital-rich business models that ultimately withdrew, adversely affecting the remaining projects. To discourage the frequency of project withdrawal, MISO proposed to impose stricter site control requirements earlier in the DPP so that non-ready projects exit earlier.

In our comments supporting MISO's 2019 filing, OMS stated that as older, less economic generation continues to retire within the MISO footprint, it is imperative that new generation come online in an efficient and timely manner. OMS observed that MISO's proposal – and current practice – “does not require site control to be exclusive and permits interconnection customers to demonstrate site control for multiple generating units at a particular site as long as each unit can show that its use of a particular site is not exclusive.”²⁸ OMS stated that MISO's proposal will help eliminate non-ready projects from the generator interconnection queue and improve certainty for the remaining projects. OMS also noted that the extensive stakeholder process leading up to MISO's filing was adequate.

The Commission accepted MISO's proposed Tariff revisions on November 13, 2019.²⁹ In its Order, the Commission agreed with MISO and the OMS that these changes would prevent deep-pocketed companies from submitting “a large number of duplicative or non-ready interconnection requests, some of which contain overlapping boundaries, in order to test the waters.”³⁰ As a result of those reforms, developers must now demonstrate full control of the land needed to build their projects 90 days before DPP commencement and will no longer have the option to pay \$100,000

²⁸ Notice of Intervention and Comments of OMS, Docket No. ER20-41-000 (filed Oct. 25, 2019), at P 5.

²⁹ *Midcontinent Indep. Sys. Operator, Inc.*, 169 FERC ¶ 61,173 (2019).

³⁰ *Id.* at P 19.

in lieu of proving ownership, a leasehold interest, or some other contractual right to occupy the project's proposed site. An exception to that rule will be afforded when regulatory limitations delay the procurement of site control. In those cases, a developer can make a \$10,000/MW cash deposit in lieu of demonstrating site control, subject to a \$500,000 floor and a \$2 million ceiling. The Commission found that the benefits of reducing the number of speculative projects in the queue – increased transparency, improved network upgrade cost estimates, and fewer viable projects that withdraw over cost concerns – outweighed the added burden on prospective interconnection customers.

OMS believes that MISO's current site control practices as a result of that filing help deter interconnection speculation and should be given a presumption of compliance, grandfathered in, or otherwise non-affected if the NOPR's proposed site control recommendations are ultimately adopted.

2. Milestone Payments

The Commission recommends revisions to the *pro forma* LGIP to require transmission providers to assess withdrawal penalties to interconnection customers in certain circumstances. The Commission explains that withdrawal penalties are needed to account for the harms that can occur when interconnection customers withdraw from the interconnection queue and that the penalties will encourage customers to make every effort to ensure their proposed projects are viable and requirements are timely achieved.³¹ The Commission then requests comment on whether it should consider exceptions to the proposed withdrawal penalties beyond those proposed in this NOPR.³²

³¹ NOPR at P 140.

³² NOPR at P 147.

At this time, OMS believes MISO’s current interconnection practices contain adequate financial penalties to discourage interconnecting customers from speculating and to timely withdraw from the queue when a project is no longer viable. Stakeholders in the MISO region have demonstrated an ability to develop solutions to this issue, and OMS believes the MISO tariff already achieves the goals of the Commission’s proposed penalty framework. Previously, MISO’s tariff allowed developers to withdraw interconnection requests without risk any time before deciding to enter the second phase of the DPP. Under the revised procedure approved in 2019, MISO instituted a series of milestone payments. Milestone payments refer to a set of requirements that an interconnection customer must meet before entering the first phase of the DPP. These requirements include a study deposit based upon the historical study cost data and a series of specific accomplishments the customer must fulfill. A full refund is only permitted for requests withdrawn before the first phase of the DPP starts. After that, only 50 percent of the M2 milestone payment will be refunded for a withdrawn request, with the remaining 50 percent of the payment “at-risk, to be used if the withdrawal increases the cost for another interconnection customer in the queue.”³³

By removing the ability to enter the queue without significant financial risk, MISO has lessened the submission of multiple speculative interconnection requests from a single developer looking to find the most advantageous point of interconnection. These tariff changes build on the Commission’s guidance when it rejected MISO’s initial plan to weed out speculative, non-ready projects.³⁴ In that proceeding, the Commission commended MISO’s attempt to deal with speculative projects but found that MISO failed to adequately support certain aspects of its proposal. OMS believes that the revised proposal balances “the interconnection customer’s need

³³ *Midcontinent Indep. Sys. Operator, Inc.*, 169 FERC ¶ 61,173 (2019), at P 54.

³⁴ *Midcontinent Indep. Sys. Operator, Inc.*, 166 FERC ¶ 61,187 (2019).

for flexibility with MISO's need to ensure that the project is ready."³⁵ For this reason, OMS supports only limited exceptions to the proposed withdrawal penalties beyond those proposed in the NOPR.

B. Increasing the Speed of Interconnection Queue Processing

i. Elimination of the Reasonable Efforts Standard

The Commission rightly recognizes that transmission providers across the country regularly fail to meet interconnection study deadlines thereby introducing uncertainty into a time- and cost-sensitive process. In an effort to increase the speed at which transmission providers conduct interconnection studies, the Commission proposes eliminating the *pro forma* LGIP reasonable efforts standard established by the Commission's Order No. 2003.³⁶ This standard currently requires that transmission providers use reasonable efforts to complete: (1) feasibility studies within 45 days; (2) system impact studies within 90 days; and (3) facilities studies within 90 or 180 days.³⁷ The Commission notes that although interconnection studies are often completed months or years late, it has not identified a transmission provider that failed to use reasonable efforts to meet study deadlines.³⁸

To remedy this defect, the Commission recommends replacing the reasonable efforts standard in the *pro forma* LGIP with firm study deadlines and financial penalties that apply if transmission providers fail to meet these deadlines.³⁹ The NOPR suggests a penalty of \$500 for each day that a study is late with a cap at 100 percent of the total study deposit received and a grace period of 10 business days.⁴⁰ The penalty structure would also permit the transmission

³⁵ *Midcontinent Indep. Sys. Operator, Inc.*, 169 FERC ¶ 61,173 (2019), at P 47.

³⁶ Order No. 2003, 104 FERC ¶ 61,103.

³⁷ *Pro forma* LGIP sections 6.3, 7.4, 8.3.

³⁸ NOPR at P 28.

³⁹ NOPR at P 168.

⁴⁰ NOPR at P 169.

provider to extend the deadline of a particular study by 30 days by mutual agreement of the transmission provider and all interconnection customers in the relevant study.⁴¹

While OMS acknowledges that the reasonable efforts standard has failed to ensure the efficient processing of interconnection studies, OMS is concerned that its removal may create numerous challenges for transmission providers and posits that these challenges outweigh potential benefits. For instance, enforcement of the study deadlines will be expensive, disruptive to ongoing studies, and likely result in contentious disputes. Furthermore, as OMS mentioned at the outset, most interconnection delays are outside the transmission provider's control.

OMS is concerned that the introduction of penalties could lead to artificially faster study completion enabled by lower levels of study quality. It is important for the Commission to avoid incentivizing shortcuts or a general lack of thoroughness. Even after an interconnection customer receives a signed GIA, financiers are still assessing risk, so the project could ultimately get pulled if the study is substandard. If the Commission concludes that the imposition of penalties on transmission providers or other responsible entities is necessary, OMS is concerned that those costs will ultimately be assessed to ratepayers since MISO is revenue neutral. There is no rational basis to recover penalties from ratepayers, which do not cause these penalties to be incurred and do not control the study process. Based on our experience, OMS believes that MISO currently uses all reasonable efforts to complete interconnection studies.

OMS also supports the issuance of public reports by Commission staff that summarize the status of each transmission provider's queue and that highlights the drivers behind any delays. This reporting mechanism could be a useful tool to draw attention to best practices as well as areas in need of further improvement.

⁴¹ NOPR at P 170.

ii. Affected System Studies

In the NOPR, the Commission recognizes that inconsistent practices between transmission providers related to affected system study processes are a significant impediment to efficiently processing interconnection requests.⁴² In particular, the lack of coordination of timelines and modeling standards between transmission providers creates a high degree of uncertainty, delay, and risk to interconnection customers relying on those studies and to those further back in the queue. To address these issues, the Commission proposes to reform the affected system study process, *pro forma* agreements, and affected system modeling assumptions.

Perhaps the most effective place the Commission can act on within this NOPR proceeding is around affected system studies. There is a clear opportunity for Commission action whenever issues arise between two Commission-approved processes. OMS notes that RTOs currently have limited control and certainty around the timing of affected systems studies, but this could be remedied by the proposed modifications to the *pro forma* LGIP⁴³ and notification timelines.⁴⁴ Both of these actions are appropriate steps to address the process problems the Commission has identified.

Based on the evidence, it is clear that the action the Commission took in response to a complaint and technical conference on this subject several years ago did not go far enough to address the cause of this issue.⁴⁵ The Commission should monitor the situation and enact meaningful modifications wherever solutions have not already been developed, recognizing that transmission providers like SPP and MISO are aligned in resolving these concerns.

⁴² NOPR at P 179.

⁴³ NOPR at P 183.

⁴⁴ NOPR at P 185-188.

⁴⁵ *EDF Renewable Energy, Inc.*, 168 FERC ¶ 61,173 (2019).

Establishing common modeling standards is one example of an issue that was identified in these earlier proceedings that was left unresolved, and OMS is encouraged that the Commission is now proposing to take meaningful action to address it. The proposal to require transmission providers acting as the affected system to utilize ERIS modeling standards,⁴⁶ for example, will reduce the time required to study system impacts and the likelihood of withdrawals once the necessary upgrades are identified. OMS believes that an affected system study should not use an unreasonably high standard when identifying the impacts of a new generator, especially when doing so provides the interconnecting generator with no additional rights to ensure deliverability of its output.

The proposal to extend the “first-ready, first-served interconnection queue priority approach” to the Affected System Study coordination framework is also appropriate.⁴⁷ The Commission recently approved MISO and SPP’s proposed changes to their Joint Operating Agreement to modify the queue priority and coordination rules for the Affected System interconnection studies each performs.⁴⁸ OMS believes that these changes conform to the NOPR’s proposed approach and are an equitable manner of sharing costs for upgrades amongst interconnecting generators in different regions and encourages timely processing of affected system impacts. The Commission should acknowledge the efforts MISO and SPP have taken to address this issue and find their proposed solution already meets the intent of this proposal.

iii. Optional Resource Solicitation Study

In the NOPR, the Commission proposes to revise the *pro forma* LGIP to require transmission providers to permit a resource planning entity, such as a state agency or a load-serving

⁴⁶ NOPR at P 211.

⁴⁷ NOPR at P 189.

⁴⁸ *Sw. Power Pool, Inc., Midcontinent Indep. Sys. Operator, Inc.*, 179 FERC ¶ 61,148 (2022).

entity implementing state mandates, to initiate an optional resource solicitation study.⁴⁹ Through these studies, transmission providers would be required to perform a comprehensive, combined interconnection study on a portfolio of resources selected by the resource planning entity that needs to interconnect to the transmission system on approximately the same timeline. The Commission states that qualifying solicitations may include all-source procurements or procurements focused on certain location-constrained geographic areas.

The Commission envisions that the proposed optional resource solicitation study will benefit interconnection customers and transmission providers through efficiencies in studying resources competing for selection in a qualifying solicitation process by grouping these resources together for purposes of informational interconnection studies.

OMS believes that this type of study would be of limited value in the MISO region and takes no position on its suitability in other parts of the country.⁵⁰ OMS recommends that the Commission carefully consider how this study process fits together with, and possibly conflicts with, the role RERRAs are afforded in the Long-Term Regional Transmission Planning proposal. In the MISO region, for example, states are heavily involved in providing information on future resource types and locations that are then studied as part of long-term regional transmission planning scenarios. Identifying projects that would provide benefits to the region that are in part driven by these future resource locations could identify some of the same upgrades that a resource solicitation study would identify.

Again, OMS believes this is potentially redundant if states are afforded more involvement in transmission planning processes. Furthermore, the state planning processes that exist throughout

⁴⁹ NOPR at P 223.

⁵⁰ The Illinois Commerce Commission and the Iowa Utilities Board support permitting a resource planning entity such as a state agency to initiate an optional resource solicitation study.

a multi-state region such as MISO would allow for an uneven ability to utilize this type of study, thus outweighing any potential benefits.

C. Incorporating Technological Advancements into the Interconnection Process

OMS has a long history of supporting MISO's innovations in queue processing in the face of changing technology and broadly supports incorporating cost effective technological advancements into generator interconnection processes while ensuring RTOs and generators retain the necessary flexibility and optionality to modify their procedures when appropriate. As such, OMS supports the Commission's proposal to require that transmission providers, at the request of the interconnection customer, evaluate alternative transmission solutions during the LGIP cluster study, the SGIP system impact study, and the facilities study processes.⁵¹ It is important that interconnection customers possess visibility into the issues that need to be addressed in a timely manner to enable full consideration of cost-effective solutions.

OMS agrees with the NOPR's list of alternative transmission technologies that an interconnection customer may request for evaluation, including advanced power flow control devices, transmission switching, dynamic line ratings, static synchronous compensators, and static VAR compensators.⁵² OMS would augment this list by including storage that performs a transmission function. OMS believes that failing to consider these alternative transmission technologies runs the risk of implementing longer lead-time network upgrades at a higher cost.

With a focus on increasing flexibility in the generator interconnection process, the Commission proposes to revise the *pro forma* LGIP to require that transmission providers, at the request of the interconnection customer, use operating assumptions for interconnection studies that

⁵¹ NOPR at P 297.

⁵² NOPR at P 294.

reflect the proposed operation of an electric storage resource or co-located resource containing an electric storage resource (including hybrid resources). Transmission providers then hold interconnection customers to the intended operation through memorializing the operating restrictions in the LGIA and requiring control technologies in cases where appropriate.⁵³ OMS believes that the Commission has recommended a reasonable process that is particularly well suited for storage resources. At present, MISO does not afford this flexibility for other resources but utilizes a fuel dispatch process that attempts to reflect a resource's expected performance.⁵⁴ However, OMS notes that it would be premature for MISO to impose similar, standardized assumptions on storage resources given the versatility and variety of capabilities this new technology represents.

Finally, the NOPR proposes that interconnecting customers with non-synchronous facilities be required to provide models during the generator interconnection process that accurately reflect the performance of each proposed facility.⁵⁵ OMS supports the Commission's proposed revisions to the *pro forma* LGIP and *pro forma* SGIP to ensure that all non-synchronous generating facilities requesting interconnection must provide transmission providers with the appropriate models reflecting their true expected capabilities in order to conduct accurate and complete interconnection studies.

III. CONCLUSION

OMS submits these Comments because a majority of OMS members support this filing. However, these Comments should not be construed to mean that all OMS members agree with all

⁵³ NOPR at P 280.

⁵⁴ See, e.g., *Midcontinent Indep. Sys. Operator, Inc.*, 177 FERC ¶ 61,234 (2021). This process can be overcome by including expectations in the generator interconnection agreement.

⁵⁵ NOPR at P 328.

the Comments. Individual OMS members reserve the right to file separate comments. In recognition of such, the following members generally support this filing:

The Arkansas Public Service Commission
The Illinois Commerce Commission
Indiana Utility Regulatory Commission
Iowa Utilities Board
Kentucky Public Service Commission
Louisiana Public Service Commission
Michigan Public Service Commission
Minnesota Public Utilities Commission
Mississippi Public Service Commission
Missouri Public Service Commission
Montana Public Service Commission
The Council of the City of New Orleans
North Dakota Public Service Commission
South Dakota Public Utilities Commission
The Public Service Commission of Wisconsin

The Public Utility Commission of Texas abstained in the vote on this filing.

The Manitoba Public Utilities Board did not participate in the vote on this filing.

Respectfully submitted,

/s/ *Marcus Hawkins*

Marcus Hawkins
Executive Director
Organization of MISO States
811 E. Washington Ave., Suite 400
Madison, WI 53703
marcus@misostates.org
Dated: October 13, 2022

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list prepared by the Secretary for the above-captioned docket in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure. 18 C.F.R. § 385.2010.

DATED at Madison, Wisconsin this the 13th of October 2022.

/s/ Marcus Hawkins

Marcus Hawkins
Executive Director
Organization of MISO States
811 E. Washington Ave., Suite 400
Madison, WI 53703
marcus@misostates.org