

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

Midcontinent Independent System
Operator, Inc.

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Docket No. ER24-341-000

**NOTICE OF INTERVENTION AND COMMENTS OF
THE ORGANIZATION OF MISO STATES, INC.**

The Organization of MISO States, Inc. (“OMS”) submits these comments in support of proposed tariff revisions filed by the Midcontinent Independent System Operator, Inc. (“MISO”) with the Federal Energy Regulatory Commission (“Commission”) in the above-captioned proceeding. On November 3, 2023, MISO proposed to revise Attachment X of its Open Access Transmission, Energy, and Operating Reserve Markets Tariff (“Tariff”) to amend its Generator Interconnection Procedures (“GIP”) through two separate but interrelated filings.¹ These comments address MISO’s Cap Filing, which seeks authority to implement a cap on the total megawatt (“MW”) value of Interconnection Requests that may be included in a cluster or “cycle” of MISO’s Generator Interconnection Queue (“GIQ”). This new aspect of MISO’s GIP is a necessary mechanism – at least in the near-term – to ensure MISO can efficiently manage its GIQ and meet its existing Tariff obligations while MISO implements and stakeholders adapt to the reforms proposed in MISO’s contemporaneous Quality Filing. The Commission should accept both filings without delay so that MISO can reopen its 2023 queue cycle and continue processing its extreme backlog of proposed interconnection requests.

¹ *Midcontinent Indep. Sys. Operator, Inc.*, Revisions to the Open Access Transmission, Energy, and Operating Reserve Tariff, Generator Interconnection Procedures Cap Filing, Docket No. ER24-341-000 (filed Nov. 3, 2023) (“Cap Filing”); *Midcontinent Indep. Sys. Operator, Inc.*, Revisions to the Open Access Transmission, Energy, and Operating Reserve Tariff, Generator Interconnection Procedures Improvements Filing, Docket No. ER24-340-000 (filed Nov. 3, 2023) (“Quality Filing”). OMS filed separate comments addressing the Quality Filing under Docket No. ER24-340-000 on December 4, 2023.

I. NOTICE OF INTERVENTION

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 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 the Commission to express the positions of OMS member agencies. As such, 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 in this proceeding should be made on the following:

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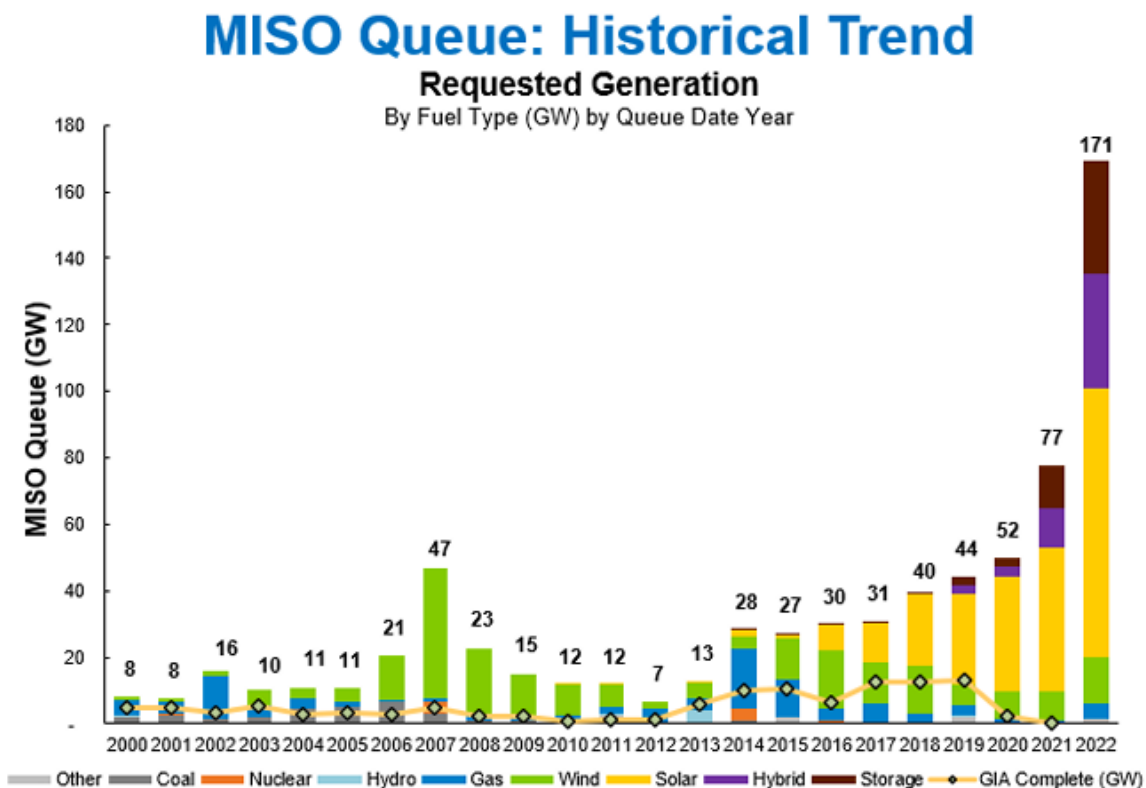
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II. BACKGROUND

In recent years, the number of generating resources submitting applications to be studied in MISO’s GIQ has increased exponentially (see graphic below). Since 2017, MISO has experienced an over 450% increase in MW of generation seeking to interconnect to the MISO Transmission System.² Bolstered by various federal incentives and a growing demand for electricity from low or no carbon emission resources, this increase in GIQ applications reached an inflection point during the 2022 interconnection queue cycle when MISO announced that it received 956 interconnection requests representing approximately 171 gigawatts (“GW”) of new

² Cap Filing at P 3.

generation – 96 percent of which is renewable or storage resources.³ This was the third consecutive year that MISO established a new record for interconnection requests. In 2021, MISO received 487 interconnection requests representing 77 GW. These figures represent a dramatic shift in the quantity that have traditionally sought to interconnect to the MISO Transmission System. OMS generally agrees with MISO that interconnection queue requests are likely to remain high in the coming years due to incentives from the Inflation Reduction Act, decarbonization goals and statutes, load growth, and resource adequacy needs.



The sheer size of MISO’s interconnection queue has resulted in unreliable, outdated, and inaccurate network upgrades identified early in the study process. It is simply infeasible to study clusters of resources that when combined exceed MISO’s all-time peak load by 50 GW.

³ 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/>.

Uncertainty in the process drives additional project withdrawals, which further increases queue delays.⁴ This logjam of interconnection requests became so unwieldy, in MISO’s view, that it chose to suspend its 2023 queue cycle in June before any applications had been submitted to allow more time to process the backlog of prior queue cycles and to develop improvements to its interconnection study processes.⁵

The large change in the quantity and makeup of MISO’s queue was likely not anticipated by the Commission during the promulgation of Order No. 2003. The Commission’s laudable policy of encouraging competition among generators with a standardized, open, and transparent process among jurisdictional interconnection procedures likely did not anticipate such a large increase in generation interconnection proposals. A functional interconnection queue is essential for all MISO stakeholders.

OMS has long supported MISO’s various Tariff proposals to improve the efficiency of the GIP.⁶ This recognition is evidenced by the fact that many of the reforms and practices embraced by the MISO community were included as requirements in Order No. 2023.⁷ 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. Despite imposing more stringent financial requirements and incentivizing pre-queue coordination opportunities in

⁴ MISO’s evaluation of its queue shows that over 70% of queue submittals do not get built. *See* GIQ Improvements Presentation, October 11, 2023, P 19, available at: <https://cdn.misoenergy.org/20231011%20PAC%20Item%20006%20MISO%20GI%20Queue%20Reform%20Proposal%20Presentation630471.pdf>.

⁵ Cap Filing at P 5.

⁶ *See, e.g.,* Comments of the OMS, Docket No. ER08-1169-000 (filed July 17, 2008); Notice of Intervention and Initial Comments of OMS, Docket No. ER17-1156 (filed Nov. 14, 2016); Notice of Intervention and Comments of OMS, Docket No. ER20-41-000 (filed Oct. 25, 2019).

⁷ *See Improvements to Generator Interconnection Procedures and Agreements*, Order No. 2023, 184 FERC ¶ 61,054 (July 28, 2023) (“Order No. 2023”).

prior filings, OMS agrees with MISO that more reforms are needed now to ensure a functional queue process going forward. As older electric generation continues to retire within the MISO footprint, and with the prospect of new load due to economic growth and electrification, resource adequacy obligations and reliability standards necessitate that new generation comes online in an efficient and predictable manner.

III. COMMENTS

OMS maintains its long-held position that the MISO queue should help facilitate rather than serve as a barrier to preserving resource adequacy. Currently however, MISO's queue is oversaturated with projects that are vying to identify the cheapest locations to interconnect, causing MISO to choose to effectively shut down its interconnection queue. While the reforms proposed in MISO's Quality Filing will help rectify this problem over time, a backstop solution is needed to ensure that MISO can accurately study projects in an efficient and predictable manner.

A. Purpose of and Need for the Cap

In the Cap Filing, MISO proposes to implement an automatic limitation on the size of each queue cycle per study region. MISO asserts, and OMS agrees, that a backstop mechanism is needed – at least temporarily – to ensure MISO can produce realistic network upgrade studies based on a smaller, more manageable queue size. It is important to note that the proposed size of this “smaller” queue would still be *larger* than all but one of the queue cycles from the entire history of MISO's interconnection queue. While it is possible that the adjustments to milestone payments, POI site control, and harm calculations that MISO proposes in the Quality Filing will eventually help limit the number of new interconnection requests to a manageable level, this outcome is not guaranteed, especially in light of the substantial federal funding available to renewable energy projects. For this reason, after the cap is applied to three study cycles, MISO has committed to review the cap's

effectiveness with stakeholders. Following that review, MISO will determine whether to make a filing with the Commission to modify or eliminate the cap.⁸ Given the historic level of interconnection requests in recent years and the time it will take stakeholders to adapt to the new standards proposed in the Quality Filing, OMS believes that MISO's temporal limitation on the size of each study cycle is warranted and necessary. OMS hopes that this backstop cap mechanism will ensure the queue can function and eliminate the risk of MISO closing its queue process.

B. Calculation of the Cap

MISO proposes that it would establish the total number of MWs that will be studied in a particular cycle for each queue study region prior to the start of the queue study cycle. The process for establishing the cap for each queue study region would be based on several factors, including the ability to develop reasonable dispatch assumptions for existing generation, existing Interconnection Requests, and the regional and subregional peak load in the study model.⁹ If an interconnection request is submitted after the cap is reached, that project would roll over to the subsequent queue cycle.

Under the proposed revisions, MISO will determine the MW value of a given queue study cycle based on the ability of the cluster size to support models that evaluate the impacts of Interconnection Requests in the study group sinking in the MISO region at their full MW value.¹⁰ This evaluation will also consider expected project withdrawals and will use dispatch assumptions and models that reasonably approximate actual or expected system conditions including dispatch characteristics for existing generators and higher queued Interconnection Requests, as well as the total study region load.

⁸ Cap Filing at P 14.

⁹ Cap Filing at P 14 citing Witmeier Testimony at P 32.

¹⁰ Cap Filing at P 4.

OMS supports MISO's proposed calculation methodology as it is well reasoned and the resultant caps applicable to each cycle of the five queue study regions would continue to enable a sufficient number of projects and total MW to be studied.

C. Cap Exemptions

MISO has proposed the following four exemptions or "safety valves" to the queue cap: (1) Interconnection Requests involving an increase in the capacity of a Replacement Generating Facility; (2) Interconnection Requests involving a conversion of ERIS into NRIS; (3) Interconnection Requests involving a Generating Facility with a Provisional GIA; and (4) Interconnection Requests involving a proposed Generating Facility that is requested to be exempt from the cap by a Relevant Electric Retail Regulatory Authority ("RERRA").¹¹ OMS supports the first three exemptions as appropriate means to ensure projects with a significant likelihood of materializing are timely studied but notes the controversy and complexity inherent to the "RERRA exemption."

MISO explains that the RERRA exemption recognizes that some proposed generation facilities may be required to meet load serving obligations and that this approach is consistent with state authority over resource adequacy and cooperative federalism principles.¹² MISO offers a few examples that would underly a RERRA-exemption such as when an interconnection request is part of an Integrated Resource Plan or is included in a filing for a Certificate of Public Convenience and Necessity.¹³ MISO also states in its transmittal letter that the RERRA exemption could be invoked to help meet a state's policy needs.¹⁴ Pursuant to MISO's proposed Business Practice Manual redline language, it is our expectation that the procedures and criteria for the RERRA

¹¹ Cap Filing at P 15.

¹² Cap Filing at P 16.

¹³ Witmeier Testimony at P 42.

¹⁴ Cap Filing at P 4.

exemptions will be determined by the RERRAs, and RERRAs will have the power to determine whether an the interconnection project is necessary or not.¹⁵ Still, MISO anticipates that use of these RERRA exemptions would be very limited.¹⁶

OMS appreciates MISO's inclusion of the RERRA exemption to its proposed queue cap as a necessary acknowledgement of states' authority over resource adequacy issues. While the mechanics of implementing the RERRA exemption are largely undefined in the Cap Filing, OMS views the RERRA exemption as an important but limited feature of the cap to ensure that MISO will timely study generation projects needed to meet resource adequacy requirements. However, it is important to emphasize that MISO proposed the RERRA-exemption late in the stakeholder process and numerous questions and concerns about its purpose and use persist. OMS members did not discuss this exemption with MISO, and they have a limited understanding of how it would work in practice. OMS expects that each RERRA would need to define its own exemption process, and this supports MISO's lack of specificity contained within the proposed Tariff language. Some OMS members question how the RERRA exemption could be practically implemented under their existing state rules and procedures which prohibit prejudging a project and would generally require a docketed proceeding for such a level of endorsement.

MISO states that it will work with OMS to develop best practices for the procedures for submitting a RERRA exemption, which will be detailed in MISO's Business Practice Manual.¹⁷ OMS members are committed to further developing these guidelines but caution against an expansive use-case, which may lead to unintended consequences and inconsistent application

¹⁵ See MISO BPM-015-r26, page 29, October 11, 2023 MISO Planning Advisory Committee materials, available at: <https://www.misoenergy.org/events/2023/planning-advisory-committee-pac---october-11-2023/>.

¹⁶ Witmeier Testimony at P 42.

¹⁷ Witmeier Testimony at P 42.

among the RERRA's in MISO's footprint. While OMS members include 17 of the RERRAs in MISO's footprint, dozens more exist outside the jurisdiction of state commissions.

Still, OMS agrees with MISO's intention that the RERRA exemption would be rarely invoked. Given the challenge some OMS members may have in utilizing this mechanism, OMS expects waivers of these Tariff provisions may be required in the extreme case that a resource is needed to maintain resource adequacy, falls outside of the queue cap, and the state or local commission is unable to utilize the exemption mechanism.

IV. CONCLUSION

OMS submits this Notice of Intervention and Comments because a majority of OMS members support this filing. These Comments should not be construed to mean that all OMS members agree with all of the Comments. Individual OMS members reserve the right to file separate comments. In recognition of such, the following members voted in support of this filing:

Arkansas Public Service Commission
Iowa Utilities Board
Illinois Commerce Commission
Indiana Utility Regulatory Commission
Kentucky Public Service Commission
Louisiana Public Service Commission
Michigan Public Service Commission
Missouri Public Service Commission
North Dakota Public Service Commission
South Dakota Public Utilities Commission

The Minnesota Public Utilities Commission, Mississippi Public Service Commission, Council of the City of New Orleans, Public Utility Commission of Texas, and Public Service Commission of Wisconsin abstained from the vote on this filing.

The Manitoba Public Utilities Board and Montana Public Service Commission did not participate in the vote on this filing.

Respectfully submitted,

/s/ *Marcus Hawkins*

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Dated: December 4, 2023

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.

/s/ *Marcus Hawkins*

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Dated: December 4, 2023