

IPWG: “Order 2222 Initial Responses and Additional Questions” (20210330)

During the March 16, 2021 Interconnection Process Working Group (IPWG) meeting, MISO discussed Order 2222 and interconnection process implications. Stakeholder feedback is requested on initial responses to the material and the proposed question set for further IPWG consideration.

<https://cdn.misoenergy.org/20210316%20IPWG%20Item%2004a%20FERC%20Order%202222530673.pdf>

The Organization of MISO States’ Distributed Energy Resources Working Group (OMS DERWG) and Transmission Planning Working Group (TPWG) appreciates the opportunity to submit the following comments in response to MISO’s feedback request regarding its Order 2222 overview to the IPWG and input on the initial question set. This feedback does not represent the position of the OMS Board of Directors.

- 1. Meeting Intent and Goals of Order 2222:** First, the OMS DER WG and TPWG would like to note what FERC highlighted in Order 2222 regarding interconnection - that RTO/ISOs market rules often limit the services that DERs are eligible to provide, including imposing prohibitively expensive or otherwise burdensome interconnection requirements. OMS DERWG and TPWG would encourage the development of any additional MISO interconnection processes to ensure that it is not unduly burdensome or creates barriers to distributed energy resource aggregation (DERA) participation in wholesale markets. Additionally, as noted by some commenters in the Order 2222 docket, it is important that both MISO’s and the states’ interconnection processes be evaluated to ensure that neither process creates undue barriers and that they continue to ensure reliable and safe distribution system operations. The OMS DER WG and TPWG acknowledge their role in this work via our state interconnection processes and the continued work required by our respective states.
- 2. Both State and MISO Interconnection Process Transparency:** As FERC recognized, the state-based interconnection process is crucial in the success of Order 2222, largely in three major process steps – first, in ensuring the individual distributed energy resources are initially interconnected in a safe and reliable manner, second, that any creation of a DERA, is evaluated in a timely and robust manner to ensure distribution system safety and reliability, and third, details on when a DERA may change its composition. OMS DER WG and TPWG encourage a clear and transparent processes for each of these three steps, as needed, at both the state-level and at MISO.
- 3. MISO Process for State-Based Interconnection Required Affected System Study:** The OMS DERWG and the TPWG encourages MISO to establish a clear process for when a state interconnection process identifies a MISO-controlled transmission system as a potentially affected system. This process should include: procedures for notifying MISO, steps and information (including timelines) that must be provided to MISO to coordinate and jointly-study the impact, dispute resolutions processes, any other processes needed to ensure clarity and transparency, and clear delineation in the process guidance of what information will be able to be provided to the distribution utility, the DERA, and the RERRA (what information may be protected or trade secret). The amount of information and study results will be important to state regulators in resolving disputes and potentially the assignment of associated costs.
- 4. MISO State-Interconnection Affected System Screens:** MISO noted that screens based on some metrics (DER-size, affected system impact etc.) may be used, while we support the development of these screens, first priority should be put on process, and if time and bandwidth allow between now and April 2022 – screening discussions should be started, but not hold up the development of a clear process.

5. **Input on MISO Questions Set:** At a high level, it is crucial that during interconnection/interface discussions terms and words are properly defined from both a MISO and state perspective to ensure there are not double meanings; many terms used at MISO are also used in state-based processes and the terms or words have wildly different meanings in each context.
6. **Non-Order 2222 DER Interconnection and T/D Processes:** While noted in the March 16 presentation on Slide 9 that “DER’s will connect to the distribution system and participate only in retail programs, but may inject power onto the transmission system” is ‘beyond the scope of Order 2222’ the OMS DER WG and TPWG recommend that this conversation and work should commence at the IPWG outside of the Order 2222 process. While we agree this is beyond the scope of Order 2222 itself, it is anticipated that the Order will likely spur retail programs and potentially these issues at MISO. Additionally, with the increase in potentially both wholesale and retail program DER penetration – it will be important to have established processes that complement each other and do not create incentives or disincentives to use a retail or wholesale program options based on potentially diverging interconnection implications at the RTO-level for similar resource types.
7. **MISO Input on DER-Aggregation Formation Needs:** At the time of registration as a market participant, and formation of a DERA, Order 2222 indicates that distribution utilities, with RERRA oversight, will review the effects of the (aggregate) DERA on the distribution system; however, that time period is noted to ‘not to exceed 60 days’. This results of this DERA review may have impacts on individual DER interconnections, which would then require coordination at the state level to remedy that interconnection. MISO and stakeholders should discuss what information is needed to consider a DERA’s impact (DERs interconnected individually but operating in tandem), and how that process will need to consider potential new state-based interconnection process-triggered affected system studies, and what process (and timeframe) will need to be coordinated and how it would, or would not, fit within the 60 day review period. The OMS DERWG and TPWG also recognize that an expedited review process is likely appropriate for updates to existing DER aggregations. Presumably, and subject to the scope of the update, there will be minimal reliability impacts when removing/adding to an existing aggregation. However, for clarity, accuracy, and ease of tracking registrations, the same information that the DERA submitted upon initial registration should be required to be resubmitted when updating the aggregation. (for both existing resources and additions) This will allow the RTO/RERRA/distribution utility to see what resource is being removed/added to verify the retail rate the resource may be under, ensure that participation is not precluded by that retail tariff, and verify the new customer information. The OMS WGs expect that requiring such information to be resubmitted would not place an undue burden on the DERA, as such registration information should be readily accessible and updated on an ongoing basis.
8. **Cost-Causation:** MISO has included in the set of questions one question on the assignment of cost for any needed network upgrades. The OMS DER WG and TPWG assume there may be costs associated with several facets of a DER interconnection process depending on the results of the system impact studies (both distribution-level and at MISO) including: 1) distribution system upgrades (upgraded transformers or lines), MISO-controlled transmission network upgrades (BES Network Upgrades), as well as general distribution-utility technology improvement costs (increased communication systems, ADMS, DERMS, or general distribution upgrades). Each of these categories are costs that historically have been reviewed at state Commissions and they are anticipated to continue. Due to the interrelated nature of these potentially DER or DERA-related system upgrade needs, the interrelatedness of these upgrades with the on-going general distribution advancements and system improvements, and the likelihood of future distribution level solutions (non-traditional solutions or non-wire alternatives) to mitigate potential bulk-

system network upgrades, it is assumed the state would continue in its role of regulating interconnections with the distribution system and over the distribution utility and ensuring distribution-utility related costs are prudent. The OMS DER WG and TPWG assume who bears any additional system costs will be managed through the states and each state's interconnection process and procedures.

9. **General Input on Order 2222 Issues and Stakeholder Meetings:** Provide additional transparency on a comprehensive Order 2222 topic and issues using a Gantt chart format; as issues arise in multiple MISO stakeholder committees – it is important that advance and cross-notice is provided between stakeholder groups.

The OMS DER WG and TPWG encourage robust discussions at the IPWG about all of the items listed above.