

190 FERC ¶ 61,057
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Mark C. Christie, Chairman;
Willie L. Phillips, David Rosner
and Lindsay S. See.

Midcontinent Independent System Operator, Inc.

Docket No. ER25-507-000

ORDER ACCEPTING TARIFF REVISIONS

(Issued January 30, 2025)

1. On November 21, 2024, Midcontinent Independent System Operator, Inc. (MISO) submitted, pursuant to section 205 of the Federal Power Act (FPA)¹ and part 35 of the Commission's regulations,² proposed revisions to Attachment X in the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff), which contains MISO's Generator Interconnection Procedures (GIP), to modify MISO's generator interconnection study process to implement a queue cap and exemptions to that cap.³ In this order, we accept MISO's proposed Tariff revisions, effective January 31, 2025, as requested.

I. Background

2. In Order No. 2003,⁴ the Commission required public utilities that own, control, or operate transmission facilities to file standard generator interconnection procedures and a standard agreement to provide interconnection service to generating facilities with a capacity greater than 20 MW. To this end, the Commission adopted the *pro forma* Large Generator Interconnection Procedures (LGIP) and *pro forma* Large Generator

¹ 16 U.S.C. § 824d.

² 18 C.F.R. pt. 35 (2024).

³ MISO, Tariff, attach. X (GIP) (167.0.0) (Proposed Tariff).

⁴ *Standardization of Generator Interconnection Agreements & Procs.*, Order No. 2003, 104 FERC ¶ 61,103 (2003), *order on reh'g*, Order No. 2003-A, 106 FERC ¶ 61,220, *order on reh'g*, Order No. 2003-B, 109 FERC ¶ 61,287 (2004), *order on reh'g*, Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff'd sub nom. Nat'l Ass'n of Regul. Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007).

Interconnection Agreement (LGIA) and required all public utilities subject to Order No. 2003 to modify their tariffs to incorporate the *pro forma* LGIP and LGIA.⁵

3. The Commission permitted transmission providers to seek variations from the *pro forma* LGIP and LGIA if those variations were “consistent with or superior to” the terms of the *pro forma* LGIP and *pro forma* LGIA.⁶ In addition, the Commission indicated that it would allow regional transmission organizations and independent system operators (RTO/ISO), such as MISO, to propose independent entity variations for pricing and non-pricing provisions, stating that RTOs/ISOs have different operating characteristics due to their sizes and locations and that an RTO/ISO is less likely to act in an unduly discriminatory manner than a transmission provider that is also a market participant.⁷ The Commission found that RTOs/ISOs “shall therefore have greater flexibility to customize [their] interconnection procedures and agreements to fit regional needs.”⁸ Under the independent entity variation standard, an RTO/ISO must demonstrate that proposed revisions from the Commission’s *pro forma* LGIP and *pro forma* LGIA are just and reasonable and not unduly discriminatory or preferential and accomplish the purposes of Order No. 2003.⁹

A. Overview of MISO’s Generator Interconnection Process

4. Since the issuance of Order No. 2003, MISO has submitted several generator interconnection queue reform proposals. As relevant here, in January 2017, the Commission accepted MISO’s proposal to implement a three-phase Definitive Planning Phase (DPP) process to study interconnection requests.¹⁰ The DPP is based on a

⁵ Order No. 2003, 104 FERC ¶ 61,103 at PP 1-2.

⁶ *Id.* PP 825-826. The Commission also permitted transmission providers to justify a variation from the *pro forma* LGIP or *pro forma* LGIA based on regional reliability requirements and required transmission providers to submit these regional reliability variations to the Commission for approval under the relevant reliability standard. *Id.* PP 824, 826.

⁷ *Id.* P 827.

⁸ *Id.*

⁹ See, e.g., *Midcontinent Indep. Sys. Operator, Inc.*, 185 FERC ¶ 61,084, at P 11 (2023) (citing Order No. 2003, 104 FERC ¶ 61,103 at PP 26, 827).

¹⁰ *Midcontinent Indep. Sys. Operator, Inc.*, 158 FERC ¶ 61,003, *order on reh’g*, 161 FERC ¶ 61,137 (2017).

sequential review process that facilitates the structured study and restudy of proposed generating facilities.

5. Under the current procedures, MISO conducts one system impact study in each of the three DPP phases (i.e., a preliminary system impact study in DPP Phase I, a revised system impact study in DPP Phase II, and a final system impact study in DPP Phase III) to account for withdrawn interconnection requests and to refine and update the analysis.¹¹ During DPP Phases II and III, MISO also conducts a facilities study.¹² DPP Phases I and II are followed by an interconnection customer decision point (Decision Point I follows DPP Phase I, and Decision Point II follows DPP Phase II).¹³ The decision points provide interconnection customers opportunities to evaluate study results and decide whether to proceed with or withdraw their interconnection requests. In its Order No. 2023¹⁴ compliance filing, MISO requested an independent entity variation to maintain its DPP.¹⁵

B. 2023 MISO Queue Cap Proposal and January 2024 Order

6. On November 3, 2023, in Docket No. ER24-341-000, MISO submitted proposed revisions to its GIP to implement a cap on the total megawatt (MW) value of interconnection requests that may be studied in a cluster (2023 Queue Cap Proposal).¹⁶ On January 19, 2024, the Commission issued an order rejecting the 2023 Queue Cap Proposal.¹⁷

¹¹ MISO, Tariff, attach. X (GIP) (166.0.0), § 7 (Definitive Planning Phase), §§ 7.3.1, 7.3.2, 7.3.3.

¹² *Id.* § 7 (Definitive Planning Phase), §§ 7.3.2, 7.3.3.

¹³ *Id.* § 7 (Definitive Planning Phase), §§ 7.3.1.4, 7.3.2.4.

¹⁴ *Improvements to Generator Interconnection Procs. & Agreements*, Order No. 2023, 184 FERC ¶ 61,054, *order on reh'g*, 185 FERC ¶ 61,063 (2023) (Order No. 2023), *order on reh'g*, Order No. 2023-A, 186 FERC ¶ 61,199, *errata notice*, 188 FERC ¶ 61,134 (2024).

¹⁵ *Midcontinent Indep. Sys. Operator, Inc.*, Docket No. ER24-2046-000 (filed May 16, 2024).

¹⁶ Also on November 3, 2023, in Docket No. ER24-340-000, MISO filed other proposed revisions to its GIP to increase milestone payments, adopt an automatic withdrawal penalty, revise certain withdrawal penalty provisions, and expand site control requirements for interconnection facilities (2023 Non-Cap Queue Reform Proposal).

¹⁷ *Midcontinent Indep. Sys. Operator, Inc.*, 186 FERC ¶ 61,054 (January 2024)

7. In the 2023 Queue Cap Proposal, MISO proposed to determine the maximum MW size of each DPP study cycle on a study region basis based on a formula contained in its Generator Interconnection Business Practices Manual (BPM). In this formula, MISO proposed to reflect the amount of shoulder season peak load and the minimum generation of existing and prior-queued resources (termed the Pmin) for each study region, along with two margins: (1) a 15% adjustment to increase the cap to account for interconnection request withdrawals; and (2) a 5% adjustment to decrease the cap to account for exemptions.¹⁸ MISO proposed to post the MW value determined for a study cycle on its website at least 10 business days prior to the application deadline of a given DPP study cycle and that interconnection requests be included in a DPP study cycle based on the date and time stamp of when the request was submitted, with the earliest date and time stamped requests selected first until the applicable queue cap was met.¹⁹ MISO proposed, up to 30 calendar days prior to the scheduled DPP Phase I kick-off for a study cycle, to replace any interconnection requests that had been withdrawn with interconnection requests that had been previously submitted but determined to exceed the maximum study cycle limit for that study region.²⁰ MISO also proposed that interconnection requests not included in a DPP study cycle would maintain their queue position and enter the next available study cycle if they remained valid.²¹

8. The 2023 Queue Cap Proposal also included four exemptions to the proposed cap: (1) where the applicable relevant electric retail regulatory authority (RERRA)²² for the location in which the generating facility identified in an interconnection request is to be located has requested in writing that MISO include such project in the DPP study cycle; (2) where an interconnection customer seeks to convert Energy Resource Interconnection Service (ERIS) for an existing generating facility to Network Resource Interconnection

Order), *order on reh'g*, 187 FERC ¶ 61,031 (2024). In the same order, the Commission accepted the 2023 Non-Cap Queue Reform Proposal.

¹⁸ *Id.* P 105.

¹⁹ *Id.* P 106.

²⁰ *Id.* P 107.

²¹ *Id.*

²² RERRA is an existing term in the Tariff meaning “an entity that has jurisdiction over and establishes prices and/or policies for providers of retail electric service to end-customers, such as the city council for a municipal utility, the governing board of a cooperative utility, the state public utility commission or any other such entity.” MISO Tariff § II, Module A, § II (General Provisions), § 1.R (71.0.0).

Service (NRIS) without an increase in service levels;²³ (3) where an interconnection customer seeks to add incremental new service to a replacement generating facility; and (4) for a generating facility that has completed the GIP requirements to receive a Provisional Generator Interconnection Agreement (GIA).²⁴ MISO proposed that exempted interconnection requests would be included in each study cycle “without regard to the group size limitation for such queue cycle.”²⁵

9. In the January 2024 Order, the Commission rejected the 2023 Queue Cap Proposal, finding that MISO had not shown the proposal to be just and reasonable and not unduly discriminatory or preferential.²⁶ The Commission recognized that MISO provided evidence that “a cap in some form could be beneficial” but explained that its concerns pertained to the proposed cap exemptions, the description of the queue cap formula, and the resource adequacy concerns raised in the record.²⁷

10. With regard to the proposed exemptions, the Commission stated that “providing for exemptions to a cap has the potential to undermine the reasons for imposing a cap” and that even though MISO’s initial proposed formula included a 5% margin to account for exemptions, MISO, in fact, proposed no limit on the exemptions that could enter a

²³ MISO’s GIP defines ERIS and NRIS, in relevant part, as follows (MISO, Tariff, attach. X (GIP) (166.0.0), § 1):

[ERIS] shall mean an Interconnection Service that allows Interconnection Customer to connect its Generating Facility to the Transmission System or Distribution System, as applicable, to be eligible to deliver the Generating Facility’s electric output using the existing firm or non-firm capacity of the Transmission System on an as available basis. [ERIS] does not convey transmission service.

[NRIS] shall mean an Interconnection Service that allows Interconnection Customer to integrate its Generating Facility with the Transmission System in the same manner as for any Generating Facility being designated as a Network Resource. [NRIS] does not convey transmission service.

²⁴ January 2024 Order, 186 FERC ¶ 61,054 at P 109.

²⁵ *Id.*

²⁶ *Id.* P 172.

²⁷ *Id.*

study cycle beyond the established queue cap.²⁸ The Commission stated that uncapped exemptions could “diminish or erase any reductions in queue size, significantly diluting or erasing the efficiency, transparency, and other benefits” that MISO cited to support the 2023 Queue Cap Proposal.²⁹ The Commission stated that MISO did not provide adequate support for the Commission to conclude otherwise, noting, as an example, that the Tariff language for the RERRA exemption did not match MISO’s description of that exemption’s intended purpose.³⁰

11. Additionally, the Commission found that MISO had not shown that the 2023 Queue Cap Proposal’s proposed exemptions were consistent with the Commission’s open access requirements. The Commission explained that in Order No. 888, “[a]n open access tariff that is not unduly discriminatory or anticompetitive should offer third parties access on the same or comparable basis, and under the same or comparable terms and conditions, as the transmission provider’s uses of its system.”³¹ Explaining that generator interconnection procedures are part of an open access transmission tariff,³² the Commission further stated that MISO’s proposal to include unbounded queue cap exemptions in its generator interconnection procedures was inconsistent with the requirement to offer access to the generator interconnection process on the same or comparable basis because the queue cap proposed by MISO would have limited access to a study cycle but permitted exempted interconnection requests to enter the study cycle regardless of the queue cap value. As a consequence, the Commission explained, queue cap exemptions created priority access to the generator interconnection process for the

²⁸ *Id.* P 173.

²⁹ *Id.*

³⁰ *Id.* P 174.

³¹ *Id.* P 176 (citing *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Servs. by Pub. Utils.; Recovery of Stranded Costs by Pub. Utils. & Transmitting Utils.*, Order No. 888, FERC Stats. & Regs. ¶ 31,036, at 31,647 (1996) (cross-referenced at 75 FERC ¶ 61,080), *order on reh’g*, Order No. 888-A, FERC Stats. & Regs. ¶ 31,048 (cross-referenced at 78 FERC ¶ 61,220), *order on reh’g*, Order No. 888-B, 81 FERC ¶ 61,248 (1997), *order on reh’g*, Order No. 888-C, 82 FERC ¶ 61,046 (1998), *aff’d in relevant part sub nom. Transmission Access Pol’y Study Grp. v. FERC*, 225 F.3d 667 (D.C. Cir. 2000), *aff’d sub nom. N. Y. v. FERC*, 535 U.S. 1 (2002)).

³² *Id.* (citing 18 C.F.R. § 35.28(f)(1) (2024) (“Every public utility that is required to have on file a non-discriminatory open access transmission tariff under this section must amend such tariff by adding the standard interconnection procedures and agreement . . . required by Commission rulemaking proceedings promulgating and amending such interconnection procedures and agreements”)).

exempted classes of interconnection requests.³³ Nonetheless, the Commission stated that “a cap on the MW to be included in a cluster cycle does not, in and of itself, pose open access concerns” if it could “provide all interconnection customers with a comparable ability to submit an interconnection request in time to enter the earliest queue study cycle (and to avoid being shut out of that cycle).”³⁴

12. The Commission also found that MISO had not shown that its proposed exemptions were just and reasonable and not unduly discriminatory. As an example, the Commission explained that MISO failed to demonstrate that its proposed exemption for interconnection requests that involve an increase in the capacity of an approved replacement generating facility did not result in undue discrimination. The Commission explained that MISO’s single statement that such interconnection requests would be “highly certain” provided an insufficient basis to justify disparate treatment under a queue cap between interconnection customers seeking to increase the capacity of a replacement generating facility and those that are not.³⁵

13. With regard to MISO’s proposed Tariff revisions to describe the queue cap calculation, the Commission stated that it was not clear how MISO’s proposed formula reflected the requirement that MISO would determine the queue cap “using dispatch assumptions and models that reasonably approximate actual or expected system conditions including dispatch characteristics for Existing Generation Facilities and higher queued Interconnection Requests, as well as study region load.”³⁶ The Commission stated that to address this shortcoming, any future section 205 filing to propose a study cycle queue cap should demonstrate how its implementation formula is consistent with the Tariff language it proposes.

14. Finally, the Commission found that MISO had not adequately explained, and its proposed Tariff language did not reflect, how MISO’s proposed queue cap would have ensured that MISO could have studied new generation seeking to interconnect in a quantity and at a speed consistent with its future resource adequacy needs. The Commission stated that any future FPA section 205 filing to propose a study cycle queue cap must demonstrate how the queue cap ensures that MISO can study new generation

³³ *Id.*

³⁴ *Id.* P 176, n.408.

³⁵ *Id.* PP 178-79.

³⁶ *Id.* P 180.

seeking to interconnect in a manner that appropriately accounts for its future resource adequacy needs.³⁷

C. MISO's Filing

15. MISO states that ongoing trends, including market disruptions caused by COVID-19, federal subsidies, utility and state sustainability and de-carbonization goals, environmental regulations, customer preferences, and the retirement of dispatchable resources and their replacement with weather-dependent, non-dispatchable, and variable generation resources, have all resulted in the significant decline of excess reserve margins in MISO, indicating an elevated reliability and resource adequacy risk.³⁸ MISO states that in December 2022, it published a report documenting these trends and establishing a “Reliability Imperative” for the region focused on market redefinition, operations of the future, transmission evolution, and system enhancements. MISO states that one of the key elements of transmission evolution includes “urgent improvements” to resource utilization to accommodate the increased scope and pace of the resource fleet evolution. MISO states that the ongoing generation fleet transformation requires MISO to revise its process for interconnecting new resources and for evaluating retirement requests for existing resources.³⁹

16. MISO states that it is developing and refining its GIP in response to these trends and its regulatory needs, and its interconnection queue continues to rapidly increase in volume despite the identified existing and future challenges. MISO further states that members and states have pursued ambitious de-carbonization goals, and there is an ever-growing need for new resources to meet consumer demand. Additionally, MISO asserts that its Long-Range Transmission Planning initiative has resulted in multi-billion-dollar regional transmission portfolios that provide access for new renewable resources and that significant incentives provided for renewable generation by the Infrastructure Investment and Jobs Act of 2021⁴⁰ and the Inflation Reduction Act of 2022⁴¹ have resulted in an “explosion” of new interconnection requests in MISO.⁴² MISO concludes that these

³⁷ *Id.* PP 181-82.

³⁸ Transmittal at 3.

³⁹ *Id.* at 4.

⁴⁰ Pub. L. No. 117-58, §§ 40101, 40103, 40106, & 40107, 135 Stat. 429 (2021).

⁴¹ Pub. L. No. 117-169, §§ 50151 & 50152, 136 Stat. 1818 (2022).

⁴² Transmittal at 4 (citing Witmeier Test. at 12).

rapid changes necessitate the imposition of limitations on its interconnection study cycles before the next DPP study cycle in the fall of 2025.⁴³

17. MISO states that its stakeholders have been engaged in the development of the proposals in this filing since May 2023 and restarted collaboration in May 2024 after the issuance of the January 2024 Order. MISO states that it provided several opportunities for formal feedback and engaged an independent consultant, Charles River Associates (CRA),⁴⁴ to help develop the proposal. Further, MISO states that it refined several aspects of its 2023 Queue Cap Proposal based on stakeholder feedback and Commission guidance in the January 2024 Order.⁴⁵ First, MISO states that the queue cap and exemption proposals in the instant filing are severable, as opposed to the integrated 2023 Queue Cap Proposal. Second, MISO states that it proposes to count the MWs for all interconnection requests towards the queue cap, including projects that qualify for one of the proposed exemptions. Third, MISO states that by modifying its proposal to ensure that all interconnection requests, including those subject to a qualified exemption, are subject to the queue cap, exempted interconnection requests will not receive priority access regardless of the queue cap value. MISO states that exempted interconnection requests “will only be given priority access to the queue cycle to which they apply if the queue cap is not met” and that once the queue cap is met, exempted interconnection requests will “retain priority status for the following queue cycle, subject to that cycle’s queue cap and the number of previously queued and approved exemptions.”⁴⁶ Fourth, MISO states that the exempted interconnection requests are not similarly situated to other types of interconnection requests because they have a documented history of low withdrawal rates and high commercial readiness, are limited in number, and are important to the needs of the MISO transmission system due to their commercial readiness.⁴⁷

18. MISO submits two proposals and asks the Commission to accept them without modification or condition. The first proposal establishes a queue cap and addresses the procedures for submitting an interconnection request (2024 Queue Cap Proposal). The second proposal establishes exemptions for certain types of interconnection requests that will be subject to the same queue cap restrictions “but exempt from the standard

⁴³ *Id.*

⁴⁴ On December 13, 2024, MISO submitted an errata to its filing to include a report prepared by CRA as Exhibit 1 to the Witmeier Testimony.

⁴⁵ *Id.* at 5.

⁴⁶ *Id.*

⁴⁷ *Id.*

application of the queue cap” (Exemptions Proposal).⁴⁸ MISO states that while the 2024 Queue Cap Proposal and the Exemptions Proposal are related, they are severable proposals.⁴⁹ MISO asserts that both the 2024 Queue Cap Proposal and Exemptions Proposal meet the Commission’s independent entity variation standard for evaluating proposals by RTOs/ISOs to revise their LGIPs and *pro forma* LGIAs.⁵⁰ MISO requests a January 31, 2025 effective date for the proposed Tariff revisions.

II. Notice and Responsive Pleadings

19. Notice of the filing was published in the *Federal Register*, 89 Fed. Reg. 93572 (Nov. 27, 2024), with interventions and protests due on or before December 12, 2024. On November 25, 2024, DTE Electric Company (DTE) filed a motion to extend the comment deadline to December 23, 2024. On November 26, 2024, Consumers Energy Company (Consumers) filed a motion requesting the same extension of the comment deadline. On December 3, 2024, the Office of the Secretary issued a notice granting an extension of time for submitting interventions and protests to and including December 16, 2024.

20. Timely motions to intervene were filed by: Advanced Energy United; Alliant Energy Corporate Services, Inc. (Alliant); American Clean Power Association and Clean Grid Alliance; American Electric Power Service Corporation, on behalf of its affiliates AEP Energy Partners, Inc., AEP Indiana Michigan Transmission Company, Inc., and AEP Retail Energy Partners LLC; Calpine Corporation; Cleco Power, LLC (Cleco); Constellation Energy Generation, LLC; Consumers; Cooperative Energy; Cordelio Services LLC (Cordelio); Council of the City of New Orleans, Louisiana; DTE; Electric Power Supply Association; Entergy Services, LLC, on behalf of Entergy Arkansas, LLC,

⁴⁸ *Id.* at 12.

⁴⁹ Regarding severability, MISO states that the 2024 Queue Cap Proposal and the Exemptions Proposal are “separate and independently justified rates.” *Id.* at 2, n.7. MISO states that the 2024 Queue Cap Proposal is just, reasonable, and complete regardless of whether the Commission accepts the Exemptions Proposal and that the Exemptions Proposal is a separate enhancement that is not needed to accomplish the purposes of the 2024 Queue Cap Proposal. MISO further states that it did not compromise with stakeholders regarding one proposal to secure support for the other. *Id.* (citing *NRG Power Mktg., LLC v. FERC*, 862 F.3d 108, 115 (D.C. Cir. 2017)). MISO states that even if the Commission determines that the exemptions “do not adequately address the open access concerns identified in [the January 2024 Order], the state of the queue necessitates a backstop queue cap to properly function, and the cap can function without exemptions.” Witmeier Test. at 7-8.

⁵⁰ Transmittal at 13.

Entergy Louisiana, LLC, Entergy Mississippi, LLC, Entergy New Orleans, LLC, and Entergy Texas, Inc. (collectively, Entergy Operating Companies); Gibson City Energy Center, LLC, Shelby County Energy Center, LLC, and Tilton Energy LLC; Invenergy Solar Development North America LLC and Invenergy Wind Development North America LLC; Lightsource Renewable Energy Operations, LLC; MISO Transmission Owners;⁵¹ NextEra Energy Resources, LLC; Pine Gate Renewables, LLC; RWE Clean Energy, LLC; Shell Energy North America (US), L.P., Shell New Energies US, LLC, and Savion LLC (collectively, Shell Companies); Solar Energy Industries Association; Southern Renewable Energy Association; Vistra Corp. and Dynegy Marketing and Trade, LLC; and Wisconsin Electric Power Company, Wisconsin Public Service Corporation, and Upper Michigan Energy Resources Corporation.

21. Notices of intervention were filed by: Illinois Commerce Commission; Louisiana Public Service Commission (Louisiana Commission); Michigan Public Service Commission; Mississippi Public Service Commission (Mississippi Commission); Organization of MISO States, Inc. (OMS); and Public Utility Commission of Texas.

⁵¹ For the purpose of this proceeding, MISO Transmission Owners consist of: Ameren Services Company, as agent for Ameren Illinois Company (doing business as Ameren Illinois), Ameren Transmission Company of Illinois, and Union Electric Company (doing business as Ameren Missouri); American Transmission Company LLC; Big Rivers Electric Corporation; Central Minnesota Municipal Power Agency; City Water, Light & Power (Springfield, IL); Cleco; Cooperative Energy; Dairyland Power Cooperative; Duke Energy Business Services, LLC for Duke Energy Indiana, LLC (Duke Indiana); East Texas Electric Cooperative; Entergy Operating Companies.; Great River Energy; GridLiance Heartland LLC; Hoosier Energy Rural Electric Cooperative, Inc.; Indiana Municipal Power Agency; Indianapolis Power & Light Company (doing business as AES Indiana); ITC Transmission Company (doing business as ITCTransmission); ITC Midwest LLC; Lafayette Utilities System; Michigan Electric Transmission Company, LLC; MidAmerican Energy Company; Minnesota Power (and its subsidiary Superior Water, L&P); Missouri River Energy Services; Montana-Dakota Utilities Co.; Northern Indiana Public Service Company LLC; Northern States Power Company, a Minnesota corporation, and Northern States Power Company, a Wisconsin corporation, subsidiaries of Xcel Energy Inc.; Northwestern Wisconsin Electric Company; Otter Tail Power Company; Prairie Power, Inc.; Southern Illinois Power Cooperative; CenterPoint Energy Indiana South; Southern Minnesota Municipal Power Agency; Wabash Valley Power Association, Inc.; and Wolverine Power Supply Cooperative, Inc.

22. Protests were filed by: Clean Energy Associations;⁵² Consumers; Cordelio; DTE; Louisiana Commission and Mississippi Commission (jointly, MISO South Regulators); and Shell Companies.

23. Comments were filed by: Alliant; Duke Indiana; Entergy Operating Companies and Cleco (Entergy and Cleco); and OMS.

24. On December 31, 2024, MISO submitted an answer. On January 10, 2025, DTE and the Mississippi Commission submitted answers to MISO's answer. On January 14, 2025, Cordelio submitted an answer to MISO's answer.

III. Discussion

A. Procedural Matters

25. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2024), the notices of intervention and the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

26. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2024), prohibits answers to a protest or an answer unless otherwise ordered by the decisional authority. We will accept the answers filed in this proceeding because they provide information that assisted us in our decision-making process.

B. Substantive Matters

27. As discussed below, we accept MISO's proposed Tariff revisions, effective January 31, 2025, as requested. We find that MISO's proposed Tariff revisions implementing the 2024 Queue Cap Proposal and the Exemptions Proposal are just and reasonable and not unduly discriminatory or preferential and accomplish the purposes of the Commission's final rules on generator interconnection, including Order Nos. 2003⁵³ and 2023, by helping to ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner.⁵⁴ Therefore, we find that MISO's proposed Tariff revisions meet the independent entity variation standard. We note that MISO's Order No. 2023 compliance filing is pending

⁵² Clean Energy Associations consist of Advanced Energy United, American Clean Power Association, Clean Grid Alliance, Solar Energy Industries Association, and Southern Renewable Energy Association.

⁵³ Order No. 2003, 104 FERC ¶ 61,103 at PP 26, 827.

⁵⁴ Order No. 2023, 184 FERC ¶ 61,054 at P 1.

before the Commission in Docket No. ER24-2046-000. The Commission will evaluate MISO's compliance with each requirement of Order No. 2023 in that proceeding, and nothing in this order prejudices the outcome of that evaluation. We discuss the 2024 Queue Cap Proposal and the Exemptions Proposal in detail below.

1. 2024 Queue Cap Proposal

a. Filing

28. MISO states that substantial evidence supports the need for the 2024 Queue Cap Proposal. MISO explains that while queue size was relatively stable between 2014 and 2019, the volume of proposed new generating capacity has dramatically increased, with 52.4 gigawatts (GW) added to the queue in 2020, 76.8 GW in 2021, and 170.8 GW in 2022. MISO states that in 2023, the queue contained 1,371 interconnection requests comprising 236 GW of new capacity and that in 2024, MISO received 600 interconnection requests totaling 123.8 GW. MISO states that currently, its queue contains 1,698 active interconnection requests comprising 309 GW. MISO explains that in comparison, its peak load is only 127.1 GW and, as of December 2023, there was 191 GW of functioning total installed generation capacity in the MISO region.⁵⁵

29. MISO contends that this growth makes it nearly impossible to provide accurate modeling data because MISO must study every interconnection request at its full output according to fuel-based dispatch assumptions and must identify network upgrades needed to accommodate these requests. MISO states that it is forced to use assumptions to develop a valid mathematical solution that will allow for the model to study the new generation at authorized output while sinking that power in MISO. Consequently, the larger the queue size, the more aggressively must MISO adjust its assumptions to allow the model to solve. MISO states that, consequently, at a certain point, the assumptions begin to "diverge sufficiently from reality and the model is no longer modeling how MISO's Transmission System and generation resources are expected to behave" and that network upgrade cost estimates also diverge from reality. As a result, MISO states, the abundance of proposed generation does not reflect the needs of MISO and contributes to the problem of inaccurate study results.⁵⁶

30. Additionally, MISO states that the overwhelming majority of interconnection requests will not result in built projects. To this point, MISO states that in the DPP-2017 to DPP-2018 study cycles, roughly 70% of total generation capacity that entered the queue eventually withdrew and that these dynamics are similar in the pending study cycles, with more than 40% of the total capacity already withdrawing from the DPP-2018

⁵⁵ Transmittal at 14-15.

⁵⁶ *Id.* at 15.

and DPP-2019 study cycles and 14% of the capacity that entered the DPP-2022 study cycle already withdrawing despite not yet reaching Decision Point I. MISO states that federally funded research shows that only 21% of projects in the United States that applied for interconnection service prior to 2018 have been built and that MISO's completion rate of 24% is higher than average.⁵⁷

31. MISO contends that this rate of withdrawals indicates that stringent GIP requirements are insufficient to deter speculative and unready interconnection requests from entering the queue and that the harm caused by such requests includes increased DPP study complexity; longer processing times; the need for increased coordination between MISO, interconnection customers, and transmission owners; inflated network upgrade estimates that, in turn, encourage premature withdrawal of otherwise viable interconnection requests; and challenges to study model building. MISO asserts that the 2024 Queue Cap Proposal addresses a concrete need because mechanisms that improve the quality of interconnection requests entering the DPP are inadequate to manage the ever-increasing quantity of interconnection requests entering the DPP.⁵⁸ MISO contends that this proposal will benefit interconnection customers and other generator interconnection process participants by reducing the number of speculative interconnection requests entering the queue, improving processing times, minimizing network upgrade cost estimate volatility, providing MISO with the ability to efficiently manage a given study cycle by improving MISO's GIP timing requirement compliance, allowing MISO to develop studies that provide more accurate signals about an interconnection request's impact, and reducing the risk of cost shifts.⁵⁹

32. MISO states that the 2024 Queue Cap Proposal was a key component of reforms recommended by CRA. MISO states that it did not propose CRA's recommended per-developer queue cap because it concluded that there was an insufficient record to support the inclusion of this feature.⁶⁰ MISO also proposes to conduct a review of the 2024

⁵⁷ *Id.* at 15-16, n.91 (citing *Queued Up: Status and Drivers of Generator Interconnection Backlogs*, available at https://www.energy.gov/sites/default/files/2023-07/Rand_Queued%20Up_2022_Tx%26Ix_Summit_061223.pdf (June 2023)).

⁵⁸ *Id.* at 16-17.

⁵⁹ *Id.* at 17-18.

⁶⁰ *Id.* at 18. MISO states that it also evaluated an alternate proposal to implement a Volumetric Price Escalation methodology that would establish different tranches for interconnection requests, with security deposit requirements that would increase with each tranche, and where M2 Milestone payments (required at the time an interconnection request is submitted) would correspond with the MW volume in an interconnection request. However, MISO states that this proposal failed a simple Planning Advisory

Queue Cap Proposal after three study cycles implementing the queue cap and to make a filing with the Commission on whether there is a continued need for the queue cap, whether additional modifications are necessary, or whether the queue cap should be eliminated.

33. Pursuant to the 2024 Queue Cap Proposal, the queue cap will establish a limit on the total MWs that will be studied in a particular study cycle for each study region prior to the start of the study cycle based on subregional peak load.⁶¹ MISO states that the methodology for determining the queue cap is based on study methodologies currently used in MISO's GIP models, which are derived from the MISO Transmission Expansion Plan (MTEP) planning model. MISO states that the proposed queue cap formula is intended to be simple to implement and to meet MISO's resource adequacy needs. MISO states that the queue cap will be set at 50% of the non-coincident peak values for each study region from the power flow model used in the most recent available MTEP model series. MISO states that it reached the 50% figure by performing analysis on the DPP-2022 study cycle through "iterative model builds [to] solve [] at reduced non-coincident peak values until the model could be built and solved without the need for Backbone Network Upgrades or needing exports to neighboring systems."⁶² MISO states that it is typically an indication of voltage collapse if the model cannot solve power flow without the addition of network upgrades.⁶³

Committee majority vote in its stakeholder process. *Id.* at 19.

⁶¹ According to MISO, it has five interconnection queue study regions: the Central, East-ATC, East-ITC, South, and West study regions. Midcontinent Indep. Sys. Operator, Inc., Nov. 23, 2023 Transmittal, Witmeier Test. at 39 (Docket No. ER24-341-000).

⁶² Transmittal at 19-20. According to MISO's BPM section 6.1.1.1.10.5, in some instances, initial system conditions are so severe that the DPP model is not in a useable state until network upgrades are added. MISO's BPM also provides that Backbone Network Upgrades are the upgrades that are necessary in order to obtain a usable DPP model. In the instant filing, MISO states that the need for Backbone Network Upgrades indicates that the model, before taking into account any contingencies, is in such a state that power flow cannot be solved without the addition of network upgrades. MISO further states that "exports to its neighbors are an indication of further affected system costs." MISO explains that both indicators demonstrate that the only way to solve the models without a decrease in volume is to invest substantial cost and time to implement solutions. *Id.* at 20; Witmeier Test. at 18.

⁶³ *Id.*

34. MISO proposes, in new GIP section 4.1.1.1, the following formula for the queue cap: $\text{MISO study region cap} = 50\% * \text{study region non-coincident summer peak}$. MISO states that this differs in three ways from the 2023 Queue Cap Proposal. First, MISO states that it proposes using non-coincident summer peak values instead of non-coincident shoulder peak values. Second, MISO states that the 2023 Queue Cap Proposal used the Pmin value as the lowest MW output level at which a generator can reasonably maintain and still be online and accommodate new generation.⁶⁴ Third, MISO states that the 2023 Queue Cap Proposal adjusted for estimated withdrawals and exemptions.⁶⁵

35. MISO states that it will post the MW value for each study cycle on its website at least 10 business days prior to the application deadline for a given study cycle and that it will also post an associated whitepaper to inform stakeholders of how it developed and set the queue cap. MISO states that it will continue to evaluate interconnection requests processed after the queue cap has been met to ensure that they are valid (i.e., that they meet applicable milestone, site control, and modeling data requirements), and those interconnection requests that exceed the queue cap for a study cycle will remain in the queue and be studied in a future study cycle.⁶⁶

36. MISO states that the Commission has previously accepted proposals to limit queue size, including a Southwest Power Pool, Inc. (SPP) proposal giving SPP broad discretion to close a cluster that was too large to study.⁶⁷ MISO also points to the Commission's acceptance of a queue cap proposal by the California Independent System Operator Corporation (CAISO).⁶⁸

37. MISO proposes revisions to GIP section 3.3.1 to clarify that interconnection requests submitted after MISO publishes the application deadline on its public website will be subject to the queue cap established in GIP section 4.1.1.1. MISO also proposes revisions to GIP section 3.3.1 to clarify that exemption requests must be received at the time an interconnection customer submits an application for an interconnection request. MISO further proposes, in new GIP section 4.1.1.2, a date and time stamp process for determining which interconnection requests it will include in a study cycle, with the earliest submitted requests selected first and subsequent requests selected until the queue

⁶⁴ Transmittal at 20; Witmeier Test. at 17. *See also* Prepared Direct Testimony of Andrew Witmeier in Docket Nos. ER24-340-000 and ER24-341-000.

⁶⁵ Transmittal at 20.

⁶⁶ *Id.*

⁶⁷ *Id.* at 21 (citing *Sw. Power Pool, Inc.*, 178 FERC ¶ 61,015, at P 46 (2022)).

⁶⁸ *Id.* (citing *Cal. Indep. Sys. Operator Corp.*, 188 FERC ¶ 61,225 (2024)).

cap is met.⁶⁹ This provision also provides that five business days after the queue cap has been met, MISO will notify interconnection customers on whether their interconnection requests have been included in the upcoming study cycle.⁷⁰ MISO proposes new GIP section 4.1.1.3, which requires MISO, up to 30 calendar days prior to the scheduled DPP Phase I kick-off date for a study cycle, to replace any interconnection requests that withdraw (after the applicable period to cure a deficiency has passed) with interconnection requests previously submitted but determined to exceed the study cycle queue cap limit for a study region (based on the date and time stamp of the interconnection requests), and to notify such interconnection customers of the inclusion of their requests in the study cycle.⁷¹ MISO further proposes new GIP section 4.1.1.4, which provides that interconnection requests not included in a given study cycle will maintain their queue position, so long as the requests remain valid, and will be entered in the next available study cycle. MISO also proposes new GIP section 4.1.1.5, which requires MISO to conduct a review of the effectiveness of the 2024 Queue Cap Proposal upon conclusion of the third study cycle following the effective date of the proposed Tariff revisions. MISO states that it commits to submitting an informational report to the Commission describing the results of this review upon completion of the stakeholder process if it determines not to file modifications or a termination of its queue cap.

b. Comments and Protests

38. Entergy and Cleco and OMS argue that the queue cap is necessary to improve the modeling of new resources and to reasonably allocate interconnection costs.⁷² OMS asserts that, absent the queue cap, the MISO region faces the risk of MISO's continued inability to manage the rapidly growing queue size, which deprives MISO stakeholders of the benefits of open access competition.⁷³ OMS contends that MISO's proposed formula for the queue cap will enable a reasonable number of projects to be studied and will

⁶⁹ MISO also proposed revisions to GIP section 7.2.1 to reiterate that interconnection requests will be reviewed, validated, and included under the queue cap based upon the time stamp of a complete and validated interconnection request. *Id.* at 29.

⁷⁰ *Id.* at 26.

⁷¹ *Id.* at 26-27.

⁷² Entergy and Cleco Comments at 2; OMS Comments at 5-9.

⁷³ OMS Comments at 2.

support MISO's proposal to evaluate the effectiveness of the queue cap after three study cycles.⁷⁴

39. Alliant and Clean Energy Associations express concern over the effect that MISO's proposed queue cap will have on resource adequacy and argue that the queue cap could result in needed generation being left out of the interconnection queue.⁷⁵ Clean Energy Associations further argue that MISO has failed to address the resource adequacy concerns outlined in the January 2024 Order and that MISO has not analyzed either the differences in resource adequacy needs between its regions or the ability to transfer energy between regions.⁷⁶ Clean Energy Associations also allege that MISO makes unclear assumptions when calculating future resource adequacy needs and that MISO may be using outdated information when making its calculations.⁷⁷

40. DTE claims that MISO's proposal is unsupported by Commission precedent. DTE asserts that MISO incorrectly cites to the Commission's approval of SPP's proposal to "close a cluster when it is too large to study."⁷⁸ DTE states that the Commission approved SPP's modifications to its interconnection study process for a limited period between the effective date of SPP's revised study process and the date the last open season under the previous study process closed.⁷⁹

41. Clean Energy Associations assert that MISO relies heavily upon the Commission's recent acceptance of CAISO's queue management proposal, which included a cap on the number of interconnection requests that may proceed to CAISO's cluster study⁸⁰ despite "foundational differences" in the proposals – namely, that the 2024 Queue Cap Proposal is based on peak load while CAISO's queue cap is based on available transmission

⁷⁴ *Id.* at 5-9.

⁷⁵ Alliant Comments at 3-4; Clean Energy Associations Protest at 15-19.

⁷⁶ Clean Energy Associations Protest at 16 (citing January 2024 Order, 186 FERC ¶ 61,054 at P 182).

⁷⁷ *Id.* at 17.

⁷⁸ DTE Protest at 12.

⁷⁹ *Id.*

⁸⁰ Clean Energy Associations Protest at 23 (citing *Cal. Indep. Sys. Operator Corp.*, 188 FERC ¶ 61,225 at P 91).

capacity.⁸¹ Clean Energy Associations also state that the 2024 Queue Cap Proposal does not account for resource adequacy needs, while the CAISO approach attempts to align the size of the CAISO interconnection queue with new capacity anticipated to meet system needs in CAISO's ongoing resource and transmission planning processes, in collaboration with the California Public Utilities Commission and other local regulatory authorities.⁸² Additionally, Clean Energy Associations argue that while CAISO's transmission system needs and planning process are integrated into its queue cap approach, MISO's proposed queue cap approach would occur outside of and without reference to its planning processes.⁸³ Further, Clean Energy Associations contend that unlike CAISO's approach, MISO's proposed approach would not account for project viability or system need. According to Clean Energy Associations, MISO's approach relies on date and time stamping to determine inclusion in a study cycle, while CAISO uses a competitive scoring system to screen projects for inclusion in a cluster study and ranks projects for evaluation.⁸⁴

42. Shell Companies argue that the 2024 Queue Cap Proposal is unjust, unreasonable, and unduly discriminatory because it imposes "sweeping restrictions" on all interconnection customers, the majority of whom do not contribute to MISO's queue problems.⁸⁵ Shell Companies contend that because an important goal of the proposal is to deter speculative projects from entering the queue, and because MISO concedes that "the overwhelming number of [withdrawn] Interconnection Requests in the last several queue cycles is . . . by the top three (3) Interconnection Customers," it is unfair to penalize all interconnection customers for the actions of a few.⁸⁶ Cordelio similarly argues that MISO does not demonstrate how a queue cap will prevent the submission of excessive interconnection requests by any one interconnection customer and that MISO does not address other issues that contribute to overwhelming queue sizes, including MISO's ERIS study methodology.⁸⁷ Cordelio argues that MISO could more efficiently process ERIS interconnection requests by limiting the scope of the service to no more

⁸¹ *Id.* at 24.

⁸² *Id.*

⁸³ *Id.*

⁸⁴ *Id.* at 24-26.

⁸⁵ Shell Companies Protest at 1-2.

⁸⁶ *Id.* at 3.

⁸⁷ Cordelio Protest at 19-20.

than two or three busses away from the point of interconnection.⁸⁸ Shell Companies contend that a per-customer queue cap that limits the total MW that an individual interconnection customer and its corporate family can submit would be more appropriate to directly achieve the intended result, and MISO should have to explain how it concluded that there is insufficient evidence to support a per-developer queue cap in light of CRA's recommendation of such a feature.⁸⁹

43. Clean Energy Associations argue that MISO's proposal is premised on the false assumption that a smaller interconnection queue will be faster and more accurate.⁹⁰ To this point, they note that the 2018, 2019, and 2020 study cycles contained 39.7 GW, 44.1 GW, and 52.4 GW, respectively, which are below MISO's five-year average peak load of 121.1 GW and the estimated proposed queue cap of 68 GW. However, Clean Energy Associations state that those three study cycles have each taken close to five years to complete, far surpassing the current interconnection study process timeline of one year in MISO's queue.⁹¹ Further Clean Energy Associations and Cordelio assert that the real causes of withdrawals are excessive study times and that speculative requests are a rational response to a broken system created by excessive lead times and regulatory uncertainty.⁹²

44. Clean Energy Associations also contend that while MISO's prior targeted efforts to improve the DPP primarily focus on the qualifications for and readiness of interconnection requests, MISO has not focused on the effectiveness of prior reforms or whether MISO has deployed adequate resources to sufficiently address changing circumstances in the interconnection queue. Clean Energy Associations ask the Commission to consider whether full implementation of prior reforms would obviate the need for the 2024 Queue Cap Proposal, and whether MISO should lean further into automation solutions and staff increases, as needed.⁹³

45. DTE argues that the queue cap formula considers neither the transition to cleaner energy resources, which contribute less to system reliability during high-risk periods, nor the seasonality of MISO's resource adequacy needs when it uses the total generating

⁸⁸ *Id.* at 19.

⁸⁹ Shell Companies Protest at 4-5.

⁹⁰ Clean Energy Associations Protest at 4-5.

⁹¹ *Id.* at 5.

⁹² *Id.* at 8; Cordelio Protest at 9-15.

⁹³ Clean Energy Associations Protest at 11-12.

facility capacity of proposed interconnection requests and non-coincident summer peak load.⁹⁴ Specifically, DTE asserts that MISO fails to explain how the formula adheres to its own capacity accreditation methodology that considers the extent to which each type of generating facility adds to future resource adequacy. Further, DTE asserts that MISO does not appreciate that risks to the transmission system increasingly occur outside of the peak summer season, and the proposal would only serve to exacerbate reliability problems for peaks in other seasons if its deficiencies are not remedied. DTE contends that MISO instead proposes to calculate its proposed queue cap based on nameplate capacity. Cordelio adds that the queue cap formula should consider the fuel type or operating characteristics of different generating facilities and suggests that MISO use its fuel dispatch methodology to do so.⁹⁵ For instance, Cordelio argues that battery storage systems should not be subject to the queue cap because they serve both as a generating facility and as load on MISO's system.

46. Clean Energy Associations and Cordelio assert that MISO's proposal will encourage speculative interconnection requests and amounts to a first-come, first-served study process, which violates the first-ready, first-served approach prescribed in Order No. 2023.⁹⁶ Clean Energy Associations assert that developers will submit large volumes of interconnection requests in the near-term to roll-over into an early position in the next study cycle, which will advantage larger entities, will not encourage well-developed interconnection requests, and could dampen developer interest in MISO.⁹⁷

47. Clean Energy Associations and Cordelio also claim that the 2024 Queue Cap Proposal will create open access concerns. In particular, Clean Energy Associations contend that the proposal will harm competition and result in a smaller number of projects, which could exact higher rates, a result that undermines open access policies created to foster competition among generation.⁹⁸ Cordelio claims that when a queue cap is established, those interconnection customers with the best internet connections and best "bots" will secure spots in a study cycle (rather than those with the most viable interconnection requests), and that consequently, MISO's proposal fails to ensure open

⁹⁴ DTE Protest at 1, 8-12.

⁹⁵ Cordelio Protest at 6-9.

⁹⁶ *Id.* at 13-15; Clean Energy Associations Protest at 5-8.

⁹⁷ Clean Energy Associations Protest at 6-7.

⁹⁸ *Id.* at 9.

access and provide interconnection customers with “the comparable ability to access the transmission system through the interconnection process.”⁹⁹

48. Clean Energy Associations, Cordelio, and DTE object to the non-temporary nature of the 2024 Queue Cap Proposal, emphasizing that the queue cap could continue indefinitely.¹⁰⁰ DTE asserts that MISO fails to articulate the methodology and criteria it will use to assess the efficacy of the queue cap. DTE states that, at a minimum, MISO should have a review process to evaluate the effectiveness of the queue cap predicated on metrics that can objectively measure, for example, pre- and post-queue cap withdrawal rates, backlog level, and study cycle times of the interconnection queue.¹⁰¹ Further, Clean Energy Associations and DTE contend that MISO must commit to justifying its proposed decision to continue the queue cap to the Commission.¹⁰² Clean Energy Associations argue that without a defined evaluation process and Commission approval to continue the queue cap after the first study cycle, the proposed queue cap is unjust, unreasonable, and preferential because it allows for anticompetitive behavior, including monopolization of the queue, and inflates “prices for capacity and policy attributes.”¹⁰³

49. Shell Companies assert that MISO’s pursuit of the 2024 Queue Cap Proposal before the impact of the 2023 Non-Cap Queue Reform Proposal accepted in the January 2024 Order have been applied is a tacit admission that these prior queue reform provisions will not adequately address the problem.¹⁰⁴ Therefore, Shell Companies contend that MISO should revert the milestone payments to their pre-queue reform levels, as the 2024 Queue Cap Proposal makes the increased financial security amounts potentially redundant and unduly burdensome for interconnection customers, if not punitive.¹⁰⁵

⁹⁹ Cordelio Protest at 13 (citing *Cal. Indep. Sys. Operator Corp.*, 188 FERC ¶ 61,225 at P 95).

¹⁰⁰ *Id.* at 22; Clean Energy Associations Protest at 13-15; DTE Protest at 12.

¹⁰¹ DTE Protest at 13; *see also* OMS Comments at 9 (arguing that a successful generation interconnection process requires the processing and studying of interconnection requests within the Tariff-required one-year timeline).

¹⁰² Clean Energy Associations Protest at 14; DTE Protest at 12.

¹⁰³ Clean Energy Associations Protest at 14.

¹⁰⁴ Shell Companies Protest at 6.

¹⁰⁵ *Id.* at 6-7.

50. If the Commission accepts the 2024 Queue Cap Proposal, Cordelio asks the Commission to clarify that, under the filed rate doctrine, any interconnection requests submitted prior to the effective date cannot count toward the queue cap if submitted into the 2024 study cycle. Cordelio further requests that the Commission clarify that, if it accepts the 2024 Queue Cap Proposal, any interconnection requests for surplus interconnection service should be exempt from the queue cap, as these interconnection requests should not result in a material adverse impact to the MISO transmission system.¹⁰⁶

c. Answers

51. MISO contends that the 2024 Queue Cap Proposal represents a “quantity” reform which, when combined with the “quality” reforms adopted in the January 2024 Order (i.e., the 2023 Non-Cap Queue Reforms) and Order No. 2023, will allow MISO to provide more accurate and stable price signals to interconnection customers.¹⁰⁷ MISO contends that its own analysis presented in its supporting testimony demonstrates that the 2024 Queue Cap Proposal will not contribute to resource adequacy problems.¹⁰⁸ Further, MISO argues that the 2024 Queue Cap Proposal does not interfere with the “first ready, first served” principle, which remains enforced in MISO’s GIP through the use of milestone payments, withdrawal penalties, and site control requirements.¹⁰⁹ MISO argues that faster internet speeds or superior “bots” will not enable interconnection requests to meet these requirements.¹¹⁰ MISO similarly contends that these requirements will prevent interconnection customers from submitting large volumes of speculative projects to get into the queue.¹¹¹

52. MISO clarifies that the queue cap value for each region is based on the level of interconnection service requested, not the associated nameplate capacity. MISO acknowledges that it used nameplate capacity from one of the future planning scenarios developed in conjunction with its transmission planning process, Future 2A, to calculate needed annual MW in accordance with Commission guidance.¹¹² MISO also argues that

¹⁰⁶ Cordelio Protest at 21-22.

¹⁰⁷ MISO Answer at 6-7.

¹⁰⁸ *Id.* at 7 (citing Witmeier Test. at 15).

¹⁰⁹ *Id.*

¹¹⁰ *Id.*

¹¹¹ *Id.* at 8.

¹¹² *Id.* at 9-10. MISO states that it uses the Future 2A scenario for resource

using nameplate capacity for this purpose aligns with how most interconnection customers indicate their requested amount of interconnection service. However, MISO explains that it has become common for interconnection customers to select a level of interconnection service lower than the combined nameplate capacity due to the emergence of hybrid resources co-located with a battery. MISO claims that its use of requested interconnection service is further supported by its requirement to conduct at least one of its interconnection study cases at the full output of the requested interconnection service.¹¹³ MISO also contends that using the non-coincident summer peak load value for its queue cap calculation is superior to using the shoulder peak load value because it allows interconnection customers to forecast future queue cap volumes more easily.

53. MISO asserts that while its proposal to review the effectiveness of the queue cap does not specify the details of such review, MISO will not complete the review without stakeholder feedback and will not extend its queue cap without additional justification. MISO also argues that it is a resource-neutral entity and that it has undue discrimination concerns with assessing the type of resource when calculating the queue cap. MISO contends that while it is developing a more efficient internal interconnection queue process, additional efficiency cannot be reached without addressing the number of interconnection requests submitted to MISO. MISO claims that limiting the scope of ERIS studies to no more than two or three busses away from the point of interconnection presents reliability issues and is out of scope of this filing.¹¹⁴

54. DTE contends that MISO makes a confusing argument when it explains that the proposed queue cap formula is based on the level of interconnection service requested but also that nameplate capacity is a more appropriate metric for MISO and interconnection customers. DTE further contends that MISO does not address DTE's resource adequacy concerns that interconnection requests included under the queue cap may not align with MISO's Future 2A scenario assumptions and that generation studied in a study cycle may be insufficient to keep MISO's network reliable.¹¹⁵

55. Cordelio asserts that MISO's contention that the 2024 Queue Cap Proposal is a "quantity" reform is inconsistent with MISO's assertions that the 2024 Queue Cap Proposal will reduce the number of speculative interconnection requests in the queue. Cordelio also argues that the 2024 Queue Cap Proposal will incentivize developers to

forecasting in long-term transmission planning. *Id.*

¹¹³ *Id.* at 10.

¹¹⁴ *Id.* at 11-12.

¹¹⁵ DTE Answer at 2-3.

submit speculative interconnection requests after the queue cap has been reached in order for those requests to roll-over into the next study cycle.¹¹⁶

d. Commission Determination

56. As discussed below, we accept MISO's proposed Tariff revisions to implement the 2024 Queue Cap Proposal. As noted in the January 2024 Order,¹¹⁷ and based on the evidence MISO presents in this proceeding,¹¹⁸ MISO's interconnection queue is experiencing unprecedented growth driven by the submission of a large volume of interconnection requests, the majority of which do not reach commercial operation, impeding the generator interconnection process's ability to accurately model the impacts of interconnection requests on MISO's system and resulting in unrealistic network upgrade cost estimates, ultimately hindering the development of generation in MISO.

57. Given the significant volume of interconnection requests submitted in MISO's interconnection queue, we find that it is just and reasonable for MISO to implement the 2024 Queue Cap Proposal to cap the total MWs in a study cycle. The 2024 Queue Cap Proposal will allow MISO to conduct its study cycles more effectively, beginning with the DPP-2025 study cycle, which will ultimately benefit interconnection customers. As MISO has explained, without a cap, the large number of interconnection requests submitted into MISO's interconnection queue would cause MISO to make unrealistic modeling assumptions, producing study results with inaccurate network upgrade cost estimates. Such inaccuracies, in turn, would drive withdrawals from the queue, further affecting study results and causing delays.¹¹⁹ Implementing the 2024 Queue Cap Proposal will allow MISO to study interconnection requests using more realistic modeling assumptions; provide interconnection customers with more informative, accurate, and actionable study results; and reduce study delays. Additionally, while Clean Energy Associations point to historical queue volumes that are smaller than the queue cap estimates that MISO includes in its analysis, we note that MISO developed the 2024 Queue Cap Proposal to address the recent, significant growth in the volume of interconnection requests submitted into its queue, which MISO expects to continue in the absence of a change in circumstances or policy.¹²⁰

¹¹⁶ Cordelio Answer at 3-4.

¹¹⁷ January 2024 Order, 186 FERC ¶ 61,054 at P 183.

¹¹⁸ *Supra* P 31.

¹¹⁹ Transmittal at 15; Witmeier Test. at 15.

¹²⁰ See, e.g., Transmittal at 16 ("This queue dynamic indicates that stringent GIP requirements are insufficient to deter Interconnection Customers from introducing

58. Further, we find proposed GIP section 4.1.1.1, which describes how MISO will determine queue cap size by study region, to be just and reasonable and not unduly discriminatory or preferential. We find that the terms of this provision will allow MISO to establish cluster sizes that support dispatch assumptions and models that reasonably approximate actual or expected system conditions. MISO's proposed Tariff language states that the queue cap "limit will be based on fifty-percent (50%) of the subregional noncoincident peak load in the summer peak study model." Thus, the Tariff language effectively reflects MISO's explanation of the proposed formula (MISO study region cap = 50% * study region non-coincident summer peak).¹²¹

59. We also accept MISO's proposal to set the queue cap value at 50% of noncoincident summer peak load in each subregion based upon MISO's explanation that it determined this value by reducing the noncoincident peak value until the model could be built and solved without the need for "Backbone Network Upgrades or the need to export to neighboring systems."¹²² We find that it is just and reasonable and not unduly discriminatory or preferential for MISO to make this determination based on its assumption that the need for Backbone Network Upgrades is typically indicative of voltage collapse and that exports to neighbors are generally an indication of further affected system costs.¹²³

60. We also find that, unlike the 2023 Queue Cap Proposal,¹²⁴ MISO has explained in this filing how its proposed queue cap formula considers its resource adequacy needs to ensure that sufficient generation capacity is developed. We agree with MISO that the proposed queue cap formula strikes a reasonable balance between limiting the volume of requests to a level that can be processed efficiently and avoiding unnecessary barriers to entry that will delay the development of the generation capacity needed to meet growing supply shortages within the MISO region. Further, we find that to address the Commission's resource adequacy-related concern, MISO reasonably reviewed its future planning scenarios and concluded that under its proposed queue cap, the amount of interconnected generation capacity to be added to the system will exceed MISO's forecasted needs.¹²⁵

speculative and unready projects into the queue").

¹²¹ *Id.* at 20.

¹²² Witmeier Test. at 18. *Supra* n.83.

¹²³ Witmeier Test. at 18.

¹²⁴ January 2024 Order, 186 FERC ¶ 61,054 at P 181.

¹²⁵ Witmeier Test. at 21 (estimating 310 GW of generation capacity will be added

61. Consequently, we find that this analysis reasonably considers MISO's resource adequacy needs, and we disagree with Alliant and Clean Energy Associations that MISO failed to address these needs. With regard to DTE's arguments,¹²⁶ we find that MISO has addressed resource adequacy concerns, even if DTE does not agree with MISO's selected approach.¹²⁷

62. We also disagree with arguments from Clean Energy Associations, Shell Companies, and Cordelio that the 2024 Queue Cap Proposal is unjust and unreasonable because the date and time stamp method does not consider the quality and readiness of the interconnection requests that will be studied first. While these protesters argue that this feature will encourage the submission of unready interconnection requests, interconnection requests must still meet the commercial readiness requirements in MISO's Tariff to be deemed valid and advance in the process. MISO GIP section 3.3.3 states that upon receipt of an interconnection request, MISO has 15 business days to inform the interconnection customer if its interconnection request is valid or deficient. The interconnection customer then has 10 business days after learning that its interconnection request is deficient to cure such deficiencies. If the interconnection customer does not do so within those 10 business days, the interconnection request is deemed withdrawn. In the January 2024 Order, the Commission also accepted MISO's Non-Cap Queue Reform Proposals to increase milestone payments, adopt an automatic withdrawal penalty, revise certain withdrawal penalty provisions, and expand site control requirements for interconnection facilities.¹²⁸ These reforms all serve to winnow out speculative interconnection requests and encourage commercial readiness. Further, pursuant to proposed GIP section 4.1.1.3, MISO must replace any withdrawn interconnection requests no later than 30 calendar days before the DPP Phase I kick-off, so MISO's 2024 Queue Cap Proposal includes a mechanism to ensure that the study cycle is comprised only of interconnection requests that meet the applicable readiness requirements. Further, while Shell Companies raise arguments in support of a per-developer cap (a feature not included in the 2024 Queue Cap Proposal and therefore

to the system between 2025 and 2042, compared to MISO's forecasted need of 248 GW).

¹²⁶ See DTE Protest at 1, 8-12; DTE Answer at 2-3; *supra* PP 45, 54.

¹²⁷ See, e.g., *Oxy USA, Inc. v. FERC*, 64 F.3d 679, 692 (D.C. Cir. 1995) (stating that a proposal under FPA section 205 "need not be the only reasonable methodology, or even the most accurate"); *Cities of Bethany v. FERC*, 727 F.2d 1131, 1136 (D.C. Cir. 1984) (*Cities of Bethany*) (finding that the Commission properly did not consider "whether a proposed rate schedule is more or less reasonable than alternative rate designs").

¹²⁸ January 2024 Order, 186 FERC ¶ 61,054 at PP 42, 70, 96.

outside the scope of this proceeding), reasoning that such a proposal would discourage speculative interconnection requests, as noted above, MISO has already implemented numerous reforms to promote commercial certainty and discourage the submission of speculative interconnection requests.

63. Additionally, we disagree with DTE that the Commission cannot accept MISO's proposal because SPP's approach, unlike MISO's, was for a limited period.¹²⁹ Similarly, we are not persuaded by Clean Energy Associations' argument that MISO cannot rely on the CAISO precedent¹³⁰ because the 2024 Queue Cap Proposal differs significantly from CAISO's queue cap proposal. To this point, MISO, CAISO, and SPP have chosen to address interconnection queue management problems caused by an overwhelming number of interconnection requests through different approaches based, in part, on regional needs and characteristics. For the reasons discussed above, we find that MISO has met its burden to demonstrate that its proposal is just and reasonable, without regard to whether it is "more or less reasonable" than other possible rate designs.¹³¹

64. We disagree with Cordelio that interconnection customers with better internet connections or "bots" may be at a competitive advantage to submit interconnection requests and receive a date and time stamp that falls within the queue cap more quickly MISO's interconnection application window does not open or close; rather, interconnection requests can be submitted at any time, including prior to MISO's posting on its website of the application deadline for the next study cycle.¹³² Moreover, while interconnection requests will be accepted based upon when they are submitted, submitted interconnection requests must still meet various requirements, such as data submission and security deposit requirements, to be deemed valid and remain in the queue, no matter the alacrity of the submission of a request. Thus, interconnection customers will have an incentive to promptly submit valid interconnection requests that will eventually have to meet commercial readiness requirements to proceed to the DPP Phase I kick-off.

65. We disagree with Clean Energy Associations that the use of a submission date and time stamp for entry under the queue cap is inconsistent with Order No. 2023's requirement that transmission providers use a first-ready, first-served cluster study process. Given that MISO already employs a cluster study approach with readiness requirements and does not propose to process interconnection requests that fall within the

¹²⁹ See *Sw. Power Pool, Inc.*, 178 FERC ¶ 61,015.

¹³⁰ See *Cal. Indep. Sys. Operator Corp.*, 188 FERC ¶ 61,225.

¹³¹ See *Cities of Bethany v. FERC*, 727 F.2d at 1136.

¹³² See Proposed Tariff, attach. X (GIP) (167.0.0), § 3 (Interconnection Requests), § 3.3.1.

queue cap on a first-come, first-served basis, we find that MISO's proposal to limit the size of a study cycle is not in conflict with the requirements of Order No. 2023.¹³³ Additionally, as noted above, all interconnection requests in MISO's interconnection queue must meet milestone and commercial readiness requirements by the deadlines required in the Tariff (including those requirements adopted to comply with Order No. 2023) to progress through the generator interconnection process.

66. We also find MISO's proposal to assign interconnection requests not included in a given study cycle a queue position in the next available study cycle (if the requests remain valid) to be just and reasonable and not unduly discriminatory or preferential.¹³⁴ This roll-over mechanism will ensure that interconnection requests are grouped into a reasonably sized cluster study cycle, which will, in turn, allow MISO to administer the next study cycle more efficiently. Because, under MISO's proposal, interconnection requests not included in the immediate study cycle will maintain their queue position to enter the next available study cycle if they remain valid, interconnection customers will not need to re-submit interconnection requests if their requests are not included in a study cycle due to the queue cap.

67. We disagree with Cordelio and Clean Energy Associations that the 2024 Queue Cap Proposal unreasonably limits competition or impedes open access. The 2024 Queue Cap Proposal provides all interconnection customers comparable ability to submit an interconnection request in time to enter the earliest queue study cycle (and to avoid being shut out of that cycle).¹³⁵ Additionally, under the status quo, MISO's ability to review interconnection requests and deliver accurate results is compromised, which could impede open access.¹³⁶

68. Further, we accept MISO's proposal (pursuant to proposed GIP section 4.1.1.5) to review the effectiveness of the limitation on study cycle size with stakeholders and

¹³³ *Id.*

¹³⁴ Proposed Tariff, attach. X (GIP) (167.0.0), § 4 (Queue Position), § 4.1.1.4.

¹³⁵ January 2024 Order, 186 FERC ¶ 61,054 at P 176, n. 408. *See also Cal. Indep. Sys. Operator Corp.*, 188 FERC ¶ 61,225 at P 94 (“CAISO's proposed cap does not present open access concerns because it provides all interconnection customers the “comparable ability” to submit an interconnection request and compete to be studied.”). To the extent that commenters question whether the Exemptions Proposal is consistent with the Commission's open access requirements, we turn to that issue in the exemptions section below.

¹³⁶ January 2024 Order, 186 FERC ¶ 61,054 at P 176 n.408. *See also Cal. Indep. Sys. Operator Corp.*, 188 FERC ¶ 61,225 at P 95.

determine whether to terminate or modify the study cycle size limitation after the conclusion of the third DPP study cycle following the effective date of the Tariff revisions.¹³⁷ Such a review will provide MISO and stakeholders an opportunity to reflect upon the effectiveness of the queue cap-related Tariff provisions and determine whether any changes are needed in light of the data available. At such time, it would be appropriate for MISO to evaluate, among other things, if the withdrawal of interconnection requests after the replacement date (specified in proposed GIP section 4.1.1.3) creates MW gaps significantly below the established queue caps. We also note that if MISO decides not to modify or terminate the queue size limitation provisions, MISO has committed to submit an informational report to the Commission describing the results of the stakeholder process.¹³⁸

69. In response to Cordelio's request that the Commission clarify that interconnection requests submitted in MISO's interconnection queue prior to the effective date granted in this order cannot count towards the queue cap, we clarify that, as provided in proposed GIP section 5.12, all interconnection requests for which the application deadline to enter the DPP is on or after January 31, 2025 will be subject to the Tariff provisions for the 2024 Queue Cap Proposal.¹³⁹ Thus, it is possible that an interconnection request submitted prior to the effective date of the 2024 Queue Cap Proposal could be included in a study cycle for which the queue cap is applicable, if the application deadline for that study cycle falls on or after January 31, 2025. We also note that the first study cycle for which the queue cap will apply is MISO's DPP-2025 study cycle. Regarding Cordelio's request that the Commission clarify that surplus interconnection service requests be exempt from the queue cap, we note that nothing in the instant filing changes the interconnection procedures for surplus interconnection requests.

70. Finally, while we find that MISO's proposed queue cap is just and reasonable for the reasons discussed above, to the extent circumstances change, we encourage MISO to continue considering other avenues to manage its interconnection queue. We recognize that MISO is implementing automated interconnection study enhancements in its DPP that will enable faster evaluation of interconnection requests than is possible today. We appreciate the attentiveness of MISO and its stakeholders to these potential efficiencies as they continue to refine the generator interconnection process in the future.

¹³⁷ Proposed Tariff, attach. X (GIP) (167.0.0), § 4 (167.0.0), § 4.1.1.5.

¹³⁸ *Id.* The proposed Tariff language provides that MISO will submit the report on an informational basis. *Id.* Thus, the report would not be noticed for comment or require Commission action.

¹³⁹ *Id.* § 5.12.

2. Exemptions Proposal

a. Filing

71. MISO states that the Exemptions Proposal is just and reasonable and necessary to address engineering challenges and study delays and to accurately identify needed network upgrades. MISO states that the proposed exemptions are for interconnection requests involving: (1) an increase in the generating facility capacity of a replacement generating facility, (2) a conversion from ERIS to NRIS, and (3) a generating facility with a Provisional GIA. MISO argues that these categories of interconnection requests all exhibit a high degree of commercial certainty and that withdrawal rates for these categories of requests are “exceedingly rare.”¹⁴⁰ Additionally, MISO contends that for those interconnection requests associated with capacity increases of replacement generating facilities and ERIS-NRIS conversions, there is relative commercial certainty because there is already a defined point of interconnection, established site control, and a strong financial incentive not to withdraw from the interconnection queue.¹⁴¹ With regard to the Provisional GIA exemption, MISO states that when an interconnection customer elects to execute a Provisional GIA, it commits to proceed through the queue regardless of network upgrade costs or other concerns. MISO explains that this exemption is open to any interconnection customer that makes the necessary commitments. MISO states, however, that to prevent gaming opportunities, its proposed Tariff language provides that, if an interconnection customer elects the Provisional GIA exemption at application and later seeks to revert to non-provisional status, it will forfeit its queue position and milestone payments. MISO argues that the Exemptions Proposal is just and reasonable and not unduly discriminatory or preferential and notes that the proposal does not provide an exemption from the queue cap.¹⁴² MISO states that the exemptions proposed here are “limited in use given their inherent nature that minimize[s] . . . submittals.”¹⁴³

72. To effectuate the Exemptions Proposal, MISO proposes new GIP sections 4.1.2, 4.1.2.1, 4.1.2.2, and 4.1.2.3. Proposed GIP section 4.1.2 states that a valid interconnection request submitted for a study cycle “shall be included in such study cycle up to, but not to exceed, the limit, if [MISO] receives the documentation included with the Interconnection Request demonstrating that one of the . . . exemptions applies.” Proposed GIP section 4.1.2.1 describes an exemption for an interconnection request that

¹⁴⁰ Transmittal at 22.

¹⁴¹ *Id.*

¹⁴² *Id.* at 23.

¹⁴³ Witmeier Test. at 22.

“seeks to convert ERIS service previously granted to an Existing Generating Facility to NRIS for the same Generating Facility without requesting any additional increase in the service levels.” Proposed GIP section 4.1.2.2 describes an exemption for an interconnection request that “seeks to add incremental new service to a Replacement Generating Facility that has an effective GIA.”

73. The exemption described in proposed GIP section 4.1.2.3 applies to an interconnection request for a generating facility that “has completed the requirements of this GIP, including the requirements of Section 7.9.1, to request a Provisional Generator Interconnection Agreement.” This provision further provides that if an interconnection customer or “[Merchant High Voltage Direct Current] Connection Customer withdraws its requested [Provisional GIA] after the thirty (30) Calendar Day timeline . . . , then the Interconnection Request associated with that requested [Provisional GIA] shall be withdrawn” and “shall forfeit milestones in accordance with Section 7.9.3.” This provision further provides that MISO may include the types of documentation required to determine that one of the exemptions applies in its BPM.

74. MISO also proposes new GIP section 5.12, which provides that all interconnection requests for which the application deadline to enter the DPP is on or after January 31, 2025, will be subject to the Tariff provisions for the 2024 Queue Cap Proposal and Exemptions Proposal. MISO also proposes to revise GIP section 7.2 to remove language regarding the requirements for valid interconnection requests because such requirements are already listed in GIP sections 3.3.3. and 3.3.1.¹⁴⁴ MISO proposes to revise GIP section 7.2.1 to reiterate that MISO will require all necessary exemption documentation and any other requirements at the time of application. In support of this requirement, MISO states that it would be “administratively inefficient” to allow interconnection customers to retroactively request exemptions.¹⁴⁵ MISO states that this change in the exemption requirements “levels the playing field for all projects.”¹⁴⁶ Finally, MISO proposes to revise GIP section 7.9.3 to note that interconnection requests that receive a Provisional GIA exemption are not eligible to receive milestone refunds.

b. Comments and Protests

75. Alliant and OMS support the Exemptions Proposal and argue that it is just and reasonable to exempt these more certain interconnection requests and ensure they are

¹⁴⁴ Transmittal at 29.

¹⁴⁵ Witmeier Test. at 6.

¹⁴⁶ *Id.*

studied.¹⁴⁷ OMS notes that there are several existing processes to ensure resource adequacy in the MISO region and to bring additional capacity online.¹⁴⁸

76. Clean Energy Associations argue that the exemptions to the queue cap are unjust and unreasonable because the Commission has previously found that such exemptions violate open access requirements and could lead to distorted competition and inequitable access to the transmission system.¹⁴⁹ Clean Energy Associations assert that regardless of whether exemptions count toward the queue cap, they could still lead to inefficiencies by allowing certain interconnection requests to enter the queue with reduced scrutiny and undermine the queue cap's purpose by discriminating between different interconnection requests.¹⁵⁰ Clean Energy Associations claim that MISO has failed to justify why certain interconnection requests are worthy of preferential treatment and to demonstrate why the proposed exemptions do not result in undue discrimination or preference.¹⁵¹ For example, Clean Energy Associations note that MISO has not provided withdrawal rate statistics or analysis of exempt versus non-exempt projects, nor has it provided evidence demonstrating how exemptions affect queue size, complexity, or processing times.

77. DTE and MISO South Regulators argue that the Exemptions Proposal, which lacks an exemption for projects identified by states and their utilities as necessary to meet resource adequacy needs (i.e., a RERRA exemption), is unjust and unreasonable because it will interfere with state processes for meeting resource adequacy needs.¹⁵² MISO South Regulators further contend that the instant filing is *ultra vires* of the FPA because it overtakes the exclusive authority of state retail regulators and their jurisdictional utilities to adequately plan for resource adequacy within their footprints.¹⁵³ Consumers argues that without a RERRA exemption, MISO's proposal fails to provide safeguards for resource adequacy.¹⁵⁴ Consumers further argues that, while MISO's proposed

¹⁴⁷ Alliant Comments at 3; OMS Comments at 8.

¹⁴⁸ OMS Comments at 8.

¹⁴⁹ Clean Energy Associations Protest at 19-21 (citing January 2024 Order, 186 FERC ¶ 61,054 at PP 78-79).

¹⁵⁰ *Id.* at 20.

¹⁵¹ *Id.* at 20-23.

¹⁵² DTE Protest at 1, 7; MISO South Regulators Protest at 3.

¹⁵³ *Id.*

¹⁵⁴ Consumers Protest at 5.

formula in its 2024 Queue Cap Proposal establishes guiderails on the queue cap limit based on potential future capacity needs, it must be paired with a process that allows for a RERRA exemption to identify projects that will be needed to meet future customer demand.¹⁵⁵ Duke Indiana asserts that without a RERRA exemption, it may be unable to meet state law requirements for resource adequacy.¹⁵⁶

78. DTE and MISO South Regulators argue that projects that would qualify for a RERRA exemption are limited in number and non-speculative in nature.¹⁵⁷ MISO South Regulators therefore assert that a RERRA exemption would not be in conflict with the 2024 Queue Cap Proposal, which seeks to limit speculative interconnection requests.¹⁵⁸ MISO South Regulators argue that MISO's decision not to include a RERRA exemption was due to expediency rather than sound reasoning to address resource adequacy concerns.¹⁵⁹ Further, MISO South Regulators argue that the ability of a state commission to seek waiver of MISO's queue cap from the Commission does not justify MISO's proposal to not include a RERRA exemption.¹⁶⁰ DTE asserts that, if the Commission accepts MISO's Exemptions Proposal without a RERRA exemption, the outcome will be in contrast to the result in the recent CAISO queue cap filing, which considers state resource adequacy needs through its competitive scoring criteria.¹⁶¹

79. Entergy and Cleco urge MISO to continue developing MISO's Expedited Resource Adequacy Study (ERAS) proposal and to file such proposal with the Commission as expeditiously as possible in 2025.¹⁶² Duke Indiana states that MISO recognized that "[t]here is a fundamental necessity for a short-term generator interconnection product to handle direct urgent resource adequacy needs for the states within the MISO system," yet the current proposal lacks any such mechanism to address this fundamental necessity and instead relies on the ERAS process currently in

¹⁵⁵ *Id.* at 6.

¹⁵⁶ Duke Indiana Protest at 2.

¹⁵⁷ DTE Protest at 8; MISO South Regulators Protest at 10.

¹⁵⁸ MISO South Regulators Protest at 13.

¹⁵⁹ *Id.* at 9.

¹⁶⁰ *Id.* at 15.

¹⁶¹ DTE Protest at 8.

¹⁶² Entergy and Cleco Comments at 4.

development.¹⁶³ Duke Indiana asserts that exemptions for RERRA-supported resources should be included in the Exemptions Proposal or another fast-track process (such as ERAS) because it ensures that load-serving entities will be able satisfy state law resource adequacy requirements and provide reliable service for customers.¹⁶⁴ Several commenters express the belief that this instant filing and the ERAS proposal are interrelated and therefore should not be considered independently.¹⁶⁵ Specifically, Cordelio argues that by not including the ERAS proposal here, MISO is intending to hide the unduly discriminatory and open access violative components of its proposal, and the Commission should consider the queue cap proposal and ERAS proposal together or reject the 2024 Queue Cap Proposal.¹⁶⁶ Clean Energy Associations aver that the ERAS process will result in an unduly discriminatory process in which load-serving entity-preferred projects are granted a fast-lane.¹⁶⁷

c. Answers

80. MISO contends that any arguments concerning both the potential future ERAS proposal and the RERRA exemption proposed in the 2023 Queue Cap Proposal are out of scope. Nevertheless, MISO argues that the in-development ERAS process addresses the resource adequacy concerns of RERRAs using a separate, streamlined interconnection process.¹⁶⁸

81. In response to MISO, DTE claims that its arguments regarding the ERAS proposal focus on the deficiency of the 2024 Queue Cap Proposal and are not out of scope.¹⁶⁹

82. The Mississippi Commission asserts that MISO does not respond to their argument that projects identified by a RERRA must be built quickly to ensure resource adequacy.¹⁷⁰ The Mississippi Commission disagrees with MISO's contention that

¹⁶³ Duke Indiana Protest at 4.

¹⁶⁴ *Id.* at 5.

¹⁶⁵ Alliant Protest at 5; Consumers Protest at 5-8; Cordelio Protest at 18.

¹⁶⁶ Cordelio Protest at 17-18.

¹⁶⁷ Clean Energy Associations Protest at 22.

¹⁶⁸ MISO Answer at 2-5.

¹⁶⁹ DTE Answer at 2.

¹⁷⁰ Mississippi Commission Answer at 1-2.

arguments regarding the ERAS proposal and the RERRA exemption are out of scope because the testimony provided in support of the 2024 Queue Cap Proposal does not explain how prior testimony from the same source argued that the RERRA exemption was necessary for the 2023 Queue Cap Proposal to be just and reasonable.¹⁷¹

83. The Mississippi Commission asserts that the Commission's rejection of the 2023 Queue Cap Proposal did not rebut the need for the RERRA exemption, as MISO claims.¹⁷² The Mississippi Commission also alleges that MISO makes contradictory arguments by supporting a potential future ERAS proposal while simultaneously not proposing a RERRA exemption.¹⁷³

84. Cordelio asserts that MISO's answer did not provide any new evidence to rebut claims made by protesters and therefore fails to meet the burden under FPA section 205 to demonstrate that the 2024 Queue Cap Proposal is just and reasonable.¹⁷⁴

85. Cordelio also asserts that the RERRA exemption proposed in the 2023 Queue Cap Proposal favored baseload resources, which amounted to undue discrimination by creating two different classes of resources.

d. Commission Determination

86. We accept MISO's proposed Tariff revisions to implement the Exemptions Proposal. Here, MISO proposes that interconnection requests that qualify for an exemption will be subject to the queue cap. Because the instant exemptions are subject to the queue cap, they will not diminish or erase the reduction in the size of the queue cluster achieved through the queue cap and, thus, will not hinder MISO's ability to accurately model the impacts of interconnection requests on its system and to provide accurate interconnection study results, the goals of the instant queue cap.

87. We also find that the exemptions in the Exemptions Proposal do not violate open access requirements. In the January 2024 Order, the Commission found that permitting unbounded exemptions was inconsistent with the requirement that MISO must offer access to the generator interconnection process on the same or comparable basis to all interconnection customers.¹⁷⁵ Here, MISO proposes that interconnection requests that

¹⁷¹ *Id.* at 5-8.

¹⁷² *Id.* at 8.

¹⁷³ *Id.* at 11-12.

¹⁷⁴ Cordelio Answer at 5-6.

¹⁷⁵ January 2024 Order, 186 FERC ¶ 61,054 at P 176 (citing Order No. 888, FERC

qualify for an exemption will be subject to the queue cap. Further, the Commission acknowledged that “situations in the interconnection process where granting priority did not compromise its open access requirements,” specifically, priority for situations that involved “inherent practical limitations.”¹⁷⁶

88. We do not have open access concerns with regard to the Provisional GIA exemption because this exemption is equally available to all interconnection customers (i.e., all interconnection customers have comparable access to qualify for this exemption if they make the necessary commitments and choose to assume certain risks).¹⁷⁷ Additionally, to avoid potential gaming opportunities, MISO has proposed Tariff revisions providing that those interconnection customers with interconnection requests that qualify for this exemption will lose all milestone payments and study deposits, and forfeit their queue positions, if they withdraw their Provisional GIAs. Moreover, interconnection customers with Provisional GIAs assume the risk of interconnecting prior to completion of network upgrades being identified through the interconnection study process and consent to proceed through DPP Phases II and III.¹⁷⁸ Further, interconnection customers with Provisional GIAs that seek to withdraw their interconnection request after Decision Point I forfeit all DPP milestone payments.¹⁷⁹

89. We also find that the replacement generating facility and ERIS-to-NRIS exemptions in the Exemptions Proposal do not violate open access requirements considering the inherent practical limitations that restrict their use. As noted in the

Stats. & Regs. ¶ 31,036 at 31,647 (“An open access tariff that is not unduly discriminatory or anticompetitive should offer third parties access on the same or comparable basis, and under the same or comparable terms and conditions, as the transmission provider’s uses of its system.”); Order No. 2003, 104 FERC ¶ 61,103 at P 12 (“Interconnection is a critical component of open access transmission service, and standard interconnection procedures and a standard agreement applicable to Large Generators will serve several important functions: they will (1) limit opportunities for Transmission Providers to favor their own generation, (2) facilitate market entry for generation competitors by reducing interconnection costs and time, and (3) encourage needed investment in generator and transmission infrastructure.”)).

¹⁷⁶ January 2024 Order, 186 FERC ¶ 61,054 at P 177 (quotations and citations omitted).

¹⁷⁷ Witmeier Test. at 29 (“This exemption is available to any Interconnection Customer willing to assume [Provisional GIA] risks”).

¹⁷⁸ MISO Tariff, attach. X (GIP) (166.0.0), § 7.9.2.

¹⁷⁹ *Id.* § 7.9.3.

January 2024 Order, the Commission has identified situations in the generator interconnection process where granting priority in some form did not compromise open access. For instance, in Order No. 845, the Commission determined that surplus interconnection service did not violate open access requirements “in light of the substantial potential benefits of and inherent practical limitations on [its] use.”¹⁸⁰ To this point, MISO states that the replacement generating facility and ERIS-to-NRIS exemptions are only available to interconnection customers that seek to “add incremental new service to an existing generating facility.”¹⁸¹ To qualify for such exemptions, interconnection requests must be tied to existing generating facilities (or generating facilities under construction), have demonstrated site control, and have defined points of interconnection. These practical limitations restrict the use of these exemptions, like the practical limitations that restrict the use of surplus interconnection service. Consequently, we find that the Exemptions Proposal does not undermine open access in the generator interconnection process.

90. We also find that the replacement generating facility and ERIS-to-NRIS exemptions are not unduly discriminatory because the exempted interconnection requests are not similarly situated to other types of interconnection requests. These exempted interconnection requests are associated with generating facilities that are already in service or already have an executed GIA and, therefore, demonstrate a higher degree of commercial readiness.¹⁸² To this point, we first note the Commission’s finding in the January 2024 Order that the replacement generating facility exemption was unduly discriminatory because the proposed queue cap did not apply to exempted interconnection requests.¹⁸³ In contrast, in the instant Exemptions Proposal, MISO has applied the queue cap to exempted interconnection requests, as discussed above. Additionally, based on representations from MISO on its experience with its generator replacement process, this exemption is unlikely to be invoked with frequency. Furthermore, the Commission has previously acknowledged that interconnection requests associated with replacement generating facilities are not similarly situated to interconnection requests associated with new generating facilities.¹⁸⁴

¹⁸⁰ *Reform of Generator Interconnection Procs. & Agreements*, Order No. 845, 163 FERC ¶ 61,043, at P 479 (2018), *order on reh’g*, Order No. 845-A, 166 FERC ¶ 61,137, *order on reh’g*, Order No. 845-B, 168 FERC ¶ 61,092 (2019).

¹⁸¹ Witmeier Test. at 22.

¹⁸² Transmittal at 22.

¹⁸³ See January 2024 Order, 186 FERC ¶ 61,054 at P 178.

¹⁸⁴ See *Midcontinent Indep. Sys. Operator, Inc.*, 167 FERC ¶ 61,146, at PP 62-66 (2019) (finding that owners of generating facilities with an existing GIA seeking to

91. Additionally, we reject requests made by DTE, MISO South Regulators, Cordelio, and Duke Indiana, that we condition our acceptance of the Exemptions Proposal upon the inclusion of an exemption for resource adequacy-related projects (e.g., a RERRA exemption) or a fast-track process for such projects or the unfiled ERAS proposal. Such proposals are not before the Commission in this FPA section 205 proceeding.

92. Finally, we dismiss concerns from MISO South Regulators that the Exemptions Proposal is *ultra vires* of the FPA. As FPA Part II concerns “the transmission of electric energy in interstate commerce”¹⁸⁵ and because generator interconnection is a “critical component of open access transmission service,”¹⁸⁶ if a public utility wishes to modify its generator interconnection procedures on file with the Commission, it must file its proposal to do so pursuant to FPA section 205. Therefore, we disagree with MISO South Regulators that the Exemptions Proposal impermissibly treads on the exclusive authority of state retail regulators.

replace and retire those generating facilities are not similarly situated to developers of new resources for the purpose of obtaining interconnection service because they already have gone through the interconnection process where their projects were studied and faced cost responsibility for necessary network upgrades, and have had their projects incorporated into the transmission planning “base case,” all of which, coupled with the generating facilities’ actual operational history, provide a practical benchmark of what generation capacity and electrical characteristics can operate without new network upgrades at that particular point of interconnection); *see also Edison Mission Energy v. Midwest Indep. Transmission Sys. Operator, Inc.*, 136 FERC ¶ 61,035, at P 44 (2011) (“We do not find it unduly discriminatory to treat interconnection requests that did not fall within . . . [an] exemption differently, because those interconnection requests were not similarly-situated at the time the revised GIP became effective.”).

¹⁸⁵ 16 U.S.C. § 824(b)(1).

¹⁸⁶ Order No. 2003, 104 FERC ¶ 61,103 at P 9.

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The Commission orders:

MISO's proposed Tariff revisions are hereby accepted, effective January 31, 2025, as requested, as discussed in the body of this order.

By the Commission. Chairman Christie is concurring with a separate statement attached.
Commissioner Chang is not participating.

(S E A L)

Carlos D. Clay,
Deputy Secretary.

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Midcontinent Independent System Operator, Inc.

Docket No. ER25-507-000

(Issued January 30, 2025)

CHRISTIE, Chairman, *concurring*:

1. I concur with today's order. I write separately to encourage MISO to develop an exemption to MISO's queue cap for a proposed generation facility that is designated by state utility regulators¹ as necessary to achieve resource adequacy.
2. On January 19, 2024, the Commission issued an order that accepted MISO's qualitative queue reforms filed in Docket No. ER24-340-000 but rejected MISO's first queue cap proposal filed in a separate docket, Docket No. ER24-341-000.² I concurred in part and dissented in part, opposing the Commission's rejection of MISO's first queue cap proposal.³ As part of MISO's first queue cap proposal, MISO proposed an exemption for state-designated generators, and the Commission wrongly rejected that exemption in the January 2024 Order.⁴
3. Here, in this second try for a queue cap, MISO failed to include a state exemption, perhaps being gun shy after the Commission's ill-considered rejection of MISO's state exemption on its first try. I am nonetheless disappointed in MISO's failure to include a state exemption in its second filing, as the membership of the Commission has changed significantly since last January and has already shown much more acknowledgement of the critically important role played by state utility regulators in ensuring reliable power to

¹ The technical term used in both this order and the January 2024 Order is "RERRA," which stands for "relevant electric retail regulatory authority."

² *Midcontinent Indep. Sys. Operator, Inc.*, 186 FERC ¶ 61,054 (2024) (January 2024 Order), *order on reh'g*, 187 FERC ¶ 61,031 (2024).

³ *Id.* (Christie, Comm'r, concurring in part and dissenting in part) (Christie Statement), <https://www.ferc.gov/news-events/news/commissioner-christies-concurrence-part-and-dissent-part-concerning-miso-gip>.

⁴ See January 2024 Order, 186 FERC ¶ 61,054 at PP 172-179.

their states' consumers.⁵ MISO should have stuck to its guns and vigorously restated its reasons for including a state exemption.⁶

4. That said, as the order recognizes, a state exemption is not before the Commission in this proceeding, and the Commission is limited to addressing the specific section 205 filing before it.⁷ Given the dire need for the queue cap, I am compelled to support MISO's proposal.⁸

⁵ See, e.g., *Bldg. for the Future Through Elec. Reg'l Transmission Planning & Cost Allocation*, Order No. 1920-A, 189 FERC ¶ 61,126, at P 2 (2024) ("In this order, we refine and improve Long-Term Regional Transmission Planning by building on the reforms adopted in Order No. 1920, with a particular focus on ensuring that states have a robust role in Long-Term Regional Transmission Planning and cost allocation processes established in this rule."); *id.* P 10 ("[T]he modifications and clarifications granted on rehearing expand states' critical role in determining the cost allocation approach most suitable for each transmission planning region. These modifications and clarifications are necessary because the Commission recognizes that states play a critical role in the successful planning of, the decision about how to pay for, and ultimately, the deployment of beneficial regional transmission facilities.").

⁶ The Organization of MISO States, Inc. (OMS) overwhelmingly supported the state exemption proposal in MISO's first filing, as I noted in my prior statement. Christie Statement at P 7 & n.10 (quoting OMS Comments, *Midcontinent Indep. Sys. Operator, Inc.*, Docket No. ER24-341-000, at 8 (filed Dec. 4, 2023) ("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.")). Here, OMS supports MISO's filing without such an exemption, and the OMS Comments do not offer an explanation for the apparent change of position on the state exemption. See OMS Dec. 16, 2024 Comments at 6 ("One significant change that is particularly relevant to OMS is the removal of a '[RERRA] exemption' that would have allowed states to identify projects needed for resource adequacy and created an avenue for these necessary projects to be studied regardless of where they fell under the Queue Cap.").

⁷ See Order at P 91.

⁸ See, e.g., Transmittal at 1-2 ("The evidence convincingly demonstrates that absent a method for managing the rapidly growing size and complexity of the queue, the recent queue reforms mandated by [the Commission] and MISO's extensive queue

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For these reasons, I respectfully concur.

Mark C. Christie
Chairman

reform efforts will be less—if not entirely—ineffective both in maintaining an efficient process and in facilitating study assumptions that reflect realistic system conditions and assumptions.” (citation omitted)); *see also* Order at P 31.

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