

156 FERC ¶ 61,116
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Cheryl A. LaFleur, Tony Clark,
and Colette D. Honorable.

Midcontinent Independent System Operator, Inc.

Docket No. ER16-1758-000

ORDER ACCEPTING IN PART, SUBJECT TO CONDITION, AND REJECTING IN
PART TARIFF REVISIONS

(Issued August 19, 2016)

1. On May 23, 2016, 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 its Open Access, Transmission, Energy and Operating Reserve Markets Tariff (Tariff) pertaining to System Support Resources (SSRs).³ In this order, we accept in part, subject to condition, and reject in part MISO's proposed Tariff revisions, effective August 22, 2016, as discussed below.

I. Background

2. Under MISO's Tariff, market participants that have decided to retire or suspend a generation resource or SCU must submit a notice (Attachment Y Notice), pursuant to Attachment Y (Notification of Potential Resource/SCU Change of Status) of the Tariff, at least 26 weeks prior to the resource's retirement or suspension effective date. During this 26-week notice period, MISO will conduct a study (Attachment Y Reliability Study) to

¹ 16 U.S.C. § 824d (2012).

² 18 C.F.R. pt. 35 (2015).

³ MISO's Tariff defines SSRs as "Generation Resources or Synchronous Condenser Units [(SCUs)] that have been identified in Attachment Y – Notification to this Tariff and are required by the Transmission Provider for reliability purposes, to be operated in accordance with the procedures described in Section 38.2.7 of this Tariff." MISO, FERC Electric Tariff, Module A, § 1.S, Definitions – S (42.0.0).

determine whether all or a portion of the resource's capacity is necessary to maintain system reliability, such that SSR status is justified. If so, and if MISO cannot identify an alternative to the SSR that can be implemented prior to the retirement or suspension effective date, then MISO and the market participant shall enter into an agreement, as provided in Attachment Y-1 (Standard Form SSR Agreement) of the Tariff, to ensure that the resource continues to operate, as needed.⁴

3. On July 25, 2012, in Docket No. ER12-2302-000, MISO submitted proposed Tariff revisions regarding the treatment of resources that submit Attachment Y Notices. On September 21, 2012, the Commission accepted, subject to condition, MISO's proposed Tariff revisions effective September 24, 2012, subject to two compliance filings due within 90 and 180 days of the date of the order.⁵ On July 22, 2014, the Commission accepted MISO's compliance filing, subject to condition.⁶ On December 17, 2015, the Commission issued an order on rehearing and accepted MISO's further compliance filing, subject to condition.⁷ On June 16, 2016, the Commission accepted in part and rejected in part MISO's further compliance filing.⁸

II. May 23 Filing

4. On May 23, 2016, MISO submitted proposed revisions to its Tariff to incorporate adjustments identified in the course of drafting SSR agreements from late 2012 to the present, and to adjust to best practices. MISO states that the filing results from its discussions in its dealings with stakeholders and through discussions at stakeholder

⁴ See *Midwest Indep. Transmission Sys. Operator, Inc.*, 108 FERC ¶ 61,163, *order on reh'g*, 109 FERC ¶ 61,157 (2004).

⁵ *Midwest Indep. Transmission Sys. Operator, Inc.*, 140 FERC ¶ 61,237 (2012). (2012 SSR Order).

⁶ *Midwest Indep. Transmission Sys. Operator, Inc.*, 148 FERC ¶ 61,056 (2014) (2014 Compliance Order).

⁷ *Midwest Indep. Transmission Sys. Operator, Inc.*, 153 FERC ¶ 61,313 (2015).

⁸ *Midwest Indep. Transmission Sys. Operator, Inc.*, 155 FERC ¶ 61,274 (2016) (directing MISO to "submit a compliance filing within 30 days of the date of this order that reflects only the provisions of its SSR procedures that have been accepted by the Commission herein and in the underlying Commission orders, which does not include language related to the retention and transfer of interconnection service").

meetings regarding the desired outcomes from the SSR program.⁹ As discussed more fully below, the SSR provisions at issue are contained in the Tariff at section 38.2.7, the Attachment Y Notice, and the Standard Form SSR Agreement.

III. Notice and Responsive Pleadings

5. Notice of MISO's filing in Docket No. ER16-1758-000 was published in the *Federal Register*, 81 Fed. Reg. 35,010 (2016), with interventions and protests due on or before June 13, 2016.

6. Timely motions to intervene were filed by: Consumers Energy Company; Entergy Services, Inc.; Exelon Corporation; NRG Power Marketing LLC and GenOn Energy Management, LLC; Xcel Energy Services; Michigan Attorney General and Michigan Agency for Energy; Wisconsin Public Service Corporation and Wisconsin Electric Power Company (Wisconsin Electric); WPPI Energy; and White Pine Electric Power, L.L.C. (White Pine). The Michigan Public Service Commission (Michigan Commission) filed a notice of intervention and late-filed comments. The Public Interest Organizations¹⁰ filed a joint motion to intervene and comments. Upper Peninsula Power Company (Upper Peninsula) filed an out-of-time motion to intervene.

7. On June 23, 2016, MISO filed a motion for leave to answer and answer. On July 15, 2016, White Pine filed an answer. On August 1, 2016, the Michigan Commission and Wisconsin Electric filed motions for leave to answer and answers.

IV. Discussion

A. Procedural Matters

8. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2015), the notice of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2015), the Commission will grant Upper Peninsula's out-of-time motion to intervene given its interest in the proceeding, the early stage of the proceeding, and the absence of any undue prejudice or delay.

⁹ MISO Transmittal Letter at 1.

¹⁰ The Public Interest Organizations include the following entities: Environmental Law and Policy Center; Earthjustice; Natural Resources Defense Council; and the Sustainable FERC Project.

9. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2015), prohibits an answer to a protest and/or answer unless otherwise ordered by the decisional authority. We will accept the answers filed by MISO, White Pine, the Michigan Commission, and Wisconsin Electric because they have provided information that assisted us in our decision-making process.

B. Substantive Matters

10. We accept in part, subject to condition, and reject in part MISO's proposed Tariff revisions, effective August 22, 2016, as discussed below.¹¹

1. Reorganization Between Proposed Attachment Y Notification Provisions (Section 38.2.7.a) and Proposed SSR Provisions (38.2.7.b)

a. MISO's Filing

11. MISO states that the proposed Tariff revisions reorganize section 38.2.7 by moving language that addresses general retirement and suspension notifications procedures so that it precedes the introduction to the SSR program. Further, MISO's revisions specify that units on forced outage and units that are pseudo-tied out of MISO must provide a 30-day notice period to MISO prior to retirement.¹² MISO submits that this change will permit MISO to better model for such units in its business processes and deal with associated transmission interconnection service in the same manner as other units connected to the transmission system in MISO's footprint.¹³

12. MISO proposes to clarify the eligibility for SSR consideration of a generation resource previously designated as a Blackstart unit but which is now the subject of an Attachment Y Notice. MISO proposes to continue the ineligibility of a unit for SSR consideration "to solely provide Blackstart Service" but contends that because a change

¹¹ The Commission can revise a proposal under section 205 of the FPA as long as the filing utility accepts the change. *See City of Winnfield*, 744 F.2d 871, 875-77 (D.C. Cir. 1984). The filing utility is free to indicate that it is unwilling to accede to the Commission's conditions by withdrawing its filing.

¹² According to MISO, these units continue to be ineligible for SSR designation.

¹³ MISO Transmittal Letter at 3-5.

in status for a Blackstart unit may also have other reliability implications, MISO should treat the situation the same as it would for other resources.¹⁴ Thus MISO proposes the following language: “However, the Transmission Provider may determine that SSR Unit status is justified if such Generation Resource is required to maintain the reliability of the Transmission System based on its Attachment Y Reliability Study.”¹⁵

b. Commission Determination

13. We accept MISO’s proposed reorganization to sections 38.2.7.a and 38.2.7.b as it provides clarity to the Attachment Y Notification and SSR designation process and addresses the retirement notification process for pseudo-tied out units and units on forced outage. We accept MISO’s revision with regard to units that previously provided Blackstart service, i.e., that upon receiving an Attachment Y Notice, MISO may review these units to determine if they are required to maintain the reliability of the Transmission System based on a unit’s Attachment Y Reliability Study, i.e., to address other reliability implications. We agree with MISO’s explanation that clarifying the circumstances under which certain units are exempt from the Attachment Y Notification and SSR designation process will assist MISO in its transmission planning process.

2. Revisions to Confidentiality Provisions

a. MISO’s Filing

14. MISO states that the 2012 SSR Order maintained the confidentiality of retirement decisions in instances when MISO determines that a generator or SCU is not a candidate for SSR designation. MISO contends, however, that other situations were left less clear such as when a retirement date arrives or when the retirement decision information is required for planning purposes.¹⁶ MISO states that the proposed revisions in the instant proceeding clarify the confidentiality provisions without seeking a fundamental change that would reveal all retirement notifications.¹⁷

¹⁴ *Id.* at 5.

¹⁵ MISO retains language stating that section 38.2.7 shall not modify or alter a Transmission Operator’s obligations under the Tariff to identify Blackstart units that are included in its System Restoration Plans.

¹⁶ MISO Transmittal Letter at 5.

¹⁷ *Id.* at 5-6 (citing 2012 SSR Order, 140 FERC ¶ 61,237 at P 37).

15. Specifically, MISO proposes to treat all Attachment Y Notices as confidential until the retirement date certified by the owner in an Attachment Y Notice unless the information is otherwise publicly disclosed, unless otherwise provided in section 38.2.7.¹⁸ MISO contends that the proposed revision serves the purpose of maintaining confidentiality in circumstances where the owner of the Generator or SCU has not completed its internal arrangements for the retirement and a non-confidential notification process might cause delays. MISO submits that this need for confidentiality falls away at the retirement date and provides MISO with a bright line test of whether information regarding a retirement may be publicly disclosed.¹⁹

16. MISO states that exceptions to confidential treatment of the Attachment Y Notice and Attachment Y Reliability Study information are needed for SSR and other planning purposes. MISO states that its proposed revisions restate this situation as an exception to the general confidentiality statement and moves the provision from the existing section 38.2.7.a to the proposed section 38.2.7.b.²⁰ MISO further states that its proposals clarify the use of retirement data in planning studies. MISO's proposed section 38.2.7.b states:

The Transmission Provider may use information related to Retire or Suspend status in its Transmission Planning processes (pursuant to Attachment FF and the Transmission Planning [Business Practice Manual]) and in its Generator Interconnection process (pursuant to Attachment X and the Generation Interconnection [Business Practice Manual]), provided that

recipients of the information have signed appropriate Non-Disclosure Agreements with the Transmission Provider.²¹

¹⁸ *Id.* at 6. One exception continues to be where a generation resource or SCU is required to maintain system reliability and would be eligible for treatment as an SSR Unit.

¹⁹ *Id.*

²⁰ *Id.*

²¹ MISO, FERC Electric Tariff, Generation Suspension, Generation Retirement, and System Sup, § 38.2.7.b, SSR Unit Procedures (44.0.0). We note that MISO's Transmittal Letter provided a different quotation than MISO's actual proposed Tariff language. MISO Transmittal Letter at 6-7.

17. MISO contends this use of the information will make Attachment Y Notice information known only to those persons who participate, on a protected basis, in the transmission study process.²²

b. The Public Interest Organizations' Comments

18. The Public Interest Organizations contend that the Commission should require MISO to make all Attachment Y Notices public upon filing with MISO. According to the Public Interest Organizations, providing this information will assist market participants in understanding changes in the generation mix, and will help support more just and reasonable rates. The Public Interest Organizations state that PJM Interconnection LLC (PJM) publishes three lists relating to generator deactivation requests, i.e., Generator Deactivations, Future Deactivation Requests, and Withdrawn Deactivations, and argue that PJM's system of publishing deactivation requests would be a good model for MISO to follow.²³

19. While the Public Interest Organizations recognize that the Commission addressed this issue in the 2012 SSR Order, the Public Interest Organizations argue that the current market conditions call for the disclosure of all Attachment Y Notices.²⁴ First, the Public Interest Organizations assert that MISO's Resource Adequacy Construct, implemented in 2013 and 2014, provides a market for capacity resources which would benefit from more information on unit retirements and suspensions, especially for those units scheduled to retire past the end of the annual auction period. Second, the Public Interest Organizations note that MISO's reserve margin has tightened since 2012, and early notification of retiring resources would provide states and market participants more time to assess investment and resource needs. Third, the Public Interest Organizations contend that it is impossible for stakeholders to give feedback on whether or not a reliability issue exists before MISO has completed its reliability analysis if stakeholders do not have knowledge of what units are seeking suspension or retirement. Fourth, the Public Interest Organizations argue that the U.S. Environmental Protection Agency's Clean Power Plan under the Clean Air Act²⁵ could have significant effects on generation plant economics and MISO's planning and operations. The Public Interest

²² MISO Transmittal Letter at 7.

²³ Public Interest Organizations Comments at 5.

²⁴ *Id.* at 6 (citing 2012 SSR Order, 140 FERC ¶ 61,237).

²⁵ See *Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units*, 80 Fed. Reg. 64,662 (Oct. 23, 2015).

Organizations assert that public notification of all retirements would allow MISO to give clear market signals to incent new generation when and where needed. Therefore, the Public Interest Organizations urge the Commission to reconsider its decision from the 2012 SSR Order recognizing that the circumstances in the MISO market have changed since 2012.²⁶

c. MISO's Answer

20. In its answer, MISO notes that its filing sought clarity regarding confidentiality without seeking a fundamental change that would reveal all retirement notifications since that matter was addressed by the Commission, as the Public Interest Organizations recognize in their protest.²⁷ Furthermore, MISO contends that the Public Interest Organizations' arguments are beyond the scope of MISO's proposed Tariff revisions, and, according to MISO, three of the Public Interest Organizations' four rationales argue for a resource adequacy-related change that is not the subject of MISO's filing. MISO further argues that the Public Interest Organizations do not explain how additional stakeholder feedback would be helpful to augment the MISO study process, as stakeholders are provided an opportunity to comment on the need for SSR designation under the circumstance that MISO's Attachment Y Reliability Study reveals a reliability issue.²⁸

d. Commission Determination

21. We accept MISO's revisions to its confidentiality provisions to clarify when MISO is able to publicly announce a retirement.

22. Regarding the Public Interest Organizations' request to publicly notice unit retirements upon MISO's receipt of an Attachment Y Notice, we find that it is outside of the scope of MISO's filing, which we are accepting as a just and reasonable improvement to MISO's Tariff as it provides for greater clarity and transparency than MISO's current notice provision.

23. That said, we recognize that PJM provides for even greater transparency by subjecting all official future generator deactivation requests to public notice. If the

²⁶ Public Interest Organizations Comments at 6-7.

²⁷ MISO Answer at 3-4 (citing 2012 SSR Order, 140 FERC ¶ 61,237 at P 37 (citation omitted)).

²⁸ *Id.* at 4.

Public Interest Organizations continue to believe that, in light of current market conditions, MISO's process fails to strike the appropriate balance between ensuring transparency in the transmission planning process and ensuring that confidential information is not inappropriately disclosed, they may raise their concerns through MISO's stakeholder process or may file a complaint with the Commission pursuant to section 206 of the FPA. We also encourage MISO independently to explore the possibility of allowing for greater transparency due to changing market conditions, further experience with the SSR and transmission planning processes, or other factors.

3. Revisions to Modification/Rescission of Attachment Y Notice

a. MISO's Filing

24. MISO proposes to revise various provisions that address modification or rescission of the decision to suspend or retire.²⁹ MISO proposes to clarify section 38.2.7.a.i to require that the decision to retire or suspend must be definitive at the time of submittal of the Attachment Y Notice, and remain so, unless modified by rescission as specifically provided in section 38.2.7. MISO also proposes to revise section 38.2.7.d, which provides the circumstances under which modification or rescission can be made to the decision stated in the Attachment Y Notice submitted to MISO.³⁰ MISO states that section 38.2.7.d provides three situations by which modification or rescission of an Attachment Y Notice may take place: (1) rescission prior to the transmission provider's reliability study response (section 38.2.7.d.i); (2) modification or rescission after an owner receives the results of the Attachment Y Reliability Study, but prior to commencing suspension, retirement, or an SSR agreement (section 38.2.7.d.ii); and (3) modification or rescission after commencing a suspension, retirement or an SSR agreement (section 38.2.7.d.iii).³¹ MISO states its proposed revisions are intended to provide clarity and eliminate gaps within the existing provisions.³²

25. In the first situation, i.e., rescission of an Attachment Y Notice *prior* to the MISO's reliability study response, the existing Tariff provides that notification of rescission must be provided within five Business Days. MISO proposes that this be revised to not more than fifteen Business Days after receiving notice that the

²⁹ MISO Transmittal Letter at 8.

³⁰ *Id.*

³¹ *Id.* at 8-10.

³² *Id.*

Attachment Y Reliability Study is complete. This change is proposed by MISO to address a recommendation by the Independent Market Monitor in connection with alignment of the Attachment Y process and the Planning Resource Auction.

26. In the second situation, i.e., rescission or modification *after* the owner receives the results of the Attachment Y Reliability Study, but *prior* to commencing suspension, retirement, or an SSR agreement, the proposed Tariff clarifies three subcases. For generation resources or SCUs that are not needed for reliability purposes, MISO proposes to allow modification of a suspension where MISO has approved the suspension and where the revised date for suspension lies within the original suspension period that MISO has studied.³³ A decision to continue service once the generator is approved for retirement is treated like the entry of a new generator (i.e. “re-entering the generator interconnection queue”). As before, a generation resource or SCU that MISO has determined will be designated as an SSR may rescind its retirement or modify its suspension dates.

27. In the third situation, i.e., modification or rescission *after* commencing a suspension, retirement or an SSR agreement, MISO again proposes to allow modification of a suspension notification where MISO has approved the suspension and where the revised date for suspension lies within the original suspension period that MISO has studied.³⁴ MISO however continues to require that a notification of retirement be a matter of certainty and that a decision to continue service once the unit is approved for retirement be treated like the entry of a new generator. An owner of an SSR Unit may rescind its decision to suspend or retire by notifying MISO in writing, or may modify its decision to suspend or retire by submitting an amended Attachment Y Notice with a modified effective date.

³³ If MISO has determined that the generator or SCU is not needed for reliability purposes, it may rescind its decision to suspend by notifying MISO in writing. A generator that has not commenced its suspension and wishes to modify its suspension period to dates that fall outside of the suspension period originally submitted in its Attachment Y Notice must submit an amended Attachment Y Notice twenty-six weeks prior to the new effective date of suspension.

³⁴ Similar to above, a generator or SCU that is not needed for reliability purposes and has commenced its suspension may rescind its decision to suspend by notifying MISO in writing. A generator or SCU that has commenced its suspension and wishes to modify its suspension period to dates that fall outside of the suspension period originally submitted in its Attachment Y Notice must submit an amended Attachment Y Notice twenty-six weeks prior to the new effective date of suspension.

b. Comments

28. The Michigan Commission states that it supports MISO's revisions to the modification and rescission provisions of the Tariff.³⁵

29. The Public Interest Organizations contend that MISO's revisions to the modification and rescission provisions of MISO's Tariff do not explain how MISO will handle reliability issues once a generator changes its status, nor do the revisions address situations where a resource toggles back and forth between retirement, suspension, or staying in service.³⁶ The Public Interest Organizations argue that there is nothing in MISO's proposal that would prevent generators from getting SSR payments for a period of time, then rescinding Attachment Y Notices to stay online, which, according to the Public Interest Organizations, would effectively allow generators to avoid unfavorable market conditions for a time while still receiving out of market payments until economic conditions improve.³⁷

30. The Public Interest Organizations contend that the Presque Isle SSR filings³⁸ demonstrate a need for further revisions to MISO's Tariff. According to the Public Interest Organizations, Wisconsin Electric Power Company (Wisconsin Electric) submitted a request to *suspend* operations at Presque Isle from February 1, 2014 until June 1, 2015, however MISO determined that the units were needed for reliability reasons as SSR Units until certain transmission projects were completed shortly after 2020. The Public Interest Organizations state that an SSR agreement was executed for a term of February 1, 2014 to January 31, 2015, with Wisconsin Electric voluntarily agreeing to resume operations on February 1, 2015. Subsequently, the Public Interest Organizations explain, Wisconsin Electric submitted an Attachment Y Notice to *retire* the units on October 15, 2014, which resulted in a new SSR agreement through December 31, 2015. The Public Interest Organizations state that Wisconsin Electric then

³⁵ Michigan Commission Comments at 3-4.

³⁶ Public Interest Organizations Comments at 9.

³⁷ *Id.*

³⁸ The Public Interest Organizations cite to the following orders when discussing the "Presque Isle SSR filings": *Midcontinent Indep. Sys. Operator, Inc.*, 147 FERC ¶ 61,004 (2014); *Midcontinent Indep. Sys. Operator, Inc.*, 149 FERC ¶ 61,114 (2014); *Midcontinent Indep. Sys. Operator, Inc.*, 151 FERC ¶ 61,051 (2015).

rescinded the Attachment Y Notice, returning the Presque Isle units to voluntary operation, and the SSR agreement was terminated effective February 1, 2015. The Public Interest Organizations argue that throughout this process there was significant confusion about grid reliability in the Upper Peninsula of Michigan, there were no clear market signals sent to prospective new generators or demand response providers, and the associated costs of this protracted SSR seesawing are still not resolved.³⁹ The Public Interest Organizations request that the Commission require MISO to conduct a stakeholder process regarding the issues raised by the Presque Isle SSR process, and file Tariff revisions to the SSR process within one year.⁴⁰

c. MISO's Answer

31. In response to the Public Interest Organizations' comments, MISO clarifies that the unresolved matters regarding Presque Isle involve compensation, which, according to MISO, can occur regardless of changes in status that the Public Interest Organizations refer to in their comments.⁴¹ Further, MISO argues that the Presque Isle cases reveal the purposeful operation of Tariff provisions that permit the owner of generators a level of flexibility in decision-making. MISO cites the 2012 SSR Order, which reads:

MISO's proposal to provide resources with greater flexibility to modify their retirement and suspension decisions is designed to balance the flexibility that resource owners need to alter those decisions due to changing regulatory requirements and economic conditions and the certainty of generator decision MISO needs for its planning process.⁴²

32. MISO argues that its planning process is aided by certainty in generator decision-making, which, according to MISO, is partly served by the limitations on rescissions of suspension and retirement notifications. MISO contends that such rescissions are accompanied by potential financial consequences. MISO argues that the balancing of certainty and flexibility proposed by MISO in 2012, which the Public Interest Organizations seek to reverse, resulted from stakeholder input. MISO submits that the

³⁹ Public Interest Organizations Comments at 8.

⁴⁰ *Id.* at 9.

⁴¹ MISO Answer at 5 (citing *Midcontinent Indep. Sys. Operator, Inc.*, 148 FERC ¶ 61,071, at P 89 (2014); *Midcontinent Indep. Sys. Operator, Inc.*, 149 FERC ¶ 61,114 at P 24; *Midcontinent Indep. Sys. Operator, Inc.*, 150 FERC ¶ 61,104, at P 94 (2015)).

⁴² *Id.* at 6 (citing 2012 SSR Order, 140 FERC ¶ 61,237 at P 61).

Public Interest Organizations should address their concerns at the appropriate, regular MISO stakeholder meetings. MISO argues that the Commission should refrain from imposing the Public Interest Organizations-requested results upon other stakeholders and the stakeholder process.⁴³

d. Commission Determination

33. We accept MISO's revisions to its modifications and rescission provisions, as those revisions clarify both the procedures for, and the consequences of, modifying or rescinding an Attachment Y Notice. In response to the Public Interest Organizations' comment, we decline to direct MISO to convene a stakeholder process. We encourage the Public Interest Organizations to raise their concerns with MISO during the regular stakeholder process.

34. Regarding the Public Interest Organizations' argument that resources can toggle back and forth between retirement, suspension, or staying in service without penalty, we disagree. Resources are not able to toggle back and forth without consequence. For example, section 38.2.7.e.ii of the Tariff requires an owner of a generation resource or SCU that returns to service upon failure to Retire or Suspend according to an Attachment Y Notice to be allocated the total costs of Network Upgrades incurred or committed to as of the date of the notification of modification of the decision to Retire or Suspend that were necessitated by the Attachment Y Notice.⁴⁴ Similarly, and as discussed later in this order, an owner or operator of a generation resource or SCU that returns its unit to service following its designation as an SSR unit must refund with interest all costs, less depreciation, for repairs and capital expenditures that were needed to continue operation of the unit and meet applicable regulations and other requirements (including environmental) while the unit was subject to an SSR agreement.⁴⁵

⁴³ *Id.*

⁴⁴ *See* MISO, FERC Electric Tariff, Generation Suspension, Generation Retirement, and System Sup, § 38.2.7.e.ii, Refund of Costs (44.0.0).

⁴⁵ *Id.* § 38.2.7.e.i, Refund of Costs (44.0.0).

4. **Revisions to the Execution, Filing, and Compensation of SSR Agreements**

a. **MISO's Filing**

35. MISO proposes to revise sections 38.2.7.f and 38.2.7.j to conform with the split of filing responsibilities between MISO and the market participant that owns or operates the SSR-designated unit. MISO's proposed revisions clarify that MISO files the SSR agreement terms and conditions, which incorporates approved hourly compensation for variable costs, while the market participant makes a separate filing for compensation additional to this Tariff-provided hourly compensation.⁴⁶ MISO proposes to move the provision that states that the SSR agreements "incorporate the compensation authorized by the Commission" to section 38.2.7.f to clarify that this provision applies in all cases, not just the circumstances when MISO and the market participant cannot agree on compensation.⁴⁷

36. MISO states that its experience with the MISO SSR program, which includes both MISO's application of Tariff provisions as well as the results stated in Commission orders, has resulted in new procedures for determining compensation for SSR service. MISO contends that its proposal recognizes these developments by adjusting roles for the determination of SSR compensation. MISO states that, just as the currently effective Tariff provides, MISO's proposal provides in section 38.2.7.f that MISO will determine the terms and conditions appropriate for maintaining transmission system reliability along with the appropriate market participant.⁴⁸ MISO contends that this framework provides compensation according to a component that is computed hourly, according to normal market processes and settlement procedures, in addition to any "additional compensation the Market Participant deems appropriate that is associated with the SSR Agreement filed by [MISO]" that is approved by the Commission.⁴⁹

37. MISO states that its proposed process recognizes two SSR developments. First, the market participant may, under an existing Tariff provision, file for compensation that

⁴⁶ MISO Transmittal Letter at 10.

⁴⁷ *Id.* at 11 (citing *AmerenEnergy Resources Generating Co.*, 153 FERC ¶ 61,062, at P 67 (2015) (Ameren Complaint Rehearing Order)).

⁴⁸ *Id.*

⁴⁹ *Id.* (citing MISO, FERC Electric Tariff, Generation Suspension, Generation Retirement, and System Sup, § 38.2.7.j.i, SSR Unit Compensation (44.0.0)).

it deems appropriate for SSR service. MISO states that the market participant possesses the information on its costs and is well positioned to explain those costs to the Commission and interested stakeholders. Second, according to MISO, because the Commission has routinely set compensation issues for settlement and hearing procedures in the more recent SSR filings, there is no advantage of a preliminary negotiation between MISO and the market participant.⁵⁰ MISO submits that its proposal streamlines the process for setting compensation as well as submitting SSR agreements to the Commission and alerting the public of the existence of an SSR designation.⁵¹

38. MISO states that the hourly computation of compensation stated in proposed section 38.2.7.j.ii results from MISO's experience negotiating "variable compensation" terms that were included in Exhibit 2 to recently-filed SSR agreements. The proposed variable compensation therefore is based on "Start Up, No Load, and Energy Offer cost components that reflect the actual costs of physically operating the SSR Units"⁵² as well as Operating Reserve Costs based on "the actual cost to provide Operating Reserve."⁵³ As stated previously, MISO also seeks to standardize the variable compensation around its market settlement process, as detailed in the proposed revised Standard Form SSR agreement at section 8.C.(4). MISO states that this language more clearly provides that the SSR Unit is either being run for reliability purposes, or if not required for reliability purposes and if otherwise available consistent with environmental and operational limitations, to be listed as an economic unit and offered at cost.⁵⁴ MISO notes in its transmittal letter that this prescriptive treatment eliminates "must run" as a commitment status, and the possibility that an SSR Unit might be run at the time of low locational

⁵⁰ *Id.* at 11-12.

⁵¹ *Id.* at 12.

⁵² *Id.* at 13 (citing MISO, FERC Electric Tariff, Generation Suspension, Generation Retirement, and System Sup, § 38.2.7.j.ii, SSR Unit Compensation (44.0.0)).

⁵³ *Id.*

⁵⁴ MISO moves language into section 38.2.7.j.ii which requires MISO to either: (1) provide a make-whole payment to the market participant for every hour the unit's compensation is less than its production cost and operating reserve cost; or (2) debit the market participant for every hour the unit's compensation exceeds its production cost and operating reserve cost. This language comes from the Exhibit 2 of prior individual SSR agreements. *See* MISO, FERC Electric Tariff, Generation Suspension, Generation Retirement, and System Sup, § 38.2.7.j.ii, SSR Unit Compensation (44.0.0).

marginal prices and thereby accumulate financial losses that should not be borne by load-serving entities benefitting from the SSR designation.⁵⁵

b. Michigan Commission's Comments

39. The Michigan Commission states that it supports MISO's proposal to relieve itself of the obligation to request cost compensation for SSR Units. The Michigan Commission states that the current Tariff prevents both customers and state regulatory commissions from having an opportunity to offer input until after MISO and the unit's owner had reached an agreement and filed it with the Commission. The Michigan Commission contends that the proposed revisions allow MISO to share the burden of evaluating the owner's cost-related claims with other interested parties.⁵⁶

40. However, the Michigan Commission argues that generating unit owners should use a true-up mechanism before being permitted to recover costs. According to the Michigan Commission, a true-up mechanism would ensure that generating unit owners do not recover more than they actually spend to run the generating unit and, without a true-up mechanism, the owner can be overcompensated in the event that the actual costs incurred are less than the owner's forecasted going forward costs. The Michigan Commission notes that the Commission previously approved a true-up mechanism in the Presque Isle SSR proceeding. The Michigan Commission states that in that proceeding, it recommended that MISO include true-up provisions in its Standard Form SSR Agreement, to which MISO responded by suggesting that true-ups could be the subject of a filing for compensation directly with the Commission or comment upon such a filing.⁵⁷

41. The Michigan Commission argues that true-up provisions are common in other contexts and the same principles apply to SSR costs. Further, the Michigan Commission contends that the Commission has enough experience with true-ups to include such provisions in the Standard Form SSR agreement.⁵⁸

42. The Michigan Commission also contends that resource owners should use the FERC Uniform System of Accounts when classifying costs. The Michigan Commission

⁵⁵ *Id.* at 22.

⁵⁶ Michigan Commission Comments at 2-3.

⁵⁷ *Id.* at 4-5.

⁵⁸ *Id.* at 5-6.

submits that major electric utilities already provide historical cost information in the FERC Form 1 Reports, which classify costs using the FERC Uniform System of Accounts, and that requiring SSR Units to use the FERC Uniform System of Accounts will allow MISO and other stakeholders to compare this information with their historical FERC Form 1 Report data.⁵⁹

c. White Pine's Answer

43. White Pine argues that the Michigan Commission has proposed a true-up mechanism numerous times and the Commission has yet to adopt one, and according to White Pine nothing in Michigan Commission's comments warrants a different result in this proceeding.⁶⁰ White Pine further argues that the cases the Michigan Commission cites are distinguishable from the instant proceeding because those cases involve formula rate proposals and fuel cost tracking mechanisms, which are designed to fully recover a company's actual costs. White Pine submits that the Michigan Commission is proposing that a generator's forecasted cost be subject to an after-the-fact downward adjustment, which would prolong the settlement process by requiring a continual re-visitation of SSR costs until long after the SSR agreement has expired.⁶¹

44. Regarding the Michigan Commission's proposal to require generation owners to use the FERC Uniform System of Accounts when classifying costs, White Pine contends that the Michigan Commission fails to acknowledge that FERC Form No. 1 Reports are required by major electric utilities, which White Pine is not. White Pine argues that the cost of adopting the Uniform System of Accounts is grossly disproportionate to any value it could add to the SSR process.⁶² White Pine states that requiring SSR generators to adopt the Uniform System of Accounts will result in no discernable benefit to the public and impose a substantial burden on SSR generators and ultimately on their customers.⁶³

⁵⁹ *Id.* at 6-7.

⁶⁰ White Pine Answer at 3.

⁶¹ *Id.* at 3-4.

⁶² *Id.* at 4-5.

⁶³ *Id.* at 5.

d. Michigan Commission's Answer

45. The Michigan Commission states that its proposal to require generation owners to use the FERC Uniform System of Accounts when classifying costs was intended to target major electric utilities, not White Pine or other small market participants. The Michigan Commission revises its proposal to amend the SSR provisions of MISO's Tariff to require major electric utilities to use FERC Form 1 Reports when providing actual projected cost information about their generating units, and to require other market participants to use Generally Accepted Accounting Principles (GAAP) when providing this information.⁶⁴

e. Wisconsin Electric's Answer

46. Wisconsin Electric argues that the Michigan Commission's suggestion that generation owners should use the FERC Uniform System of Accounts when classifying costs is in direct opposition to established Commission precedent regarding compensation determinations under SSR agreements and, therefore, the proposal should not be accepted.⁶⁵ Wisconsin Electric argues that the Michigan Commission is attempting to turn SSR proceedings into full-blown cost-of-service rate cases, but Wisconsin Electric contends that the backstop reliability conditions under which an SSR agreement is developed are dissimilar to the circumstances that necessitate a cost-of-service rate case.⁶⁶

f. Commission Determination

47. We accept MISO's proposed revisions to its Tariff regarding the execution, filing, and compensation of SSR agreements. We find that MISO's proposed revisions to 38.2.7.f and 38.2.7.j clarify the specific roles of MISO and the owner/operator of an SSR Unit in the filing process. Further, we agree with MISO that, given that many recent SSR filings have set compensation issues for settlement and hearing procedures, the advantage of requiring that MISO and the market participant undergo preliminary compensation negotiations prior to executing an SSR agreement is limited and outweighed by the administrative burden of conducting such negotiations.

⁶⁴ Michigan Commission Answer at 3.

⁶⁵ Wisconsin Electric Answer at 4 (citing (*Midwest Indep. Transmission Sys. Operator, Inc.*, 140 FERC ¶ 61,237 at P 140 (“[W]e will not require MISO to adopt a cost-based, rather than negotiated, approach for determining SSR compensation . . .”))).

⁶⁶ *Id.* at 4-5.

48. We decline the Michigan Commission's request that MISO implement a true-up provision in its Standard Form SSR Agreement as well as its request to require major utility owners to classify their costs using the FERC Uniform System of Accounts and all others to use GAAP. Both requests are outside the scope of this proceeding, and MISO has sufficiently supported its proposed changes.⁶⁷ MISO has only proposed Tariff revisions clarifying that any compensation additional to the Tariff-provided hourly compensation will be addressed in separate filings by the market participant that own or operate the SSR-designated units. Any concerns about the classification of costs pursuant to the FERC Uniform System of Accounts or use of true-up provisions should be raised in the proceedings involving those separate filings, and we will review those requests based on the nature of the costs which the resource owner seeks to recover in the proceeding.

5. Termination of Interconnection Service

a. MISO's Filing

49. MISO proposes to make conforming changes in section 38.2.7.k⁶⁸ to account for retirement notices for additional situations that are proposed in section 38.2.7.a.i.⁶⁹ MISO states that the revised provisions relating to the termination of interconnection service apply to all generation resources (including generation resources on forced outage and Blackstart units) as well as pseudo-tied out generators.⁷⁰ MISO also proposes to clarify that it will post expiring interconnection service in all instances, including situations where a facility is owned by a non-jurisdictional entity that does not file interconnection agreements with the Commission, and to take appropriate action at the Commission in the event that a Generation Interconnection Agreement has been

⁶⁷ See, e.g., *Cities of Bethany, et al. v. FERC*, 727 F.2d 1131, 1136 (D.C. Cir. 1984) (when determining whether a proposed rate was just and reasonable, the Commission properly did not consider "whether a proposed rate schedule is more or less reasonable than alternative rate designs"); *Cal. Indep. Sys. Operator Corp.*, 126 FERC ¶ 61,150, at P 254 ("[E]ven if an intervenor develops an alternative proposal, the Commission must accept a section 205 filing if it is just and reasonable, regardless of the merits of the alternate proposal.").

⁶⁸ In its Transmittal Letter, MISO erroneously states that the termination of interconnection service is found under section 38.2.7.j. It is found under section 38.2.7.k.

⁶⁹ See *supra* P 11.

⁷⁰ MISO Transmittal Letter at 14.

submitted to the Commission. MISO also notes that revised section 38.2.7.a.i eliminates all mention of the transfer of interconnection service and that the proposed evaluation of such requests will take place under Attachment X of the Tariff.⁷¹

b. Commission Determination

50. We accept MISO's proposed Tariff revisions relating to the termination of interconnection service in section 38.2.7.k because the revisions are necessary for conformity and also provide clarification.

51. Regarding MISO's statement that the evaluation of the transfer of interconnection service will take place under Attachment X of the Tariff, we note that the Commission ultimately rejected MISO's proposed Tariff revisions relating to the retention and transfer of interconnection service in the Commission's June 16, 2016 Order. Leading up to the June 16, 2016 Order, the Commission issued several orders conditionally accepting MISO's proposed Tariff revisions providing for the retention and transfer of interconnection service subject to MISO developing and filing procedures that ensure that such retention and transfer of interconnection service is offered on a fair, transparent, and nondiscriminatory basis and that comply with the filing requirements of section 205 of the FPA.⁷² In the June 16, 2016 Order, the Commission ultimately rejected MISO's

⁷¹ *Id.* at 14-15.

⁷² *See* 2012 SSR Order, 140 FERC ¶ 61,237 at P 47 (“We accept MISO’s proposal permitting owners and operators of retiring facilities to retain and transfer interconnection service on the condition that MISO modify its proposal as further discussed below to better explain its proposal and to ensure that such proposal will be implemented in a just and reasonable and not unduly discriminatory manner.”); 2014 Compliance Order, 148 FERC ¶ 61,056 at P 50 (“MISO has not proposed additional procedures to ensure that the transfer of interconnection service to a new generator, or to increase the capacity of an existing facility at the identical point of interconnection, is offered in a just and reasonable and not unduly discriminatory manner.”); *Midwest Indep. Transmission Sys. Operator, Inc.*, 153 FERC ¶ 61,313 at P 29 (“[We] direct MISO to submit a compliance filing . . . with procedures to ensure that the transfer and retention of interconnection service to another generator occurs in a manner that is just and reasonable and not unduly discriminatory or preferential.”); *Midwest Indep. Transmission Sys. Operator, Inc.*, 155 FERC ¶ 61,274 at P 20 (“MISO’s proposed Tariff revisions do not include additional procedures as required by the Commission; rather, MISO’s proposed Tariff revisions eliminate the ability to retain and transfer interconnection service from its SSR procedures and insert this ability into Attachment X, which merely moves this provision from one Tariff section to another without providing the requisite additional procedures.”).

attempts on compliance to develop the procedures that were directed by the Commission, and rejected MISO's proposed Tariff revisions providing for the retention and transfer of interconnection service that the Commission had originally accepted subject to condition in that proceeding.⁷³ The Commission explained that the rejection of MISO's proposal was without prejudice to MISO submitting a new proposal for retention and transfer of interconnection service to another generator pursuant to section 205 of the FPA but that any such proposal should address the Commission's concerns regarding a fair, transparent, and nondiscriminatory basis for retention and transfer of interconnection service.⁷⁴ Contrary to MISO's statement in the instant filing, retention and transfer of interconnection service cannot currently take place under Attachment X of the Tariff without additional procedures that ensure that retention and transfer of interconnection service is offered on a fair, transparent, and nondiscriminatory basis. Therefore, we direct MISO to remove any language related to the retention and transfer of interconnection service, consistent with the Commission's June 16, 2016 Order, including the language in the fifth paragraph of section 38.2.7.a.i referencing the replacement of a generation resource with another generation resource at the identical point of interconnection.⁷⁵ We direct MISO to refile the Tariff record removing the rejected language within 30 days of this order.

6. Refund of Costs Provisions

a. MISO's Filing

52. MISO proposes to clarify the conditions under which certain costs must be refunded following a return to service. MISO states that its proposed revision to section 38.2.7.e.i makes clear that a unit previously designated as an SSR Unit that subsequently retires is considered to have returned to service when the unit "returns by re-entering the generation interconnection queue."⁷⁶ MISO states that it makes a similar,

⁷³ *Midwest Indep. Transmission Sys. Operator, Inc.*, 155 FERC ¶ 61,274 at PP 19-21.

⁷⁴ *Id.* P 21 n.43.

⁷⁵ *See id.* PP 19-21.

⁷⁶ MISO Transmittal Letter at 15 (citing MISO, FERC Electric Tariff, Generation Suspension, Generation Retirement, and System Sup, § 38.2.7.e.i, Refund of Costs (44.0.0)).

conforming change to section 38.2.7.e.ii by adding “by re-entering the interconnection queue” at the point that references a unit “return[ing] from retirement.”⁷⁷

b. Commission Determination

53. We reject MISO’s proposed revisions to sections 38.2.7.e.i and 38.2.7.e.ii concerning the conditions under which certain costs must be refunded following a return to service. As explained further below, we find that MISO’s proposed revisions would have the effect of inappropriately limiting the situations in which a generation unit must refund certain costs incurred as a result of its designation as an SSR Unit or as a result of network upgrades necessitated or expedited due to a unit’s retirement or suspension by exempting those generators that return to service or return from retirement by means other than re-entering the generation interconnection queue from the refund requirements. We note that MISO’s current Tariff language in section 38.2.7.e.i is appropriately broad such that it includes in the refund requirement all SSR Units that return to service, whether the SSR Unit returns to service in MISO’s market, in markets other than MISO, as a behind-the-meter generator, or returns to service by any other means. MISO’s current Tariff language in section 38.2.7.e.ii is also appropriately broad to encompass a return from retirement that may not necessarily be a return from retirement by re-entering the interconnection queue.

54. In the 2012 SSR Order, the Commission shared MISO’s concern that “SSR Agreements could be used to make significant capital improvements to resources that will ultimately retire or to allow a resource owner to inappropriately recover the cost of long-term capital expenditures from load-serving entities in MISO.”⁷⁸ As such, the Commission directed MISO to “address the treatment of SSRs that later return to service, including to implement a refund provision that requires SSRs that later return to service to refund with interest all costs, less depreciation, of repairs or capital expenditures needed to meet the applicable environmental regulations.”⁷⁹

⁷⁷ *Id.* (citing MISO, FERC Electric Tariff, Generation Suspension, Generation Retirement, and System Sup, § 38.2.7.e.ii, Refund of Costs (44.0.0)).

⁷⁸ 2012 SSR Order, 140 FERC ¶ 61,237 at P 137. The Commission also addressed the principle of “allocating to resource owners the costs associated with their decisions to retire a resource and return the resource to service, or to suspend a resource and return the resource to service prematurely” and required MISO to propose further Tariff revisions regarding how it would identify and allocate those costs. *See id.* P 63.

⁷⁹ *Id.* P 138.

55. In the 2014 Compliance Order, the Commission found that MISO's proposed revisions "[did not] address the treatment of resources that were previously designated as SSRs but are no longer operating pursuant to an SSR Agreement (e.g., retired resources with expired SSR Agreements) that later return to service."⁸⁰ The Commission expressed concern that this "could allow SSR Agreements to be used to allow resource owners to inappropriately recover the cost of long-term capital expenditures from load-serving entities in MISO."⁸¹ As such, the Commission directed MISO to file further revisions regarding the treatment of SSRs that later return to service, including former SSRs that no longer operate pursuant to an SSR agreement. On December 17, 2015, the Commission accepted MISO's revisions related to SSR cost refunds.⁸²

56. It appears that, by restricting the cost refund provisions in section 38.2.7.e.i only to units that return to service through the generation interconnection queue, MISO's proposed revisions would limit the requirement to pay refunds only to situations where generators return to service in MISO's wholesale market. As the Commission has made clear in past orders, SSR agreements should not allow resource owners to inappropriately recover the cost of long-term capital expenditures from load-serving entities in MISO and then, at a later point, resume service.⁸³ This concern is present whether the resource returns to service by re-entering the generation interconnection queue or by other means as discussed above. Similarly, MISO's proposed revision in section 38.2.7.e.ii would also limit the requirement to pay refunds, where a unit returns from retirement, only to situations where the unit returns from retirement by re-entering the MISO interconnection queue.

57. Accordingly, we find that MISO's current Tariff language, which is appropriately broad such that it covers *all* units that return to service, is sufficient to ensure that the Commission's concerns expressed in the 2012 SSR Order and the 2014 Compliance Order are met. Therefore, we reject MISO's proposed revisions to sections 38.2.7.e.i and 38.2.7.e.ii that insert the phrases "(i.e. returns by re-entering the generation interconnection queue)" and "by re-entering the interconnection queue." We direct

⁸⁰ 2014 Compliance Order, 148 FERC ¶ 61,056 at P 44.

⁸¹ *Id.* P 44 (citing 2012 SSR Order, 140 FERC ¶ 61,237 at P 137).

⁸² *See Midwest Indep. Transmission Sys. Operator, Inc.*, 153 FERC ¶ 61,313.

⁸³ 2012 SSR Order, 140 FERC ¶ 61,237 at P 137; 2014 Compliance Order, 148 FERC ¶ 61,056 at P 44.

MISO to refile the Tariff record removing the rejected language within 30 days of this order.

7. Other Tariff Revisions

a. Technical Study Process

i. MISO's Filing

58. In the Ameren Complaint Rehearing Order, the Commission accepted, subject to condition, proposed revisions to MISO's Tariff regarding the technical study process that MISO uses to evaluate whether potential SSR Units are needed for reliability purposes. The Commission directed MISO to insert the word "the" into the following paragraph, to read as follows:

An affirmation that *the* results, in whole or in part, from a previously filed report remain applicable may substitute for filing an entirely new report on the Attachment Y Reliability Study and the Attachment Y Alternatives Study.⁸⁴

59. The Commission stated that adding the word "the" to the section would clarify MISO's intent to use results that remained applicable and as such would not have to file an entirely new report.⁸⁵ On November 9, 2015, MISO filed the required revision to the Tariff, which the Commission accepted on March 24, 2016.⁸⁶ MISO's proposed section 38.2.7.c removes the addition of the word "the" from the paragraph.

ii. Commission Determination

60. We accept MISO's proposed section 38.2.7.c, subject to condition. We direct MISO, in a compliance filing, to revise the last paragraph of section 38.2.7.c to re-insert the word "the", as directed in the Ameren Complaint Rehearing Order.

⁸⁴ Ameren Complaint Rehearing Order, 153 FERC ¶ 61,062 at P 97.

⁸⁵ *Id.* P 98.

⁸⁶ *Midcontinent Indep. Sys. Operator, Inc.*, Docket No. ER14-2605-002 (Mar. 24, 2016) (delegated letter order).

b. Suspension Time Limitations**i. MISO's Filing**

61. MISO proposes to revise section 38.2.7.n to conform to its proposed changes to 38.2.7.a.i (to include units on forced outage and pseudo-tied out units in the notification process). The revised section now mentions pseudo-tied out units as units who must adhere to the maximum suspension time limit of 36 cumulative months in a five year period. MISO also revises section 38.2.7.n to clarify that the 36 month period includes any combination of suspended and SSR-designated status and to state that any generation resource, SCU, or pseudo-tied out unit that does not return to service at the end of the 36 month maximum suspension period will have its interconnection service terminated.

ii. Commission Determination

62. We accept MISO's proposed Tariff revisions relating to the time limits on suspensions in section 38.2.7.n because the revisions are necessary for conformity and also provide clarification.

8. Adjustments to the Attachment Y Notification**a. MISO's Filing**

63. Among other clerical adjustments, MISO proposes to modify its Attachment Y Notice to remove the word "potential" from the heading and body of the form. MISO states that the word "potential" is removed because it is unnecessary and may lead some readers into the belief that Attachment Y Notices do not have consequences under MISO's Tariff.⁸⁷ MISO also proposes to modify its Attachment Y Notice to include pseudo-tied out units, conforming the Attachment Y Notice to MISO's proposed revisions to the notification procedures discussed above. Finally, MISO inserts a line in the Attachment Y Notice which requires the facility owner to identify the source of its generator interconnection service. MISO states that changes in status usually address situations with aging facilities that were constructed before the advent of Regional Transmission Organizations and thus were not subject to the generator interconnection process. MISO submits that the generator retirement process will be simplified and possibly more accurate if the source of interconnection rights is identified on the Attachment Y Notice.⁸⁸

⁸⁷ MISO Transmittal Letter at 16.

⁸⁸ *Id.* at 17.

b. Commission Determination

64. We accept MISO's revisions to the Attachment Y Notice as they provide clarity and conformity. We agree with MISO that its revisions add certainty that an Attachment Y Notice is final except as provided in the modification and rescission provisions of section 38.2.7 of MISO's Tariff.

9. Adjustments to the Standard Form SSR Agreement

a. MISO's Filing

65. MISO states that every SSR-related filing has proposed modifications to the Standard Form SSR Agreement that were the subject of Commission orders. MISO states that the revisions in the Standard Form SSR Agreement in the instant filing will form a much improved basis for future negotiations, incorporating the history of SSR filings that may not be known to persons interested in SSR matters.⁸⁹

66. MISO proposes several modifications to the Standard Form Agreement. Among other administrative and ministerial changes, MISO proposes to: (1) shorten the period in which MISO can terminate the agreement from 90 to 60 days advance notice; (2) modify section 7.C(3) to change the word "purchase" to "dispatch" to more precisely describe the action taken by MISO toward the SSR Unit; (3) create a provision that states that MISO and the Participants will coordinate their schedules to permit the SSR Unit(s) to undergo both testing for capacity and for other requirements; (4) revise the Operation provisions in section 8 to clarify maintenance, planning data, and delivery obligations to be consistent with other Tariff provisions; (5) provide more detail regarding the manner in which a SSR-designated unit operates; (6) adjust the Payment Provisions in section 9 to reflect MISO Settlement provisions and the terms and conditions of Exhibit 2 to the SSR agreement; (7) increase the tolerance band of the level shown in the Delivery Plan on each hour from 98 percent to 95 percent; (8) revise the maximum reduced payment to SSR Units in the event the Tested Capacity falls short of the SSR Capacity or if the SSR Units do not fully respond to MISO dispatches from \$10,000 to "the daily amount of 2.0 percent of the Monthly SSR Payment set forth in Exhibit 2"; (9) add provisions to the proposed section 9.E to address compensation for material, unforeseen repairs; (10) modify Exhibit 2 to the SSR agreement to state that payment will be made according to the monthly compensation provided by the Commission in response to a filing by the

⁸⁹ *Id.*

Participant; and (11) modify Exhibit 2 to also note that MISO shall pay the Participant the hourly compensation provided for under MISO's Tariff.⁹⁰

b. Commission Determination

67. We accept, subject to condition, MISO's proposed revisions to the Standard Form SSR Agreement which incorporate concepts and reflect MISO's best practices gained from experience in dealing with SSR-related filings over the last four years. We note that section 2: Definitions has erroneously included two "C" letter headings. Therefore, we direct MISO to correct this error in its compliance filing.

The Commission orders:

(A) MISO's proposed Tariff revisions are accepted in part, subject to condition, and rejected in part, as discussed in the body of this order.

(B) MISO is directed to submit a compliance filing within 30 days of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

⁹⁰ *Id.* at 17-25.