

157 FERC ¶ 61,021
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Internal MISO Generation

Docket Nos. EL16-12-000

v.

Midcontinent Independent System Operator, Inc.

Midcontinent Independent System Operator, Inc.

ER16-1817-000

Midcontinent Independent System Operator, Inc.

ER16-1346-000
(not consolidated)

ORDER ON PAPER HEARING AND COMPLIANCE

(Issued October 13, 2016)

1. On March 29, 2016, in Docket Nos. EL15-99-000 and EL16-12-000, the Commission issued an order granting in part and denying in part a complaint (Complaint) filed pursuant to section 206 of the Federal Power Act (FPA)¹ and Rule 206 of the Commission's Rules of Practice and Procedure² by Internal MISO Generation against the Midcontinent Independent System Operator, Inc. (MISO).³ In the Complaint,

¹ 16 U.S.C. § 824e (2012).

² 18 C.F.R. § 385.206 (2016).

³ *Internal MISO Generation v. Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,248 (March 29 Order), *order on reh'g and clarification*, 157 FERC ¶ 61,020 (2016). Internal MISO Generation includes EDF Renewable Energy, Inc., E.ON Climate & Renewables North America, LLC, and Invenergy LLC.

Internal MISO Generation argued that MISO gives preferential treatment in its interconnection process to generators located external to MISO versus generators located internal to MISO and argued, among other things, that: (1) it was unjust and unreasonable for MISO to exempt external generators from the M2 Milestone Payment or Initial Payment, and (2) that MISO's process for providing interconnection service to generators located external to MISO should be set forth in MISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff).⁴

2. As explained more fully below, in the March 29 Order, the Commission granted the Complaint in part as to certain of Internal MISO Generation's arguments and ordered MISO to make a compliance filing revising its Tariff within 60 days of the date of the order to set forth its process for providing interconnection service to generators located external to MISO.⁵ On May 31, 2016, in Docket No. ER16-1817-000, MISO submitted a compliance filing pursuant to the Commission's order. In this order, we accept the filing, subject to condition and subject to the outcome of Docket Nos. ER16-696 and ER12-2302, make it effective prospectively as of the refund effective date established in the March 29 Order, and direct a further compliance filing to be made within 30 days of the date of this order, as discussed below.⁶

3. In the March 29 Order, the Commission also instituted a proceeding in Docket No. EL16-12-000 pursuant to section 206 of the FPA to, among other things, examine MISO's Tariff to determine whether the M2 Milestone Payment should be applied to all classes of interconnection customers.⁷ In this order, we find that MISO has failed to show cause why the M2 Milestone Payment should not be applied to all classes of interconnection customer and direct further revisions to MISO's Tariff commensurate with this finding in a compliance filing to be made within 30 days of the date of this order.

⁴ See *infra* note 11 & n.12, respectively. Unless indicated otherwise, all capitalized terms shall have the same meaning given them in the MISO Tariff.

⁵ March 29 Order, 154 FERC ¶ 61,248 at P 30.

⁶ We also direct MISO to submit revisions to the E-NRIS Agreement accepted in Docket No. ER16-1346-000 in this further compliance filing to conform that agreement with the *pro forma* E-NRIS Service Agreement as revised herein, as described more fully below. See *infra* P 77.

⁷ March 29 Order, 154 FERC ¶ 61,248 at PP 32-34.

I. Background

A. MISO Interconnection Process

4. The Definitive Planning Phase (DPP) is the final phase of MISO's generator interconnection process, during which MISO conducts reliability and deliverability studies that determine whether there is available transmission capacity to accommodate the interconnection of new proposed generation facilities or whether network upgrades are needed. In the interconnection process, generators newly interconnecting to the MISO transmission system for either Network Resource Interconnection Service (NRIS)⁸ or Energy Resource Interconnection Service (ERIS)⁹ undergo two concurrent studies - the system impact study and the interconnection facilities study. MISO uses these two studies to determine each project's injection rights and, for NRIS, to determine deliverability of the project and any required upgrades to meet the requested level of service. Customers will then be subjected to the network upgrade facilities study. Through a combination of these studies, MISO will prepare a construction schedule and cost analysis for any required upgrades and inform the customer of its *pro rata* share of the cost of any required network upgrades based on its share of the megawatt (MW) contribution to the constraint.¹⁰

5. All generators newly interconnecting to the MISO transmission system for either NRIS or ERIS must provide an M2 Milestone Payment when they first enter MISO's DPP study queue, pursuant to MISO's Tariff and Business Practice Manual (Manual).¹¹ The M2 Milestone Payment is refundable once a Generator Interconnection Agreement

⁸ NRIS allows an interconnection customer to interconnect its Generating Facility to the MISO transmission system or distribution system, as applicable, and integrate its Generating Facility with the transmission system to deliver its output over that system in the same manner as for any Generating Facility designated as a network resource. MISO, FERC Electric Tariff, Attachment X (0.0.0), § 1.

⁹ ERIS allows an interconnection customer to connect its Generating Facility to the MISO transmission system or distribution system, as applicable, and 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. MISO, FERC Electric Tariff, Attachment X (0.0.0), § 1.

¹⁰ See MISO Business Practice Manual No. 015-r11, Generator Interconnection, § 6.1.1.1.8 (effective Mar. 19, 2015) (Manual-No. 015).

¹¹ A project is eligible to enter the DPP after the interconnection customer has

(continued...)

(GIA) is executed and the interconnection customer provides an Initial Payment¹² under the GIA towards the cost of any required network upgrades. However, if the interconnection customer withdraws from the queue, the M2 Milestone Payment will first be applied to the cost of network upgrades that are shifted to concurrent or later-queued projects, with the remaining funds refunded to the withdrawing interconnection customer.¹³ In the event that an interconnection customer's project is withdrawn, the unused portion of the M2 Milestone Payment also covers the cost of restudies associated with any affected lower-queued projects, any other projects with which interconnection customer's project shares responsibility for funding, or, in the event the project is included in a Group Study,¹⁴ any other affected projects in the Group Study.¹⁵

6. On March 8, 2013, the Commission conditionally accepted revisions to Module E of MISO's Tariff to allow generation external to MISO's footprint to participate in

provided the DPP entry milestone (the M2 Milestone Payment), technical data requirements, and the DPP study deposit. Together, these requirements are commonly referred to as the M2 milestone. *See* MISO, FERC Electric Tariff, Attachment X (0.0.0), § 8.2; Manual-No. 015.

¹² An interconnection customer is required to make an Initial Payment equal to (1) 10-20 percent of the total cost of its network upgrades or (2) the total cost of its network upgrades in the form of security, within a prescribed time period following the execution of the GIA or the filing of an unexecuted GIA with the Commission. *See* MISO, FERC Electric Tariff, Attachment X (0.0.0), § 11.5.

¹³ *See* Manual-No. 015, § 6.2.11.

¹⁴ MISO's Tariff defines Group Study as the process whereby more than one Interconnection Request is studied together, instead of serially, for the purpose of conducting one or more of the required Studies. *See* MISO, FERC Electric Tariff, Attachment X (0.0.0), § 1.

¹⁵ MISO, FERC Electric Tariff, Attachment X (0.0.0), § 13.3.

capacity auctions and deliver the Generating Facility's electric output into the MISO system by obtaining External NRIS (E-NRIS).¹⁶

B. Internal MISO Generation Complaint and March 29 Order

7. On September 4, 2015, in Docket No. EL15-99-000, Internal MISO Generation filed the Complaint protesting MISO's amendment to its Manual to accommodate E-NRIS customers' participation in MISO capacity and energy markets, such that E-NRIS generation could enter and be studied in MISO's DPP queue without making the M2 Milestone Payment or Initial Payment.¹⁷ Internal MISO Generation argued that MISO's amendment was unjust and unreasonable because it allowed the very harms to occur that the M2 Milestone Payment was intended to prevent, and because it allowed new E-NRIS customers to pay a significantly lower entry fee than generation internal to MISO to be studied, allocated reliability injection rights, and participate in MISO markets. Internal MISO Generation specifically requested that the Commission: (1) find that MISO's protocol to provide the NRIS delivery product to generators external to MISO to accommodate their participation in MISO capacity and energy markets (E-NRIS Protocol) is unjust and unreasonable and unduly discriminatory and preferential to the extent that it does not require E-NRIS customers to make an M2 Milestone Payment; (2) order MISO to submit Tariff revisions that address its E-NRIS Protocol, including a requirement for an Initial Payment and *pro forma* Service Agreement; and (3) immediately issue an order providing interim relief that directs MISO to remove E-NRIS customers from MISO's generation interconnection DPP studies and allow the remaining pending DPP studies to move forward.¹⁸

8. In the March 29 Order, the Commission found that Internal MISO Generation had met its burden under section 206 of the FPA to show that the MISO Tariff was unjust, unreasonable, unduly discriminatory or preferential because the terms and conditions governing E-NRIS should be included in the Tariff and not just in the Manual.¹⁹ The Commission directed MISO to file within 60 days revisions to the Tariff to provide language that addresses E-NRIS, including the details of a Service Agreement for

¹⁶ See *Midwest Indep. Transmission Sys. Operator, Inc.*, 142 FERC ¶ 61,182 (2013). E-NRIS refers to an NRIS customer outside the MISO footprint.

¹⁷ Internal MISO Generation, Complaint, Docket No. EL15-99-000, at 3, 19-26 (filed Sept. 4, 2015).

¹⁸ *Id.* at 38.

¹⁹ March 29 Order, 154 FERC ¶ 61,248 at P 30.

E-NRIS customers, as well as the requirement for an Initial Payment in that Service Agreement.

9. The Commission also found that it appears that MISO's Tariff may be unjust, unreasonable, unduly discriminatory, or preferential because it does not specify in sufficient detail which interconnection customers must make the M2 Milestone Payment.²⁰ The Commission noted that, though the Tariff is silent on whether certain customers are exempt from the M2 Milestone Payment, MISO stated in its answer to the Complaint that it intends for the M2 Milestone Payment not to apply to existing generators whether they are E-NRIS or NRIS-only²¹ customers, and the Commission found that this may be unduly discriminatory because it does not treat all interconnection customers comparably. The Commission stated that all interconnection customers are seeking interconnection service and will be entering the DPP, and their withdrawal can potentially impact other customers in the queue in the form of restudies or shifted cost allocation. The Commission stated that the M2 Milestone Payment is intended, in part, to protect other customers against the consequences of a withdrawal, and that it is appropriate that all interconnection customers post the M2 Milestone Payment, given that the potential harm to other customers in the DPP from a late-stage withdrawal is present regardless of the type of service being sought. The Commission further found that it appears that MISO's Tariff may be unjust, unreasonable, unduly discriminatory or preferential because it does not include detailed provisions regarding NRIS-only customers.²²

10. The Commission instituted a section 206 proceeding in Docket No. EL16-12-000 to examine MISO's Tariff, stating that upon initial review, the concerns identified by the Commission might be addressed by revising MISO's Tariff to: (1) make clear that the M2 Milestone Payment is assessed to all interconnection customers, whether new or existing, or internal or external, or a showing by MISO that it should not be required to do so; and (2) clarify the services it provides and the process for receiving that service for every class of interconnection customer to which the Tariff applies.²³ The Commission

²⁰ *Id.* P 32.

²¹ NRIS-only refers to the delivery product available to customers with existing interconnection service to interconnect to the MISO transmission system with ERIS who wish to upgrade their interconnection service from ERIS to NRIS. MISO, FERC Electric Tariff, Attachment X (0.0.0), § 1.

²² March 29 Order, 154 FERC ¶ 61,248 at P 33.

²³ *Id.* P 34.

stated that the Tariff provisions should ensure that all interconnection customers, internal and external, and new and existing, are treated comparably, and are consistent with the overall goals of interconnection queue reform of discouraging speculative or unviable projects from entering the queue and getting projects that are not making progress towards commercial operation out of the queue. The Commission stated that any interested person desiring to be heard in Docket No. EL16-12-000 must file a notice of intervention or motion to intervene, as appropriate, within 21 days of the date of issuance of the order.²⁴ The Commission further stated that MISO and other interested parties may file initial briefs no later than 30 days after the publication of notice in the *Federal Register* of the Commission's initiation of the section 206 proceeding in Docket No. EL16-12-000, and that interested parties may file reply briefs in response to the initial briefs within 21 days after the due date of initial briefs.²⁵

C. Existing E-NRIS Agreement

11. Prior to the March 29 Order, in Docket No. ER16-1120-000, MISO filed a *pro forma* Service Agreement to Attachment X of its Tariff that would address requests for E-NRIS.²⁶ On May 6, 2016, the Commission rejected the proposed *pro forma* Service Agreement without prejudice to MISO submitting a *pro forma* Service Agreement as part of its compliance filing in the Complaint proceeding in Docket Nos. EL15-99-000 and EL16-12-000.²⁷

12. On April 5, 2016, in Docket No. ER16-1346-000, MISO filed an agreement for E-NRIS between MISO, as transmission provider, and Louisiana Energy and Power Authority, as interconnection customer, regarding an existing Generating Facility located

²⁴ *Id.* at Ordering Paragraph E.

²⁵ *Id.* P 36.

²⁶ MISO Filing of Attachment X for External Network Resource Interconnection Service Agreement, Docket No. ER16-1120-000 (filed Mar. 9, 2016).

²⁷ *Midcontinent Indep. Sys. Operator, Inc.*, 155 FERC ¶ 61,147 (2016).

external to the MISO transmission system (LEPA E-NRIS Agreement).²⁸ The LEPA E-NRIS Agreement conforms to the *pro forma* Service Agreement for E-NRIS that the Commission rejected in Docket No. ER16-1120-000. On June 3, 2016, the Commission accepted the LEPA E-NRIS Agreement, effective April 6, 2016, subject to the outcome of the Complaint proceeding in Docket Nos. EL15-99-000 and EL16-12-000.²⁹

II. Compliance Filing

13. On May 31, 2016, in Docket No. ER16-1817-000, MISO filed a compliance filing in response to the March 29 Order. MISO states that it has changed certain sections of its Tariff to address E-NRIS, as further described below.³⁰ Among other things, MISO states that the revisions ensure that the M2 Milestone Payment will be applied to all interconnection customers, and will be refunded once the Initial Payment is completed.³¹ MISO has also added a *pro forma* Service Agreement for E-NRIS customers. MISO proposes an effective date for the compliance filing 60 days after the date of a final Commission order in Docket No. EL16-12-000.³²

III. Notices and Responsive Pleadings

14. On April 5, 2016, notice of the institution of a proceeding under section 206 of the FPA to investigate the justness and reasonableness of MISO's Tariff was published in the *Federal Register*, 81 Fed. Reg. 19,597 (2016). The notice indicated that the refund effective date will be the date of publication of the notice in the *Federal Register*.

15. Timely motions to intervene in Docket No. EL16-12-000 were filed by: Invenergy Wind Development, LLC; EDP Renewables North America LLC; NRG Power Marketing LLC and GenOn Energy Management, LLC; Entergy Services, Inc.; Alliant Energy Corporate Services, Inc.; Manitoba Hydro; Wisconsin Electric Power Company; Great River Energy; South Mississippi Electric Power Association; MISO; Otter Tail

²⁸ MISO, E-NRIS Agreement Filing, Docket No. ER16-1346-000 (filed Apr. 15, 2016).

²⁹ *Midcontinent Indep. Sys. Operator, Inc.*, 155 FERC ¶ 61,239, at P 12 (2016).

³⁰ MISO, Compliance Filing, Docket No. ER16-1817-000, Transmittal Letter at 3-4 (filed May 31, 2016).

³¹ *Id.* at 3-4.

³² *Id.* at 8.

Power Company; and Wisconsin TDUs.³³ Out-of-time motions to intervene were filed by: EDF Renewable Energy, Inc.; E.On Climate & Renewables North America, LLC; American Transmission Company, LLC; the American Wind Energy Association and Wind on the Wires (together, AWEA/WOW); American Municipal Power, Inc.; East Texas Electric Cooperative, Inc.; the MISO Transmission Owners;³⁴ International Transmission Company d/b/a ICTransmission, Michigan Electric Transmission Company, LLC, and ITC Midwest LLC.

16. Timely initial briefs were filed in Docket No. EL16-12-000 by AWEA/WOW and MISO. Timely reply briefs were filed by Manitoba Hydro, MISO, and AWEA/WOW. AWEA/WOW submitted an answer to the reply briefs on June 16, 2016.³⁵

17. On May 17, 2016, Exelon Corporation (Exelon) filed a motion to intervene out of time and reply brief in Docket No. EL16-12-000.

³³ The Wisconsin TDUs are comprised of Madison Gas & Electric Company, and WPPI Energy.

³⁴ For the purposes of this proceeding, the MISO Transmission Owners are: Ameren Services Company, as agent for Union Electric Company d/b/a Ameren Missouri, Ameren Illinois Company d/b/a Ameren Illinois and Ameren Transmission Company of Illinois; American Transmission Company LLC; Big Rivers Electric Corporation; Central Minnesota Municipal Power Agency; City Water, Light & Power (Springfield, IL); Cleco Power LLC; Dairyland Power Cooperative; Duke Energy Business Services, LLC for Duke Energy Indiana, Inc.; Entergy Arkansas, Inc.; Entergy Louisiana, LLC; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; Entergy Texas, Inc.; Hoosier Energy Rural Electric Cooperative, Inc.; Indiana Municipal Power Agency; Indianapolis Power & Light Company; International Transmission Company d/b/a ICTransmission; ITC Midwest LLC; 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; 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.; South Mississippi Electric Power Association; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company (d/b/a Vectren Energy Delivery of Indiana); Southern Minnesota Municipal Power Agency; Wabash Valley Power Association, Inc.; and Wolverine Power Supply Cooperative, Inc.

³⁵ Although AWEA/WOW style their filing as an additional brief, we find that the filing is an answer to the reply briefs submitted in Docket No. EL16-12-000.

18. Notice of the compliance filing in Docket No. ER16-1817-000 was published in the *Federal Register*, 81 Fed. Reg. 36,910 (2016), with interventions and protests due on or before June 21, 2016.

19. Timely motions to intervene in Docket No. ER16-1817-000 were filed by: Exelon; E.On Climate & Renewables North America, LLC; Invenergy Solar Development, LLC; NRG Power Marketing LLC and GenOn Energy Management, LLC; Wisconsin Public Service Corporation and Wisconsin Electric Power Company; and EDF Renewable Energy, Inc. Out-of-time motions to intervene in Docket No. ER16-1817-000 were filed by AWEA/WOW and Manitoba Hydro.

20. Exelon filed a limited protest and AWEA/WOW filed a protest of the compliance filing in Docket No. ER16-1817-000 on June 21, 2016. MISO filed an answer to the protests on July 6, 2016. AWEA/WOW filed an answer to MISO's answer on July 20, 2016 and an accompanying affidavit on July 21, 2016.

IV. Discussion

A. Procedural Matters

21. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2016), the timely, unopposed motions to intervene in Docket Nos. EL16-12-000 and ER16-1817-000 serve to make the entities that filed them parties to the proceeding(s) in which they sought intervention. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2016), we will grant the late-filed motions to intervene in Docket Nos. EL16-12-000 and ER16-1817-000, given the filers' interest in the proceedings, the early stage of the proceedings, and the absence of undue prejudice or delay.

22. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2016), prohibits an answer to a protest or answer unless otherwise ordered by the decisional authority. We will accept the answers filed by MISO and AWEA/WOW in Docket No. ER16-1817-000 because they have provided information that assisted us in our decision-making process. We are not persuaded to accept the June 16, 2016 answer to the reply briefs filed by AWEA/WOW in Docket No. EL16-12-000, and therefore reject it.³⁶

³⁶ See *Southern California Edison Co.*, 131 FERC ¶ 61,020, at P 11 (2010) (finding that Rule 213(a)(2) of the Commission's Rules of Practice and Procedures prohibits an answering brief to a reply brief unless otherwise ordered by the decisional authority); *ISO New England Inc.*, 155 FERC ¶ 61,173, at P 11 (2016); *Bay Gas Storage*

B. Substantive Matters**1. Paper Hearing - M2 Milestone Payment****a. Initial Briefs**

23. MISO first describes the types of interconnection service and the process for receiving these services under its Tariff and Manual.³⁷ MISO explains that ERIS is the base level of interconnection service upon which NRIS can be built, and that, once in the DPP, NRIS interconnection requests may be converted to ERIS prior to the commencement of a facilities study for network upgrades. MISO further explains that an interconnection request for NRIS-only service can, and usually does, result in fewer upgrades. MISO notes, however, that the ERIS MW amount for an ERIS interconnection request cannot be reduced once the project has entered the DPP.

24. MISO argues that the M2 Milestone Payment should not be assessed to E-NRIS and NRIS-only customers for two reasons. First, MISO states that the M2 Milestone Payment was intended to assure readiness by interconnection customers to proceed to commercial operation, and was not intended to apply to customers seeking to interconnect existing Generating Facilities, as illustrated by the fact that the payment is refunded upon commencement of commercial operation of the entire Generating Facility (or upon satisfaction of the Initial Payment for a non-provisional GIA).³⁸ MISO asserts that the Commission recognized this fact when it accepted the M2 Milestone Payment as part of MISO's queue reform, stating that "the M2 Milestone Payment will help to ensure that projects that enter the [DPP] are commercially viable and likely to proceed to commercial operation" and that the proposed refund requirement was "reasonable in light of MISO's goal in adopting the M2 Milestone Payment: to deter speculative projects from entering the [DPP]."³⁹ MISO contends that the M2 Milestone Payment is unnecessary for E-NRIS customers, as they are either in-service, under construction, or have an executed and unsuspended interconnection agreement with the transmission provider to which they directly interconnect.⁴⁰ Similarly, MISO states that NRIS-only

Co., Ltd., 131 FERC ¶ 61,034, at P 16 (2010).

³⁷ MISO, Initial Brief, Docket No. EL16-12-001, at 4-9 (filed May 5, 2016).

³⁸ *Id.* at 9-11.

³⁹ *Id.* at 11 (citing *Midwest Indep. Sys. Operator, Inc.*, 138 FERC ¶ 61,233, at PP 148, 154 (2012) (Queue Reform Order)).

⁴⁰ *Id.* at 12.

service involves existing Generating Facilities internal to MISO, which are either already in commercial operation or have an executed GIA.⁴¹ MISO concedes that the M2 Milestone Payment was also intended, in part, to reduce late-stage termination and the resultant restudies, but argues that this expectation was discussed in the context of distinguishing “those projects that are ready to proceed to commercial operation from those that are not” and ensuring that “projects with viable business plans will more easily and quickly reach commercial operation.”⁴²

25. MISO argues that there is no evidence to support the Commission’s finding that all interconnection customers should post the M2 Milestone Payment because the potential harm to other customers in the DPP from a late-stage withdrawal is present regardless of the type of service being sought. Although MISO concedes that some risk of restudy may exist in the event of a late withdrawal by an E-NRIS or NRIS-only customer, it states that the actual likelihood is low and cannot be compared to the substantial restudy risk arising from late stage withdrawals by new internal generation.⁴³ MISO also explains that a withdrawal of an E-NRIS customer from the queue would impact the amount of MISO generation that is online to serve MISO load, and as a result, the net effect would be an increase in MISO generation back to the level without the withdrawing E-NRIS customer.⁴⁴ Thus, MISO concludes that there is no impact on other lower-queued interconnection customers from the withdrawal.

26. Second, MISO argues that imposing the M2 Milestone Payment on E-NRIS and NRIS-only customers would be impractical and inconsistent with the current M2 Milestone Payment formula and the refund requirements that apply to the M2 Milestone Payment.⁴⁵ MISO states that, because E-NRIS and NRIS-only interconnection requests involve existing Generating Facilities and do not add new MWs, the M2 Milestone Payment would be zero under the current formula. MISO explains that the formula has two components, which are added together and multiplied by 10 percent, subject to a floor of \$2,000 per gross MW addition and a cap of \$10,000 per MW addition. The first component is the “gross MW capacity increase” multiplied by MISO’s drive-

⁴¹ *Id.* at 12-13.

⁴² *Id.* at 13 (citing Queue Reform Order, 138 FERC ¶ 61,233 at P 147).

⁴³ *Id.* at 13-14. MISO states that there has never been a withdrawal request by an E-NRIS or NRIS-only customer that required restudies of other customers in the queue.

⁴⁴ *Id.* at 14.

⁴⁵ *Id.* at 9, 14.

through/drive-out transmission rate, which MISO explains would yield a value of zero for both ERIS and NRIS-only customers.⁴⁶ MISO explains that an E-NRIS customer does not add gross MW to the system because E-NRIS is available only to “existing Generating Facilities” to provide for their deliverability into MISO; E-NRIS customers already have ERIS or NRIS with their transmission provider, and their E-NRIS request with MISO cannot increase the MW amount under their GIA.⁴⁷ Similarly, MISO states that an internal NRIS-only customer merely upgrades from ERIS to NRIS for an existing Generating Facility, which likewise adds no new MWs to the system. The second component involves the number of transmission constraints (per voltage level) identified in the feasibility study multiplied by a constant applicable to a particular voltage level. MISO avers that this component also would yield zero for E-NRIS and NRIS-only interconnection requests because they cause no transmission constraints on the system, as there is no gross MW capacity increase. MISO also states that E-NRIS and NRIS-only interconnection requests may reduce the MWs subject to the interconnection request to a level that does not require upgrades.

27. According to MISO, even if the M2 Milestone Payment resulted in a greater value than zero, section 8.1 of MISO’s generator interconnection procedures (GIP) requires MISO to refund the payment upon satisfaction of the Initial Payment of a non-provisional GIA or upon commercial operation of the entire Generating Facility under a provisional GIA.⁴⁸ As a result, for E-NRIS and NRIS-only customers, MISO states that it would have to refund the M2 Milestone Payment shortly upon receipt, as these customers must already be commercially operating or have an effective GIA.

28. MISO asks the Commission to clarify that the M2 Milestone Payment is not applicable to E-NRIS and NRIS-only customers.⁴⁹ Alternatively, if the Commission finds that all interconnection customers must make the M2 Milestone Payment, MISO states that the current formula could be replaced with a fixed fee based on a set value per MW of increased capacity. MISO notes that it recently proposed such a flat fee of \$5,000 per MW of gross nameplate capacity for the M2 Milestone Payment as part of a

⁴⁶ *Id.* at 15.

⁴⁷ *Id.* at 16.

⁴⁸ *Id.* at 16-17.

⁴⁹ *Id.* at 17.

queue reform package that was rejected due to other issues, and notes that the flat fee was recommended by its stakeholders.⁵⁰

29. AWEA/WOW state that there is no reasonable basis to exempt E-NRIS customers from the M2 Milestone Payment.⁵¹ They note that, in the DPP, MISO conducts reliability studies that determine each proposed Generating Facilities' injection rights, and that it is important to keep speculative projects out of the DPP, as withdrawal could cause cascading restudies and a shifting of network upgrade costs.⁵² They state that the M2 Milestone Payment is a pre-requisite to be studied in the DPP, and that it is intended to protect the efficient and cost-effective processing of MISO's queue and to protect interconnection customers.⁵³ AWEA/WOW state that the justification for the M2 Milestone Payment applies to all interconnection customers.⁵⁴

30. AWEA/WOW argue that any customer with generation external to MISO can still be speculative.⁵⁵ They state that external generators can withdraw at any time after the DPP studies are done, after scarce capacity is allocated among all interconnection customers in the DPP, and after costs are assigned to interconnection customers. They state that external generation can be: (1) non-existent and have an unsuspended GIA in the region where it is located (such as in the Manitoba Hydro or PJM Interconnection, L.L.C. regions); (2) under construction; or (3) operational in the market where it is physically located. Even in the last case, AWEA/WOW argue that there is no safeguard to ensure that the operational external generator will follow through with its plans, especially because the external customer can simply sell power in the market where it is physically located if the MISO market economics do not meet expectations.⁵⁶

⁵⁰ *Id.* at 18 (referencing Docket No. ER16-675-000).

⁵¹ AWEA/WOW, Initial Brief, Docket No. EL16-12-001, at 7 (filed May 5, 2016).

⁵² *Id.* at 4-6.

⁵³ *Id.* at 6. AWEA/WOW note that the M2 Milestone Payment is needed if the project will be studied in the reliability portion of the DPP, but not for the deliverability study process that applies to new NRIS customers for the purpose of assessing the ability to deliver energy to load. AWEA/WOW state that it may be necessary to clarify this practice in MISO's Tariff.

⁵⁴ *Id.* at 7.

⁵⁵ *Id.*

⁵⁶ *Id.* at 8.

AWEA/WOW argue that neither the status of the external customer's Generating Facility on the adjacent market nor the existence of a GIA in the neighboring market is an indication of readiness in the MISO market, and that the M2 Milestone Payment is needed to deter speculative external projects.⁵⁷

31. AWEA/WOW state that E-NRIS customers could cause a shift in network upgrade costs if the external customer withdraws.⁵⁸ AWEA/WOW state that, if an interconnection customer's MW level of service under the deliverability analysis in the DPP is less than was allocated under the reliability DPP analysis, the customer will be limited to the deliverability MW unless the customer agrees to pay for network upgrades.⁵⁹ Thus, AWEA/WOW argue that the external customer could agree to pay for network upgrades and obtain increased deliverability service.⁶⁰ If the external customer then withdraws, AWEA/WOW state that a restudy may be needed, which could result in shifted network upgrade costs. AWEA/WOW assert that the M2 Milestone Payment will provide funds to cover this cost shift. Further, AWEA/WOW argue that, even if the external customer will not fund network upgrades, withdrawal will affect the queue, power flows, injection capacity rights allocation, and required upgrades and the cost thereof, the same as withdrawal of the internal customer.⁶¹

32. AWEA/WOW rebut MISO's argument that the refundable conditions of the M2 Milestone Payment show that its purpose is limited solely to readiness, which MISO argues is not a factor for external customers that are operational or have an executed GIA.⁶² AWEA/WOW state that an external customer with an operational Generating Facility that has never been studied in MISO is similar to an internal generator that seeks

⁵⁷ *Id.* at 9. AWEA/WOW note that MISO itself has indicated that the execution of a GIA has not been a sufficient indicator of readiness, as at least 12 projects with executed GIAs terminated their agreements in 2011 and several other projects breached their agreements. *Id.* (citing Queue Reform Order, 138 FERC ¶ 61,233 at P 36).

⁵⁸ *Id.*

⁵⁹ *Id.* at 9-10.

⁶⁰ *Id.* at 10. AWEA/WOW note that the Service Agreement filed in Docket No. ER16-1346-000 identified network upgrades upon which the E-NRIS service would be predicated.

⁶¹ *Id.* at 12.

⁶² *Id.* at 11, 16.

to increase the MW size of its facility, as the additional MW would also never have been modeled. AWEA/WOW state that both customers would need to demonstrate their readiness and non-speculative nature by providing the capital contribution of the M2 Milestone Payment.⁶³ AWEA/WOW assert that internal and external generators are similarly situated because they are both being studied together to determine the level at which each can inject energy into the system and both are competing for scarce transmission capacity within MISO in order to be in a position to sell the same electric products within MISO.⁶⁴ AWEA/WOW state that similarly situated customers must be treated comparably; if they are not, internal customers are at a competitive disadvantage compared to E-NRIS customers that pay no M2 Milestone Payment in order to secure transmission capacity and compete within MISO without any risk to withdrawal.⁶⁵ Furthermore, they state that allocating capacity to E-NRIS customers that have not had to pay the M2 Milestone Payment makes less capacity available for the other projects that have paid and may subject those customers to higher network upgrade costs.⁶⁶

33. AWEA/WOW rebut MISO's argument that the M2 Milestone Payment would result in a zero dollar amount for external customers.⁶⁷ AWEA/WOW argue that E-NRIS customers would be seeking rights on the MISO system for the first time, and would be subject to both a reliability and a deliverability analysis in the DPP. They argue that, even if the external customer has a GIA, the project would not have been studied in terms of power flows on the MISO grid with MISO as the sink, and the change in power flows is akin to a material modification of the GIA. AWEA/WOW argue that it cannot be true that external projects add zero gross MWs to the system, as the MW impact of the interconnection will be studied in the DPP, with resulting capacity injection rights allocations, and the MW will be memorialized in the base DPP that is used in successive DPP cycle studies.⁶⁸ AWEA/WOW also refute MISO's statement that E-NRIS customers cause no transmission constraints, as there is no gross MW capacity increase.

⁶³ *Id.* at 12.

⁶⁴ *Id.* at 12, 17.

⁶⁵ *Id.* at 17-19.

⁶⁶ *Id.* at 13.

⁶⁷ *Id.* at 14.

⁶⁸ *Id.* at 14-15.

If that were the case, they argue, internal NRIS and ERIS customers that do not cause constraints would also not be subject to the M2 Milestone Payment.⁶⁹

34. AWEA/WOW state that E-NRIS customers are not required to pay for network upgrades associated with the reliability portion of the DPP, which will allow free rider use of the MISO grid and of network upgrades funded by other interconnection customers.⁷⁰

35. AWEA/WOW agree with MISO that NRIS-only customers do not need to provide the M2 Milestone Payment.⁷¹ They state that these customers have already paid the M2 Milestone Payment and have been allocated transmission capacity under earlier reliability DPP studies, but now seek to increase the level of NRIS service to deliver energy to serve load. AWEA/WOW agree that it is appropriate for these customers to only be charged a \$35,000 fee to enter the deliverability study portion of the DPP.

36. AWEA/WOW note that, in the March 29 Order, the Commission ordered MISO to clarify the services it provides and the process for receiving that service for every class of interconnection customer to which the Tariff applies.⁷² On this point, AWEA/WOW discuss several MISO practices outside of its Tariff that they argue affect the cost and level of interconnection service. First, AWEA/WOW argue that the generation dispatch assumptions MISO applies in its interconnection service studies should be listed in MISO's Tariff, and that MISO should be required to provide data showing actual dispatch, by all fuel types of generation resource, for the hours in the shoulder period (or whatever period MISO uses to model to system).⁷³ Second, AWEA/WOW state that MISO has proposed some changes in its interconnection process, or sometimes has implemented such changes in its Manual, that directly affect the cost and level of interconnection service.⁷⁴ AWEA/WOW ask the Commission to rule that, if MISO should adopt these practices or continue to practice them, MISO must file a Tariff revision and demonstrate that its proposal is just and reasonable. According to

⁶⁹ *Id.* at 15.

⁷⁰ *Id.* at 20.

⁷¹ *Id.* at 21.

⁷² *Id.* at 23.

⁷³ *Id.* at 24-25.

⁷⁴ *Id.* at 23.

AWEA/WOW, these issue include: (1) MISO's proposed changes to generation dispatch assumptions in interconnection studies such that ERIS would be effectively eliminated;⁷⁵ (2) MISO's proposal to remove the NRIS rights of wind energy resources by limiting wind generation to its group capacity value (currently 14.7 percent) even when the wind resource has requested or been granted 100 percent NRIS through interconnection studies;⁷⁶ (3) MISO's Manual practice of requiring all projects with conditional GIAs to pay for quarterly operating limits studies and an additional annual study;⁷⁷ (4) MISO's proposal to make all interconnection service conditional for as much as five years;⁷⁸ and (5) MISO's proposal to allow coal-to-gas plant conversions without considering this change a material modification under its GIP.⁷⁹

37. AWEA/WOW also argue that MISO's Tariff does not effectively explain several current MISO practices, including: (1) MISO's inconsistent use of Special Protection Systems in lieu of network upgrades;⁸⁰ (2) the modeling parameters that a neighboring market as an affected system will apply in assessing the impact of a proposed generator within MISO;⁸¹ (3) the distribution factor standard used to determine whether network upgrades are required;⁸² (4) how MISO is processing 3,500 MW of external generation in the Manitoba Hydro region (specifically, AWEA/WOW allege that generation within Manitoba Hydro should have been subject to the E-NRIS Protocol, but was allowed to flow onto the system instead under a Transmission Service Request, and that the coordination agreement between MISO, Manitoba Hydro, and Minnkota Power Cooperative was never filed with the Commission).⁸³ AWEA/WOW further state that MISO sometimes provides faulty study results by failing to include an input in the

⁷⁵ *Id.* at 26-28.

⁷⁶ *Id.* at 28-29.

⁷⁷ *Id.* at 29-31.

⁷⁸ *Id.* at 31.

⁷⁹ *Id.* at 32-33.

⁸⁰ *Id.* at 33.

⁸¹ *Id.* at 34.

⁸² *Id.* at 36.

⁸³ *Id.* at 37-38.

facilities study, and they argue that, in such a situation, MISO's Tariff should provide that projects should be allowed to downsize without withdrawing from the DPP.⁸⁴

38. To ensure transparent interconnection practices in the future, AWEA/WOW ask the Commission to require MISO to file a monthly report that lists: (1) all changes to its service practices that were adopted; (2) whether MISO will make a Tariff filing; and (3) whether MISO intends to revise only its Manual.⁸⁵ AWEA/WOW ask that parties be given an opportunity to provide comments on the report, and state that the Commission could issue a show cause order asking MISO to show why it should not file a Tariff revision if necessary.

b. Reply Briefs

39. MISO refutes AWEA/WOW's argument that E-NRIS can be speculative because external customers can withdraw at any time after network upgrade costs are assigned, as MISO contends that this argument ignores the purpose of the M2 Milestone Payment.⁸⁶ MISO states that customers that are in-service, under construction, or have an unsuspended GIA have already demonstrated readiness and by definition are not speculative, even if they could potentially withdraw their requests at some future point.⁸⁷ MISO states that an external Generating Facility does not become speculative just because it can sell power into the market to which it is physically connected, and to the extent AWEA/WOW suggest that an E-NRIS customer should be penalized for choosing not to offer its generation into the MISO market, MISO notes that the Tariff does not contain such a provision.⁸⁸

40. MISO contends that AWEA/WOW's network upgrade arguments are misplaced, as the M2 Milestone Payment is not associated with whether an interconnection customer will choose to pay for network upgrades.⁸⁹ MISO explains that the M2 Milestone Payment is due before entering the DPP, and that network upgrades are not identified

⁸⁴ *Id.* at 34-35.

⁸⁵ *Id.* at 39.

⁸⁶ MISO Reply Brief, Docket No. EL16-12-000, at 4-5 (filed May 26, 2016).

⁸⁷ *Id.* at 5.

⁸⁸ *Id.* at 6.

⁸⁹ *Id.* at 6-7.

until later in the DPP. MISO explains that it is the Initial Payment that is based on network upgrades.⁹⁰ MISO states that the M2 Milestone Payment is not needed to address a shift in network upgrades if an E-NRIS customer withdraws, because of the low risk that a network upgrade needed for a Generating Facility physically located outside of the MISO transmission system would impact costs to other interconnection customers.

41. MISO argues that E-NRIS customers need not demonstrate readiness and that they are non-speculative by providing the capital contribution of the M2 Milestone Payment.⁹¹ MISO states that all MW served via E-NRIS have previously completed a Commission-approved interconnection study process and been granted a GIA with the host transmission provider, and to the extent an E-NRIS customer subsequently increases its generation capacity, that additional capacity must be accounted for in the GIA with the host transmission provider before MISO will consider a modification to its E-NRIS. MISO argues that the refundable nature of the M2 Milestone Payment does not support the argument that E-NRIS customers should make this payment; rather, the fact that the payment will be refunded almost immediately to E-NRIS customers demonstrates that it was never designed to apply to E-NRIS requests.

42. MISO refutes the argument that E-NRIS customers should make the M2 Milestone Payment to account for the competition to scarce injection rights.⁹² MISO states that the M2 Milestone Payment was designed to weed out unready projects, not to regulate access to scarce injection rights. MISO takes issue with AWEA/WOW's statement that the M2 Milestone Payment is appropriate for E-NRIS customers because MISO has never studied the E-NRIS Generating Facility in terms of power flows on MISO's grid with MISO as the sink. MISO argues that its study protocols for E-NRIS are configured to the circumstances and system impacts presented by an E-NRIS service request.⁹³ Specifically, MISO states that the study protocols include ERIS and NRIS analyses, which are based on the criteria applicable to all interconnection customers, but are specifically configured to study an external Generating Facility that sinks to a MISO load. MISO states that the protocols used to study E-NRIS customers are also used to identify constraints, which, in turn, might indicate the need for network upgrades.

⁹⁰ *Id.* at 7.

⁹¹ *Id.* at 8.

⁹² *Id.* at 9.

⁹³ *Id.* at 10.

43. MISO argues that AWEA/WOW's legal arguments, such as cost causation, cost shifts, and undue discrimination, provide no aid to AWEA/WOW's case. While MISO concedes that the M2 Milestone Payment may be used to offset costs caused by a withdrawing interconnection customer, it states that the basic function of the M2 Milestone Payment is to ensure readiness, and that projects that are not ready to enter the queue or complete the GIP are more likely to withdraw and cause cost shifts to other customers.⁹⁴ In contrast, MISO states, existing generators seeking E-NRIS and NRIS-only are not the primary cause of withdrawal-related costs, and AWEA/WOW have shown no data otherwise. MISO also states that planned and existing facilities are not similarly situated because they do not pose the same risk of queue withdrawal.⁹⁵

44. MISO refutes AWEA/WOW's argument that MISO will not allow an E-NRIS customer to pay for network upgrades associated with the reliability portion of the DPP, and that therefore failure to apply the M2 Milestone Payment to E-NRIS customers will foster free rider use of the MISO system and network upgrades funded by existing interconnection customers.⁹⁶ MISO states that E-NRIS customers must: (1) pay the Initial Payment, which is used to pay for network upgrades; (2) pay a \$35,000 study deposit; and (3) fund their own interconnection agreements with their host transmission providers.⁹⁷

45. MISO disagrees with AWEA/WOW's assertion that, unlike E-NRIS customers, NRIS-only customers should be exempt from the M2 Milestone Payment because, for DPP purposes, there is a significant difference between customers seeking NRIS for the first time and NRIS-only customers.⁹⁸ MISO states that AWEA/WOW have not recognized the different states of readiness of planned internal Generating Facilities seeking ERIS and NRIS and existing Generating Facilities seeking NRIS-only or E-NRIS. MISO argues that E-NRIS and NRIS-only customers are similarly situated because of the inherent readiness characteristics of generators that have achieved commercial operation versus generators in a planning stage, and that these two types of customers should receive the same treatment with respect to application of the M2 Milestone Payment.

⁹⁴ *Id.*

⁹⁵ *Id.* at 11.

⁹⁶ *Id.* at 12.

⁹⁷ *Id.* at 12-13.

⁹⁸ *Id.* at 13.

46. MISO states that AWEA/WOW's initial brief contains various proposed revisions to MISO's GIP that have no connection to the instant proceeding and that are beyond the scope of the paper hearing established in the March 29 Order.⁹⁹ MISO argues that AWEA/WOW attempt to use the limited paper hearing procedures to circumvent the stakeholder process and force unjustified GIP changes in violation of the procedural requirements set forth in section 206 of the FPA.¹⁰⁰ MISO states that AWEA/WOW's claims do not meet the content and evidentiary requirements of Rules 203 and 206 of the Commission's Rules of Practice and Procedure.¹⁰¹ MISO also argues that several of AWEA/WOW's requests are collateral attacks on prior orders finding the practice just and reasonable, and others are not ripe for consideration because they concern aspects of the GIP that are under consideration in MISO's stakeholder process.¹⁰² Further, MISO argues that the proposed monthly report is unnecessary and unduly burdensome, as MISO's business practices as set forth in its Manual are developed through an open stakeholder process, and each Manual already includes a detailed revision history.¹⁰³ MISO further argues that the report would weaken MISO's generator interconnection-related stakeholder process.

47. Although MISO believes that the extraneous issues raised by AWEA/WOW should be dismissed, it provides a brief response to some issues, as follows: (1) MISO's generator dispatch assumptions are located in Table 6-1 of its publicly-available Manual No. 15;¹⁰⁴ (2) MISO is not eliminating ERIS and AWEA/WOW's interpretation of stakeholder discussions is exaggerated;¹⁰⁵ (3) MISO is not removing the NRIS rights of wind generators – it has only proposed that the NRIS value for wind generation would be the level granted through the DPP rather than a predetermined percentage of nameplate rating;¹⁰⁶ (4) MISO's quarterly operating limits studies and an additional annual study

⁹⁹ *Id.* at 14-15.

¹⁰⁰ *Id.* at 15-18 (citing 16 U.S.C. § 824e (2012)).

¹⁰¹ *Id.* at 18 (citing 18 C.F.R. § 385.203 (2016) and 18 C.F.R. § 385.206 (2016)).

¹⁰² *Id.* at 18-19.

¹⁰³ *Id.* at 26-27.

¹⁰⁴ *Id.* at 20-21.

¹⁰⁵ *Id.* at 21.

¹⁰⁶ *Id.* at 22.

were put in place as a result of interconnection customer requests not to restrict resources from offering into the MISO Planning Resource Auction unnecessarily;¹⁰⁷ (5) coal-to-gas plant fuel conversions do not necessarily impact the electrical characteristics of the Generating Facility;¹⁰⁸ (6) MISO uses Special Protection Systems on a temporary basis, subject to transmission owner approval, and does not use them inconsistently;¹⁰⁹ (7) differences in modeling assumptions between transmission provider regions is a topic that is being discussed as part of a separate proceeding in Docket Nos. RM16-12-000 and RM15-21-000; (8) the proposal for MISO to use standard distribution factors in ERIS studies would impair transmission owners' ability to perform reliability planning for their facilities;¹¹⁰ and (9) MISO's coordination agreements with Manitoba Hydro and Minnkota Power Cooperative were filed and accepted by the Commission, and AWEA/WOW is free to file a complaint with respect to MISO's processing of Manitoba Hydro's projects.¹¹¹ MISO further states that AWEA/WOW's criticisms of interconnection study calculations for alleged failure to include an input are misplaced.¹¹²

48. Manitoba Hydro also responds to AWEA/WOW's concerns about Manitoba Hydro's interconnection request.¹¹³ Manitoba Hydro clarifies that its 2014 E-NRIS request was denied as a result of Transmission Service Rights held by several parties. In addition, Manitoba Hydro responds to the concern that it entered into a coordination agreement without an appropriate filing. Manitoba Hydro states that the document referenced by AWEA/WOW is not a coordination agreement, but rather an implementing procedure that is directly contemplated by the coordination agreement that was originally approved by the Commission in 2001.¹¹⁴

¹⁰⁷ *Id.* at 22-23.

¹⁰⁸ *Id.* at 23.

¹⁰⁹ *Id.* at 24.

¹¹⁰ *Id.* at 25.

¹¹¹ *Id.* at 25-26.

¹¹² *Id.* at 24-25.

¹¹³ Manitoba Hydro, Reply Brief, Docket No. EL16-12-000, at 3 (filed May 26, 2012).

¹¹⁴ *Id.* at 4.

49. Exelon argues that concerns about speculative requests for service are not valid for customers that have already completed their MISO interconnection studies, paid hundreds of thousands of dollars for system impact, feasibility, and facilities studies costs, and are ready and willing to sign E-NRIS Service Agreements with MISO.¹¹⁵ However, Exelon argues that if the Commission directs MISO to alter its study process for E-NRIS service or require the posting of the M2 Milestone Payment, it should clarify that: (1) such requirements apply only to E-NRIS generators that have not yet completed the interconnection study process; and (2) any changes in the study procedures should be implemented prospectively, and E-NRIS customers that have already completed their DPP interconnection studies will maintain their queue positions during the pendency of the Complaint proceeding and will not be subject to restudy by MISO.¹¹⁶ AWEA/WOW ask the Commission to reject Exelon's request, as they argue that MISO acted contrary to its Tariff in failing to apply the M2 Milestone Payment to all interconnection customers.¹¹⁷ AWEA/WOW state that completed studies do not necessarily make the project non-speculative, as none of the details are known, such as terms, costs, and start date, and the generation could decide to sell into the region where it is physically located.

50. AWEA/WOW argue that the Commission must require MISO to file Tariff provisions containing not just the overall framework of its interconnection practices, but the service prerequisites, study process details, and study impacts for any practice that bears on MISO's provision of, and the interconnection customer's ability to obtain, interconnection service.¹¹⁸ AWEA/WOW further argue that it is also important that the Commission monitor the process that results in any new interconnection service practice, because MISO will sometimes implement a new practice that has not been fully vetted during the stakeholder process, or because MISO will delay action on proposals brought by stakeholders.¹¹⁹

51. AWEA/WOW contend that E-NRIS customers must pay the M2 Milestone Payment because the E-NRIS customer could withdraw after the DPP reliability studies

¹¹⁵ Exelon Corporation, Motion to Intervene Out of Time and Reply Brief, Docket No. EL16-12-000, at 4 (filed May 17, 2016).

¹¹⁶ *Id.* at 5-6.

¹¹⁷ AWEA/WOW, Reply Brief, Docket No. EL16-12-000, at 20-21 (filed May 26, 2016).

¹¹⁸ *Id.* at 3.

¹¹⁹ *Id.* at 4-7.

are done and cause restudies, harm to transmission allocations, and shifted network upgrade determinations.¹²⁰ In contrast, they argue that NRIS-only service does not involve a reliability study because one has already been done, and that withdrawal of the NRIS-only customer will have no impact on reliability results, nor will it trigger a restudy.

52. AWEA/WOW state that there are unjust disparities in how MISO treats E-NRIS versus internal MISO generation.¹²¹ Specifically, they state that E-NRIS customers are granted ERIS based on available transmission capacity, such that E-NRIS customers can downsize their projects with no risks after the DPP reliability study is complete in order to reach the level of MW that the MISO system will accommodate; however, all other interconnection customers must submit a specific MW amount prior to DPP entry and risk losing the M2 Milestone Payment if they wish to reduce their MW interconnection request. Further, they argue that E-NRIS customers pay a flat \$35,000 fee to cover study costs regardless of project size, while all other interconnection customers pay on a sliding scale based on project size.¹²²

53. AWEA/WOW refute MISO's arguments that E-NRIS is distinguishable and therefore should not be charged the M2 Milestone Payment. They state that service requests for NRIS do not result in fewer upgrades, because they are subject to the additional deliverability study, which never results in fewer upgrades.¹²³ They reiterate that E-NRIS requests cannot have zero MW impact, because they argue that changing the sink of the project to MISO creates new power flows that were not studied by the transmission provider to which the external project directly interconnects. AWEA/WOW state that E-NRIS projects do in fact impact other projects, because scarce capacity that is allocated to an E-NRIS project is not available for other projects in the DPP.¹²⁴ They disagree with MISO's assertion that the risk of withdrawal for E-NRIS customers is low, as they state that MISO has provided no support for this statement, and that the lack of the M2 Milestone Payment arguably makes the risk of withdrawal higher for E-NRIS.¹²⁵

¹²⁰ *Id.* at 8.

¹²¹ *Id.* at 9-13.

¹²² *Id.* at 13.

¹²³ *Id.* at 14.

¹²⁴ *Id.* at 15.

¹²⁵ *Id.* at 17-18.

54. AWEA/WOW ask the Commission to reject MISO's suggestion that, if the M2 Milestone Payment is applied to all interconnection customers, a flat fee of \$5,000 per MW could be used.¹²⁶ They state that MISO has not supported this suggestion, and that the flat fee was only recommended by stakeholders (as MISO suggests) when it was part of a larger interconnection queue restudy process that involved off-ramps to the queue.

c. Commission Determination

55. We find that MISO has failed to show cause why the M2 Milestone Payment should not be applied to E-NRIS and NRIS-only customers and that it is unjust, unreasonable, unduly discriminatory or preferential for MISO to exempt E-NRIS and NRIS-only customers from the M2 Milestone Payment, because all similarly situated interconnection customers must be treated comparably. As discussed below, we find that other customers in the queue could be negatively impacted in the form of restudies or shifted cost allocation when an E-NRIS or NRIS-only customer withdraws from the queue. Given that the M2 Milestone Payment is intended and designed, in part, to protect other customers against the consequences of a withdrawal, we find that it is just and reasonable that all interconnection customers post the M2 Milestone Payment in order to protect other customers from the potential harm that any interconnection customer may cause by a late-stage withdrawal. Accordingly, we accept MISO's proposed Tariff language, as submitted in the compliance filing made in Docket No. ER16-1817-000, to apply the M2 Milestone Payment to interconnection customers seeking E-NRIS. However, as discussed below, we direct MISO to make a further compliance filing within 30 days of the date of this order including Tariff revisions that: (1) apply the M2 Milestone Payment to all classes of interconnection customer, including E-NRIS and NRIS-only customers, and (2) make clear that the M2 Milestone Payment assessed to any customer is not zero.

56. We find that exempting E-NRIS and NRIS-only customers from the M2 Milestone Payment may cause harm to other customers that are lower in the interconnection queue. E-NRIS customers are part of MISO's interconnection studies, due to the fact that the MWs under the external GIA will now sink into the MISO system, and E-NRIS projects have never been studied in terms of power flows with MISO as the sink. MISO's interconnection studies plan for E-NRIS customers to remain in the queue; therefore, in the event of an E-NRIS customer's withdrawal, MISO may be required to restudy projects in the interconnection queue. Lower-queued customers must proceed in MISO's interconnection process without any way to mitigate the uncertainty that: (1) the potential network upgrades MISO determines are necessary for those customers to

¹²⁶ *Id.* at 20.

receive interconnection service might become unnecessary as a result of any restudies, or (2) that new network upgrades may be identified or shifted to them. Likewise, a customer's request for NRIS-only service could potentially trigger the need for network upgrades to accommodate the change in class of service. Thus, if the NRIS-only customer were to withdraw, it could trigger a restudy that alters a lower-queued interconnection customer's responsibility for network upgrades. While this risk exists for all classes of customers, it is partially mitigated by the posting of the M2 Milestone Payment.

57. We disagree with MISO's assertion that the M2 Milestone Payment is largely needed to assure readiness by interconnection customers to proceed to commercial operation. To the contrary, we find that the reduction of late-stage terminations and the resultant restudies, as well as the mitigation of potential cost increases to lower-queued customers due to any restudies, are equally important goals of the M2 Milestone Payment. As the Commission stated in the March 29 Order, if an external interconnection customer withdraws from the queue, the withdrawal potentially impacts other customers in the queue in the form of restudies or shifted cost allocation, and the M2 Milestone Payment is intended, in part, to protect other customers against the consequences of a withdrawal. MISO has not demonstrated that the withdrawal of E-NRIS or NRIS-only customers from the queue would not cause this harm.

58. We disagree with AWEA/WOW's assertion that NRIS-only customers should not pay the M2 Milestone Payment. As discussed above, the potential withdrawal of higher-queued NRIS-only customers creates uncertainty for lower-queued interconnection customers, and the application of the M2 Milestone Payment is intended to partially mitigate this uncertainty. MISO has not demonstrated that NRIS-only customers would not require network upgrades; to the contrary, new network upgrades may be required when a customer converts ERIS into NRIS with NRIS-only, and the NRIS-only customer would be required to make a new Initial Payment pursuant to a new or updated GIA. NRIS-only for the existing generator is fundamentally different than the previous underlying ERIS that was requested for that generator, and potentially results in new impacts on the MISO system. Accordingly, as noted above, we direct MISO on further compliance to apply the M2 Milestone Payment to NRIS-only customers to mitigate these potential impacts. We further direct MISO to provide that this payment be refunded after satisfaction of the new Initial Payment, similar to the M2 Milestone Payment refund provision provided for E-NRIS in MISO's compliance filing in Docket No. ER16-1817-000, as discussed further below.

59. We disagree with MISO's argument that the refundable nature of the M2 Milestone Payment shows that it was not intended to apply to customers that have Generating Facilities that are currently in commercial operation. Section 8.1 of the GIP requires MISO to refund the M2 Milestone Payment to the interconnection customer that made it upon: (1) satisfaction of the Initial Payment for a non-provisional GIA;

(2) commencement of commercial operation of the entire Generating Facility for a provisional GIA; or (3) the total network upgrade cost estimates in the facilities study increasing by more than 25 percent over the cost estimates in the system impact study. MISO states that E-NRIS and NRIS-only customers must be commercially operating or have an effective GIA, and that the M2 Milestone Payment would therefore be refunded almost immediately upon receipt. However, under the current Tariff, only customers with a provisional GIA are refunded the M2 Milestone Payment upon commercial operation – customers with a non-provisional GIA are refunded the payment upon satisfaction of the Initial Payment, which is tendered within the later of 30 days of the execution of the GIA or 30 days of Commission acceptance of an unexecuted GIA, but in either event before commercial operation. In addition, in its compliance filing submitted in Docket No. ER16-1817-000, MISO has proposed to make the M2 Milestone Payment refundable for E-NRIS customers once the external customer has made “the Initial Payment pursuant to Article 6.0 of a Service Agreement for Network Resource Interconnection Service for an External Generating Facility,” thereby removing the concern about refunding the M2 Milestone Payment immediately upon receipt for E-NRIS customers.

60. We disagree with MISO’s argument that the M2 Milestone Payment is not needed to address a shift in network upgrades if an E-NRIS customer withdraws, because MISO asserts that there is a low risk that a network upgrade needed for a Generating Facility physically located outside of the MISO transmission system would impact costs to other interconnection customers. MISO concedes that the protocols used to study E-NRIS customers are also used to identify constraints, which, in turn, might indicate the need for network upgrades. Similarly, NRIS-only customers may require network upgrades to accommodate their new level of service. Even if E-NRIS and NRIS-only customers require upgrades less frequently than other classes of interconnection customers, and therefore present a lower risk of withdrawal, some E-NRIS and NRIS-only customers may require upgrades; in that case, if the customer then withdraws, a restudy may be needed, which could result in shifted network upgrade costs. The M2 Milestone Payment is intended, in part, to help protect other interconnection customers against this cost shift.

61. We disagree with MISO’s argument that the net effect of withdrawal of an E-NRIS customer from the queue would be an increase in MISO generation back to the level without the withdrawing E-NRIS customer, thereby having no effect on lower-queued customers. Even if a withdrawal did not affect the net generation on the MISO system, the withdrawal could cause changes to the power flows, which could require a restudy or additional upgrades on affected parts of the system, and certain network upgrade costs may be shifted to other customers - costs that are typically mitigated by the M2 Milestone Payment.

62. MISO has indicated that, because E-NRIS and NRIS-only interconnection requests involve existing Generating Facilities and do not add new MWs, the M2 Milestone

Payment would be zero under the current formula. We find that the current formula for the M2 Milestone Payment is unjust and unreasonable because the payment cannot effectively protect all customers comparably against the consequences of a withdrawal if the E-NRIS or NRIS-only customer does not have to put forth some capital at risk. We agree with AWEA/WOW that it cannot be true that external projects add zero gross MWs to MISO's system, as the MW impact of the interconnection will be studied in the DPP, and changing the sink of the project to MISO creates new power flows that were not studied by the transmission provider to which the external project directly interconnects. As such, a withdrawal of a customer seeking E-NRIS could cause the need for restudying lower-queued interconnection requests, potentially resulting in altered responsibility for network upgrades. Likewise, the withdrawal of a customer seeking NRIS-only service could cause cost shifts to lower-queued customers, either because the withdrawing customer needed to construct network upgrades to facilitate its move from ERIS to NRIS or because the withdrawal otherwise upset a lower-queued customer's responsibility for network upgrades. Such cost shifts are typically mitigated by the M2 Milestone Payment, and as such, the payment protects other customers in the queue. Therefore, we direct MISO to submit a further compliance filing that revises MISO's Tariff to modify the M2 Milestone Payment formula so that E-NRIS and NRIS-only customers are required to have a financial incentive not to withdraw from the queue comparable to the financial incentive of ERIS and NRIS customers.¹²⁷

63. We grant Exelon's request for clarification that changes to the E-NRIS study procedures will be implemented prospectively, and we make MISO's proposed Tariff revisions applying the M2 Milestone Payment to all interconnection customers effective as of April 5, 2016, the refund effective date established in the March 29 Order, as further discussed below. We direct MISO to apply the revised Tariff procedures to interconnection customers that enter the DPP on and after April 5, 2016, and to maintain the queue positions and existing Tariff procedures for all interconnection customers that had already entered the DPP as of that date.¹²⁸ We find this approach to be just and

¹²⁷ We recognize that MISO and its stakeholders are currently working on broader reforms to MISO's generator interconnection procedures, which might include changes to the payment structures under its existing queue procedures. To the extent MISO believes that reforms proposed in that package address Commission directives in this order, MISO may reference those provisions in its compliance filing in this proceeding.

¹²⁸ *See, e.g., Queue Reform Order*, 138 FERC ¶ 61,233 at P 106 ("reforms that affect interconnection requests in the later stages of the interconnection process create special circumstances that require careful considerations because such reforms can significantly disrupt the activities of customers who may have relied upon the existing process.").

reasonable because interconnection customers that had already entered the DPP as of the refund effective date are past the point at which the M2 Milestone Payment would be required. Further, we direct MISO to collect the M2 Milestone Payment from interconnection customers that enter the DPP on and after refund effective date within 30 days of the date of the order accepting MISO's compliance filing adjusting the M2 Milestone Payment formula, as directed above.¹²⁹

64. We reject AWEA/WOW's requests to: (1) consider several MISO practices outside of its Tariff that they argue affect the cost and level of interconnection service, and (2) investigate several current Tariff practices that AWEA/WOW argue are not effectively explained. We find these requests to be outside the scope of this section 206 proceeding. In the March 29 Order, the Commission instituted a section 206 proceeding specifically because it found that MISO's Tariff may be unjust, unreasonable, unduly discriminatory or preferential because: (1) the Tariff does not specify in sufficient detail which interconnection customers must make the M2 Milestone Payment, and (2) the Tariff does not include detailed provisions regarding E-NRIS and NRIS-only customers.¹³⁰ AWEA/WOW appears to have given an overbroad interpretation to the Commission's statement that the concerns identified by the Commission might be addressed by revising MISO's Tariff to "clarify the services it provides and the process for receiving that service for every class of interconnection customer to which the Tariff applies."¹³¹ This language was not intended to establish a broad investigation of MISO's GIP; the scope of the paper hearing is limited to whether certain categories of interconnection customers may be exempt from the M2 Milestone Payment and appropriate clarifications of interconnection procedures applicable to E-NRIS and NRIS-only customers. We note that, if AWEA/WOW have concerns with any current MISO Tariff practices, they are free to address such concerns directly with MISO through the stakeholder process or to submit a complaint with the Commission.

65. We reject for the same reasons AWEA/WOW's request that we direct MISO to file a monthly report that lists: (1) all changes to its service practices that were adopted; (2) whether MISO will make a Tariff filing; and (3) whether MISO intends to revise only its Manual.

¹²⁹ The Commission recognized that it may be necessary in some circumstances to apply reforms to late-stage interconnection requests to resolve backlogs, and applied the M2 Milestone Payment to customers already in the DPP. *See id.* However, this case is distinguishable, as the payment would not resolve any backlogs.

¹³⁰ March 29 Order, 154 FERC ¶ 61,248 at PP 30, 32, 33.

¹³¹ *Id.* P 34.

2. Compliance Filing

a. Filing

66. MISO states that it has changed certain sections of its Tariff to address E-NRIS, including sections 2.1(e), 3.2.2.1, 3.3.1, and 8.2.¹³² In section 2.1(e), MISO amends the existing Tariff to refer to a *pro forma* E-NRIS Service Agreement, found in Appendix 13 to the Tariff. In section 3.2.2.1, MISO makes a minor change to ensure that E-NRIS customers with ERIS on a non-MISO system are included in MISO's GIP with all internal ERIS customers. In section 3.3.1, MISO adds that E-NRIS customers are responsible for a \$35,000 payment, equivalent to internal NRIS-only customers. Finally, MISO states that section 8.2 is revised to ensure that the M2 Milestone Payment will be applied to all interconnection customers, and will be refunded once the Initial Payment is completed.¹³³

67. MISO has also added a *pro forma* Service Agreement for E-NRIS customers, as Appendix 13 to the Tariff. MISO states that the *pro forma* E-NRIS Service Agreement is modeled on the existing *pro forma* GIA, and includes some of the same terms and conditions.¹³⁴ In addition to a few minor changes, MISO proposes the following substantive differences between the *pro forma* E-NRIS Service Agreement and the *pro forma* GIA: (1) section 4.2 requires the E-NRIS customer to demonstrate appropriate transmission service for a term of at least five years from its source external to MISO to the MISO border; (2) sections 6.0, 6.1, and 6.2 have been revised to indicate that all customers will be required to submit an Initial Payment; and (3) section 8.0, which references termination of the Service Agreement, only allows for MISO to terminate the agreement if the Generating Facility ceases operation for three consecutive years.¹³⁵

¹³² MISO Compliance Filing, Docket No. ER16-1817-000, Transmittal Letter at 3-4 (filed May 31, 2016).

¹³³ MISO notes that the revisions proposed in section 8.2 are subject to the outcome of the paper hearing in Docket No. EL16-12-000, and argues that MISO has shown in its initial and reply briefs in that docket that the M2 Milestone Payment should not be applied to E-NRIS or NRIS-only customers. *Id.* at 3-4.

¹³⁴ *Id.* at 6-7.

¹³⁵ *Id.* at 6-7.

68. MISO proposes an effective date for the compliance filing 60 days after the date of a final Commission order in Docket No. EL16-12-000.¹³⁶ MISO commits to making a subsequent FPA section 205 filing to update the Tariff sheets to reflect the most up-to-date versions of the then-current Tariff provisions.

b. Protests and Answers

69. Exelon states that it is in the process of obtaining E-NRIS for multiple assets, with a requested start date of June 1, 2017.¹³⁷ As such, Exelon encourages the Commission to act on this matter rapidly and to issue an order on this compliance filing together with the final order in the Complaint proceeding in Docket No. EL16-12-000.¹³⁸ Exelon requests: (1) that any changes to MISO's GIP resulting from this proceeding should only be applied prospectively, and (2) that E-NRIS customers who have already completed their DPP interconnection studies will maintain their queue positions during the pendency of the paper hearing and compliance proceedings, and will not be subject to restudy by MISO. Exelon states that it has already proceeded through much of the GIP and that any retrospective changes to the GIP may delay its projects in the queue. AWEA/WOW answers that there are issues with the projects Exelon explains it already has in the queue.¹³⁹ AWEA/WOW explain that they have examined the August 2014 DPP study results and cannot replicate the results from MISO. They further state that the amount of generation requested by Exelon seems impossible to deliver without network upgrades, and yet, network upgrades are not shown in the study results. AWEA/WOW state that there are unanswered questions about how these projects were studied and that the Commission should investigate them.¹⁴⁰

70. AWEA/WOW argue that the Commission should grant an effective date as soon as possible, as MISO is currently processing numerous E-NRIS service requests. AWEA/WOW propose an effective date of March 29, 2016, the date of the March 29

¹³⁶ *Id.* at 8.

¹³⁷ Exelon Corporation, Limited Protest, Docket No. ER16-1817-000, at 3 (filed June 21, 2016) (Exelon Protest).

¹³⁸ *Id.* at 4.

¹³⁹ American Wind Energy Association and Wind on the Wires, Motion for Leave to Answer and Answer, Docket No. ER16-1817-000, at 26 (filed July 20, 2016) (AWEA/WOW Answer).

¹⁴⁰ *Id.* at 27.

Order directing the submission of a compliance filing, or, at most, May 31, 2016, the date the Commission directed MISO to submit its compliance filing.¹⁴¹ MISO states that it has no objection to any effective date imposed by the Commission, but notes that Exelon and AWEA/WOW have requested opposite effective dates – Exelon a future effective date, and AWEA/WOW a date in the past.¹⁴²

71. AWEA/WOW take issue with three of the Tariff revisions submitted by MISO. First, they state that Tariff section 2.1(e) provides that NRIS may be available for an “existing Generating Facility,” but that this term is misleading.¹⁴³ AWEA/WOW state that the definition implies an established and operating Generating Facility, but that it is apparent from practice that MISO deems an existing Generating Facility to include generators that are either in-service, under construction, or have an unsuspending interconnection agreement with the transmission provider to which they are directly physically connected at the time of request. They ask that MISO be required to add a specific, defined term for “existing Generating Facility.” Second, AWEA/WOW protest proposed Tariff section 3.3.1, which proposes a \$35,000 study deposit to enable the E-NRIS customer to move into the queue and be studied in the DPP.¹⁴⁴ AWEA/WOW argue that E-NRIS customers should be subject to the same study deposits as all other customers in the queue. Third, AWEA/WOW state that Tariff section 8.2, which discusses eligibility to move into the DPP, must be updated to indicate that it applies to E-NRIS customers.

72. In its answer, MISO urges the Commission to support MISO’s efforts to treat internal and external customers the same, as directed in the March 29 Order.¹⁴⁵ MISO believes that its proposed Tariff changes and the *pro forma* E-NRIS Service Agreement successfully treat internal and external customers the same without creating artificial barriers that would create preferential treatment. However, MISO responds to some of the protests of the specific Tariff provisions proposed in the compliance filing. First, MISO states that the definition of “Generating Facility” in sections 2.1(e) of the Tariff

¹⁴¹ American Wind Energy Association and Wind on the Wires, Protest, Docket No. ER16-1817-000, at 25 (filed June 21, 2016) (AWEA/WOW Protest).

¹⁴² Midcontinent Independent System Operator, Inc., Motion for Leave to Answer and Answer, Docket No. ER16-1817-000, at 19 (filed July 6, 2016) (MISO Answer).

¹⁴³ AWEA/WOW Protest at 18.

¹⁴⁴ *Id.* at 19.

¹⁴⁵ MISO Answer at 4.

is correct and is meant to be neutral between internal and external interconnection customers.¹⁴⁶ Second, MISO argues that it added rules for E-NRIS customers in section 3.3.1 to treat them identically to NRIS-only customers, and that the study deposit amount for both was set in order to be commensurate with anticipated costs. AWEA/WOW answer that NRIS-only customers are currently only assessed the \$35,000 study deposit because they have already progressed through the MISO queue and study procedures once, including being subject to all the MISO studies and paid all study deposits.¹⁴⁷ AWEA/WOW argue that the E-NRIS customers have not gone through the MISO study process, and as they will go through the full MISO study process as part of obtaining E-NRIS service, they should be required to pay the full study deposit amounts, rather than the simple \$35,000 amount.¹⁴⁸ Third, MISO notes that section 8.2 applies to both external and internal interconnection customers and no clarification is needed.¹⁴⁹

73. AWEA/WOW protest six aspects of MISO's proposed *pro forma* E-NRIS Service Agreement. First, they request that the reference in section 2.0 to "existing Generating Facilities" should be changed to the defined term "External NR Interconnection Service" or "E-NRIS."¹⁵⁰ In its answer, MISO explains that section 2.0 references "existing Generating Facilities" because prior testimony and current practice establish that generation that was modeled in planning cases by virtue of being in service, under construction, or having an unsuspended GIA with their host provider is enough to prove existence within future looking models.¹⁵¹ MISO asserts that this section appropriately relates back to section 2.1(e) of the GIP.

74. Second, AWEA/WOW note that section 4.2 provides that the E-NRIS customer must demonstrate that it has firm transmission service to the MISO border for at least five years.¹⁵² They argue that this should be changed to a term of 20 years, and that a

¹⁴⁶ *Id.* at 16.

¹⁴⁷ AWEA/WOW Answer at 5.

¹⁴⁸ *Id.* at 5-9.

¹⁴⁹ MISO Answer at 4.

¹⁵⁰ AWEA/WOW Protest at 19.

¹⁵¹ MISO Answer at 16.

¹⁵² AWEA/WOW Protest at 19.

specific start date should be required. In its answer, MISO points out that the interconnection customer must demonstrate that transmission service continues to be maintained so long as the Service Agreement is in force, and argues that this language is superior to the protesting parties' request that the term be set to an arbitrary number.¹⁵³

75. Third, AWEA/WOW argue that, in section 7.0, which provides for conditional E-NRIS, the customer must not be allowed to downsize its service request after entering the DPP, in order to make this conditional service equivalent to that of internal customers.¹⁵⁴ Fourth, AWEA/WOW state that section 7.1 provides that unconditional NRIS will be available once the network upgrades and contingent facilities listed in Exhibit 2 are in service.¹⁵⁵ However, AWEA/WOW state that MISO plans to add a five-year mandatory conditionality limit as a new interconnection service practice, and that MISO plans to except E-NRIS customers from this five-year limit. AWEA/WOW argue that practice would be unjust, unreasonable, unduly discriminatory and preferential. In its answer, MISO states that sections 7.0 and 7.1 of the proposed *pro forma* E-NRIS Service Agreement treat internal and external customers the same.¹⁵⁶

76. Fifth, AWEA/WOW protest the proposed commencement of service provision in section 8.0, arguing that service should not commence until the E-NRIS customers executes the facilities construction agreement and complies with all milestone requirements.¹⁵⁷ Sixth, AWEA/WOW state that proposed termination provision in section 8.0 deviates from the termination provision in Article 2.3.1 of MISO's existing *pro forma* GIA, and argue that the two agreements should be synonymous. Specifically, MISO proposes that service shall be terminated only if an E-NRIS customer "ceases" operation. AWEA/WOW assert that the termination clause should include a provision for termination if the E-NRIS customer: (1) fails to achieve deliverability within three years of its commercial delivery date; (2) fails to "continue to deliver" to MISO for three consecutive years; or (3) fails to "begin to deliver" to MISO as of the commercial delivery date.¹⁵⁸ Furthermore, AWEA/WOW note that Article 2.3.1 of MISO's

¹⁵³ MISO Answer at 17.

¹⁵⁴ AWEA/WOW Protest at 20.

¹⁵⁵ *Id.* at 21.

¹⁵⁶ MISO Answer at 17.

¹⁵⁷ AWEA/WOW Protest at 22, 24-25.

¹⁵⁸ *Id.* at 23.

pro forma GIA uses “may” terminate, whereas the proposed *pro forma* E-NRIS Service Agreement uses “shall” terminate. AWEA/WOW support the use of “may” and urge its adoption here.¹⁵⁹ MISO answers that section 8.0 treats all customers the same.¹⁶⁰ MISO explains that section 8.0 restricts service so that only conditional NRIS is available until all needed upgrades are built, and MISO would not hold the contract in breach if the required upgrade construction was not in progress. In addition, MISO argues that the termination provision in section 8.0 treats external customers similarly to internal customers, taking into consideration the uniqueness of the *pro forma* E-NRIS Service Agreement. In its answer to MISO’s answer, AWEA/WOW argue that, as proposed, the termination clause in section 8.0 of the *pro forma* E-NRIS Service Agreement would allow an E-NRIS customer to linger for years without bringing its proposed Generating Facility online, or never schedule power to flow with a sink in MISO.¹⁶¹ They state that it should be revised to exactly match the termination clause in Article 2.31 of the *pro forma* GIA.

c. Commission Determination

77. As discussed below, we accept the compliance filing, subject to condition and subject to the outcome of Docket Nos. ER16-696 and ER12-2302, to be effective prospectively as of April 5, 2016, the refund effective date established in the March 29 Order. We direct MISO to submit a further compliance filing due within 30 days from the date of this order that includes the revisions to the Tariff and the *pro forma* E-NRIS Service Agreement discussed below.¹⁶² As discussed above, the revised Tariff will apply to all interconnection customers that enter the DPP on and after the refund effective date, and we direct MISO to maintain the queue positions and current Tariff procedures for any interconnection customers that had already entered the DPP as of that date. Moreover, we direct MISO to collect the M2 Milestone Payment from interconnection customers that enter the DPP on and after the refund effective date within 30 days of the date of the order accepting MISO’s compliance filing adjusting the M2 Milestone Payment formula

¹⁵⁹ *Id.* at 24.

¹⁶⁰ MISO Answer at 18.

¹⁶¹ AWEA/WOW Answer at 24.

¹⁶² We find that AWEA/WOW’s discussion regarding Exelon’s E-NRIS projects in the MISO queue is out of the scope of this proceeding, and, as such, we do not address it directly. Rather, as described above, we decide the effective date for the changes directed in this order on a generic basis.

as directed herein.¹⁶³ We also direct MISO to submit with its compliance filing revisions to the LEPA E-NRIS Agreement accepted in Docket No. ER16-1346-000 to conform that agreement with the *pro forma* E-NRIS Service Agreement, as revised according to the directives in this order.

78. We agree with AWEA/WOW that MISO must add a specific, defined term for “existing Generating Facility” in section 2.1(e) of the Tariff, and direct MISO to do so in the compliance filing ordered herein. We find that use of the term “existing Generating Facility” implies that every E-NRIS customer is already operational, which is not necessarily the case.

79. With regard to the proposed \$35,000 study deposit in Tariff section 3.3.1 for NRIS-only and E-NRIS customers, we agree with AWEA/WOW that E-NRIS customers must pay the full amount of study deposits required of all interconnection customers. We agree with AWEA/WOW that, because E-NRIS customers are proceeding through the full interconnection process, they must be subject to the same deposits and payments as all other customers. With regard to NRIS-only customers, we find that, if either the System Impact Study or Facilities Study is not required for NRIS-only customers, then they may be allowed to pay lower study deposits. However, when NRIS-only customers do go through the same studies and procedures as all other customers, we find that they must be charged the same deposits and payments. MISO is directed to include revisions to the Tariff consistent with this finding in the further compliance filing.

80. We agree with MISO that proposed Tariff section 8.2, concerning eligibility to enter the DPP, clearly applies the GIP, including the M2 Milestone Payment and the Initial Payment, to E-NRIS customers. However, we find that MISO must make clear which classes of customers can obtain E-NRIS, and require MISO, in its compliance filing, to submit revisions to the Tariff that describe those classes of customers in detail, and provide further explanation of MISO’s statements that “some of the Interconnection Customers are requesting E-NRIS for generation located within the MISO reliability footprint, but connected to a distribution circuit” and “[e]xternal resources are those not directly interconnecting to the MISO Transmission System, which includes distribution level facilities physically within the MISO boundaries.”¹⁶⁴

81. We accept the *pro forma* E-NRIS Service Agreement, subject to condition, and make it effective prospectively as of the refund effective date. The *pro forma* E-NRIS Service Agreement generally conforms to the *pro forma* GIA, and with the changes

¹⁶³ See *supra* P 63.

¹⁶⁴ MISO Answer at 8.

ordered below, provides for the just and reasonable provision of E-NRIS. MISO is directed to make a compliance filing within 30 days of the date of this order revising the *pro forma* E-NRIS Service Agreement, as discussed below.

82. We next address AWEA/WOW's protests of the proposed *pro forma* E-NRIS Service Agreement. First, we agree with AWEA/WOW that MISO's use of "existing Generating Facilities" in section 2.0 of the agreement is inaccurate. Consistent with the revisions we direct above regarding the definition of "existing Generating Facilities" in section 2.1(e) of the Tariff, we require, in the compliance filing directed herein, that MISO propose a specific, defined term in the *pro forma* E-NRIS Service Agreement to reference E-NRIS customers.

83. Second, we reject AWEA/WOW's argument that proposed section 4.2 should require the E-NRIS customer to demonstrate that it has 20 years firm transmission service to the MISO border and include a proposed start date for that service. We find that MISO's proposed term of at least five years, along with the requirement that transmission service continues to be maintained so long as the Service Agreement is in force, is a just and reasonable way to ensure that E-NRIS customers are able to deliver power when needed.

84. Third, we reject AWEA/WOW's argument that, in section 7.0 of the *pro forma* E-NRIS Service Agreement, E-NRIS customers should not be able to downsize their projects once they are moved into the DPP, in order to make this conditional service equivalent to that of internal customers. We find that section 7.0 matches the existing *pro forma* GIA closely, and we have no concern with any differences. Fourth, we reject AWEA/WOW's protest of MISO's future plans for Tariff revisions regarding conditional service. Any revisions not currently before the Commission in this docket are outside the scope of this proceeding.

85. Fifth, we agree with AWEA/WOW that the termination clause proposed in section 8.0 of the *pro forma* E-NRIS Service Agreement is unjust, unreasonable, unduly discriminatory or preferential. The proposed clause is written for customers who are already in operation. However, MISO's definition of an E-NRIS customer, which incorporates a definition of "existing Generating Facility," includes certain classes of customers who may not be in operation yet.¹⁶⁵ Furthermore, the proposed language uses the term "shall" where in the *pro forma* GIA, the term "may" is used.¹⁶⁶ We find that all

¹⁶⁵ As noted above, MISO is directed to revise this definition on compliance.

¹⁶⁶ We note that this terminology is at issue in a pending rehearing in Docket No. ER16-471-001.

customers should face the same termination rules, and, as such, we direct MISO to change the termination clause of the proposed *pro forma* E-NRIS Service Agreement to match that of the existing termination clause in the *pro forma* GIA, as suggested by AWEA/WOW. We do not agree with AWEA/WOW that any further termination provisions, such as adding in provisions if the generator does not “continue” or “begin” to deliver power, are needed.

d. Alleged Omissions from the Compliance Filing

i. Protests and Answers

86. AWEA/WOW contend that MISO has improperly omitted several items from the compliance filing. They first argue that it is unclear from MISO’s filing that the E-NRIS customer is required to execute the Interconnection Study Agreement, as internal MISO customers are required to do.¹⁶⁷ MISO clarifies in its answer that E-NRIS customers must execute the Interconnection Study Agreement.¹⁶⁸

87. Second, AWEA/WOW note that E-NRIS customers are only being charged \$35,000 for study deposits, and state that, originally, this was because E-NRIS customers were only undergoing a deliverability study. However, now that E-NRIS customers must participate in all studies, AWEA/WOW believe that they should be required to submit the same study deposits as internal customers.¹⁶⁹ MISO answers that the \$35,000 interconnection study deposit is appropriate because an E-NRIS request is similar to an NRIS-only request for internal generation, and NRIS-only requests make the \$35,000 payment.¹⁷⁰

88. Third, AWEA/WOW argue that E-NRIS customers must demonstrate firm transmission to the MISO border as a prerequisite to enter the queue.¹⁷¹ AWEA/WOW note that the proposed *pro forma* E-NRIS Service Agreement requires firm transmission for a term of five years to the MISO border as a prerequisite to entering into the agreement, but argue that E-NRIS customers should be required to show firm

¹⁶⁷ AWEA/WOW Protest at 2-3.

¹⁶⁸ MISO Answer at 4.

¹⁶⁹ AWEA/WOW Protest at 3.

¹⁷⁰ MISO Answer at 5.

¹⁷¹ AWEA/WOW Protest at 3-4.

transmission service to the MISO border much earlier than at the Service Agreement stage, as a pre-condition of even entering the MISO queue. In its answer, MISO argues that AWEA/WOW's proposal would be discriminatory because internal customers have no such requirement to show deliverability before entering the queue.¹⁷² MISO states that a prerequisite for the *pro forma* E-NRIS Service Agreement is transmission service that is granted through a neighboring transmission provider that may implement different time frames of study start, duration, and expectations than in the MISO GIP. In their answer to MISO's answer, AWEA/WOW argue that five years of firm transmission service to the MISO border is a necessary readiness requirement for the E-NRIS customer to proceed through the MISO interconnection process, as this is equivalent to an internal customer showing site control.¹⁷³ They go on to argue that it is necessary because external customers have options of where to deliver power – whether to sell to MISO or to their home network, and as such, the requirement for firm transmission service will serve as a milestone for participation in the MISO network.¹⁷⁴

89. Fourth, AWEA/WOW believe that MISO has omitted language specifying that the M2 Milestone Payment will be applied to E-NRIS customers.¹⁷⁵ AWEA/WOW decline to fully argue this issue, as they state it is best discussed in Docket No. EL16-12-000, but they argue that MISO should be required to not set that payment amount to zero dollars. MISO argues in its answer that M2 Milestone Payment is appropriately applied to E-NRIS customers in the compliance filing.¹⁷⁶ Furthermore, MISO states that the Commission-approved formula for the M2 Milestone Payment is based upon the “gross MW addition,” and that feasibility studies for existing generation that has requested E-NRIS would already be in the planning models; thus, E-NRIS requests do not add MWs to the system.¹⁷⁷ In fact, MISO argues, some E-NRIS requests are for generation located within the MISO reliability footprint, but connected to a distribution circuit. MISO states that external resources are those not directly interconnecting to the MISO transmission system, which includes distribution level facilities physically within the MISO boundaries. Modeling these units already, MISO asserts that it would be placing

¹⁷² MISO Answer at 6-7.

¹⁷³ AWEA/WOW Answer at 10.

¹⁷⁴ *Id.* at 11.

¹⁷⁵ AWEA/WOW Protest at 4-5.

¹⁷⁶ MISO Answer at 7.

¹⁷⁷ *Id.* at 7-8.

an undue burden by double-modeling the generation to get a result not based on physical or electrical realities. If an E-NRIS request added MW to the system and required a feasibility study, MISO states that the M2 Milestone Payment would apply, and its calculation would not yield a result of zero. In their answer to MISO's answer, AWEA/WOW argue that, even though the E-NRIS customer has been studied, its impact while delivering power to the MISO grid has not been studied.¹⁷⁸ They argue that the amount that the E-NRIS customer is requesting to connect to the MISO system must be studied, similarly to internal customers, because it changes the planning models, and therefore should be assessed the same payments.¹⁷⁹ AWEA/WOW assert that there is no need for a change to the M2 Milestone Payment calculation, as MISO simply needs to acknowledge that the new E-NRIS MWs impact the system. AWEA/WOW also assert that MISO's answer is the first place MISO has mentioned that it will consider internal generation interconnecting to the distribution system as E-NRIS. They state that it must be made clear in MISO's Tariff that this is the case.¹⁸⁰

90. Fifth, AWEA/WOW state that, in practice, MISO has allowed E-NRIS customers to downsize their projects once they have entered the DPP, and that internal customers do not have this right.¹⁸¹ AWEA/WOW believe that this option encourages speculative projects to enter the queue, and that this negatively effects the rest of the customers in the queue, who no longer have certainty regarding the size of the other projects in the queue. AWEA/WOW state that MISO has not submitted Tariff provisions to allow this downsizing, and that there should be no such provision; they request that the Commission direct MISO not to allow such downsizing.¹⁸² MISO answers that, under its Manual, all customers requesting NRIS, both internal and external, may lower the amount of their NRIS request prior to the start of the Facility Study phase in order to reduce the need for transmission upgrades.¹⁸³ Thus, MISO argues, preventing E-NRIS customers from lowering their requested MW would be unjust and would unreasonably add hurdles to the external customer that the internal customer does not face. AWEA/WOW disagree,

¹⁷⁸ AWEA/WOW Answer at 13.

¹⁷⁹ *Id.* at 13-14, Skarbakka Aff. at 2-4.

¹⁸⁰ *Id.* at 14-15.

¹⁸¹ AWEA/WOW Protest at 5-6.

¹⁸² *Id.* at 7-8.

¹⁸³ MISO Answer at 9-10.

reiterating that MISO does not allow the internal NRIS or ERIS customer to downsize its MW level for the ERIS determination at any time during the DPP study process.¹⁸⁴

91. Sixth, AWEA/WOW state that MISO has not submitted a *pro forma* facilities construction agreement for E-NRIS customers and has not demonstrated that E-NRIS customers must hit the same milestones as in the GIA for internal customers.¹⁸⁵ In its answer, MISO asserts that the existing *pro forma* facilities construction agreement applies to all customers and that there is no need for a specific facilities construction agreement for external customers.¹⁸⁶ AWEA/WOW appreciate MISO's clarification, but note that MISO has previously indicated that it will not be a party to the E-NRIS facilities construction agreement, and argue that MISO should be a party.¹⁸⁷ AWEA/WOW ask the Commission to direct MISO to amend the *pro forma* E-NRIS Service Agreement to specifically refer to the facilities construction agreement or multi-party facilities construction agreement.

92. Seventh, AWEA/WOW state that Appendix B to MISO's *pro forma* GIA includes numerous compliance milestone dates that the interconnection customer must meet in terms of security, providing designs, when construction of interconnection facilities will commence and be completed, in-service date, and the commercial operation date. AWEA/WOW assert that all of the comparable details are missing from MISO's proposed *pro forma* E-NRIS Service Agreement.¹⁸⁸ MISO answers that there is no need for the E-NRIS customer to be subject to the requirements in Appendix B of the *pro forma* GIA.¹⁸⁹ MISO states that the purpose of this appendix is to document milestones geared toward generation that has not been constructed. MISO explains that it requires E-NRIS resources to either have a signed GIA or have reached commercial operation at the time of their E-NRIS request. In the first instance, MISO argues, the transmission provider where the resource is connecting would have similar requirements on the E-NRIS resource as in Appendix B. In this instance, MISO believes having an additional set of milestones would be duplicative, burdensome, and unnecessary. In the

¹⁸⁴ AWEA/WOW Answer at 16-18, Skarbakka Aff. at 4.

¹⁸⁵ AWEA/WOW Protest at 8-9.

¹⁸⁶ MISO Answer at 10.

¹⁸⁷ AWEA/WOW Answer at 18-19.

¹⁸⁸ AWEA/WOW Protest at 9.

¹⁸⁹ MISO Answer at 11.

second instance, MISO argues, resources already in commercial operation would eliminate the need for all Appendix B milestones.

93. Eighth, AWEA/WOW request that MISO publish on its website the E-NRIS customer's queue position in its native system and include that information in any Service Agreement with the E-NRIS customer.¹⁹⁰ In its answer, MISO states that E-NRIS customers' queue position is available in their home region, and, like internal customers, their Service Agreements with MISO are publicly available on MISO's website; as such, MISO argues that there is no need to further publish queue position.¹⁹¹ AWEA/WOW answer that it is even more important for internal customers to know the external customer's native queue position now that MISO has indicated that customers connecting internally through the distribution system will be considered E-NRIS customers.¹⁹² AWEA/WOW argue that, while the information on queue position in other RTOs may be available, information for customers connecting through the distribution network is not easily available.

94. Ninth, AWEA/WOW request that it be made clear that E-NRIS customer requests will not be afforded any NRIS priority, and they state that MISO's treatment of E-NRIS requests in the current Quarterly Operating Limit/Annual Study process is not addressed in the compliance filing.¹⁹³ MISO answers that all customers are subject to the same Quarterly Operating Limits so long as required upgrades, upon which their service is based, have not been completed.¹⁹⁴ MISO states that arguments around this issue made by the protesting parties are an attempt to circumvent the stakeholder process, and that this issue should be discussed further with the stakeholders.

95. Tenth, AWEA/WOW further question the relationship between firm transmission service requests and requests for E-NRIS in the queue, and argue against any policy allowing E-NRIS DPP termination when firm transmission service requests have been made previously.¹⁹⁵ As an example, they assert that MISO did not grant Manitoba

¹⁹⁰ AWEA/WOW Protest at 10-11.

¹⁹¹ MISO Answer at 12.

¹⁹² AWEA/WOW Answer at 22.

¹⁹³ AWEA/WOW Protest at 11-14.

¹⁹⁴ MISO Answer at 13.

¹⁹⁵ AWEA/WOW Protest at 14-17.

Hydro's E-NRIS request for Project J292 due to the existence of firm transmission service. MISO answers that this is not the appropriate forum to bring up specific service requests, as AWEA/WOW did with Manitoba Hydro's request for Project J292.¹⁹⁶

AWEA/WOW answer that MISO has not been responsive to their questions regarding the withdrawal of a specific E-NRIS request made by Manitoba Hydro in any forum, and that this is a perfect example of a large (3,500 MW) E-NRIS request withdrawing from the queue and potentially causing cost shifts.

96. Finally, AWEA/WOW state that MISO must supply a statement in the Tariff indicating that it will process E-NRIS requests in all respects exactly as it processes all other interconnection service requests seeking to flow new generation with a sink on the MISO grid.¹⁹⁷ In its answer, MISO argues that its compliance filing does, in fact, treat internal and external similarly-situated customers the same.¹⁹⁸

97. Exelon asks that all provisions governing E-NRIS be combined to one section in the Tariff, and that this section should address additional issues that are not covered by the proposed Tariff language, such as: (1) what is the firmness of the energy provided for an external resource with E-NRIS that has cleared in MISO's annual Planning Resource Auction for a particular planning year; (2) whether E-NRIS customers can participate in MISO's ancillary services markets; (3) what price an E-NRIS customer will be paid for energy delivered to MISO; (4) what price an E-NRIS customer will receive for capacity; and (5) whether a load-serving entity can use an E-NRIS resource that clears in the Planning Resource Auction to satisfy its Local Clearing Requirement.¹⁹⁹ In its answer, MISO states that the issue regarding participation of external customers in MISO's ancillary services market and Planning Resource Auction are not appropriate for discussion in this docket.²⁰⁰ MISO states that these issues are best addressed through the stakeholder process.

98. Exelon takes issue with four different parts of the proposed *pro forma* E-NRIS Service Agreement.²⁰¹ First, with respect to the requirement that an E-NRIS customer

¹⁹⁶ MISO Answer at 14-15.

¹⁹⁷ AWEA/WOW Protest at 17-18.

¹⁹⁸ MISO Answer at 15.

¹⁹⁹ Exelon Protest at 5-6.

²⁰⁰ MISO Answer at 18.

²⁰¹ Exelon Protest at 7.

must have five years of firm transmission service to the MISO border, Exelon requests clarity as to which types of service satisfy this requirement. Second, Exelon requests that the *pro forma* E-NRIS Service Agreement include the point of delivery for energy delivered to MISO by the E-NRIS customer. Third, Exelon believes that the generation resource applying for E-NRIS should be identified in the *pro forma* E-NRIS Service Agreement. Finally, Exelon requests that the *pro forma* E-NRIS Service Agreement specify that there is no ongoing charge for energy delivery to MISO after any needed upgrades are complete.

ii. Commission Determination

99. We agree with Exelon that the *pro forma* E-NRIS Service Agreement should specify the E-NRIS customer's point of delivery into MISO and identify the external generating resource that is associated with the E-NRIS, as we find that these provisions are key terms in a GIA. We agree with AWEA/WOW that a section must be added to the *pro forma* E-NRIS Service Agreement similar to Appendix B to the *pro forma* GIA. We agree that there may be upgrades or other milestones that the E-NRIS customer must meet in order to connect to the MISO system in a timely fashion, and that these should be memorialized in the Service Agreement to ensure that the customer is proceeding toward deliverability. As part of its compliance filing, we direct MISO to add these details into the *pro forma* E-NRIS Service Agreement.

100. We next address AWEA/WOW's argument that MISO has improperly omitted several provisions from its proposed Tariff language.²⁰² First, we reject AWEA/WOW's argument that E-NRIS customers must demonstrate firm transmission to the MISO border as a prerequisite to enter the queue, as the proposed E-NRIS *pro forma* Service Agreement includes that requirement as a prerequisite to obtain service. We also find that the M2 Milestone Payment required by this order adds additional certainty that the E-NRIS customer is ready to enter the queue.

101. We dismiss arguments related to the M2 Milestone Payment, as we have discussed all issues related to this payment herein as part of the FPA section 206 proceeding.²⁰³ With respect to AWEA/WOW's concern that MISO has indicated for the first time that it will consider internal generation interconnecting to MISO through the distribution system as E-NRIS, we note that we have directed MISO to submit in its compliance filing Tariff revisions describing in detail the classes of customers that can obtain E-NRIS.²⁰⁴

102. We reject AWEA/WOW's request to direct MISO not to allow E-NRIS customers to downsize their interconnection requests during the DPP. MISO explains in its answer that this is a feature afforded to all NRIS customers during the interconnection process. Although AWEA/WOW argue that the amount of ERIS assigned to a specific project is fixed, we agree with MISO that, because all other interconnection customers can downsize their requested amount of NRIS, E-NRIS customers should be afforded the same ability. We find that, because E-NRIS customers are only requesting NRIS and will not be given ERIS, the fixed nature of ERIS is irrelevant.

103. We reject AWEA/WOW's request to revise the Tariff to state that the facilities construction agreement applies to all customers. MISO has stated that the facilities construction agreement applies to all customers, including E-NRIS customers, and we find no reason to memorialize this in the Tariff, as the Tariff does not currently discuss the application of the facilities construction agreement to any customer.

104. We reject AWEA/WOW's request that MISO publish on its website and include in the *pro forma* E-NRIS Service Agreement the E-NRIS customer's queue position in its

²⁰² We note that AWEA/WOW's question about applicability of the Interconnection Study Agreement has been resolved. We also note that we addressed AWEA/WOW's comments on the \$35,000 study deposit for E-NRIS customers above.

²⁰³ *See supra* PP 55-65.

²⁰⁴ *See supra* P 80.

native system. We agree with MISO that this information is either generally available from the customer's native transmission provider or does not exist.

105. We reject AWEA/WOW's request to require MISO to clarify its treatment of E-NRIS customers with regard to Quarterly Operating Limits. MISO has stated that E-NRIS customers will be treated exactly the same as all other customers.

106. We reject AWEA/WOW's request to prevent a policy allowing E-NRIS DPP termination when firm transmission service requests have been made previously and to discuss the specifics of a certain E-NRIS request, as we find these issues to be outside of the scope of this compliance proceeding.

107. Finally, we reject AWEA/WOW's request that MISO memorialize in the Tariff that it will process E-NRIS requests identically to other service requests in the queue, and that it will not show any preference to E-NRIS requests. We believe that the Tariff provisions, which we accept subject to condition, as discussed above, are just and reasonable and sufficient to address this concern.

108. We next address Exelon's argument that MISO has improperly omitted several provisions from its proposed Tariff language. We reject Exelon's request that the *pro forma* E-NRIS Service Agreement be modified to specify the types of transmission service that would qualify as firm transmission service to MISO's border. The Tariff specifies that firm transmission service is required, and we find that this provides enough certainty that the customer will be able to deliver power to MISO when necessary. We also reject Exelon's request that MISO specify in the *pro forma* E-NRIS Service Agreement that there will be no ongoing charge for E-NRIS customers to deliver power to MISO; we find this request to be unnecessary, because the Tariff makes clear that E-NRIS customers are subject to the same provisions as NRIS customers, none of whom are charged to deliver power to MISO.

109. We reject Exelon's requests that MISO include provisions in the Tariff that: (1) provide clarification regarding E-NRIS customers' participation in various markets and the prices paid to E-NRIS customers for energy delivery; (2) explain the firmness of the energy provided for an external resource with E-NRIS that has cleared in MISO's annual Planning Resource Auction for a particular planning year; (3) explain the price an E-NRIS customer will receive for capacity; and (4) explain whether a load-serving entity can use an E-NRIS resource that clears in the Planning Resource Auction to satisfy its Local Clearing Requirement. We find these requests to be outside the scope of this proceeding and encourage Exelon to address its concerns directly with MISO through the stakeholder process. We reject as unnecessary Exelon's request that MISO include all Tariff changes related to E-NRIS in one section.

The Commission orders:

(A) MISO has failed to show cause why the M2 Milestone Payment should not be applied to all classes of interconnection customer, as discussed in the body of this order.

(B) MISO is directed to revise its Tariff to apply the M2 Milestone Payment to all classes of interconnection customer, and make clear that the M2 Milestone Payment assessed to any customer is not zero, as discussed in the body of this order.

(C) MISO's compliance filing in Docket No. ER16-1817-000 is hereby accepted, subject to condition and subject to the outcome of Docket Nos. ER16-696 and ER12-2302, to be effective prospectively as of the refund effective date, as discussed in the body of this order.

(D) MISO is directed to submit revisions to the LEPA E-NRIS Agreement accepted in Docket No. ER16-1346-000 to conform that agreement to the *pro forma* E-NRIS Service Agreement as revised, as discussed in the body of this order.

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

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.