

167 FERC ¶ 61,257
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;
Cheryl A. LaFleur, Richard Glick,
and Bernard L. McNamee.

Midcontinent Independent System
Operator, Inc.

Docket No. ER18-2397-002

ORDER ON COMPLIANCE

(Issued June 21, 2019)

1. On April 22, 2019, Midcontinent Independent System Operator, Inc. (MISO) submitted revisions to its Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff)¹ to comply with the requirements of the Commission's March 21, 2019 order,² which required MISO to revise certain aspects of the compliance filing MISO made to implement Order No. 844.³ In this order, we accept, subject to condition, MISO's compliance filing, effective July 1, 2019, as requested, and direct MISO to submit a further compliance filing within 30 days of the date of this order.

I. Background

2. On April 19, 2018, the Commission issued Order No. 844. In Order No. 844, the Commission directed each regional transmission organization and independent system operator (RTO/ISO) to establish in its tariff three requirements related to uplift and operator-initiated commitment reporting and one requirement related to transmission

¹ MISO, FERC Electric Tariff, 1.O, Definitions - O (45.0.0), 1.R, Definitions - R (64.0.0), 1.Z, Definitions - Z (37.0.0), 38.1.2, Records and Reports (33.0.0), SCHEDULE 28A, Demand Curves for Transmission Constraints (32.0.0).

² *Midcontinent Indep. Sys. Operator, Inc.*, 166 FERC ¶ 61,204 (2019) (March 21 Order).

³ *Uplift Cost Allocation and Transparency in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Order No. 844, 163 FERC ¶ 61,041 (2018).

constraint penalty factors.⁴ The Commission required each RTO/ISO to submit a compliance filing within 60 days of the effective date of Order No. 844 with tariff changes to become effective no more than 120 days after compliance filings were due.⁵

3. On September 7, 2018, as amended on December 10, 2018, MISO submitted proposed Tariff revisions to comply with Order No. 844. In the March 21 Order, the Commission accepted in part and rejected in part MISO's Order No. 844 compliance filing and directed MISO to submit a further compliance filing within 30 days. MISO submitted the instant compliance filing in response to that order.

II. Notice of Filing

4. Notice of MISO's filing was published in the *Federal Register*, 84 Fed. Reg. 17,823 (2019), with interventions and protests due on or before May 13, 2019. None was filed.

III. Discussion

A. Substantive Matters

5. As discussed below, we accept MISO's instant compliance filing, subject to condition that MISO submit a further compliance filing.

1. Zonal Uplift Report

6. In its March 21 Order, the Commission directed MISO to revise its Tariff to include price volatility make-whole payments in the Zonal Uplift Report. Furthermore, in each relevant Tariff section, the Commission required MISO to replace the word "uplift," which is not a defined term in the Tariff, with the name of the type of uplift (e.g., Day-Ahead Revenue Sufficiency Guarantee Credit) as defined in Module A of the Tariff that will be reported in the Zonal Uplift Report.⁶

7. Furthermore, the Commission directed MISO to explain on compliance whether the Commercial Pricing Nodes associated with imports are located within Local Resource Zones (LRZ), and how MISO intends to report uplift associated with an import if its Commercial Pricing Node does not exist within a LRZ. The Commission required MISO

⁴ *Id.* PP 30-34.

⁵ *Id.* P 141.

⁶ March 21 Order, 166 FERC ¶ 61,204 at P 28.

to propose any necessary Tariff revisions to clarify how it intends to report uplift for imports from qualified resources.⁷

a. Compliance Filing

8. MISO proposes to revise Section 38.1.2.A of its Tariff to specify the defined types of uplift that are to be included in the Zonal Uplift Report. Further, MISO proposes to report Day-Ahead Margin Assurance Payments and Real-Time Offer Revenue Sufficiency Guarantee Payments, which are the two types of price volatility make-whole payments. MISO also proposes to revise the corresponding definition of Zonal Uplift Report in Section 1.Z of its Tariff to reflect these changes.⁸

9. As to imports, MISO states that, with regard to Pseudo-tied External Resources, when a resource is connected to the transmission system of a Local Balancing Authority (LBA) inside MISO but metered to a Balancing Authority outside of the MISO footprint, then the portion in the MISO LBA is assigned a MISO Commercial Pricing Node and settled as if inside MISO. MISO explains that these Commercial Pricing Nodes are associated with a MISO LBA, and are therefore assigned a LRZ. Similarly, MISO explains that External Asynchronous Resources are interconnected to the MISO footprint and can be included in the appropriate zone in the Zonal Uplift Report based on the interconnection point.⁹

10. MISO further clarifies that resources with dispatchable Import Schedules are not treated as located within MISO LRZs. MISO states that, instead, these resources are cleared on an interface node basis, explaining that interface nodes are similar to hubs and that MISO has one interface node for each neighboring region. MISO proposes revisions to Section 38.1.2.A to reflect that it will report these imports on an interface node basis, rather than on a LRZ basis. MISO asserts that this will provide the Commission, market participants, and MISO stakeholders with the desired transparency, while balancing the ease of reporting this information through existing data streams.¹⁰

⁷ *Id.* PP 31-32.

⁸ Compliance Filing at 2.

⁹ *Id.* at 3.

¹⁰ *Id.*

b. Determination

11. We accept, subject to a further compliance filing, MISO's Tariff revisions to its Zonal Uplift Report requirement that define the types of uplift that will be reported and state that MISO will report Day-Ahead Margin Assurance Payments and Real-Time Offer Revenue Sufficiency Guarantee Payments.

12. With regard to imports, MISO's proposed Tariff revisions in Section 38.1.2.A state that it will report resources with dispatchable Import Schedules on an "interface node" basis. MISO's Tariff defines "Interface" as "[a]n external Commercial Pricing Node where a [Locational Marginal Price] will be calculated to settle Market Activities associated with Import Schedules, Export Schedules, or Through Schedules. Interfaces are specified in the Business Practices Manuals."¹¹ To the extent "interface node" has a different meaning than the "Interface" term defined in MISO's Tariff, we require MISO to submit in its compliance filing a description of the difference between MISO's use of the term "interface node" in the Zonal Uplift Report and the term "Interface" defined in MISO's Tariff and to revise its tariff to define the term "interface node." Further, MISO should address whether there are LBAs with more than one interface node. Alternatively, if there is not a difference between the terms, we require MISO to submit in its compliance filing revisions to Section 38.1.2.A of its Tariff to use the defined term "Interface" rather than "interface node." MISO should also include in its compliance filing revisions to the definition of Zonal Uplift Report in Section 1.Z of its Tariff, which currently does not mention "interface node" or "Interface," to reflect how it will report resources with dispatchable Import Schedules.

2. Resource-Specific Uplift Report

13. Similar to what it required for the Zonal Uplift Report, the Commission required MISO to include price volatility make-whole payments made to resources in the Resource-Specific Uplift Report. Furthermore, in each relevant Tariff section, the Commission required MISO to replace the word "uplift," which is not a defined term in the Tariff, with the name of the type of uplift (e.g., Day-Ahead Revenue Sufficiency Guarantee Credit) as defined in Module A of the Tariff that will be reported in the Resource-Specific Uplift Report.¹²

¹¹ MISO, FERC Electric Tariff, 1.I, Definitions - I (44.0.0).

¹² March 21 Order, 166 FERC ¶ 61,204 at P 37.

a. Compliance Filing

14. MISO proposes to revise Section 38.1.2.B of its Tariff to specify that the Resource-Specific Uplift Report will include “the Resource name and the corresponding amount of Day-Ahead Revenue Sufficiency Guarantee Credits, Real-Time Revenue Sufficiency Guarantee Credits, Day-Ahead Margin Assurance Payments, and Real-Time Offer Revenue Sufficiency Guarantee Payments paid, summed together for the month, to the Resource.”¹³ MISO also proposes to revise the corresponding definition of Resource-Specific Uplift Report in Section 1.R of its Tariff to reflect these changes.¹⁴

b. Determination

15. We accept MISO’s proposal to include Day-Ahead Revenue Sufficiency Guarantee Credits, Real-Time Revenue Sufficiency Guarantee Credits, Day-Ahead Margin Assurance Payments, and Real-Time Offer Revenue Sufficiency Guarantee Payments in its Resource-Specific Uplift Report.

3. Operator-Initiated Commitment Report

16. While the Commission accepted MISO’s proposed Operator-Initiated Commitment Report in the March 21 Order, the Commission also clarified in that order that the definition of an operator-initiated commitment in Order No. 844 does not specify that it must be a resource that is offline and then started by the operator. The Commission accordingly required MISO to include all commitment types (e.g., an offline unit that is started in real-time or manual extensions of online units) that are made through the Forward Reliability Assessment Commitments, Intra-Day Reliability Assessment Commitments, and Look-Ahead Commitments in its Operator-Initiated Commitment Report.¹⁵

a. Compliance Filing

17. MISO proposes to include Forward Reliability Assessment Commitments, Intra-Day Reliability Assessment Commitments, and Look-Ahead Commitments in its Operator-Initiated Commitment Report and revise Section 38.1.2 of its Tariff to specify these particular commitments. Further, MISO proposes to resubmit the definition of

¹³ Compliance Filing at 4.

¹⁴ *Id.*

¹⁵ March 21 Order, 166 FERC ¶ 61,204 at P 46.

Operator-Initiated Commitments Report in Section 1.O of its Tariff to reflect the new proposed effective date of July 1, 2019.¹⁶

b. Determination

18. We accept MISO's proposal to include the defined terms Forward Reliability Assessment Commitments, Intra-Day Reliability Assessment Commitments, and Look-Ahead Commitments in the definition of its Operator-Initiated Commitment Report in Section 38.1.2 of its Tariff. We also accept, subject to the requirement for consistency described below, MISO's proposed resubmission of its definition of Operator-Initiated Commitments Report in Section 1.O of its Tariff to reflect the new proposed effective date of July 1, 2019.¹⁷ We note that the proposed revision to Section 1.O defines the term Operator-Initiated "Commitments" Report, whereas MISO refers to the term Operator-Initiated "Commitment" Report elsewhere in its filing and proposed Tariff revisions. We thus direct MISO to submit in its compliance filing Tariff revisions to consistently define and apply this term.

4. Transmission Constraint Penalty Factors

19. In the March 21 Order, the Commission found that MISO's Tariff did not explicitly provide a timeframe in which it will provide notice of a temporary change in transmission constraint penalty factor values to market participants. Therefore, on compliance, the Commission required MISO to propose Tariff revisions that include "as soon as practicable" or other similar language in the applicable section of the Tariff to describe the notice to market participants for temporarily changing transmission constraint penalty factor values.¹⁸

a. Compliance Filing

20. MISO proposes to revise Section 3.3 of Schedule 28A of its Tariff to include the language "as soon as practicable" to describe the notice to market participants for temporarily changing transmission constraint penalty factor values.

¹⁶ Compliance Filing at 4.

¹⁷ *Id.*

¹⁸ March 21 Order, 166 FERC ¶ 61,204 at P 50.

b. Determination

21. We accept MISO's proposal to insert the language "as soon as practicable" in Section 3.3 of Schedule 28A of its Tariff.

5. Effective Date

22. In the March 21 Order, the Commission accepted in part MISO's September 7 compliance filing, effective January 1, 2019. In accepting MISO's requested effective date, the Commission noted that, in light of the revisions required in the March 21 Order, if MISO is unable to meet a given requirement as of January 1, 2019, it may propose a new effective date for that requirement on further compliance.¹⁹

a. Compliance Filing

23. MISO requests a July 1, 2019 effective date for all of the March 21 Order and Order No. 844 requirements in its compliance filing. MISO states that, given the elapsed time between MISO's initially proposed effective date of January 1, 2019 and the March 21 Order, as well as the changes directed by the Commission in the March 21 Order to each report type, MISO was unable to meet the uplift reporting requirements as of January 1, 2019. Consistent with the Commission's statement in the March 21 Order allowing MISO to propose a new effective date, MISO requests that the proposed Tariff revisions be deemed effective July 1, 2019 for MISO's uplift reporting requirements.²⁰

b. Determination

24. We accept, subject to condition, MISO's requested effective date of July 1, 2019.²¹

25. Because the March 21 Order accepted in part Tariff revisions effective January 1, 2019, we require MISO to file revised versions of Sections 1.O, 1.R, 1.Z, and 38.1.2 effective January 1, 2019 to remove the language accepted in the March 21 Order as part of its compliance filing. This will ensure that the Tariff reflects the correct language for

¹⁹ *Id.* at n.4.

²⁰ Compliance Filing at 6.

²¹ While the revised tariff provisions will go into effect July 1, 2019, should MISO wish to provide enhanced transparency to its stakeholders by posting reports for the period January 1 – June 30, 2019, it may do so to the extent practicable.

the dates from January 1, 2019 to June 30, 2019 and avoid any confusion as to the effective date granted by the Commission in this proceeding.

The Commission orders:

(A) MISO's compliance filing is hereby accepted, subject to condition, effective July 1, 2019, as requested, as discussed in the body of this order.

(B) 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.