



## I. Background

2. On December 7, 2007, MISO made its filing in Docket No. OA08-53-000 in compliance with Order No. 890's transmission planning requirements. In an order issued on May 15, 2008,<sup>4</sup> the Commission accepted that compliance filing, as modified, effective December 7, 2007, subject to a further compliance filing. On August 13, 2008, MISO made its filing in Docket No. OA08-53-001 in compliance with the May 2008 Planning Order. In an order issued May 21, 2009,<sup>5</sup> the Commission accepted that compliance filing, as modified, subject to a further compliance filing. On July 20, 2009, MISO submitted in Docket No. OA08-53-002 its filing in compliance with the May 2009 Planning Order. In an order issued on March 24, 2010,<sup>6</sup> the Commission accepted that compliance filing, as modified, subject to further compliance filing. On April 23, 2010, MISO submitted in Docket No. OA08-53-003 its filing in compliance with the March 2010 Planning Order. In the September 2014 Planning Order, the Commission accepted that compliance filing, as modified, subject to further compliance filing. In the September 2014 Planning Order, the Commission directed MISO to file, in a compliance filing due within 30 days of the date of that order, revisions to section I.B.1.b of Attachment FF of the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff) to state that demand-side resource solutions must span the five year planning horizon.<sup>7</sup>

3. On October 20, 2014, in Docket No. OA08-53-005, Detroit Edison submitted a request for rehearing of the finding in the September 2014 Planning Order regarding the comparable treatment of a generation resource in the MISO transmission planning process. Also on October 20, 2014, in Docket No. ER15-133-000, MISO submitted a filing to comply with the directive regarding demand-side resources in the September

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<sup>4</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 123 FERC ¶ 61,164 (2008) (May 2008 Planning Order).

<sup>5</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 127 FERC ¶ 61,169 (2009) (May 2009 Planning Order).

<sup>6</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 130 FERC ¶ 61,232 (2010) (March 2010 Planning Order).

<sup>7</sup> September 2014 Planning Order, 148 FERC ¶ 61,211 at P 36.

2014 Planning Order, and requests that the changes take effect January 1, 2009<sup>8</sup> and January 1, 2015.<sup>9</sup>

## **II. Procedural Matters**

4. Notice of MISO's October 20, 2014 compliance filing was published in the *Federal Register*, 79 Fed. Reg. 64,376 (2014), with interventions and protests due on or before November 10, 2014. Consumers Energy Company submitted a timely motion to intervene.

5. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2014), Consumers Energy Company's timely, unopposed motion to intervene serves to make it a party to this proceeding.

## **III. Discussion**

### **A. Request for Rehearing**

#### **1. September 2014 Planning Order**

6. In the September 2014 Planning Order, the Commission found, among other things, that MISO had complied with the requirement to revise the Tariff to clarify what contractual commitments will apply to generation and demand-side resource solutions to transmission needs and how those contractual commitments are comparable to the commitments that apply to transmission solutions in the MISO Transmission Expansion Plan (MTEP) process.<sup>10</sup>

7. With respect to contractual commitments associated with generation resources, the Commission accepted MISO's proposal that contractual commitments associated with generation solutions require that a generator interconnection agreement be filed with the Commission pursuant to Attachment X of the Tariff by the time the alternative transmission solution would need to be committed to in order to ensure installation on the required need date.<sup>11</sup>

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<sup>8</sup> MISO, FERC Electric Tariff, Attachment FF (Transmission Expansion Planning Protocol) (36.0.0).

<sup>9</sup> MISO, FERC Electric Tariff, Attachment FF (Transmission Expansion Planning Protocol) (37.0.0).

<sup>10</sup> September 2014 Planning Order, 148 FERC ¶ 61,211 at P 32.

<sup>11</sup> *Id.* P 15.

8. The Commission disagreed with Detroit Edison's argument that the length of time it takes to complete generator interconnection studies puts proponents of a potential generation solution to a transmission need at a disadvantage. The Commission explained that stakeholders will not have to wait until September 15 (the date by which transmission projects must be proposed in the MTEP process) to evaluate transmission needs since they will have access by June to base power flow models with sufficient information to evaluate the transmission system and identify generation alternatives to meet potential transmission needs.<sup>12</sup> The Commission stated that, in the instance where it takes longer to study a potential generation solution due to insufficient transmission capacity to support the proposed generator interconnection request, such that the generation alternative cannot be committed to prior to the date that it is necessary to commit to the transmission solution, the particular generation solution would not yet be a valid alternative that can be evaluated within the time horizon required to meet the system need.<sup>13</sup>

9. The Commission also noted that a generator that may mitigate a particular transmission need is likely being evaluated in the interconnection process long before the April deadline for stakeholders to present alternative solutions in the annual Sub-Regional Planning Meeting process. The Commission stated that, furthermore, MISO's planning practices include quarterly reviews that consider changes to system configurations, including the interconnection, or pending interconnection, of a resource that has completed the interconnection process and has filed with the Commission an interconnection agreement pursuant to Attachment X of the MISO Tariff. The Commission stated that it was therefore not persuaded by Detroit Edison's protest and that the alternative Detroit Edison proposed was unnecessary to ensure comparable treatment of transmission, generation, and demand side resource solutions.<sup>14</sup>

10. The Commission also found that MISO had provided sufficient support to demonstrate that it is appropriate to have finalized contractual commitments for alternative proposed generation and demand-side resource solutions prior to MISO's Board of Directors deciding whether to approve a transmission project as the preferred solution. The Commission found that MISO's commitment to not recommend a transmission solution for approval before the date that it is necessary to commit to the

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<sup>12</sup> See also *id.* P 33 (referencing statement made in an answer by International Transmission Company, Michigan Electric Transmission Company, LLC and International Transmission Midwest LLC (collectively, International Transmission)). See also *id.* P 23.

<sup>13</sup> *Id.* P 33.

<sup>14</sup> *Id.* P 34.

transmission solution if there is an alternative generation solution with a generator interconnection agreement filed with the Commission allows for comparable treatment of generation resources.<sup>15</sup>

## 2. Detroit Edison Rehearing Request

11. Detroit Edison argues that the following Commission findings are arbitrary and capricious and not the result of reasoned decision-making based on substantial record evidence: (1) the length of time it takes to complete generator interconnection studies does not put proponents of a potential generation solution to a transmission need at a disadvantage; (2) a generator that may mitigate a particular transmission need is likely being evaluated in the interconnection process long before the April deadline for stakeholders to present alternative solutions in the annual Sub-Regional Planning Meeting Process; and (3) MISO's planning practices include quarterly reviews that consider changes to system configurations including the interconnection, or pending interconnection, of a resource that has completed the interconnection process and has filed with the Commission an interconnection agreement pursuant to Attachment X of the MISO Tariff.<sup>16</sup>

12. Detroit Edison argues that it is far-fetched to believe that a proponent of a generation solution would be able to use the data a transmission owner provides by June 1 to determine that a transmission problem existed or, even if it could, offer a generation solution to that problem in the allowed timeframe. Detroit Edison asserts that a proponent of a generation solution will not have the information it needs until September 15, which is when a transmission owner must identify and submit new transmission projects within the MTEP process. Detroit Edison argues, therefore, that the Commission incorrectly concluded that proponents of generation solutions to transmission needs will have the necessary information for three additional months, which additional time would presumably have enabled a generation solution to be evaluated in MISO's interconnection process and have an interconnection agreement executed prior to the April deadline for submitting alternatives to transmission projects proposed in the preceding September.<sup>17</sup>

13. In addition, Detroit Edison argues that the Commission erred by finding that a generator that may mitigate a particular transmission need is likely being evaluated in the interconnection process long before the April deadline for stakeholders to present

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<sup>15</sup> *Id.* P 35.

<sup>16</sup> Detroit Edison Request for Rehearing at 4-5.

<sup>17</sup> *Id.* at 5-6.

alternative solutions. Detroit Edison states that a generator in the interconnection process, particularly one with a signed interconnection agreement, is considered operational in the current transmission planning process and, therefore, any identified transmission projects in the current MTEP process will be those that are identified as being needed *in addition* to a generator that has already been evaluated as a result of being in the interconnection process. Detroit Edison asserts that, as a result, if a generator must have a signed interconnection agreement before it can be considered in the transmission planning process, then any new generation alternatives would be precluded from ever being evaluated against the newly identified transmission need.<sup>18</sup>

14. Detroit Edison further argues that the Commission erred by finding that MISO's planning practices include quarterly reviews that consider changes to system configurations, including the interconnection, or pending interconnection, of a resource that has completed the interconnection process and has filed an interconnection agreement with the Commission. Detroit Edison argues that, while MISO may claim that it continues to consider alternatives that may arise following the approval of a transmission solution by MISO's Board of Directors, MISO has no process to accept those alternatives other than the time period allowed for under the MTEP process. Detroit Edison states that, as described in its original protest, the transmission owners identify projects on September 15 during the planning year, and alternatives to those projects must be offered by April 15. Detroit Edison asserts that, once the MTEP process concludes and the alternative is not accepted, then there is no other opportunity for stakeholders to submit alternatives or for MISO to consider those alternatives. Detroit Edison states that, practically speaking, if a stakeholder were to offer an alternative outside of the planning cycle, the transmission owner that had already begun its development process as a result of approval by MISO's Board of Directors (e.g., right of way acquisition, completed design and engineering, ordered material, and obtained permits) would vehemently object, preventing the consideration of any generation alternative.

### **3. Commission Determination**

15. We deny Detroit Edison's request for rehearing. We continue to find that MISO's Tariff provides a just and reasonable description of the contractual commitments that will apply to generation resources and how those contractual commitments are comparable to the commitments that apply to transmission solutions.

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<sup>18</sup> *Id.* at 6-7. Detroit Edison also argues that the Commission's findings on this issue in the September 2014 Planning Order will have unintended consequences with respect to MISO's designation of a generation resource as a System Support Resource (SSR). *Id.* at 7.

16. We find unconvincing Detroit Edison's claim that a generation developer will not be able to identify possible needs on a transmission owner's system that might be addressed by a generation solution by using the base power flow models and other data transmission owners provide by June 1 of each planning cycle. In particular, Detroit Edison does not explain why a generation developer must wait until a transmission facility is proposed before it can identify potential generation solutions to the needs the transmission facility is meant to address. Just as the proponent of a transmission solution considers system needs to identify potential transmission facilities to meet those needs, so too can the proponent of a generation solution.

17. We also affirm the finding that a generator that may mitigate a particular transmission need is likely being evaluated in the interconnection process long before the April deadline for stakeholders to present alternative solutions.<sup>19</sup> As Detroit Edison itself points out, any identified transmission facilities in the current MTEP process will be those that are identified as being needed in addition to a generator that has already been evaluated as a result of being in the interconnection process. Thus, the proponent of a generation solution can address a need that would otherwise require a transmission solution by going through the interconnection process. If a generation solution that goes through the interconnection process and has an interconnection agreement filed with the Commission does in fact address the need, MISO will not identify a transmission facility to meet the need and the generator alternative will have successfully replaced a transmission facility. It is true that a generator that does not start the interconnection process early enough may not be able to have a signed interconnection agreement in time to replace a transmission solution that has been identified. However, the Commission noted in the September 2014 Planning Order that MISO has committed to not recommend a transmission solution for approval before the date that it is necessary to commit to the transmission solution if there is an alternative generation solution with a generator interconnection agreement filed with the Commission.<sup>20</sup> While Detroit Edison wants more time between when MISO identifies a system need and when MISO approves a transmission facility to meet that need to allow a generator proposed in response to the need to progress through the interconnection process and sign an interconnection agreement, comparability does not require that MISO delay approval of a transmission facility past the date the transmission facility must receive a commitment if a generator

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<sup>19</sup> With respect to Detroit Edison's argument that the Commission's finding on this issue will have unintended consequences with respect to MISO's designation of a generation resource as a SSR, we find that SSR designation is outside the scope of this Order No. 890 compliance proceeding.

<sup>20</sup> September 2014 Planning Order, 148 FERC ¶ 61,211 at P 35.

alternative has not completed the interconnection process.<sup>21</sup> As the Commission explained, a generation alternative that cannot be committed to (by signing an interconnection agreement) prior to the date that it is necessary to commit to the transmission solution would not yet be a valid alternative that can be evaluated within the time horizon required to meet the system need.<sup>22</sup>

18. In addition, Detroit Edison does not dispute that MISO's planning practices include quarterly reviews that consider changes to system configurations, including the interconnection, or pending interconnection, of a resource that has completed the interconnection process and has filed an interconnection agreement with the Commission. Detroit Edison claims only that MISO has no process to accept potential generator alternatives for consideration after a transmission facility has been approved by the MISO Board of Directors. However, Detroit Edison does not consider the interconnection process itself. To the extent a generation developer believes a generator can displace an already-approved transmission facility, it can put the generator through the interconnection process. Once a generator has completed the interconnection process and has a filed interconnection agreement with the Commission, MISO will consider that generator as part of the quarterly review. We agree with Detroit Edison that MISO is unlikely to replace an approved transmission facility with a generation solution if the transmission developer has already begun right of way acquisition, completed design and engineering, ordered material, and obtained permits. That means only that the generation solution did not have the necessary contractual commitments for MISO to consider it a viable alternative to the transmission solution before the transmission solution had to begin being developed.

## **B. Compliance**

19. In the September 2014 Planning Order, the Commission directed MISO to revise Attachment FF, section I.B.1.b as follows:

Contractual commitments associated with demand-side  
resource solutions require demonstration to the Transmission  
Provider of an executed contract between LSE and End-Use

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<sup>21</sup> Order No. 890 does not require identical treatment for all resources; it requires that transmission, generation, and demand solutions receive comparable treatment in the transmission planning process. *Cf.* Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 495 (“[W]e emphasize that similarly-situated customers must be treated on a comparable basis, not that each and every transmission customer should be treated the same.”). *See also* E.ON U.S. LLC, 127 FERC ¶ 61,276, at n.18 (2009).

<sup>22</sup> September 2014 Planning Order, 148 FERC ¶ 61,211 at P 33.

Customers. Such demand-side contracts must be in place by the time the transmission solution would otherwise need to be committed to in order to ensure a timely solution to the identified planning need, and must ~~be span the five year planning horizon to ensure the ability to provide adequate lead time for an alternative transmission solution should the demand contracts terminate sufficient duration such that a reliable solution can be assured through the planning horizon.~~<sup>[23]</sup>

20. In its October 20, 2014 compliance filing, MISO made the required revision to Attachment FF of its Tariff. Therefore, we accept the changes MISO submitted effective January 1, 2009 and January 1, 2015, as requested, and find that MISO has complied with the requirements in the September 2014 Planning Order.

The Commission orders:

(A) Detroit Edison's request for rehearing is hereby denied, as discussed in the body of this order.

(B) MISO's compliance filing is accepted, effective January 1, 2009 and January 1, 2015, as requested, as discussed in the body of this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

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<sup>23</sup> *Id.* P 36.