189 FERC ¶ 61,108
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Midcontinent Independent System Operator, Inc.	Docket Nos. ER24-2797-000 ER24-2871-000
Southwest Power Pool, Inc.	ER24-2798-000 ER24-2825-000

ORDER ON TARIFF REVISIONS

(Issued November 13, 2024)

1. On August 16, 2024, as supplemented on September 13, 2024, pursuant to section 205 of the Federal Power Act (FPA),[1] Midcontinent Independent System Operator, Inc. (MISO) and Southwest Power Pool, Inc. (SPP) each submitted proposed revisions to the MISO-SPP Joint Operating Agreement (JOA). On August 21, 2024, pursuant to section 205 of the FPA, SPP submitted proposed revisions to its Open Access Transmission Tariff (SPP Tariff). On August 26, 2024, pursuant to section 205 of the FPA, MISO submitted proposed revisions to its Open Access Transmission, Energy and Operating Reserve Markets Tariff (MISO Tariff). Together, the filings implement the Joint Targeted Interconnection Queue (JTIQ) framework.[2]

2. As discussed below, we accept MISO and SPP's proposed revisions to the JOA in Docket Nos. ER24-2797-000 and ER24-2798-000, effective November 14, 2024, as requested. In addition, we accept the proposed revisions to the SPP Tariff in Docket No. ER24-2825-000, subject to condition, effective November 14, 2024, as requested. We also accept the proposed revisions to the MISO Tariff in Docket No. ER24-2871-000, subject to condition, effective November 14, 2024, as requested.

[1] 16 U.S.C. § 824d.

[2] *See* Appendix for eTariff records.

I. Background

A. MISO-SPP Affected System Studies

3. MISO and SPP (together, the RTO) each employs a three-phase generator interconnection study process, termed the Definitive Planning Phase (DPP)[3] in MISO and the Definitive Interconnection System Impact Study (DISIS)[4] in SPP. In addition, the RTOs each study interconnection requests in groups, called cycles in MISO and clusters in SPP, which are each formed approximately annually.[5]

4. The RTOs' tariffs each provide that the RTOs will coordinate to perform the studies required to determine the impact of an interconnection request on affected systems (i.e., affected system studies).[6] In order to facilitate coordination between the RTOs, including the coordination necessary to perform affected system studies, the RTOs entered into the JOA, which provides the operating procedures along the seam between the RTOs. Specifically, section 9.4 (Analysis of Interconnection Requests) of the JOA describes procedures for the analysis of interconnection requests in the RTOs' respective interconnection queues that may affect the other RTO's transmission system.[7]

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[3] During its DPP, MISO conducts a system impact study in each phase (i.e., a preliminary system impact study in Phase I, a revised system impact study in Phase II, and a final system impact study in Phase III) and a facilities study in two parts (the first performed in Phase II and the second in Phase III). Phase I and Phase II are each followed by a decision point (Decision Point I and Decision Point II, respectively), a 15-business day period during which an interconnection customer may decide to proceed to the next study phase or withdraw its interconnection request. An interconnection customer is required to post milestone payments (termed the M2, M3, and M4) to enter each phase of the DPP. MISO Tariff, attach. X (GIP) (166.0.0), §§ 3.3.1, 7.3.

[4] During its DISIS, SPP conducts a system impact study divided into two phases (Phase One and Phase Two), with the option to reconduct the system impact study during Phase Three. SPP also conducts a facilities study in two parts, the first performed in Phase Two and the second in Phase Three. Phase One and Phase Two are each followed by a decision point (Decision Point One and Decision Point Two, respectively), a 15-business day period during which an interconnection customer may decide to proceed to the next study phase or withdraw its interconnection request. SPP Tariff, attach. V, § 8 (16.0.1), §§ 8.4, 8.5, 8.10, 8.11.

[5] MISO Tariff, attach. X, § 3.3.1.; SPP Tariff, attach. V, § 4 (7.0.0), § 4.2.1.

[6] MISO Tariff, attach. X, § 3.5; SPP Tariff, attach. V, § 3 (20.0.1), § 3.6.

[7] SPP, Rate Schedules and Seams Agreements Tariff, Rate Schedule FERC No. 9

B. JTIQ Study and Portfolio

5. The RTOs state that, in mid-2020, they began working together to jointly identify transmission projects required to address significant transmission limitations restricting the opportunity to interconnect new generating facilities near the MISO-SPP seam.[8] The RTOs explain that they undertook closely coordinated technical analyses (JTIQ Study) to determine the transmission project requirements that would cost-effectively resolve the transmission constraints inhibiting the interconnection of new generating facilities near the MISO-SPP seam.[9] The RTOs state that they performed reliability, economic, and generation enablement studies and coordinated with stakeholders on the development of transmission solutions to meet the objectives to: (1) identify transmission solutions (called JTIQ Upgrades) to resolve constraints inhibiting the interconnection of generating facilities on the MISO-SPP seam; and (2) align the interconnection processes between the RTOs to reduce restudies/delays for interconnection customers.

6. The RTOs state that the result of the JTIQ Study was the identification of the JTIQ Upgrades in JTIQ Portfolio #1, which consists of five 345 kilovolt (kV) transmission projects.[10] The RTOs state that the JTIQ Study initially identified a seven-project portfolio that, after further refinement and the approval of certain transmission projects as part of the MISO Transmission Expansion Plan (MTEP) and Long Range Transmission Planning initiative, was narrowed to five transmission projects.[11] The RTOs further state that the JTIQ Upgrades in JTIQ Portfolio # 1 are expected to enable the interconnection of between 28 and 53 gigawatts (GW) of new generation capacity near the MISO-SPP seam at a total estimated cost of $1.7 billion.[12] The RTOs explain that, because the JTIQ Upgrades in JTIQ Portfolio #1 were identified outside of the RTOs' respective regional

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(MISO-SPP JOA), § 9.4 (Analysis of Interconnection Requests) (7.0.0); MISO, MISO Rate Schedules, Rate Schedule No. 6 (JOA between MISO and SPP), § 9.4 (Analysis of Interconnection Requests) (36.0.0).

[8] MISO JOA Filing at 5-6; SPP JOA Filing at 6-7.

[9] MISO JOA Filing at 5; SPP JOA Filing at 6.

[10] MISO JOA Filing at 8-9; SPP JOA Filing at 9-10.

[11] MISO JOA Filing at 4, 8-9; SPP JOA Filing at 4, 8-9. The five JTIQ Portfolio #1 projects are the Bison – Hankinson – Big Stone South project located in MISO, the Lyons Co – Lakefield project in MISO, the Raun – S3452 345/161 kV project located in both MISO and SPP, the Auburn – Hoyt 345 kV project located in SPP, and the Sibley 345 kV bus reconfiguration project in SPP.

[12] MISO JOA Filing at 4; SPP JOA Filing at 4, 5.

and interregional transmission planning processes and the resulting benefits accrue primarily to interconnection customers, the JTIQ Upgrades have not been selected in the RTOs' regional transmission plans for purposes of cost allocation.[13]

7. The RTOs state that, on October 18, 2023, the U.S. Department of Energy (DOE) announced that it had selected the transmission projects in JTIQ Portfolio #1 to receive $464.5 million from DOE's Grid Resilience and Innovative Partnerships (GRIP) Program to help enable the construction of the JTIQ Upgrades in JTIQ Portfolio #1.[14] The RTOs explain that the DOE GRIP funding will provide approximately 25% of the total JTIQ Portfolio # 1capital costs. The RTOs also state that disbursement of the DOE GRIP funding is contingent on Commission approval of the proposed JTIQ framework.[15]

II. Filings

8. The RTOs propose changes to the JOA and their tariffs to establish a JTIQ framework, which they state will enable the RTOs to develop a portfolio of "backbone network upgrades" in both regions and to facilitate the interconnection of numerous megawatts (MW) of new generation in the combined MISO and SPP footprints. The RTOs state that the JTIQ framework is aimed at easing the burden on the existing affected system process to the benefit of interconnection customers by reducing the timeline and potential network upgrade costs associated with their interconnections.[16] The RTOs explain that the JTIQ framework is the product of collaboration between MISO and SPP, in consultation with the RTOs' stakeholders, to proactively implement a more efficient and cost-effective alternative to affected system studies. The RTOs further state that JTIQ Portfolio #1 will address the limited availability of transmission capacity on the MISO-SPP seam that is currently stymieing the development of generation resources seeking interconnection along that seam. The RTOs assert that the JTIQ framework addresses the challenges posed by massive amounts of interconnection requests submitted to the RTOs, the lack of current transmission system capacity to accommodate that volume of interconnection, and the significant incremental cost of constructing network upgrades that serve only to promote the interconnection of individual clusters of interconnection requests that would otherwise be obligated to pay

[13] MISO JOA Filing at 8; SPP JOA Filing at 9.

[14] MISO JOA Filing at 10; SPP JOA Filing at 11-12.

[15] MISO JOA Filing at 38; SPP JOA Filing at 46.

[16] MISO JOA Filing at 2; SPP JOA Filing at 2.

for the network upgrades under the RTOs' existing "but for" cost allocation frameworks.[17]

9. To implement the JTIQ framework, the RTOs submitted proposed revisions to the JOA.[18] MISO and SPP submitted identical revisions to section 9.4 of the JOA in Docket Nos. ER24-2797-000 and ER24-2798-000, respectively, which they state are necessary to incorporate the JTIQ framework provisions.[19] The RTOs propose to restructure section 9.4 of the JOA by including the proposed JTIQ framework in new section 9.4.2 (Coordination Procedure for JTIQ Studies) and by making certain non-substantive changes to the pre-existing provisions of section 9.4, which will be split between section 9.4.1 (General Coordination Process) and section 9.4.3 (Coordination Process for Interconnection Requests Not Included in a JTIQ Participation Group or Expanded Scope Study).[20] Specifically, the RTOs propose revisions to JOA section 9.4.2 to add the JTIQ framework, which includes the following elements: (1) provisions related to the adoption of a JTIQ Portfolio; (2) provisions related to cost allocation for JTIQ Portfolios; (3) provisions related to the responsibility to construct approved JTIQ Upgrades; (4) provisions related to the identification of interconnection customers participating in the JTIQ; (5) provisions describing the proposed subscription methodology; (6) provisions related to cost recovery for JTIQ Commitment Group and backstop funding; (7) provisions related to the calculation, collection, and distribution of charges to interconnection customers for JTIQ Upgrades; (8) provisions related to security requirements; and (9) information exchange requirements.[21] The RTOs also propose revisions to JOA section 9.4.1 (General Coordination Process) to contain rules that apply to all clusters, interconnection customers, and interconnection requests.[22]

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[17] MISO JOA Filing at 4; SPP JOA Filing at 5.

[18] MISO, MISO Rate Schedules, § 9.4, Analysis of Interconnection Requests (37.0.0); SPP, Rate Schedules and Seams Agreements Tariff, RS 9 Sec. 9.4, Rate Schedule 9 § 9.4 (8.0.0) (Proposed JOA).

[19] On September 13, 2024, MISO submitted an errata to its filing in Docket No. ER24-2797-000 to correct a formatting error and delete an inadvertent reference to the incorrect transmission owner. MISO explains that this errata filing does not revise the SPP JOA filing, as the errors being corrected do not implicate the JOA revisions and are limited to the testimony included with MISO's filing. MISO Errata Filing at 1-2.

[20] MISO JOA Filing at 14; SPP JOA Filing at 17.

[21] MISO JOA Filing at 15; SPP JOA Filing at 18.

[22] MISO JOA Filing at 14, 15; SPP JOA Filing at 17.

10. To implement the JTIQ framework, the RTOs also submitted proposed revisions to their respective tariffs. The RTOs explain that these proposed tariff revisions are intended to facilitate the allocation, assessment, recovery, and distribution of JTIQ capital and non-capital costs associated with JTIQ Upgrades that have been authorized for construction by each RTO; address the manner in which benefiting generator interconnection customers will make a commitment to bear costs for JTIQ Upgrades; incorporate JTIQ into the RTOs' planning processes; and provide for compensation to those interconnection customers who incur JTIQ Portfolio costs.[23] To this end, in Docket No. ER24-2871-000, MISO submitted proposed tariff revisions to Modules A (Common Transmission Provisions) and C (Energy and Operating Reserve Markets), Attachments FF (MISO Transmission Expansion Planning Protocol), JJJ (JTIQ Upgrade Charge), and X (Generator Interconnection Procedures (GIP)), and Schedules 26-G (Cost Recovery from Transmission Customers Acting As Backstop for JTIQ Upgrades Constructed by MISO Transmission Owners), 26-H (Reimbursement from JTIQ Commitment Group Members to Transmission Customers Acting As Backstop for JTIQ Upgrades Constructed by MISO Transmission Owners), and 26-I (Cost Recovery for JTIQ Upgrades Constructed by MISO Transmission Owners from JTIQ Commitment Group Members). In Docket No. ER24-2825-000, SPP submitted proposed tariff revisions to Part 1 and Attachments H (Annual Transmission Revenue Requirement for Network Integration Transmission Service), J (Recovery of Costs Associated with New Facilities), L (Treatment of Revenues), O (Transmission Planning Process), V (GIP), Z2 (Compensation for Upgrade Sponsors), and AV (JTIQ Process with MISO).

11. The RTOs assert that the JTIQ framework provides numerous benefits to interconnection customers.[24] First, the RTOs contend that the JTIQ framework will improve certainty for interconnection customers in MISO and SPP regarding the nature and timing of affected system upgrades needed and their costs at the start of MISO's DPP or SPP's DISIS cluster studies, reduce the scope of affected system upgrades that must be studied during the DPP or DISIS process to only those local upgrades on the affected RTO's system, and reduce affected system study costs by identifying upgrades upfront to provide additional transmission capacity. Second, the RTOs contend that the JTIQ framework will improve timing certainty for interconnection customers in MISO and SPP by concluding the interconnection study process at the completion of MISO's DPP or SPP's DISIS without having to wait for separate affected system study results and eliminating timing delays on affected system study coordination. Third, the RTOs contend that the JTIQ framework will enhance alignment with Commission interconnection initiatives by improving available upfront information, shortening processing time, and reducing the potential for delays. Fourth, the RTOs contend that the

[23] MISO Regional Tariff Filing at 16; SPP Regional Tariff Filing at 17.

[24] MISO JOA Filing at 7; SPP JOA Filing at 8, 9.

JTIQ framework will optimize generator interconnection-driven buildout along the MISO-SPP seam by identifying optimized network upgrades that address larger and longer-term system needs across the seam and across clusters as compared to individual MISO and SPP affected system study processes.

12. The RTOs assert that the proposed JTIQ framework, outlined and discussed further below, is designed to handle all interconnection requests on a comparable basis and without undue discrimination, and is just and reasonable.[25] The RTOs contend that, if the proposed JTIQ framework is not adopted, interconnection requests will continue withdrawing from the interconnection queues in MISO and SPP because the identified affected system upgrades will be too expensive for individual or small groups of interconnection customers to afford.[26]

13. The RTOs also state that, while the proposed JTIQ framework is just and reasonable on its merits, to the extent necessary and appropriate, the Commission could also approve it under the independent entity variation standard, which was recently reaffirmed in Order No. 2023.[27] The RTOs contend that the JTIQ framework is precisely the type of innovative approach to generator interconnection issues that the Commission welcomed in Order No. 2023.

14. The RTOs further argue that the proposed JTIQ framework is consistent with Commission policy and precedent.[28] Specifically, the RTOs contend that the efforts to expedite and identify more cost-effective network upgrades at the MISO-SPP

[25] MISO JOA Filing at 35-36; SPP Regional Tariff Filing at 45.

[26] MISO JOA Filing at 36 (citing MISO JOA Filing, Exhibit No. MISO-0001 (Testimony of Aubrey Johnson) at 13-14 (Johnson Testimony)); SPP Regional Tariff Filing at 45 (citing SPP JOA Filing, Exhibit No. SPP-0001 (Testimony of David Kelley) at 14-15 (Kelley Testimony)).

[27] MISO JOA Filing at 36; SPP Regional Tariff Filing at 45. *See Improvements to Generator Interconnection Procs. & Agreements*, Order No. 2023, 184 FERC ¶ 61,054, *order on reh'g*, 185 FERC ¶ 61,063 (2023), *order on reh'g*, Order No. 2023-A, 186 FERC ¶ 61,199, *errata notice*, 188 FERC ¶ 61,134 (2024).

[28] MISO JOA Filing at 36; SPP Regional Tariff Filing at 46.

seam is in line with the Commission's ongoing efforts, as reflected in Order Nos. 890,[29] 890-A, and 1000,[30] to achieve more efficient and cost-effective interregional transmission planning and interconnections through reforms to interregional coordination processes, as well as the Commission's goals, as expressed most recently in Order No. 2023, to expedite the affected system study process, improve cost certainty, and reduce late-stage withdrawals and delays, as well as make the process more consistent and coordinated.[31] The RTOs contend that the JTIQ framework is a more time-efficient, collaborative, and proactive alternative to affected system studies and is the type of innovative approach that is consistent with the Commission's statement in Order No. 2023 that its reforms are not intended to "stifle further innovation" or hinder "similar reforms" by RTOs and other transmission providers.[32] The RTOs contend that the JTIQ framework is an example of an innovative reform that represents a novel, collaborative solution to a longstanding problem along the unique MISO-SPP seam, where the RTOs, in conjunction with their respective state commissions and other stakeholders, streamlined the interconnection process by linking it to a forward-looking study that evaluates long-term system needs across clusters to capture efficiencies not obtainable through a piecemeal process.[33] Finally, the RTOs contend that the JTIQ framework is consistent with federal energy policy, noting that DOE has announced that it would award funding to JTIQ Portfolio

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[29] *Preventing Undue Discrimination & Preference in Transmission Serv.*, Order No. 890, 118 FERC ¶ 61,119, *order on reh'g*, Order No. 890-A, 121 FERC ¶ 61,297 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228, *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

[30] *Transmission Plan. & Cost Allocation by Transmission Owning & Operating Pub. Utils.*, Order No. 1000, 136 FERC ¶ 61,051 (2011), *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh'g & clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom. S.C. Pub. Serv. Auth.* v. *FERC*, 762 F.3d 41 (D.C. Cir. 2014).

[31] MISO JOA Filing at 36 (citing Order No. 1000, 136 FERC ¶ 61,051 at PP 347, 368; Order No. 890, 118 FERC ¶ 61,119 at P 524; Order No. 890-A, 121 FERC ¶ 61,297 at P 226; Order No. 2023, 184 FERC ¶ 61,054 at P 1110); SPP JOA Filing at 44 (citing Order No. 1000, 136 FERC ¶ 61,051 at PP 347, 368; Order No. 890, 118 FERC ¶ 61,119 at P 524; Order No. 890-A, 121 FERC ¶ 61,297 at P 226; Order No. 2023, 184 FERC ¶ 61,054 at P 1110).

[32] MISO JOA Filing at 37 (citing Order No. 2023, 184 FERC ¶ 61,054 at P 1765); SPP Regional Tariff Filing at 47 (citing Order No. 2023, 184 FERC ¶ 61,054 at P 1765).

[33] MISO JOA Filing at 37; SPP Regional Tariff Filing at 47.

#1 through its GRIP program and stated that the JTIQ framework will result in "scalable transmission solutions, new renewable generation, lower energy costs, and enhanced community engagement and workforce development."[34]

15. The RTOs request an effective date of November 14, 2024 for their proposed JOA and tariff revisions.[35]

III. Notices of Filings and Responsive Pleadings

A. MISO JOA Filing

16. Notice of the filing in Docket No. ER24-2797-000 was published in the *Federal Register*, 89 Fed. Reg. 68421 (Aug. 26, 2024), with interventions and protests due on or before September 6, 2024.[36]

17. Notices of intervention were filed by: Louisiana Public Service Commission (Louisiana Commission); Minnesota Public Utilities Commission (Minnesota Commission); Mississippi Public Service Commission (Mississippi Commission); Missouri Public Service Commission (Missouri Commission); Council of the City of New Orleans (New Orleans City Council); and Public Utility Commission of Texas (Texas Commission).

18. Timely motions to intervene were filed by: Advanced Energy United; Alliant Energy Corporate Services, Inc.; Ameren Services Company;[37] American Clean Power Association, Advanced Power Alliance, and Clean Grid Alliance; American Council on

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[34] MISO JOA Filing at 37 (citing United States Department of Energy, *Biden-Harris Administration Announces $3.5 Billion for Largest Ever Investment in America's Electric Grid, Deploying More Clean Energy, Lowering Costs, and Creating Union Jobs* (Oct. 18, 2023), https://www.energy.gov/articles/biden-harris-administration-announces-35-billion-largest-ever-investment-americas-electric); SPP Regional Tariff Filing at 47.

[35] MISO JOA Filing at 1; SPP JOA Filing at 1; MISO Regional Tariff Filing at 1; SPP Regional Tariff Filing at 1.

[36] A notice of extension of time was issued in Docket No. ER24-2797-000, extending the comment due date to September 19, 2024.

[37] For purposes of this filing, Ameren Services Company (Ameren), a wholly owned subsidiary of Ameren Corporation, is filing on behalf of its affiliated public utility operating companies Ameren Illinois Company, Ameren Transmission Company of Illinois, and Union Electric Company.

Renewable Energy (ACORE); American Electric Power Service Corporation (AEP);[38] Arevon Energy, Inc. (Arevon); Association of Businesses Advocating Tariff Equity (ABATE); Basin Electric Power Cooperative (Basin Electric); Clean Wisconsin; Coalition of MISO Transmission Customers (MISO Customers); Consumers Energy Company; Cooperative Energy; EDF Renewables, Inc. (EDF Renewables); EDP Renewables North America LLC (EDP Renewables); Entergy Services, LLC (Entergy);[39] Environmental Law and Policy Center; Evergy Kansas Central, Inc., Evergy Metro, Inc., and Evergy Missouri West, Inc.; Fresh Energy; Illinois Industrial Energy Consumers (Illinois Customers); Invenergy Solar Development North America LLC, Invenergy Wind Development North America LLC, and Invenergy Thermal Development LLC (together, Invenergy Generation); Invenergy Transmission LLC (Invenergy Transmission); Louisiana Energy Users Group (Louisiana Energy Group); LSP Transmission Holdings II, LLC (LS Power); NextEra Energy Resources, LLC (NextEra); NIPSCO Large Customer Group (NIPSCO Customers); Ørsted Wind Power North America LLC (Ørsted); Otter Tail Power Company (Otter Tail); Pine Gate Renewables (Pine Gate), LLC; Renew Missouri Advocates; Shell Energy North America (U.S.), L.P., Shell New Energies U.S., LLC and Savion LLC (together, Shell Companies); Sierra Club; Solar Energy Industries Association; SPP; Spearmint Renewable Development Company, LLC (Spearmint); Sustainable FERC Project and Natural Resources Defense Council (NRDC); Texas Industrial Energy Consumers (Texas Customers); Union of Concerned Scientists; Upper Michigan Energy Resources Corporation; Sunflower Electric Power Corporation; and WIRES.

19. Organization of MISO States, Inc. (MISO OMS) filed a notice of intervention and comments in support.

20. Americans for a Clean Energy Grid (ACEG) and MISO Transmission Owners[40] each filed a motion to intervene and comments.

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[38] AEP filed on behalf of AEP Indiana Michigan Transmission Company, Inc.; AEP Energy Partners, Inc.; AEP Retail Energy Partners LLC; Public Service Company of Oklahoma; and Southwestern Electric Power Company.

[39] Entergy filed on behalf of Entergy Arkansas, LLC; Entergy Louisiana, LLC; Entergy Mississippi, LLC; Entergy New Orleans, LLC; and Entergy Texas, Inc.

[40] For purposes of this filing, MISO Transmission Owners consist of: Ameren; 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, LLC; Great River Energy; GridLiance Heartland LLC; Hoosier Energy Rural Electric Cooperative, Inc.; Indianapolis Power & Light Company; International Transmission Company; ITC Midwest LLC; Lafayette Utilities System;

21. Advanced Energy United filed a draft report and comments.[41]

22. Comments in support were filed by: the Missouri Commission; Public Interest Organizations;[42] and WIRES.

23. Invenergy Transmission filed comments.

24. Protests were filed by: Advanced Energy United, Advanced Power Alliance, the American Clean Power Association, the Clean Grid Alliance, and the Solar Energy Industries Association (collectively, Clean Energy Associations); EDF Renewables; Entergy; Invenergy Generation; LS Power; Shell Companies;[43] and Spearmint.

25. On October 3, 2024, MISO Customers, ABATE, Illinois Consumers, Louisiana Energy Group, Texas Customers, and NIPSCO Customers (collectively, Large Energy

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Michigan Electric Transmission Company, LLC; MidAmerican Energy Company (MidAmerican); Minnesota Power (and its subsidiary Superior Water, L&P); Montana-Dakota Utilities Co.; Northern Indiana Public Service Company LLC; Northern States Power Company, a Minnesota corporation, and Northern States Power Company, a Wisconsin corporation, subsidiaries of Xcel Energy Inc.; Northwestern Wisconsin Electric Company; Otter Tail; Prairie Power, Inc.; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company; Southern Minnesota Municipal Power Agency; Wabash Valley Power Association, Inc.; and Wolverine Power Supply Cooperative, Inc.

[41] Advanced Energy United filed a draft report titled "Unlocking America's Energy: How to Efficiently Connect New Generation to the Grid (Aug. 16, 2024)." In its comment, Advanced Energy United states that the draft report was shared with Commission staff and has since been publicly released and discusses specific proposals in the context of providing recommendations for future reforms to generator interconnection. Advanced Energy United Comments at 1 (citing Unlocking America's Energy: How to Efficiently Connect New Generation to the Grid). Advanced Energy United states that the draft report is not intended to convey perspectives on specific pending cases. Advanced Energy United states that to the extent it has substantive comments in this proceeding, including issues raised or discussed in the report, they will be submitted separately.

[42] Public Interest Organizations consist of Clean Wisconsin, Environmental Law and Policy Center, Fresh Energy, Natural Resources Defense Council, Renew Missouri, Sierra Club, Sustainable FERC Project, and Union of Concerned Scientists.

[43] Shell Companies also request that the Commission consolidate Docket Nos. ER24-2797-000, ER24-2798-000, ER24-2825-000, and ER24-2871-000.

Users) filed a motion for leave to answer and answer. On October 23, 2024, MISO filed a motion for leave to answer and answer.

26. On October 29, 2024, Western Area Power Administration (WAPA) filed a motion to intervene out-of-time.

27. On November 4, 2024, Clean Energy Associations filed a motion for leave to answer and answer to the answers. On November 7, 2024, Shell Companies filed a motion for leave to answer and answer to the answers. On November 12, 2024, Spearmint filed a motion for leave to answer and answer to the answers.

B. MISO Regional Tariff Filing

28. Notice of the filing in Docket No. ER24-2871-000 was published in the *Federal Register*, 89 Fed. Reg. 71267 (Sept. 3, 2024), with interventions and protests due on or before September 16, 2024.[44]

29. Notices of intervention were filed by: Arkansas Public Service Commission (Arkansas Commission); the Louisiana Commission; the Minnesota Commission; the Mississippi Commission; the New Orleans City Council; and the Texas Commission.

30. MISO OMS filed a notice of intervention and comments in support.

31. Timely motions to intervene were filed by: ABATE; ACORE; Advanced Energy United; AEP; Ameren; American Clean Power Association, Advanced Power Alliance, and Clean Grid Alliance; Arevon; Basin Electric; Clean Wisconsin; Cooperative Energy; EDF Renewables; EDP Renewables; Entergy; Environmental Law and Policy Center; Fresh Energy; Illinois Customers; Invenergy Generation; Invenergy Transmission; Louisiana Energy Group; LS Power; MISO Customers; NextEra; NIPSCO Customers; NRDC; Ørsted; Otter Tail; Pine Gate; Renew Missouri Advocates; Shell Companies; Sierra Club; Solar Energy Industries Association; Spearmint; SPP; Texas Customers; Union of Concerned Scientists; WIRES; and Wisconsin Electric Power Company, Wisconsin Public Service Corporation, and Upper Michigan Energy Resources Corporation.

32. ACEG and MISO Transmission Owners each filed a motion to intervene and comments.

[44] A notice of extension of time was issued in Docket No. ER24-2871-000, extending the comment due date to September 19, 2024.

33. International Transmission Company (ITC)[45] filed a motion to intervene and comments in support.

34. Advanced Energy United and Invenergy Transmission filed comments.

35. Protests were filed by: the Arkansas Commission; Clean Energy Associations; EDF Renewables; Entergy; Invenergy Generation; LS Power; the Mississippi Commission; Public Interest Organizations; Shell Companies; and Spearmint.

36. On October 3, 2024, Large Energy Users filed a motion for leave to answer and answer. On October 4, 2024, ITC filed a motion for leave to answer and answer. On October 23, 2024, MISO filed a motion for leave to answer and answer. On November 4, 2024, Clean Energy Associations filed a motion for leave to answer and answer to the answers. On November 5, 2024, the Mississippi Commission and the Arkansas Commission filed a joint motion for leave to answer and answer. On November 7, 2024, Shell Companies filed a motion for leave to answer and answer to the answers. On November 8, 2024, ITC filed a motion for leave to answer and answer. On November 12, 2024, Spearmint filed a motion for leave to answer and answer to the answers.

C. SPP JOA Filing

37. Notice of the filing in Docket No. ER24-2798-000 was published in the *Federal Register*, 89 Fed. Reg. 68421 (Aug. 26, 2024), with interventions and protests due on or before September 6, 2024.[46]

38. Notices of intervention were filed by: the Louisiana Commission; the Minnesota Commission; the Missouri Commission; and the Texas Commission.

39. Timely motions to intervene were filed by: ACORE; Advanced Energy United; AEP; American Clean Power Association, Advanced Power Alliance, and Clean Grid Alliance; Arevon; Basin Electric; Clean Wisconsin; EDF Renewables; Environmental Law and Policy Center; Evergy Kansas Central, Inc., Evergy Metro, Inc., and Evergy Missouri West, Inc.; Fresh Energy; Invenergy Generation; Invenergy Transmission; LS Power; MISO; NextEra; NRDC; Oklahoma Gas and Electric Company; Omaha Public Power District (OPPD); Ørsted; Pine Gate; Public Citizen, Inc.; Renew Missouri Advocates; Shell Companies; Sierra Club; Solar Energy Industries Association;

[45] ITC consists of Michigan Electric Transmission Company, LLC; ITC Midwest LLC; and ITC Great Plains, LLC.

[46] A notice of extension of time was issued in Docket No. ER24-2798-000, extending the comment due date to September 19, 2024.

Spearmint; Sunflower Electric Power Corporation; Union of Concerned Scientists; Western Farmers Electric Cooperative; and WIRES.

40. ACEG and ITC each filed a motion to intervene and comments in support.

41. The Missouri Commission and WIRES each filed comments in support.

42. Comments were filed by: EDF Renewables; Invenergy Transmission; and Public Interest Organizations.

43. Advanced Energy United filed a draft report and a comment.[47]

44. Protests were filed by: Clean Energy Associations; Invenergy Generation; LS Power; Shell Companies; and Spearmint.

45. On October 4, 2024, ITC filed a motion for leave to answer and answer. On October 23, 2024, MISO and SPP each filed motions for leave to answer and answers.

46. On October 29, 2024, WAPA filed a motion to intervene out-of-time.

47. On November 4, 2024, Clean Energy Associations filed a motion for leave to answer and answer to the answers. On November 7, 2024, Shell Companies filed a motion for leave to answer and answer to the answers. On November 8, 2024, ITC filed a motion for leave to answer and answer. On November 12, 2024, Spearmint filed a motion for leave to answer and answer to the answers.

D. SPP Regional Tariff Filing

48. Notice of the filing in Docket No. ER24-2825-000 was published in the *Federal Register*, 89 Fed. Reg. 68890 (Aug. 28, 2024), with interventions and protests due on or before September 19, 2024.

49. Notices of intervention were filed by: the Arkansas Commission; the Louisiana Commission; the Minnesota Commission; and the Texas Commission.

50. Timely motions to intervene were filed by: ACORE; Advanced Energy United; AEP; American Clean Power Association, Advanced Power Alliance, and Clean Grid Alliance; Arevon; Basin Electric; Clean Wisconsin; EDF Renewables; EDP Renewables; Environmental Law and Policy Center; Evergy Kansas Central, Inc., Evergy Metro, Inc., and Evergy Missouri West, Inc.; Fresh Energy; Invenergy Generation; Invenergy Transmission; LS Power; MISO; Nebraska Public Power District; NextEra; NRDC; Oklahoma Gas and Electric Company; Ørsted; Pine Gate; Public Citizen, Inc.; Renew

[47] *See supra* n.41.

Missouri Advocates; Shell Companies; Sierra Club; Solar Energy Industries Association; Spearmint; Sunflower Electric Power Corporation; Union of Concerned Scientists; Western Area Power Administration; Western Farmers Electric Cooperative; and WIRES.

51. ACEG and ITC each filed a motion to intervene and comments in support.

52. WIRES filed comments in support.

53. Comments were filed by: Advanced Energy United; EDF Renewables; Invenergy Transmission; and Public Interest Organizations.

54. Protests were filed by: Clean Energy Associations; Invenergy Generation; LS Power; Shell Companies; and Spearmint.

55. On October 4, 2024, ITC filed a motion for leave to answer and answer. On October 23, 2024, MISO and SPP each filed motions for leave to answer and answers. On November 4, 2024, Clean Energy Associations filed a motion for leave to answer and answer to the answers. On November 7, 2024, Shell Companies filed a motion for leave to answer and answer to the answers. On November 8, 2024, ITC filed a motion for leave to answer and answer. On November 12, 2024, Spearmint filed a motion for leave to answer and answer to the answers.

IV. Discussion

A. Procedural Matters

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

57. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2024), prohibits an answer to a protest or answer unless otherwise ordered by the decisional authority. We are not persuaded to accept Shell Companies' November 7, 2024 answer, ITC's November 8, 2024 answer, and Spearmint's November 12, 2024 answer and will, therefore, reject them. We accept the other answers because they have provided information that assisted us in our decision-making process.

58. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d), we grant WAPA's late-filed motion to intervene given its interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

59. In general, the Commission consolidates proceedings only if a trial-type evidentiary hearing is required and there are common issues of law and fact.[48] Here, we are not setting these issues for hearing, and accordingly, we deny Shell Companies' motion to consolidate.

B. Substantive Matters

60. As discussed below, we find the RTOs' proposals to implement a JTIQ framework to be just, reasonable, and not unduly discriminatory or preferential. Accordingly, we accept MISO's proposed JOA and MISO Tariff revisions, subject to condition, and SPP's proposed JOA and SPP Tariff revisions, subject to condition, effective November 14, 2024, as requested.[49] Below, we address the RTOs' proposals to implement the JTIQ framework.

1. JTIQ Framework

a. Filings

i. JTIQ Portfolio

61. The RTOs propose JOA revisions to add their proposed JTIQ framework as a new section 9.4.2,[50] with section 9.4.2(a) establishing the process for identifying and approving JTIQ Portfolios.[51] The proposed revisions provide that the RTOs may identify

[48] *See, e.g.*, *Dynegy Res. I, LLC*, 150 FERC ¶ 61,232, at P 17 (2015); *Duke Energy Corp.*, 136 FERC ¶ 61,245, at P 33 (2011); *Terra-Gen Dixie Valley, LLC*, 132 FERC ¶ 61,215, at P 44, n.74 (2010); *Startrans IO, L.L.C.*, 122 FERC ¶ 61,253, at P 25 (2008).

[49] *See NRG Power Mktg., LLC v. FERC*, 862 F.3d 108, 114-15 (D.C. Cir. 2017) (discussing the Commission's authority to propose modifications to a utility's FPA section 205 rate proposal).

[50] MISO JOA Filing at 14; SPP JOA Filing at 17. The RTOs also explain that they propose certain non-substantive changes to the preexisting provisions of section 9.4 of the JOA, which will be split between new sections 9.4.1 and 9.4.3. The RTOs further explain that the specific provisions included in section 9.4.1 of the JOA are the same as previously included in section 9.4. Specifically, they note that the following non-substantive changes have been made: section 9.4.1(a) has been renumbered from section 9.4(a); section 9.4.1(b) has been renumbered from section 9.4(g); section 9.4.1(c) has been renumbered from section 9.4(k); section 9.4.1(d) has been renumbered from section 9.4(l); and section 9.4.1(e) has been renumbered from section 9.4(m).

[51] Proposed JOA § 9.4.2(a).

a JTIQ Portfolio to be constructed in one or both parties' transmission systems that the RTOs have determined will more efficiently and reliably facilitate the interconnection of one or more clusters of interconnection requests in both RTOs' queues. Further, the proposed revisions provide for coordination to include, at a minimum: (1) meetings to be held periodically between representatives of each RTO for the purposes of considering potential JTIQ Upgrades for inclusion in a JTIQ Portfolio and, as appropriate, enhancements to JTIQ processes; (2) the exchange of study data relating to potential JTIQ Upgrades for inclusion in a JTIQ Portfolio; and, (3) if applicable, the presentation of study results to the RTOs' stakeholders. In addition, the proposed revisions require that, following this study results presentation, both RTOs must present the new JTIQ Portfolio proposal to their respective boards of directors for approval and inclusion in their respective regional transmission plans, which the RTOs argue will ensure proper procedural safeguards and necessary stakeholder engagement.[52]

62. The RTOs state that these process requirements were met for JTIQ Portfolio #1.[53] The RTOs contend that the proposed JTIQ Portfolio adoption process is open and non-discriminatory and is designed to be based on a JTIQ study. Finally, the RTOs state that, while the JTIQ Portfolio identification and approval process is sufficiently general to be used with future JTIQ Portfolios, future portfolios may require additional filings pursuant to section 205 of the FPA, particularly with respect to cost allocation.[54]

ii. JTIQ Generator Participation

63. The RTOs propose revisions to the JOA and to their tariffs to include a process for determining which interconnection requests will participate in the JTIQ by identifying groups of eligible interconnection requests, known as the JTIQ Screening, Participation, and Commitment Groups.[55] To select the appropriate amount of generation to participate in a JTIQ Portfolio without risking oversubscription, the RTOs identify a Target MW Value, which is the projected new interconnection MW enabled by a JTIQ Portfolio. For

[52] MISO JOA Filing at 15; SPP JOA Filing at 18-19.

[53] MISO JOA Filing at 15; SPP JOA Filing at 18-19.

[54] MISO JOA Filing at 16; SPP JOA Filing at 19.

[55] MISO JOA Filing at 17 (citing MISO JOA Filing, Exhibit No. MISO-0002 (Testimony of Andrew Witmeier) at 16 (Witmeier JOA Testimony)); SPP JOA Filing at 20 (citing SPP JOA Filing, Exhibit No. SPP-0003 (Testimony of Charles J. Locke) at 16 (Locke Testimony)); MISO Regional Tariff Filing at 34 (citing MISO Regional Tariff Filing, Exhibit No. MISO-0006 (Testimony of Andrew Witmeier) at 19 (Witmeier Regional Tariff Testimony)).

JTIQ Portfolio #1, the RTOs identified a Target MW Value of 28,600 MW.[56] The RTOs state that they calculated the Target MW Value of 28,600 MW, consisting of 11,100 MW in the SPP footprint and 17,500 MW in the MISO footprint through modeling the expected MWs of interconnected generation capacity that the JTIQ Portfolio will enable.[57]

64. The RTOs propose revisions to the JOA and to their individual tariffs to define a Threshold MW Value as the point at which the RTOs will stop including future clusters in the JTIQ subscription group because the JTIQ Portfolio will be considered to be fully subscribed, and to select a Threshold MW Value of 85%.[58] The RTOs state that the 85% Threshold MW Value balances undersubscription and oversubscription risks.[59] The RTOs reason that a higher Threshold MW Value, or ongoing cluster subscription to meet the Target MW Value, could result in significant oversubscription, subsequently triggering significant supplemental network upgrades and traditional affected system studies. The RTOs reason that a lower Threshold MW Value could increase the risk that the RTOs would close the portfolio before sufficient commitment by benefiting interconnection customers, which would increase the costs borne by the subscribed interconnection customers. The RTOs state that, while an 85% Threshold MW Value does not eliminate these risks, they believe that it strikes the best balance between mitigating oversubscription and undersubscription risk.[60]

(a) JTIQ Screening Group

65. The RTOs propose revisions to the JOA to establish that each RTO will create JTIQ Screening Groups, which will consist of all new interconnection customers that have submitted interconnection requests in a MISO DPP or SPP DISIS cluster that: (1) has an application deadline that is after the date on which the RTOs' respective boards of directors have approved a JTIQ Portfolio; and (2) has not commenced MISO

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[56] MISO JOA Filing at 17; SPP JOA Filing at 20; Proposed JOA § 9.4.2(e)(i).

[57] MISO JOA Filing at 22 (citing Witmeier JOA Testimony at 17); SPP JOA Filing at 26-27 (citing Kelley Testimony at 30-31); Proposed SPP Tariff, attach. AV, app. 1 (0.0.0), § B.

[58] MISO JOA Filing at 17; SPP JOA Filing at 20; Proposed JOA, § 9.4.2(e)(i); Proposed SPP Tariff, attach. AV, app.1 (0.0.0), § C; Proposed MISO Tariff, attach. JJJ (31.0.0).

[59] MISO JOA Filing at 22 (citing Witmeier JOA Testimony at 19); SPP JOA Filing at 27 (citing Kelley Testimony at 33).

[60] MISO JOA Filing at 22-23; SPP JOA Filing at 27.

DPP Phase I studies or SPP DISIS Phase One studies under the RTOs' respective tariffs as of the date the JTIQ Portfolio is declared to be fully subscribed.[61] Interconnection customers in a JTIQ Screening Group will be screened for inclusion in a JTIQ Participation Group. The RTOs state that this mechanism allows whole clusters to be evaluated, thereby avoiding the application of differing rules to different interconnection requests in the same cluster.[62]

66. The RTOs assert that the proposed JTIQ Screening Group requirements are reasonable. First, the RTOs state that the proposed JTIQ Screening Group requirements provide upfront notice to interconnection customers as to whether their cluster will be included in a JTIQ Screening Group.[63] The RTOs explain that these requirements are aligned with the proposed JTIQ subscription methodology and enable the RTOs to perform the calculations needed to determine full subscription based on the latest available application data.[64] Second, the RTOs state that the proposed JTIQ Screening Group requirements will provide certainty to interconnection customers early in the queue process, allowing interconnection customers to make commercial decisions to proceed or exit the interconnection queue before interconnection studies begin.[65] The RTOs clarify that, if the JTIQ subscription group is closed prior to the commencement of MISO DPP Phase I or SPP DISIS Phase One, studies will not have commenced and interconnection customers will know at the beginning of the interconnection study process whether they will be subject to existing affected system rules or to the JTIQ process.[66]

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[61] MISO JOA Filing at 17; SPP JOA Filing at 21; Proposed JOA § 9.4.2(d)(i); MISO Regional Tariff Filing; Proposed MISO Tariff, attach. X, § 1 (166.0.0).

[62] MISO JOA Filing at 17; SPP JOA Filing at 21.

[63] MISO JOA Filing at 17-18 (citing Proposed JOA § 9.4.2(e)); SPP JOA Filing at 21 (citing Proposed JOA § 9.4.2(e)).

[64] The RTOs clarify that they need to know both the number of MWs that have been committed to that JTIQ Portfolio and the MW value of pending interconnection requests that have entered the RTOs' queues in order to calculate whether a JTIQ Portfolio should be declared fully subscribed and closed. The RTOs assert that this enables the RTOs to determine whether inclusion of the current cluster can be accommodated. MISO JOA Filing at n.75; SPP JOA Filing at n.74.

[65] MISO JOA Filing at 17-18; SPP JOA Filing at 21.

[66] MISO JOA Filing at n.76; SPP JOA Filing at n.75.

(b) JTIQ Participation Group

67. Next, the RTOs propose revisions to the JOA to establish that interconnection requests in the JTIQ Screening Group that meet the following two criteria will be included in the JTIQ Participation Group: (1) an impact greater than 5% distribution factor (Outage Transfer Distribution Factor (OTDF) or Power Transfer Distribution Factor (PTDF)) on one or more facilities of the other RTO's transmission system modeled with all transmission facilities rated 100 kV and above; and (2) greater than a 1.00 MW (positive) impact on at least one JTIQ Upgrade included in the JTIQ Portfolio.[67] The RTOs state that interconnection requests that meet these criteria are those that impact the affected RTO's system and are enabled by the JTIQ Portfolio; interconnection requests that do not meet both criteria will not be included in the JTIQ Participation Group. The RTOs propose to apply the same criteria to interconnection requests for Energy Resource Interconnection Service (ERIS) and Network Resource Interconnection Service (NRIS).[68]

68. Regardless of whether an interconnection customer is in the JTIQ Participation Group, all interconnection customers included in a JTIQ Screening Group will also be assessed for what the RTOs refer to as "localized" system impacts and potential additional mitigation costs in a new Expanded Scope Analysis,[69] with certain exemptions as described below.[70]

69. The RTOs explain that they considered alternatives in determining the 5% distribution factor impact threshold for the JTIQ Participation Group, such as distribution factors of 3%, 10%, and 20% using OTDF or PTDF.[71] The RTOs assert that a 5% distribution factor threshold balances the goals of establishing a sufficient degree of

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[67] MISO JOA Filing at 18; SPP JOA Filing at 22; Proposed JOA § 9.4.2(d)(ii). The JOA defines PTDF as the percentage of power transfer flowing through a facility or a set of facilities for a particular transfer when there are no contingencies and OTDF as the percentage of a power transfer that flows through the monitored facility for a particular transfer when the contingency facility is switched out of service. Proposed JOA § 9.4.2(d)(ii)(a).

[68] *See* MISO Regional Tariff Filing at n.172.

[69] MISO JOA Filing at 19; SPP JOA Filing at 23; MISO Regional Tariff Filing at 39.

[70] *Infra* P 103.

[71] MISO JOA Filing at 18-19, n.79 (citing Witmeier JOA Testimony at 22-23); SPP JOA Filing at 22 (citing Kelley Testimony at 36-37).

impact at the MISO-SPP seam, avoiding free ridership, and mitigating undersubscription risk.[72] Further, the RTOs state that they determined that the same distribution factor threshold should apply to NRIS and ERIS for several reasons, including to remove the incentive for interconnection customers to change their requests from NRIS to ERIS to avoid inclusion in the JTIQ Participation Group, which would create cost uncertainty for other interconnection customers.[73]

(c) JTIQ Commitment Group

70. The RTOs propose that those interconnection customers in a JTIQ Participation Group that obtain an effective service agreement obligating the interconnection customer to pay and provide security for the JTIQ Upgrades will be included in a JTIQ Commitment Group.[74] Specifically, the RTOs propose revisions to the JOA and their tariffs to include new *pro forma* agreements that set the terms and conditions for the interconnection customers in a JTIQ Participation Group to compensate the transmission owners that have been assigned the responsibility to build the JTIQ Upgrades in MISO or SPP (JTIQ transmission owners) for their individual assigned costs. The RTOs explain that, in addition to a generator interconnection agreement (GIA), any interconnection customer assigned JTIQ Upgrade costs must also either execute or request to file unexecuted the following agreements, which will include them in the JTIQ Commitment Group: (1) for a MISO interconnection customer, MISO's JTIQ Commitment Agreement with the MISO JTIQ transmission owners and MISO[75] as well as SPP's JTIQ Agreement for MISO Interconnection Customers and JTIQ Compensation Agreement with SPP;[76]

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[72] MISO JOA Filing at 18-19, n.79 (citing Witmeier JOA Testimony at 22-23); SPP JOA Filing at 22 (citing Kelley Testimony at 36-37).

[73] MISO JOA Filing at 18 (citing Witmeier JOA Testimony at 23); SPP JOA Filing at 22 (citing Kelley Testimony at 36); MISO Regional Tariff Filing at 35, n.172.

[74] MISO JOA Filing at 19; SPP JOA Filing at 23.

[75] MISO Regional Tariff Filing at 45; Proposed MISO Tariff, attach. X, app. 18 (JTIQ Commitment Agreement). MISO explains that the JTIQ Commitment Agreement is the primary contractual mechanism to obligate interconnection customers to pay for JTIQ Upgrades to be constructed by MISO Transmission Owners and also establishes requirements for security and collateral and describes invoicing procedures and other miscellaneous requirements. MISO Regional Tariff Filing at 45.

[76] SPP Regional Tariff Filing at 19-20. SPP's proposed JTIQ Agreement for MISO interconnection customers is entered into by a MISO interconnection customer and SPP to provide billing and security for the portion of JTIQ Upgrades authorized for construction in SPP. Proposed SPP Tariff, attach. AV, app. 3 (0.0.0). SPP's proposed JTIQ Compensation Agreement for MISO interconnection customers is entered into by a

and (2) for an SPP interconnection customer, MISO's JTIQ Commitment Agreement with the MISO JTIQ transmission owners and MISO.[77]

71. Each JTIQ Commitment Group will consist of interconnection customers in the JTIQ Participation Group that have obtained the relevant JTIQ agreements discussed above within the 12-month period ending on April 30 of each year.[78] The RTOs state that interconnection requests included in the JTIQ Commitment Group for JTIQ Portfolio #1 will be charged the JTIQ Generator Charge, which is calculated based on each JTIQ Commitment Group's start date for each JTIQ Upgrade.[79] The RTOs argue that using an annual JTIQ Commitment Group construct allows for the efficient calculation and tracking of the JTIQ Generator Charge over multiple clusters.[80]

72. The RTOs explain that the standard interconnection study practice—of adding a new interconnection request to a model, identifying the constraints caused by the request, and then determining an interconnection request's distribution factor on that constraint to see if it should be required to mitigate that constraint—cannot be utilized for JTIQ Upgrades because each portfolio of JTIQ Upgrades will be part of the base case model

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MISO interconnection customer and SPP to provide compensation in the form of candidate Incremental Long-Term Congestion Rights (ILTCR). Proposed SPP Tariff, attach. AV, app. 4 (0.0.0).

[77] SPP proposes a new Appendix I to its *pro forma* GIA, which contains the terms and conditions for SPP interconnection customers to compensate SPP JTIQ transmission owners for their share of the JTIQ Upgrade costs. Proposed SPP Tariff, attach. V, app. 6, (22.0.1), app. I; Proposed MISO Tariff, attach. X, app. 18.

[78] MISO JOA Filing at 19; SPP JOA Filing at 23; Proposed JOA § 9.4.2(d)(iii).

[79] MISO JOA Filing at 16, 27; SPP JOA Filing at 19, 33; Proposed JOA § 9.4.2(f). JTIQ Generator Charge is defined in the SPP tariff as "[t]he charge to certain generation interconnection customers in the MISO Region and the SPP Region that results from multiplying the applicable JTIQ Generator Rate by the Committed MW for each of those generation interconnection customers." Proposed SPP Tariff, attach. AV, § 1 (Definitions) (0.0.0). JTIQ Generator Charge is defined in the MISO tariff as "[t]he charge to JTIQ Commitment Group Members to recover the JTIQ Commitment Group Member's share of the JTIQ Monthly Revenue Requirement for each of the JTIQ Upgrades in the JTIQ Portfolio in the Transmission Provider's Region." Proposed MISO Tariff, attach. JJJ, § 1 (Definitions).

[80] MISO JOA Filing at 19; SPP JOA Filing at 23.

that will be used when studying a future interconnection request.[81] The RTOs assert that, with the JTIQ Upgrades in the base case, many of the constraints that would have existed will not exist, as the JTIQ Upgrades will have mitigated them. Therefore, the RTOs propose to use the proposed JTIQ subscription methodology (under which interconnection customers are identified over time based on the study criteria and grouping outlined above) to determine which future interconnection customers should pay for the JTIQ Upgrades.

73. The RTOs state that, under the proposed JTIQ framework, interconnection requests included in the JTIQ Screening Group will not be subject to the standard affected system studies by the affected RTO, except in specific circumstances discussed below.[82] The RTOs explain that this exemption from affected system studies for impacts across a large portion of the MISO-SPP seam is made possible by the significant generation capacity enabled by the JTIQ Upgrades. The RTOs also state that, as result of the additional capacity provided by JTIQ Upgrades, the RTOs propose to limit the analysis of individual interconnection request's impacts on the other RTO's system to a screening for local impacts through an Expanded Scope Analysis, described below.[83]

iii. JTIQ Cost Allocation and Cost Recovery

(a) General Cost Allocation and Recovery Framework

74. The RTOs' proposed JTIQ framework establishes a common set of cost allocation and cost recovery principles that apply in both MISO and SPP. The RTOs explain that proposed section 9.4.2(b) of the JOA establishes the cost allocation framework for both the capital and non-capital costs of JTIQ Portfolios specifically for JTIQ Portfolio #1, and any future JTIQ Portfolios will require the RTOs to reconsider the proposed section 9.4.2(b) cost allocation method.[84] Under the proposal, first, the capital costs of JTIQ Portfolio #1 will be reduced by funding received from the DOE GRIP program. All remaining capital costs will be recovered either: (1) through a JTIQ Generator Charge assessed to all interconnection customers included in JTIQ Commitment Groups for JTIQ Portfolio #1, if JTIQ Portfolio #1 is fully subscribed; or (2) if JTIQ Portfolio #1 is not fully subscribed, a JTIQ Generator Charge from all subscribed JTIQ Commitment Groups and a backstop funding charge to load throughout the MISO and SPP regions, as

[81] Witmeier JOA Testimony at 22; Kelley Testimony at 35.

[82] MISO JOA Filing at 19; SPP JOA Filing at 23.

[83] *Infra* P 102.

[84] MISO JOA Filing at 16; SPP JOA Filing at 19. Proposed JOA § 9.4.2(b).

described further below.[85] Second, the RTOs state that they will rely on the existing provisions in their respective tariffs to allocate non-capital costs of JTIQ Portfolio #1 (including operation and maintenance costs, administrative and general expenses, general and intangible plant depreciation and amortization, taxes other than income taxes, and other costs not included in capital costs) and, thus, these non-capital costs will be recovered from load in the RTO wherein each JTIQ Upgrade is located.[86]

75. The RTOs' proposed revisions to JOA section 9.4.2(f) provide key principles for cost recovery and address two main elements underlying the JTIQ cost allocation and cost recovery framework for JTIQ Portfolio #1 capital costs: the JTIQ Generator Charge and backstop funding.[87] The RTOs propose that the capital costs of JTIQ Portfolio #1, after the DOE GRIP funds are applied, will be recovered from interconnection customers in a JTIQ Commitment Group through a JTIQ Generator Charge. Further, the RTOs propose that their loads will provide backstop funding if: (1) there is a timing difference between the time when JTIQ Upgrades go into service and the time when interconnection customers enter into the JTIQ Commitment Group (i.e., temporary backstop); and (2) the JTIQ Portfolio is not fully subscribed, which the RTOs contend is an unlikely scenario (i.e., permanent backstop).[88] In the case of the temporary backstop, the RTOs' proposal provides that when the JTIQ Generator Charge recovers this previous insufficiency of revenue, that revenue will be distributed to load within the region where that JTIQ Upgrade is located consistent with that RTO's regional tariff.[89]

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[85] MISO JOA Filing at 27-28; SPP JOA Filing at 32. The RTOs state that capital costs are defined in the same fashion as for all other generator interconnection-related network upgrades in both RTOs and include design, engineering, and construction costs and applicable carrying costs and income tax impacts. MISO JOA Filing at 16; Proposed JOA § 9.4.2(b)(i).

[86] MISO JOA Filing at 16; SPP JOA Filing at 20, 37, 40. Proposed JOA § 9.4.2(b). In SPP, the non-capital costs will be split between zonal and regional recovery in accordance with the constructing JTIQ transmission owners' formula rates; in MISO, load in the zone in which the JTIQ Upgrade is located will pay such costs.

[87] MISO JOA Filing at 27; SPP JOA Filing at 32.

[88] MISO JOA Filing at 28; SPP JOA Filing at 33; MISO Regional Tariff Filing at 16-17; SPP Regional Tariff Filing, Exhibit No. SPP-0006 (Testimony of Don Frerking) at 25-26, 33-34, 38-41 (Frerking Testimony); SPP Regional Tariff Filing at 11-13, 39.

[89] MISO JOA Filing at 28 (citing Proposed JOA § 9.4.2(f)(ii)(b)); Witmeier JOA Testimony at 38; SPP JOA Filing at 33-34; Locke Testimony at 35.

76. The RTOs explain the JTIQ Upgrades will be constructed by the transmission owners in whose existing service territories the projects are located or interconnected.[90] As noted above, under the proposed JTIQ funding mechanism, interconnection customers are expected to be responsible for the capital costs of JTIQ Upgrades in JTIQ Portfolio #1. However, the RTOs explain that, at the time the JTIQ Upgrades are approved, and possibly when construction of the JTIQ Upgrades begins or ends, the identity of all of the interconnection customers that ultimately will be responsible for the costs of the JTIQ Upgrades may not be known.[91] The RTOs explain that, therefore, under the proposed framework, the JTIQ transmission owners will provide the capital to fund development and construction. The RTOs propose that the JTIQ transmission owners will then be fully reimbursed for capital costs associated with their respective JTIQ Upgrades, including a rate of return, through the proposed JTIQ Portfolio subscription methodology.[92] The costs of JTIQ Upgrades in the JTIQ Portfolio will be recoverable as those JTIQ Upgrades are in service.[93] The RTOs explain that, while they anticipate that JTIQ Portfolio #1 will be fully subscribed through JTIQ Commitment Groups within a short time frame, involving only a few clusters, the proposed JOA revisions nonetheless allow for up to 20 years (specifically, 240 months from the in-service date of the first JTIQ Upgrade in the JTIQ Portfolio) to achieve sufficient commitments for full subscription.[94] The RTOs further explain that, correspondingly, the JTIQ Generator Charge is structured to provide cost recovery to the JTIQ transmission owner over that 20-year period. When a JTIQ Commitment Group subscribes after a JTIQ Upgrade's in-service date, that JTIQ Commitment Group's JTIQ Generator Charge is considered "deferred," and will be used to reimburse MISO Transmission Customers for acting as the backstop at a levelized rate that accounts for the delayed start of payments and ensures that all JTIQ Commitment Group members pay the same amount on a present

[90] Witmeier JOA Testimony at 11; Locke Testimony at 11. The constructing JTIQ transmission owners are expected to be Evergy Kansas Central, Evergy Missouri West, and OPPD in SPP and Otter Tail, Northern States Power Company, ITC Midwest LLC, and MidAmerican in MISO. Witmeier JOA Testimony at 11.

[91] Witmeier JOA Testimony at 13; Locke Testimony at 13.

[92] MISO JOA Filing at 11; Witmeier JOA Testimony at 13; SPP JOA Filing at 12; Locke Testimony at 13.

[93] Proposed JOA § 9.4.2(f).

[94] Witmeier JOA Testimony at 14; Locke Testimony at 14.

value basis, and over a shorter period than the JTIQ Upgrade Recovery Period.[95] The RTOs also state that recovery of the capital cost over a 20-year period, including the JTIQ transmission owner receiving a return on the capital costs, is a mechanism that synchronizes financial obligations and facilitates both the subscription model for interconnection customer commitments and the role of load in providing the financial backstop.[96]

77. The RTOs contend that the scenario of having a permanent backstop is very unlikely based on SPP and MISO's respective forecast demand and interconnection queue sizes.[97] Specifically, MISO states that, in the area of MISO where JTIQ Portfolio #1 is located or adjacent to, the interconnection queue has grown from 7.9 GW in 2020, 14.6 GW in 2021, 27.9 GW in 2022, to 21.1 GW in 2023, with only 21.5 GW over those four cycles, or an average of 30%, of interconnection customers successfully interconnecting. MISO further states that the demand for interconnection requests to locate in this area of MISO would be enough to meet the 28.6 GW Target MW Value to fully subscribe JTIQ Portfolio #1 over six annual interconnection cycles, even without considering interconnection requests on the SPP system. MISO states that assuming SPP receives a volume of interconnection requests similar to MISO in the near future, MISO expects that JTIQ Portfolio #1 will be fully subscribed within a few years. MISO adds that Future 2A of its Long-Range Transmission Planning study forecasts that 110 GW of new generation will be needed in this area over the next 20 years, accounting for 79 GW of generation growth in MISO near the area of the JTIQ Portfolio #1 alone.[98] SPP similarly states that given the current size of the generator interconnection queues in the RTOs, full subscription is expected within a few interconnection cluster study cycles to enable interconnection of up to 28,600 MW of new generation in SPP and MISO combined.[99]

78. Concerning individual interconnection customers in JTIQ Commitment Groups, the RTOs propose that such interconnection customers will pay an allocated portion of JTIQ Portfolio #1's capital cost, including a rate of return, over a period not to exceed 20

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[95] MISO Regional Tariff Filing at 28-29; MISO Regional Tariff Filing, Exhibit No. MISO-0007 (Testimony of Matthew Bogdan and Michael Gard) at 9-10 (Bogdan/Gard Testimony).

[96] Witmeier JOA Testimony at 14; Locke Testimony at 14.

[97] MISO JOA Filing at 11; Witmeier JOA Testimony at 38; SPP JOA Filing at 33; Locke Testimony at 12.

[98] Witmeier JOA Testimony at 39-40.

[99] Locke Testimony at 12; Kelley Testimony at 30-31.

years from the in-service date of each JTIQ Upgrade through a per-MW JTIQ Generator Charge.[100] The allocated share assigned to an interconnection customer in a JTIQ Commitment Group will be its *pro rata* share of the capital costs for each JTIQ Upgrade in JTIQ Portfolio #1 based on its requested MW of generating capacity relative to either the Threshold MW Value or, if larger, the final total subscribed amount of all JTIQ Commitment Groups.[101] Costs will be recovered over a maximum of 240 months starting from each JTIQ Upgrade's recovery start date.[102]

79. The RTOs propose several principles to govern the calculation, collection, and distribution of the JTIQ Generator Charge.[103] First, under the proposed cost recovery framework, on a monthly basis, each RTO will determine and invoice the amounts due from each interconnection customer in the JTIQ Commitment Groups for the JTIQ Upgrades constructed in its region. Each RTO will distribute the JTIQ Generator Charge revenue that it collects from interconnection customers to the applicable entities in its region pursuant to its tariff.[104] Further, the RTOs propose that, if an interconnection customer defaults in performance of the JTIQ Generator Charge payment obligations to one RTO, that default will be deemed to be a default of the payment obligations to the other RTO.[105]

80. The RTOs also propose to require JTIQ Commitment Group members to post and maintain financial security for the JTIQ Upgrades being constructed by each RTO's JTIQ transmission owners.[106] The RTOs argue that financial security is necessary to provide for recovery of any remaining capital costs due to an interconnection customer defaulting and, thus, the security requirement protects non-defaulting parties from financial harm in such circumstances. Further, the RTOs state that, because JTIQ Upgrades will be constructed on both the MISO and SPP transmission systems, the need for security

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[100] Witmeier JOA Testimony at 13; Locke Testimony at 13.

[101] MISO JOA Filing at 27 (citing Proposed JOA § 9.4.2(f)(i)(a)); SPP JOA Filing at 32-33 (citing Proposed JOA § 9.4.2(f)(i)(a)).

[102] MISO JOA Filing at 27; SPP JOA Filing at 33 (citing Proposed JOA § 9.4.2(f)(i)(b)).

[103] MISO JOA Filing at 28; SPP JOA Filing at 34 (citing Proposed JOA § 9.4.2(g)).

[104] MISO JOA Filing at 28; SPP JOA Filing at 34.

[105] MISO JOA Filing at 28-29; SPP JOA Filing at 34.

[106] MISO JOA Filing at 29; SPP JOA Filing at 34-35; Proposed JOA § 9.4.2(h)(i).

applies equally on both sides of the seam. Therefore, the RTOs propose to require that each RTO obligate its interconnection customers in JTIQ Commitment Groups to execute the other RTO's relevant *pro forma* JTIQ agreement(s) and provide security in accordance with that RTO's rules, and the RTOs will coordinate in the administration of security and to provide information to each other regarding interconnection customer payments, security, and defaults. Specifically, SPP interconnection customers included in a JTIQ Commitment Group must execute the relevant MISO *pro forma* agreements obligating the SPP interconnection customers to pay and provide security for their share of the cost of JTIQ Upgrades constructed in the MISO footprint. Likewise, MISO interconnection customers in a JTIQ Commitment Group will have parallel requirements to pay and provide security for their share of the costs of JTIQ Upgrades in the SPP footprint through the relevant SPP *pro forma* agreements.[107]

81. Further, under the JTIQ framework, temporary backstop charges will be used to recover from transmission customers the JTIQ transmission owner's JTIQ Upgrade-related annual revenue requirement less the total of that year's subscribed JTIQ Generator Charge. The RTOs explain that temporary backstop charges will be necessary if JTIQ Portfolio #1 is not fully subscribed by the time a JTIQ Upgrade goes in service.[108] The cost of temporary backstop funding associated with a JTIQ Upgrade will be recovered from one RTO's transmission customers on a system-wide basis based upon the RTO in which the JTIQ Upgrade is physically located.[109] The RTOs explain that the load providing temporary backstop funding will be reimbursed with interest by subsequently subscribing JTIQ Commitment Group members when those interconnection customers begin making their monthly JTIQ Generator Charge payments. The RTOs explain that, therefore, if JTIQ Portfolio #1 is not ultimately fully subscribed, the remaining un-reimbursed backstop funding will be considered permanent.[110] The RTOs further explain that, if an interconnection customer in a JTIQ Commitment Group defaults, the default would not impact the calculations of the JTIQ Generator Charges for, or the

[107] MISO JOA Filing at 28; SPP JOA Filing at 34.

[108] MISO Regional Tariff Filing at 30; Locke Testimony at 14, 35.

[109] MISO Regional Tariff Filing at 22; Witmeier Regional Tariff Testimony at 14; MISO JOA Filing at 28; SPP Regional Tariff Filing at 21; Frerking Testimony at 8-9, 38; SPP JOA Filing at 33; Locke Testimony at 35.

[110] MISO Regional Tariff Filing at 30; MISO JOA Filing at 28; SPP Regional Tariff Filing at 36; Frerking Testimony at 38; SPP JOA Filing at 33.

reimbursement of the backstop charge from, the remaining JTIQ Commitment Group members, nor the backstop charge.[111]

82. The RTOs explain that they will calculate the annual revenue requirement for the JTIQ Upgrades using an identical formula rate (JTIQ formula rate), which they have proposed to include in new Attachment JJJ to MISO's tariff and new Attachment AV to SPP's tariff.[112] The RTOs state that the JTIQ formula rate uses a levelized fixed charge rate to derive the annual revenue requirement for each JTIQ Upgrade, which represents the levelized amount that the JTIQ transmission owner will receive for each JTIQ rate year.[113] As discussed above, the RTOs state that a backstop charge will be assessed to transmission customers if the JTIQ Portfolio is not fully subscribed. The JTIQ formula rate calculates the backstop charge as the JTIQ Upgrade's annual revenue requirement less the sum of the applicable JTIQ Commitment Group's MWs multiplied by the JTIQ Generator Charge.[114]

83. The JTIQ formula rate also calculates an annual revenue requirement for each JTIQ Commitment Group using a levelized fixed charge rate calculation and the JTIQ Commitment Group's specific MW amount.[115] If a JTIQ Commitment Group subscribes to a JTIQ Upgrade after that Upgrade's in-service date, then the JTIQ Commitment Group's recovery is considered deferred, and its annual revenue requirement is increased by an amount to reimburse transmission customers with interest for backstop payments made prior to that JTIQ Commitment Group's subscription. Whether inclusive of backstop reimbursement or not, the annual revenue requirement for each JTIQ Commitment Group is divided by the Threshold MW Value, if not fully subscribed, or Final Commitment MW Total, if fully subscribed or the 20-year subscription period has

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[111] MISO Regional Tariff Filing at 30-31; SPP Regional Tariff Filing at 43-45.

[112] MISO Regional Tariff Filing at 28; SPP Regional Tariff Filing at 21. The JTIQ formula rate's relationship to other provisions of MISO's proposed Attachment JJJ and SPP's Attachment AV is described in subsequent sections below.

[113] MISO Regional Tariff Filing at 28. The JTIQ rate year is typically a 12-month period from August 1 of one year to July 31 of the following year, but the initial or final JTIQ rate year will be shorter when the in-service date of the JTIQ Upgrade does not coincide with the start of the JTIQ rate year. *See* Proposed MISO Tariff, attach. JJJ, § 1 (Definitions).

[114] MISO Regional Tariff Filing at 30-31.

[115] *Id.* at 28-29.

ended, to determine the $/MW monthly rate for each in-service JTIQ Upgrade that is used to calculate the JTIQ Generator Charge.

84. The RTOs state that true-up adjustments will occur: (1) after the final net JTIQ Upgrade capital costs are established by the constructing JTIQ transmission owner; and (2) after the Final Commitment MW Total has been established by the RTOs.[116]

(b) MISO Regional Cost Allocation and Cost Recovery

85. MISO proposes to implement these requirements through revisions to Attachment FF, as well as through new Attachment JJJ and Schedules 26-G, 26-H, and 26-I of the MISO Tariff.[117]

86. MISO states that Attachment FF describes project categories that may be included in the MTEP and their cost allocation rules.[118] MISO explains that its existing Attachment FF provides that interconnection customers are responsible for the entire cost of interconnection projects with voltages below 345 kV, and for voltages at or above 345 kV, the "90/10 rule" applies.[119] Under the "90/10 rule," interconnection customers are repaid by the transmission owners constructing the applicable generator interconnection project at 10% of their cost, with the transmission owner recovering those repayment costs from transmission customers on a system-wide basis. MISO proposes to integrate JTIQ Upgrades within the generator interconnection project category but with revisions to clarify that the cost allocation discussed above applies. These include revisions to: (1) provide that 100% of the capital-related costs of JTIQ Upgrades in JTIQ Portfolio #1 will be allocated to interconnection customers in JTIQ Commitment Groups; (2) state that MISO will be required to propose an appropriate cost allocation method if none of the JTIQ Upgrades has been selected to receive funds from the DOE GRIP program; (3) provide that, if the JTIQ Portfolio is not fully subscribed, JTIQ Upgrade costs will be recovered on a system-wide basis pursuant to new Attachment JJJ; (4) provide that interconnection customers will be eligible for financial transmission rights for JTIQ

[116] *Id.* at 31-32.

[117] *Id.* at 17.

[118] *Id.* at 23-24.

[119] *Id.* at 23-24 (citing MISO Tariff, attach. FF (91.0.0), § III.A.2.d; Witmeier Regional Tariff Testimony at 10).

Upgrades cost funded by interconnection customers; and (5) make certain conforming changes to move existing language to accommodate these revisions.[120]

87. MISO states that its proposed Attachment JJJ sets forth the method that will be used by each JTIQ transmission owner in the MISO region to calculate the revenue requirement and charges associated with an individual JTIQ Upgrade for each JTIQ rate year.[121] MISO's proposed Attachment JJJ includes the JTIQ formula rate template that calculates the charges to collect the revenue requirement of each JTIQ Upgrade.[122] Regarding the JTIQ formula rate template, the RTOs note that MISO's new proposed Attachment JJJ and SPP's proposed Attachment AV, described further below, contain the same formula rate templates, which were developed through the collaboration of both RTOs and their transmission-owning members.[123] The RTOs explain that, although each RTO has different billing and settlement processes, the JTIQ Generator Charges calculated for JTIQ Commitment members will be the same regardless of whether the JTIQ Upgrade is in the SPP or MISO region, which ensures comparable and non-discriminatory treatment of interconnection customers across both RTOs.[124]

88. MISO states that Attachment JJJ also includes calculations for: (1) backstop charges to be recovered from MISO transmission customers under Schedule 26-G; (2) JTIQ Generator Charge reimbursement amounts to MISO transmission customers for acting as the backstop under Schedule 26-H; and (3) JTIQ Generator Charges to be recovered under Schedules 26-I for the JTIQ Upgrades constructed by MISO JTIQ transmission owners. MISO further states that Attachment JJJ includes provisions for determining any true-up adjustments and the associated refunds or surcharges.[125] MISO's proposed Attachment JJJ includes these sections: (1) definitions related to the JTIQ framework; (2) creation of JTIQ Commitment Groups; (3) populating historical

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[120] MISO Regional Tariff Filing at 24.

[121] *Id.* at 25 (citing Bogdan/Gard Testimony at 6-7).

[122] *Id.* MISO provides several examples to illustrate the application of the JTIQ Formula Rate Template, including an unpopulated working version and populated illustrative examples. MISO Regional Tariff Filing, Exhibit Nos. MISO-0009a, MISO-0009b, MISO-0009c.

[123] MISO Regional Tariff Filing at 26; SPP Regional Tariff Filing at 21.

[124] MISO Regional Tariff Filing at 26 (citing Bogdan/Gard Testimony at 18); SPP Regional Tariff Filing at 4-5.

[125] MISO Regional Tariff Filing at 25.

information; (4) capital costs for JTIQ Upgrade; (5) population of and calculations in JTIQ formula rate template; and (6) true-up adjustment calculations.[126]

89. Finally, to provide compensation to interconnection customers with cost responsibility for JTIQ Upgrades, the RTOs propose tariff revisions to extend compensation provisions to interconnection customers that fund the JTIQ Upgrades. MISO proposes to revise Modules A and C of the MISO Tariff to allow the allocation of auction revenue rights (ARR) to JTIQ Commitment Group members, as well as to transmission customers to the extent that they provide backstop funding, proportional to their share of costs paid for the JTIQ Upgrades.[127] Specifically, MISO proposes to expand its existing framework for providing ARRs for Multi-Value Projects (MVP) to include JTIQ Upgrades.[128] MISO explains that its existing process of allocating financial transmission rights for generating facilities would not work with the JTIQ framework, as JTIQ is a portfolio serving multiple interconnection customers over multiple queue cycles.[129] MISO argues that the proposed MVP ARR process, instead, is a workable solution because it allows the allocation of ARRs to both transmission customers and market participants.[130] MISO explains that each year it will identify the JTIQ Upgrades that will be in service the next planning year and identify the incremental capacity these upgrades create. MISO will then value the JTIQ ARRs based on the annual financial transmission rights auction clearing prices, with the revenue being allocated proportional

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[126] *Id.* at 26-33; Proposed MISO Tariff, attach. JJJ, §§ 1 (Definitions), 2 (Creation of Commitment Groups), 3 (Attachment JJJ Populated Utilizing Historical Information), 4 (Capital Cost for JTIQ Upgrade), 5 (Occurrences for Populating the JTIQ Formula Rate Template), 6 (Population of and Calculation in JTIQ Formula Rate Template), 7 (True-Up Adjustment Calculations), and 8 (Monthly Charge).

[127] MISO Regional Tariff Filing at 53.

[128] *Id.*; Proposed MISO Tariff, Module C §§ 47.1 (32.0.0), 47.2 (31.0.0), 47.3 (33.0.0), 43.2.4 (34.0.0), 43.2.4A (31.0.0).

[129] MISO Regional Tariff Filing at 53 (citing MISO Regional Tariff Filing, Exhibit No. MISO-0008 (Testimony of Michael Bailey) at 6 (Bailey Testimony)). MISO explains that these impediments include that the market participant is unknown when the JTIQ Upgrades are placed in service, that transmission customers may be required to pay for some of the cost on a temporary or permanent basis, and that MISO's systems cannot accommodate the volume of requests that could be submitted related to a cost charge for a JTIQ Portfolio.

[130] *Id.* at 54 (citing Bailey Testimony at 10-11).

to the JTIQ Upgrade costs paid at the time of disbursement. MISO also states that the ARRs will only result in credits and will not include any charges.

(c) SPP Regional Cost Allocation and Cost Recovery

90. SPP also proposes revisions to the SPP Tariff to implement cost allocation and cost recovery requirements through revisions to Attachments H, J, L, O, V, and Z2, as well as new Attachment AV.[131]

91. SPP's proposed Attachment AV describes the cost recovery mechanisms for the JTIQ Upgrades, adds definitions relevant to the JTIQ framework, outlines the JTIQ study process and portfolios, adds provisions for cost recovery and revenue distribution, outlines the calculation of the JTIQ Generator Charge, outlines the calculation of the charge for JTIQ annual transmission revenue requirement to implement backstop funding (JTIQ ATRR Balance), and addresses the treatment of supplemental funds' application to the JTIQ Upgrade costs (e.g., DOE GRIP funding or a potential future funding from a different source).[132] SPP states that its proposed Attachment AV also includes four appendices: JTIQ Portfolio #1, the JTIQ formula rate template, the JTIQ billing and security agreement for MISO interconnection customers, and the JTIQ compensation agreement for MISO interconnection customers.[133]

92. In addition, SPP states that proposed Appendix 2 (JTIQ Formula Rate Template) to Attachment AV will add the new JTIQ formula rate template. SPP also proposes to revise Attachment H, which sets forth the general annual transmission revenue requirements for network integration transmission service, to include the positive or negative amount from the annual revenue requirement (i.e., the JTIQ ATRR Balance) in SPP's JTIQ formula rate template through the calculation of region-wide annual transmission revenue requirements.[134] The JTIQ annual transmission revenue requirement is a positive value when there is under-subscription, and a negative value subsequently in later JTIQ Rate Years when there is full subscription. SPP proposes to

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[131] SPP Regional Tariff Filing at 31-38.

[132] *Id.* at 31. SPP proposes to define the JTIQ ATRR Balance as "[t]he positive or negative amount included in the Region-wide Annual Transmission Revenue Requirement as a result of JTIQ Upgrades constructed on the Transmission System, as described in Attachment L and AV to this Tariff." Proposed SPP Tariff, part 1, J (Definitions) (0.0.0).

[133] SPP Regional Tariff Filing at 31.

[134] *Id.* at 22.

revise Attachment J to add JTIQ Upgrades to the list of upgrades that will be recovered through Schedule 11 (Base Plan Zonal Charge and Region-Wide Charge) and directly assigned upgrade costs where applicable, and to include references to Attachments H and AV for cost recovery purposes. SPP also proposes revisions to Attachment J to include the JTIQ ATRR Balance in the region-wide charge.[135] SPP further proposes to revise Attachment L to specify how the JTIQ ATRR Balance amount for each JTIQ Upgrade on the SPP transmission system will be either charged to regional load and credited to the JTIQ transmission owners or credited to regional load and charged to the JTIQ transmission owners, depending on whether the charge included in the network integration transmission service revenue requirement is positive or negative, respectively.[136] SPP also proposes revisions to Attachment O to add approved JTIQ Upgrades to the list of projects included in the SPP Transmission Expansion Plan.[137]

93. SPP proposes revisions to Part 1 and Attachments Z2 and J of the SPP Tariff to compensate both MISO and SPP interconnection customers in a JTIQ Commitment Group via awards of ILTCRs for the JTIQ Upgrade costs that they are responsible for in the SPP region.[138] SPP proposes that, in order to be awarded candidate ILTCRs, MISO or SPP interconnection customers in JTIQ Commitment Groups must request up to three source-to-sink paths for each JTIQ Upgrade in the SPP footprint.[139] SPP would then determine the amount of incremental ATC created on the path as a result of the portion of the JTIQ Upgrade associated with that MISO or SPP interconnection customer's cost share. Selection of one of the requested paths by a MISO interconnection customer will be documented in the interconnection customer's JTIQ Compensation Agreement, which SPP proposes to include in Attachment AV of the

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[135] *Id.* at 23.

[136] *Id.* at 23-24

[137] *Id.* at 24.

[138] *Id.* at 23, 29; SPP Regional Tariff Filing, Exhibit No. SPP-0010 (Testimony of Steven Purdy) at 22 (Purdy Testimony); Frerking Testimony at 15. An ILTCR is an instrument that entitles an upgrade sponsor or, as proposed by SPP's revisions, a JTIQ interconnection customer, to a transmission congestion right that results from the incremental available transfer capability (ATC) created from the upgrade, which is awarded during SPP's annual ILTCR allocation process. Proposed SPP Tariff, pt.1, I (Definitions) (4.0.1).

[139] SPP Regional Tariff Filing at 29; Proposed SPP Tariff, attach. Z2, § IV (4.0.0), § IV.A(a) (4.0.0).

SPP Tariff.[140] SPP also proposes revisions to Attachment J of the SPP Tariff to specify that interconnection customers paying JTIQ Generator Charges are eligible to receive ILTCRs.[141]

(d) Cost Allocation Justification

94. The RTOs argue that the proposed JTIQ cost allocation and cost recovery method is a balanced approach to allocating costs that is consistent with "roughly commensurate" and "beneficiary pays" principles.[142] The RTOs contend that the proposed allocation of capital costs associated with JTIQ Upgrades to interconnection customers is just and reasonable. First, the RTOs contend that JTIQ Portfolio #1 follows well-established cost causation principles, although on a "portfolio and cluster basis" rather than a "one project to one customer" basis.[143] The RTOs explain that JTIQ Upgrades are aimed at addressing transmission system limitations preventing the interconnection of large amounts of generation, particularly location-constrained renewable generation resources and will benefit multiple clusters across both RTOs. Further, the RTOs state that these JTIQ Upgrades do not provide sufficient benefits for load in either RTO to qualify as transmission projects selected in the regional transmission plan for purposes of cost allocation and, therefore, none of the JTIQ Upgrades included in JTIQ Portfolio #1 has been justified for construction apart from the need to interconnect applicable interconnection customers.[144]

95. Second, the RTOs state that JTIQ Portfolio #1 consists of significant, large-scale facilities developed through a separate process to collectively benefit a large number of interconnection customers and argue that, as a general matter, a portfolio approach to studying generator interconnection-related network upgrades, assessing benefits, and

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[140] SPP Regional Tariff Filing at 30; Proposed SPP Tariff, attach. Z2, § IV.A(b); Proposed SPP Tariff, attach. AV, app. 4.

[141] SPP Regional Tariff Filing at 23.

[142] MISO JOA Filing at 31 (citing *Ill. Commerce Comm'n v. FERC*, 576 F.3d 470, 477 (7th Cir. 2009); Order No. 1000, 136 FERC ¶ 61,051 at PP 622, 639 (requiring costs of regional transmission facilities to be allocated in a manner that is at least roughly commensurate with estimated benefits)).

[143] *Id.*; MISO Regional Tariff Filing at 18; SPP JOA Filing at 37.

[144] MISO Regional Tariff Filing at 18 (citing Johnson Testimony at 29); SPP Regional Tariff Filing at 39 (citing Kelley Testimony at 42).

allocating costs is consistent with Commission precedent.[145] Furthermore, the RTOs state that the cost causation principle is flexible and that courts have held that the Commission is not required to determine cost causation on a project-by-project basis.[146] Third, the RTOs argue that the proposed cost allocation method is just and reasonable because it ensures that the interconnection customers responsible for covering the capital costs of JTIQ Upgrades in JTIQ Portfolio #1 are treated comparably with respect to their cost responsibility, regardless of whether their proposed generating facilities are located in MISO or SPP. The RTOs note that, similar to the instant proposal, the existing SPP Tariff allocates 100% of the capital cost of generator interconnection-related network upgrades to applicable interconnection customers.

96. MISO contends that the proposal to allocate 100% of JTIQ Portfolio #1 capital costs to interconnection customers when fully subscribed is a reasonable deviation from its existing "90/10 rule" for 345 kV and above interconnection-related network upgrades because the proposed JTIQ Upgrades are part of a portfolio, are located in both MISO and SPP, and support generating facilities in both RTOs.[147] The RTOs argue that the proposed cost allocation of the capital costs for JTIQ Portfolio #1 recognizes that the interconnection customers in both MISO and SPP will benefit from the DOE GRIP funding on a comparable basis, and that the approximately 25% reduction in the total capital costs resulting from the DOE GRIP funding vastly exceeds the 10% reimbursement to MISO interconnection customers under the MISO Tariff. The RTOs claim that the proposed JTIQ cost allocation method is consistent with the Commission's general cost allocation policy for generator interconnection-related network upgrades. The RTOs also contend that this proposed approach will result in the same JTIQ Generator Charges in both regions, which avoids any improper incentive for an

[145] MISO JOA Filing at 32; SPP JOA Filing at 38 (citing *e.g.*, *Midwest Indep. Transmission Sys. Operator, Inc.*, 133 FERC ¶ 61,221, at PP 221-222 (2010), *order on reh'g*, 137 FERC ¶ 61,074 (2011), *aff'd sub nom. Ill. Commerce Comm'n v. FERC,* 721 F.3d 764 (7th Cir. 2013); *Midcontinent Indep. Sys. Operator, Inc.*, 179 FERC ¶ 61,124, at P 68, *order on reh'g*, 181 FERC ¶ 61,219, at P 14 (2022)).

[146] MISO JOA Filing at 32; SPP JOA Filing at 39; MISO Regional Tariff Filing at 18-19; SPP Regional Tariff Filing at 40 (citing *LSP Transmission Holdings II v. FERC*, 45 F.4th 979, 995 (D.C. Cir. 2022)).

[147] MISO Regional Tariff Filing at 19.

interconnection customer to favor a particular RTO location and reflects the fact that the DOE GRIP funding was jointly supported by both RTOs.[148]

97. Further, the RTOs assert that the JTIQ Generator Charge is a just and reasonable cost recovery mechanism because it ensures that each JTIQ interconnection customer pays a proportionate share of the aggregate JTIQ Upgrade capital cost responsibility based on a JTIQ interconnection customer's MWs of requested interconnection service as a percentage of the final JTIQ Commitment Group's total MW.[149] The RTOs contend that assigning payment responsibility for the capital costs of JTIQ Upgrades to interconnection customers based on the MW of requested interconnection service is a standard practice under the Commission's rules, is reflected in the RTOs' respective tariffs, and is reasonable to continue using in this proceeding.[150]

98. In addition, the RTOs argue that the proposed backstop funding by load is reasonable and consistent with cost causation.[151] The RTOs contend that, while interconnection customers are the primary beneficiaries of the JTIQ Upgrades, load will receive some benefit from the backbone reinforcement of the transmission system and congestion relief provided by the JTIQ Upgrades if sufficient generation capacity never subscribes.[152] Specifically, the RTOs contend that JTIQ Portfolio #1 will provide load with benefits that include: (1) Adjusted Production Cost savings; (2) increased wheeling revenues (firm and non-firm); (3) increased resiliency (value of lost load and loss of load expectation); (4) decreased market uplift; (5) transmission system robustness and adaptability, especially along the seam; and (6) more timely interconnection of new generating facilities, which helps load meet its capacity resource needs.[153] Further, the RTOs state that load generally benefits from having access to more generation resources. Thus, the RTOs argue, requiring load to permanently backstop costs if sufficient generation never subscribes is just and reasonable. However, the RTOs emphasize that JTIQ Upgrades are still "but for" network upgrades in the sense that they are developed primarily to interconnect generating facilities and are not identified in other regional

[148] *Id.* at 19-20; SPP Regional Tariff Filing at 39-42.

[149] MISO Regional Tariff Filing at 21; SPP Regional Tariff Filing at 42-43.

[150] MISO Regional Tariff Filing at 21; SPP Regional Tariff Filing at 43.

[151] MISO JOA Filing at 35; SPP JOA Filing at 42.

[152] MISO JOA Filing at 35 (citing Johnson Testimony at 30); SPP JOA Filing at 42 (citing Kelley Testimony at 43-44).

[153] MISO JOA Filing at 33, 35 (citing Johnson Testimony at 30); SPP JOA Filing at 40.

transmission planning processes as necessary to address reliability, economic, or public policy needs for load and that, therefore, making interconnection customers responsible for the costs, with load serving only as a backstop, is just and reasonable. In addition, regarding MISO's proposal to allocate backstop costs to the entire MISO footprint despite the transfer limit to MISO South, MISO argues that the transfer limit does not indicate that MISO South would not benefit from more expeditious interconnection of generation along the MISO-SPP seam, but rather reflects that both MISO subregions benefit from being part of the regional MISO market and that MISO South may also benefit from reduced market-to-market charges.[154]

99. The RTOs also argue that the JTIQ funding mechanism, under which JTIQ transmission owners provide upfront funding for JTIQ Upgrade capital costs and earn a return of and on their investment, is just and reasonable.[155] MISO argues that the JTIQ funding mechanism is a unique mechanism distinct from other instances in which a transmission owner unilaterally elects to upfront fund network upgrades identified in an RTO's interconnection study process for its own interconnection customers, referred to as TO Initial Funding.[156] MISO explains that the JTIQ funding mechanism has been designed to reflect the JTIQ Upgrades that address interconnection needs proactively and on an aggregate basis. MISO also asserts that this funding mechanism is different than the TO Initial Funding mechanism that exists in the MISO Tariff because the JTIQ framework will require that JTIQ transmission owners incur costs before interconnection customers request service or provide security and because the proposed funding mechanism is the sole funding mechanism and is not optional for transmission owners.[157]

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[154] Witmeier Regional Tariff Testimony at 15, 16. MISO adds that allocating the backstop cost on a system-wide basis is consistent with how the responsibility for market-to-market charges—which reflect compensation that the RTOs pay to each other to alleviate congestion at or near the seam—are assigned in MISO. MISO asserts that because JTIQ Portfolio #1 will reduce congestion, the JTIQ Upgrades may reduce payment from MISO to SPP associated with such congestion.

[155] MISO Regional Tariff Filing at 17, 21; MISO JOA Filing at 34; SPP Regional Tariff Filing at 42-43; SPP JOA Filing at 41.

[156] Witmeier Regional Tariff Testimony at 17; *Midcontinent Indep. Sys. Operator, Inc.*, 187 FERC ¶ 61,170, at PP 11-12 (2024) (Show Cause Order). Under TO Initial Funding, the transmission owner initially funds the network upgrade capital costs that it incurs to provide interconnection service to the interconnection customer, and the transmission owner subsequently recovers the network upgrade capital costs through charges that provide a return on and of these network upgrade capital costs from the interconnection customer. Show Cause Order, 187 FERC ¶ 61,170 at P 1, n.1.

[157] Witmeier Regional Tariff Testimony at 17.

MISO asserts that, because the transmission owners may need to provide the capital to fund development and construction of the JTIQ Upgrades before the interconnection customers may be known, it is just and reasonable for transmission owners to earn a rate of return on their capital investments.[158] Additionally, the RTOs assert that the proposed maximum 20-year cost recovery period is reasonable given the size and aggregate cost of the proposed JTIQ Upgrades. The RTOs also state that the Commission has approved similar cost recovery periods through a monthly charge in various agreements.[159]

iv. Expanded Scope Analysis and Additional Studies

100. Under the JTIQ proposal, interconnection requests included in a JTIQ Screening Group would not be subject to standard affected system studies by the affected RTO, except in a new Expanded Scope Analysis.[160] The RTOs state that this exemption from affected system studies for impacts across a large portion the MISO-SPP seam is made possible by the JTIQ Upgrades enabling significant interconnection capacity. However, the RTOs propose to assess interconnection customers in the JTIQ Screening Group for localized system impacts under an Expanded Scope Analysis.

101. Under the proposed Expanded Scope Analysis, the host RTO will conduct an analysis of the potential impacts of such an interconnection request on the affected system that are: (1) located within five substations for facilities with a nominal operating voltage under 200 kV; two substations for facilities with a nominal operating voltage between 200 and 300 kV; and one substation for facilities with a nominal operating voltage greater than 300 kV, from one of the host RTO's substations; and (2) have greater than or equal to a 10% distribution factor (OTDF or PTDF) on one or more facilities of the potentially impacted RTO's transmission system.[161] Each RTO also proposes revisions to its respective tariff to require interconnection requests that are determined to have impacts on the affected RTO's system greater than the specified criteria to enter into an agreement with the affected RTO to address such impacts. MISO explains that these impacts will be addressed on the same terms as the currently effective affected system processes, and SPP explains that the cost of any affected system upgrades identified

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[158] Witmeier JOA Testimony at 14-15.

[159] MISO Regional Tariff Filing at 21 (citing *Midcontinent Indep. Sys. Operator, Inc.*, 171 FERC ¶ 61,075, at P 61 (2020)); SPP Regional Tariff Filing at 43 (citing *Midcontinent Indep. Sys. Operator, Inc*., 171 FERC ¶ 61,075 at P 61; *Sw. Power Pool, Inc.*, 183 FERC ¶ 61,026, at P 32 (2023)).

[160] MISO JOA Filing at 19; SPP JOA Filing at 23.

[161] MISO JOA Filing at 19; SPP JOA Filing at 23; Proposed JOA § 9.4.2 (Coordination Procedure for JTIQ Studies).

through this process will be assigned to interconnection requests pursuant to existing cost allocation processes in its GIP.[162]

102. The RTOs contend that the Expanded Scope Analysis is necessary because, while the JTIQ Portfolio will address the largest and most far-reaching impacts of an interconnection request on the affected RTO's system, it is not possible to guarantee that individual interconnection requests will not cause more localized impacts near their point of interconnection that require mitigation.[163] Further, the RTOs argue that, to the extent that an individual interconnection customer causes such localized impacts, it would not be reasonable to excuse it from the costs of mitigation. However, the RTOs also contend that the localized nature of these impacts, coupled with the enablement provided by the JTIQ Portfolio, are expected to result in any such local upgrades being smaller and lower cost. Under the JTIQ framework, JTIQ Upgrades would already be incorporated into the base case model used to study future interconnection requests.[164] The RTOs also explain that they have agreed that the Expanded Scope Analysis will be performed by the host RTO as part of its own system impact studies, which they argue will benefit interconnection customers by eliminating the potential for affected system study delays.

103. However, the RTOs propose that interconnection requests for generating facilities located in MISO South or SPP Group 4 or 5 that do not meet the criteria for inclusion in the JTIQ Participation Group will proceed through the standard affected system study process, as opposed to the Expanded Scope Analysis.[165] The RTOs state that this exception is a function of the geographic location and expected electrical reach of JTIQ Portfolio #1, which addresses congestion along the northern part of MISO's and SPP's seam. The RTOs further state that this accords with the fact that historically, there have not been significant network upgrade costs identified in affected system studies for the southern parts of the MISO and SPP footprints.[166]

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[162] Witmeier Regional Tariff Testimony at 22-23; Proposed MISO Tariff, attach. X, § 7.3.2.3.1 (Additional Analysis Applicable to Interconnection Requests in a JTIQ Screening Group); Purdy Testimony at 14; Proposed SPP Tariff, attach. V, § 3.6.4 (JTIQ Provisions).

[163] MISO JOA Filing at 19-20; SPP JOA Filing at 23-24.

[164] Witmeier JOA Testimony at 22.

[165] MISO JOA Filing at 21; SPP JOA Filing at 25.

[166] The RTOs note that future JTIQ studies will examine affected system needs along the southern portion of the MISO-SPP seam and, where justified, develop new

104. The RTOs additionally propose to require interconnection customers that are screened for JTIQ participation to still undergo the current affected system study process when RTOs are attempting to avoid oversubscription of a JTIQ Portfolio.[167] Specifically, this requirement applies when a cluster's potential total MWs exceeds the Target MW value of a JTIQ portfolio, and the RTOs propose a two-step process to address this situation.[168] First, the affected RTO will perform a currently effective affected system study (referred to as the supplemental affected system study) to determine whether Supplemental Affected System Upgrades are needed.[169] If no Supplemental Affected System Upgrades are identified, the RTOs will deem that new cluster fully enabled by the JTIQ Portfolio.[170] However, if there are Supplemental Affected System Upgrades identified, the second step of the process will determine the cost responsibility of the interconnection customer driving the need for the Supplemental Affected System Upgrades. If the per-MW cost of the Supplemental Affected System Upgrades exceeds 15% of the Threshold Charge,[171] then the interconnection customer would be excused from paying the JTIQ Generator Charge and be responsible only for the costs of the Supplemental Affected System Upgrades and any network upgrades identified through

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JTIQ Portfolios. However, they argue that, until such future JTIQ Portfolio is approved for the southern parts of the MISO and SPP footprints, this exception is necessary. MISO JOA Filing at 21; SPP JOA Filing at 26.

[167] MISO JOA Filing at 21; SPP JOA Filing at 25.

[168] MISO JOA Filing at 24-25; SPP JOA Filing at 29-30; Proposed JOA § 9.4.2(e).

[169] MISO JOA Filing at 24 (citing Witmeier JOA Testimony at 30). Supplemental Affected System Upgrades are defined as network upgrades on the affected system that are in addition to the JTIQ Upgrades and upgrades identified through the Expanded Scope Analysis performed for each cluster. Proposed JOA § 9.4.2(e)(iii)(a)(i).

[170] MISO JOA Filing at 25; SPP JOA Filing at 30.

[171] The Threshold Charge represents the per-MW JTIQ responsibility for the estimated capital cost of the JTIQ Portfolio applicable if the number of MWs that are ultimately in all JTIQ Commitment Groups is equal to or less than the Threshold MW Value. If subscriptions eventually increase to the enablement capacity limit of 28,600 MW, which is the Target MW Value for JTIQ Portfolio #1, the JTIQ capital cost per-MW at that point will be equal to 85% of the Threshold Charge. Therefore, the RTOs argue that setting the cost limit of Supplemental Affected System Upgrades at 15% of the Threshold Charge is effectively setting the limit, for the combined cost of the JTIQ Generator Charge and the Supplemental Affected System Upgrades, virtually equal to the Threshold Charge for the first MW of interconnection over and above the enablement level. MISO JOA Filing at 25-26; SPP JOA Filing at 31-32.

the Expanded Scope Analysis. If the per-MW cost of the Supplemental Affected System Upgrades does not exceed 15% of the JTIQ Threshold Charge, then the interconnection customer is responsible for paying both the JTIQ Generator Charge and the costs of the Supplemental Affected System Upgrades caused by its interconnection request.[172]

105. The RTOs argue that this approach to oversubscription represents a just, reasonable, and non-discriminatory balancing of interests between those of individual interconnection customers and the broader group of interconnection customers supported by the JTIQ Portfolio.[173] The RTOs state that the proposal allocates the cost of any Supplemental Affected System Upgrades only to the interconnection request that requires them and not to the entire cluster, consistent with the cost causation principle which assigns cost responsibility to the interconnection customers driving the need for the upgrades. The RTOs also argue that the proposal strikes an appropriate balance between free ridership and avoidance of double charges by determining which interconnection customers with Supplemental Affected System Upgrade costs should also be subject to the JTIQ Generator Charge, where the JTIQ benefit is such that only modest network upgrades are necessary, and which interconnection customers should be excused, where the JTIQ benefit is not sufficient to avoid material Supplemental Affected System Upgrade costs. The RTOs state that, in addition to being consistent with such "beneficiary pays" logic, the application of the 15% cost threshold also avoids the need for the RTOs to conduct extensive engineering studies to assess the degree to which each individual interconnection request may have been enabled by the JTIQ Portfolio.

v. GIP and GIA Provisions

106. To implement the JTIQ framework, the RTOs propose revisions to the GIPs and *pro forma* GIAs in their respective tariffs. MISO explains that its proposal includes adding notification procedures to inform interconnection customers regarding their inclusion in the JTIQ Screening Group and JTIQ Participation Group, provisions regarding the exemptions from standard affected system analysis for JTIQ Screening Group members, the Expanded Scope Study, and the execution process for the *pro forma* JTIQ agreements.[174] Specifically, MISO's proposal includes revisions to its GIP to: incorporate and revise definitions necessary to implement the JTIQ framework; add language to acknowledge that the JTIQ framework is an alternative process to ordinary affected systems coordination; apply JTIQ rules and procedures contained in section 9.2.4 of the JOA to interconnection customers; clarify that requests for an existing generating facility to convert to, or increase the level of NRIS, will only be included in a

[172] MISO JOA Filing at 25; SPP JOA Filing at 30.

[173] MISO JOA Filing at 25; SPP JOA Filing at 31.

[174] MISO Regional Tariff Filing at 33.

JTIQ Participation Group to the extent any additional ERIS is requested; provide for inclusion of JTIQ Upgrades as contingent facilities if they meet existing methods of identifying contingent facilities; provide for transition to the JTIQ framework; provide that MISO will indicate with its screening analysis whether interconnection requests are expected to be included in a JTIQ Participation Group; provide notice to interconnection customers confirming inclusion in the JTIQ Screening Group or JTIQ Participation Group and the estimated JTIQ Generator Charge; clarify that JTIQ Upgrades are not included in milestone payment calculations; add that the level of interconnection service requested will be considered in determining JTIQ cost responsibility; incorporate the Expanded Scope Analysis and supplemental affected system analysis; account for permitted reductions in requested MW of interconnection service in determining qualification for a JTIQ Participation Group; accommodate interconnection customers that qualify for the JTIQ Participation Group and obtain a provisional GIA; include tendering, negotiation, and execution and filing requirements for JTIQ service agreements; and clarify that JTIQ Upgrades are outside the scope of certain scheduling and construction sequencing provisions.[175]

107. Further, MISO proposes to add its JTIQ Commitment Agreement as an appendix to its GIP.[176] MISO explains that the proposed JTIQ Commitment Agreement is the main contractual mechanism that obligates JTIQ interconnection customers to pay the applicable JTIQ Generator Charge for JTIQ Upgrades to be constructed in MISO. MISO further explains that the agreement establishes requirements for provision of JTIQ security and collateral; establishes requirements for registration as a market participant

[175] Proposed MISO Tariff, attach. X, §§ 1 (Definitions), 3.5 (Coordination with Affected Systems), 3.5.1 (Additional Requirements for Interconnection Requests Subject to JTIQ), 3.5.1.1 (Inclusion in a JTIQ Screening Group, JTIQ Participation Group, and JTIQ Commitment Group), 3.8 (Identification of Contingent Facilities), 5.11 (Transition to JTIQ Procedures), 7.1.1 (Screening Analysis Prior to Definitive Planning Phase I), 7.3.1.4 (Interconnection Customer Decision Point I), 7.3.1.4.1 (Definitive Planning Phase II Milestone (M3) Calculation), 7.3.2.3 (Scope of the Interconnection System Impact Study), 7.3.2.3.1 (Additional Analysis Applicable to Interconnection Requests in a JTIQ Screening Group), 7.3.2.4 (Interconnection Customer Decision Point II), 7.3.2.4.1 (Definitive Planning Phase III Milestone (M4) Calculation), 7.3.2.4.2 (True-down of Milestone Payments), 7.3.3.3 (Scope of the Final System Impact Study), 7.9 (Provisional Generator Interconnection Agreement), 11.1 (Tender), 11.2 (Negotiation),11.2.1 (Optional negotiation period adjustment for Interconnection Facilities Study), 11.3 (Execution and Filing), 11.4 (Commencement of Interconnection Activities), 12.1 (Schedule), and 12.2.1 (General).

[176] MISO Regional Tariff Filing at 45; Proposed MISO Tariff, attach. X, app. 18 (JTIQ Commitment Agreement).

necessary for billing, crediting, and invoicing requirements; describes invoicing procedures; contains provisions for true-ups, reconciliation, and audit rights; and contains breach, default, and other miscellaneous provisions.[177] MISO also explains that it proposes revisions to its *pro forma* GIA to implement the JOA framework through reference to its *pro forma* JTIQ Commitment Agreement and SPP's *pro forma* JTIQ agreements.[178] Specifically, MISO's proposal includes revisions to its *pro forma* GIA to add definitions to implement the JTIQ framework; clarify that JTIQ Upgrades are excluded from provisions for initial payment; add requirements for provision of security for JTIQ Upgrades; add provisions regarding breach, default, and cure requirements; add a new appendix section listing relevant JTIQ Upgrades; and add a milestone concerning entering into the SPP JTIQ service agreement.[179]

108. MISO explains that its proposed revisions are designed to work with existing GIP timing and processes to avoid unnecessary process confusion to interconnection customers. Thus, MISO states that, where possible, MISO has structured key notifications, requirements, and actions to align with interconnection customer decision points, DPP timeframes, and existing GIP requirements related to tendering and executing agreements. MISO also states that, while its proposed GIP revisions are not built on top of MISO's Order No. 2023 and 2023-A tariff sheets, the JTIQ revisions were developed in parallel with MISO's Order Nos. 2023 and 2023-A compliance filing and are sufficiently modular that the versions of tariff sheets in both filings can be integrated once both filings are accepted.[180] Additionally, MISO commits to making a reconciliation filing to integrate the JTIQ tariff sheets with its Order Nos. 2023 and 2023-A compliance once the Commission has issued orders accepting the revisions in both proceedings.

109. SPP also proposes revisions to its GIP and *pro forma* GIA to incorporate the JTIQ framework.[181] SPP's proposed revisions to its GIP include revisions to: incorporate

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[177] MISO Regional Tariff Filing at 45-53.

[178] *Id.* at 33.

[179] Proposed MISO Tariff, attach. X, app. 6 (Generator Interconnection Agreement), § arts. 1, 11.5, 11.8, 17.1.3, app. A, app. B (103.0.0).

[180] MISO has filed proposed tariff revisions to comply with the requirements of Order Nos. 2023 and 2023-A in Docket No. ER24-2046.

[181] SPP Regional Tariff Filing at 24-27. SPP proposes corresponding edits to Appendix 13 of its GIP, which is the GIA for use when Western Area Power Authority-Upper Great Plains is a party to the GIA, as the transmission owner). Proposed SPP Tariff, attach. V, app. 13 (18.0.1).

relevant definitions; describe the process used to determine whether an interconnection request has an impact on JTIQ Upgrades; describe the process used to determine whether an interconnection request has an impact on MISO facilities other than the JTIQ Upgrades; clarify that contingent facilities may include JTIQ Upgrades; make the JTIQ provisions applicable to interconnection requests that have not yet started DISIS Phase One as of the effective date of JTIQ revisions; clarify that the reports for DISIS Phase One, Phase Two, and the interconnection facilities study will indicate whether an interconnection request is responsible for a portion of JTIQ Upgrade costs and include an estimated cost; clarify that contingent facilities are among the upgrades that may trigger the need for a determination of limited operation amounts; clarify that JTIQ Upgrade costs are excluded in the calculation of financial security required for the DISIS process in a manner similar to other affected system mitigation costs; and add JTIQ Upgrades to the list of upgrades included in the calculation of allocated costs when determining financial security refund eligibility.[182]

110. In addition, SPP proposes revisions to its *pro forma* GIA to add relevant definitions, provide that the initial payment calculation under the GIA does not include JTIQ upgrade costs, and require provision of security for JTIQ Upgrades.[183] Further, SPP proposes to add Appendix I to its GIA, only applicable to interconnection customers that are assigned responsibility for JTIQ Upgrade costs, to require the interconnection customer to pay the JTIQ Generator Charge, provide security to SPP, and provide security for JTIQ Upgrades authorized for construction by MISO to the appropriate MISO JTIQ transmission owners, as well as revisions to incorporate cross-default provisions, address billing and payment activities associated with the JTIQ Generator Charge, and state that GIA termination does not relieve the interconnection customer of its obligation to pay the JTIQ Generator Charge.[184] SPP also proposes to revise Appendix A of its *pro forma* GIA to provide that, when an interconnection customer is responsible for JTIQ Upgrade costs, it is subject to the JTIQ Generator

[182] Proposed SPP Tariff, attach. V, §§ 1 (Definitions) (14.0.1), 3.6 (Coordination with Affected Systems) (20.0.1), 3.8 (Identification of Contingent Facilities) (20.0.1), 5.4 (Transition to JTIQ Process) (9.0.1), 8.4 (Scope of Definitive Interconnection System Impact Study) (16.0.1), 8.5.1 (Decision Point One), 8.5.2 (Decision Point Two) (16.0.1), 8.10 (Scope of Interconnection Facilities Study) (16.0.1), 8.14 (Financial Security Refund Eligibility) (16.0.1).

[183] SPP Regional Tariff Filing at 24-27; Proposed SPP Tariff, attach. V, app. 6 (22.0.1), art. 1 (Definitions), 11.6 (Initial Payment), 11.7A (Provision of Security), 11.7B (Provision of Security for JTIQ Upgrades).

[184] SPP Regional Tariff Filing at 28-29; Proposed SPP Tariff, attach. V, app. 6, app. I (22.0.1).

Charge in accordance with Attachment AV of its tariff and Appendix I of the *pro forma* GIA.[185]

b. Responsive Pleadings

i. General

111. WIRES supports the JTIQ framework and states that the JTIQ framework is consistent with Order No. 2003,[186] because the effort the RTOs and stakeholders put into the development of the JTIQ framework represents successful coordination between the RTOs to work through regional differences and implement a more cost-effective alternative to affected system studies.[187] WIRES asserts that the JTIQ framework will improve the RTOs' affected system study processes by reducing the affected system study timelines and improving cost certainty for network upgrade costs related to interconnection customers along the MISO-SPP seam. WIRES states that the JTIQ framework will allow the RTOs to develop a portfolio of backbone network upgrades to facilitate the interconnection of new generation capacity in the MISO and SPP regions and address the limited availability of transmission capacity on the MISO-SPP seam.[188]

112. MISO OMS states that the JTIQ framework is a novel solution that the RTOs are confident will help address the seemingly intractable challenges of interconnecting new generating facilities in one of the country's most resource-rich regions.[189] MISO OMS argues that the Commission should approve the JTIQ filings because the transmission system is at capacity along the MISO-SPP seam, the RTOs' current affected system process is "practically dysfunctional," and JTIQ Portfolio #1 will overhaul the status quo

[185] SPP Regional Tariff Filing at 28; Proposed SPP Tariff, attach. V, app. 6, app. A.

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

[187] WIRES Comments at 2 (citing Order No. 2003, 104 FERC ¶ 61,103 at P 118).

[188] *Id.* at 2-3.

[189] MISO OMS Comments at 1.

to allow interconnection customers to learn their cost responsibility earlier, interconnect new generating facilities quicker, and lower total system costs.[190]

113. The Missouri Commission supports the JTIQ framework. The Missouri Commission states that the JTIQ proposal is aimed at easing the burden on the existing affected system process, provides a proactive way to plan, build, and allocate the costs of necessary network upgrades, and models successful inter-regional planning and cooperation.[191]

114. ACEG supports the JTIQ framework. ACEG states that the RTOs considered the input of their stakeholders and that the process to develop the JTIQ framework is a model of collaborative interregional planning that the Commission should support.[192] ACEG explains that the JTIQ framework allows MISO and SPP to mitigate large interregional and transmission constraints preventing new generating facilities from interconnecting with the transmission system by socializing the costs among all new interconnection customers.[193] ACEG further notes that DOE recognized the benefits of the proposed JTIQ framework by awarding up to $464.5 million through the DOE GRIP program because of its ability to leverage "holistic, long-range studies of generation projects to deliver large-scale, regionally optimized transmission solutions," and demonstrate "a replicable and scalable solution to interregional interconnection and transmission planning studies."[194] ACEG states that the Commission should move expeditiously on the filings so that these DOE GRIP funds are not put at risk, as they are an opportunity to significantly offset the costs of large-scale transmission projects to the benefit of interconnection customers and consumers.[195]

115. ITC supports the JTIQ framework and contends that the JTIQ portfolio benefits the broader MISO and SPP regions by providing substantial production cost savings and

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[190] *Id.* at 2.

[191] Missouri Commission Comments at 3-4.

[192] ACEG Comments at 3.

[193] *Id.* at 4.

[194] *Id.* at 4-5 (citing U.S. Department of Energy, *Grid Deployment Office, Fact Sheet: Grid Resilience and Innovation Partnership* (Oct. 2023), https://www.energy.gov/sites/default/files/2023-10/DOE-GRIP-Minnesota-Department-of-Commerce.pdf).

[195] *Id.* at 5.

enhancing grid reliability, particularly by integrating renewable energy.[196] ITC highlights that the JTIQ framework allows prospective developers to understand their cost responsibilities before entering the queue, improving project feasibility.[197] ITC explains that JTIQ Portfolio #1 aims to alleviate the backlog of over 200 GW in generating facilities, most of which involve wind, solar, and storage, by identifying and building necessary upgrades ahead of time, thus shortening the interconnection process and supporting the development of up to 53 GW of new generation capacity.[198] ITC argues that the existing affected system study process is reactive, costly, and time-consuming, which hampers clean energy goals, but in contrast, the JTIQ's transmission-first approach proactively addresses transmission constraints, offering more efficient and comprehensive solutions.[199] ITC emphasizes that this approach reduces the complexity of studies, streamlining the process for interconnection customers.[200]

116. MISO Transmission Owners emphasize that the JTIQ framework is crucial for addressing interconnection challenges along the MISO-SPP seam, where transmission capacity is at its limits.[201] MISO Transmission Owners highlight a steady increase in demand of interconnection requests over the past decade, noting that the affected system study process has become increasingly urgent and costly.[202] MISO Transmission Owners state that one recent study estimated the costs for necessary network upgrades for a single queue cycle at over $1 billion, while the combined cost for all five projects in JTIQ Portfolio #1 is estimated at $1.7 billion.[203] MISO Transmission Owners explain that the JTIQ proposal aims to enhance transmission capacity by providing an estimated

[196] ITC Comments at 4-6.

[197] *Id.* at 5.

[198] *Id.* at 3-6.

[199] *Id.* at 4.

[200] *Id.* at 5-6.

[201] MISO Transmission Owners Comments at 4.

[202] *Id.* (citing National Laboratory Report at 4; MISO Tariff Filing at 6; SPP-MISO Joint Study Team, SPP-MISO 2021 Joint Targeted Interconnection Queue Study, Scope of Work, SPP (Feb. 19, 2021)).

[203] *Id.* at 5 (citing MISO JOA Filing at 5, 11; MISO Regional Tariff Filing at 6, 12).

additional 28 to 53 GW for new generation capacity, alleviating persistent shortages in the region.[204]

ii. Cost Allocation and Cost Recovery

(a) Comments and Protests

117. MISO OMS explains that it supports the overall JTIQ framework due in large part to its inclusion of a "developer pays" cost allocation instrument.[205] MISO OMS contends that the proposed cost recovery mechanisms appropriately recognize that JTIQ was conceived to help prospective interconnection customers interconnect to MISO's and SPP's networks more efficiently.[206] MISO OMS notes that the majority of MISO OMS generally supports the proposal and the cost recovery framework, finding the JTIQ framework to be novel, collaborative, and an enhancement on the status quo since it provides a needed and workable solution to the on-going issues experienced in interconnection queues and affected system study processes along the MISO-SPP seam. MISO OMS also notes MISO's assertion that it would be "extremely unlikely" that regional load would be a permanent backstop.[207]

118. ITC argues that the JTIQ's cost allocation is transparent, where costs are distributed based on project capacity, thus reducing financial uncertainty for interconnection customers.[208] ITC argues that, with support from stakeholders, including regional committees, and DOE GRIP funding covering 25% of the costs of JTIQ Portfolio #1, the JTIQ represents a well-supported and cost-effective solution to regional energy challenges.[209]

119. MISO Transmission Owners argue that the JTIQ cost allocation and recovery method is both cost-effective and fair.[210] MISO Transmission Owners aver that until now, the existing "but for" cost allocation method has made network upgrades too expensive for individual interconnection customers, and because the projects identified

[204] *Id.* (citing MISO JOA Filing at 4).

[205] MISO OMS Comments at 3.

[206] *Id.* at 5.

[207] *Id.* at 6 (citing Witmeier JOA Testimony at 38).

[208] ITC Comments at 5.

[209] *Id.* at 6-7.

[210] MISO Transmission Owners Comments at 6.

in JTIQ Portfolio #1 do not provide sufficient benefits to justify inclusion in MISO's regional transmission plan, the JTIQ framework fills a gap.[211] MISO Transmission Owners assert that the JTIQ proposal aligns with the Commission's goals for more efficient interregional transmission planning and cost-effective interregional transmission planning and interconnections.[212] MISO Transmission Owners further assert that the JTIQ cost allocation and recovery methods represent a balanced approach to allocating costs that is consistent with roughly commensurate and beneficiary pays principles. MISO Transmission Owners explain that the JTIQ Upgrades will not only primarily benefit interconnection customers, but also provide broader benefits to load by reinforcing the transmission system and providing congestion relief if sufficient generation never subscribes.[213] With respect to the backstop funding mechanism, MISO Transmission Owners assert that a permanent shortfall requiring permanent backstop funding is highly unlikely in light of the demonstrated need for transmission capacity at the MISO-SPP seam.[214]

120. Public Interest Organizations and EDF Renewables argue that the proposed allocation of 100% of the JTIQ Upgrade cost to interconnection customers should only be approved for JTIQ Portfolio #1.[215] Public Interest Organizations contend that the proposed 100% allocation of the JTIQ costs to interconnection customers is just and reasonable, as the 25% reduction in the JTIQ Upgrade capital costs resulting from the DOE GRIP funding vastly exceeds MISO's 10% reimbursement to interconnection customers and is allocated on a comparable basis between interconnection customers in both RTOs.[216] EDF Renewables adds that this cost allocation method should not set a precedent for future cost allocation due to its concerns that interconnection customers and load are both beneficiaries and that, absent the DOE GRIP funding, both should bear costs for the JTIQ Upgrades.[217]

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[211] *Id.* (citing MISO JOA Filing at 31).

[212] *Id.* at 15 (citing Order No. 1000, 136 FERC ¶ 61,051 at P 347)

[213] *Id.* at 17 (citing MISO JOA Filing, Johnson Testimony at 30).

[214] *Id.* at 12 (citing MISO JOA Filing at 28).

[215] Public Interest Organizations Comments at 7-8; EDF Renewables Comments at 7.

[216] Public Interest Organizations Comments at 7 (citing SPP JTIQ Tariff Filing at 39).

[217] EDF Renewables Comments at 7-9.

121. Clean Energy Associations, Invenergy Generation, and Shell Companies contend that the proposed cost allocation and cost recovery framework is unjust and unreasonable because it is inconsistent with Commission precedent and violates the Commission's cost causation principles.[218] Clean Energy Associations, Invenergy Generation, and Shell Companies all assert that the JTIQ proposal fails to account for load benefitting from the JTIQ Upgrades, thus violating the Commission's cost causation precedent and "beneficiary pays" principle. Clean Energy Associations argue that, while they do not advocate that load should pay for all, or even the majority, of the JTIQ Upgrade costs, the Commission should recognize that JTIQ Upgrades provide benefits to both generation and load and that a cost allocation framework that encompasses a shared obligation with load is appropriate. Clean Energy Associations argue that the RTOs acknowledge the numerous benefits of JTIQ Portfolio #1 to multiple parties in their filings and acknowledged and demonstrated benefits to load in their respective stakeholder processes.[219] Clean Energy Associations contend that a broad cost allocation is the only way to satisfy the "beneficiary pays" principle embedded in FPA precedent. Shell Companies contend that, because of the benefits that JTIQ Portfolio #1 may provide, costs should be more reasonably allocated across the SPP and MISO footprints, with a significantly lower percentage of costs directly assigned to interconnection customers.[220] Shell Companies state that based on information in the RTOs' stakeholder proceedings, the Commission should set the proposed cost allocation for hearing, subject to the outcome of settlement proceedings, to evaluate how the capital costs of JTIQ Portfolio #1 should be allocated.[221] Shell Companies further point to the fluctuating benefit cost ratio determinations for JTIQ Portfolio #1 presented to stakeholders during the stakeholder process by the RTOs for further reason why the cost allocation method may be inconsistent with cost causation principles.[222] Shell Companies also state that the RTOs should confirm that they were using updated assumptions when they calculated the benefit cost ratio of JTIQ Portfolio #1.[223]

122. Invenergy Generation adds that the Commission has noted that "[c]osts may not be involuntarily allocated to entities that do not receive benefits" but that the converse

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[218] Clean Energy Associations Protest at 9-13; Invenergy Generation Protest at 2-5; Shell Companies Protest at 21-25.

[219] Clean Energy Associations Protest at 10-11.

[220] Shell Companies Protest at 10-11.

[221] *Id.* at 21.

[222] *Id.* at 25-27.

[223] *Id.* at 27-28.

is also true—entities that receive benefits may not escape paying their fair share of the costs.[224] Invenergy Generation asserts that the JTIQ framework will bring quantifiable benefits to load and contends that the RTOs' argument that load will be paying its commensurate share by taking on a backstop role is illusory because any backstop cost borne by load will be eventually reimbursed, with interest, when subscription is later committed.[225] Further, Invenergy Generation argues that the RTOs have not provided any analysis that demonstrates that any backstop cost to load is equal to the monetary benefits load will receive from the JTIQ Upgrades.

123. Clean Energy Associations argue that the proposed JTIQ cost allocation directly contradicts traditional cost assignment principles for generator interconnection because, rather than determining whether JTIQ Upgrades are necessary to enable an interconnection request, JTIQ cost assignment is based on impacts to the other region and to the JTIQ Upgrades.[226] Clean Energy Associations argue that the proposed JTIQ cost assignment skips any type of "but for" analysis to determine the existence of a constraint without the JTIQ Upgrades, and assumes that the JTIQ Upgrade was needed simply if there is a flow impact of a set level on the JTIQ Upgrades by the interconnection customer. Clean Energy Associations argue that this approach sets precedent that would allow substantial cost assignment to interconnection customers without any showing that it was needed for the interconnection request.[227] Relatedly, Shell Companies argue that the RTOs' proposal to allocate JTIQ costs among participating interconnection customers based only on the size of their interconnection requests, rather than their physical impacts, violates cost causation principles.[228] Shell Companies argue that two interconnection requests of the same MW size may have different impacts on JTIQ Upgrades depending, for example, on their relative location, and they contend that the JTIQ Generator Charge should be based on the net MW impact of each interconnection customer on the relevant JTIQ Upgrade(s) instead. Shell Companies argue that the RTOs' cost allocation proposal appears to be an attempt to avoid the potentially complex task of properly determining cost causation in the JTIQ context, but that does not justify failing to follow cost causation principles. Shell Companies contend that the

[224] Invenergy Generation Protest at 2 (citing Order No. 1000, 136 FERC ¶ 61,051 at P 10).

[225] *Id.* at 3 (citing SPP Regional Tariff Filing at 41).

[226] Clean Energy Associations Protest at 14-15.

[227] *Id.* at 15.

[228] Shell Companies Protest at 32-33.

Commission should direct the RTOs to ensure that interconnection customers pay for costs that are based on actual impact on a JTIQ Upgrade.

124. In addition, Shell Companies also argue that the JTIQ framework eliminates the fundamental distinction between ERIS and NRIS, as it includes study criteria that will prevent interconnection customers from receiving the chief benefit of ERIS, which Shell Companies contend is the option to assume the risk of curtailment rather than funding substantial network upgrades.[229] Specifically, Shell Companies argue that the study criteria (i.e., 5% distribution factor threshold) for determining inclusion in a JTIQ Participation Group does not distinguish between requests for ERIS and NRIS. While Shell Companies note that the RTOs assert that using the same threshold for both ERIS and NRIS requests would discourage customers from changing their requests from NRIS to ERIS, which could create cost uncertainty for other interconnection customers in the group, Shell Companies argue that the RTOs do not explain why NRIS customers should not be able to switch to ERIS when assumption of curtailment risk over cost responsibly for network upgrades is a defining characteristic of ERIS.[230]

125. The Arkansas Commission and the Mississippi Commission contend that MISO's proposed cost allocation for the JTIQ framework violates the Commission's longstanding principle of cost causation[231] because MISO has not sufficiently substantiated that benefits accrue to MISO South or that permanent backstop funding to load is unlikely.[232] The Arkansas Commission contends that the proposed backstop funding to load fails to allocate costs commensurate with the benefits received.[233] The Arkansas Commission requests that the backstop funding be restructured such that it be paid for exclusively by the interconnection customers or, alternatively, allocates costs of the backstop to the subregion in which the JTIQ Upgrades will be constructed. The Arkansas Commission contends that, because SPP does not have a regional transfer constraint like MISO does between the MISO South Subregion and the rest of the MISO Region, it is improper for MISO to rely on SPP's analysis of the quantitative and qualitative benefits to load or on the SPP Regional State Committee's position on the JTIQ framework.[234] Similarly, the Mississippi Commission argues that the Commission should reject MISO's proposal to

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[229] *Id.* at 3, 29-30.

[230] *Id.* at 30.

[231] Arkansas Commission Comments at 4.

[232] *Id.* at 2; Mississippi Commission Comments at 3.

[233] Arkansas Commission Comments at 1.

[234] *Id.* at 3.

allocate JTIQ Portfolio #1 backstop funding liability to MISO South, because according to the Mississippi Commission, the proposal unduly discriminates against customers in MISO South. The Mississippi Commission argues that there is a lack of transfer capability between MISO South and MISO Midwest, such that JTIQ Portfolio #1 will not benefit MISO South transmission customers. The Mississippi Commission states that MISO's claims of benefits to MISO South under the JTIQ proposal should be rejected, as MISO offers only generalizations without providing evidence to support the benefits to MISO South's load.[235]

126. Invenergy Generation states that, in Order No. 1920,[236] the Commission ordered MISO and SPP to consider a broader range of benefits in transmission planning and argues that the five JTIQ Upgrades in JTIQ Portfolio #1, as well as future transmission assessments, might clear a 1.0 cost-to-benefit ratio when these broader benefits are considered, which would obviate the need for any of the JTIQ JOA and tariff revisions.[237] Invenergy Generation urges the Commission to direct the RTOs to undertake that assessment. Invenergy Generation argues that the cost savings from DOE GRIP funding should not be shifted to load.[238] Further, Invenergy Generation notes that MISO's tariff provides that interconnection customers are reimbursed for 10% of the cost of network upgrades rated 345 kV and higher and argues that the provision for 10% reimbursement applies because of the benefit that load receives from the integrated nature of the asset.[239] Invenergy Generation asserts that policies such as MISO's existing 10% reimbursement policy are consistent with the "beneficiary pays" principle, with interconnection customers receiving reimbursement for the benefit that is conferred to load.[240] Invenergy

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[235] Mississippi Commission Comments at 3-4 (citing *Midcontinent Indep. Sys. Operator, Inc.*, 179 FERC ¶ 61,124, at PP 26, 69 (2022)).

[236] *Bldg. for the Future Through Elec. Reg'l Transmission Plan. & Cost Allocation*, Order No. 1920, 187 FERC ¶ 61,068 (2024).

[237] Invenergy Generation Protest at 4 (citing Order No. 1920, 187 FERC ¶ 61,068 at P 720).

[238] *Id.* at 4-5.

[239] *Id.* at 5 (citing Order No. 1920, 187 FERC ¶ 61,068 at P 108).

[240] *Id.* (citing *Midwest Indep. Transmission Sys. Operator, Inc*., 133 FERC ¶ 61,221, at P 332 (2010); *Midwest Indep. Transmission Sys. Operator, Inc*., 129 FERC ¶ 61,060 (2009) ("However, we note that the Commission believes that cost allocation proposals should pay attention to cost-causation principles and to identifying the full array of benefits to generators, load, and other entities in the region from enhanced transmission infrastructure.")).

Generation argues that the benefit of the JTIQ Upgrades are ostensibly far greater than occurs with isolated affected system upgrades, and the benefits to load and to interconnection customers should be quantified to allow the RTOs to strike a balance regarding cost allocation.

127. Shell Companies argue that MISO's and SPP's proposal to use ARRs and ILTCRs, respectively, to compensate interconnection customers for their contribution to the JTIQ Upgrades fails to fully refund interconnection customers for financing network upgrades.[241] Shell Companies argue that the Commission's longstanding policy requires that all network upgrades funded by interconnection customers be eligible for reimbursement and the reimbursement should be in the form of cash repayment, with Order No. 2023 continuing this policy.[242] Shell Companies argue that the Commission has allowed departure from this policy and direct assignment of "but for" upgrade costs to interconnection customers when, and only when, they receive "valuable" transmission rights that are "well-defined, long-term and tradeable."[243] Shell Companies argue that it is not clear that transmission congestion rights, such as MISO's ARRs and SPP's ILTCRs, will fully reimburse interconnection customers because the network upgrades that they funded will help alleviate congestion and thereby decrease the value of those transmission congestion rights.[244] Shell Companies further argue that, while the Commission has rejected challenges to the use of ILTCRs by SPP for reimbursement of network upgrades in the past, it is time to reevaluate this issue.[245]

128. Entergy argues that principles of equity and fairness dictate that if MISO South customers are a part of the backstop for JTIQ projects in MISO North, then MISO North customers should likewise be part of the backstop for any future JTIQ projects in MISO South. Entergy requests that to the extent that the Commission accepts the proposed cost recovery and cost allocation method, it should do so on the condition that MISO's proposed backstop mechanism not be limited to a single JTIQ portfolio.[246]

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[241] Shell Companies Protest at 33-34.

[242] *Id.* at 33-35 (citing Order No. 2023, 184 FERC ¶ 61,054 at P 1243).

[243] *Id.* at 34 (citing Order No. 2003, 104 FERC ¶ 61,103 at P 700; *N.Y. Indep. Sys. Operator, Inc.*, 108 FERC ¶ 61,159, at P 57 (2004)).

[244] *Id.* at 35-36.

[245] *Id.*at 36.

[246] Entergy Protest at 2-3.

(b) Answers

129. In response to protesters that object to various aspects of the proposed cost allocation method for JTIQ Portfolio #1, the RTOs argue that the proposal reflects a just and reasonable balance in allocating the cost of JTIQ Portfolio #1 between generators and load. The RTOs argue that the proposed cost allocation method for JTIQ Portfolio #1 reflects a thoughtful compromise by the majorities of the RTOs' stakeholders and state regulators and meets the cost causation standard, as articulated by the Commission and the courts, and there is no need to allocate costs with exacting precision.[247]

130. In response to Clean Energy Associations' argument that the proposed cost allocation skips any type of "but for" analysis,[248] MISO asserts that an impact analysis, such as a distribution factor evaluation, is a well-established method for assigning costs, and in a transmission service request context, the Commission has recognized that some "but for" causation could be established based on an impact analysis, as opposed to the traditional "but for" analysis.[249] SPP adds that JTIQ Upgrades do not fit squarely into any one traditional category of transmission upgrade. Instead, SPP explains that the JTIQ framework was developed to address the longstanding transmission capacity shortage at the MISO-SPP seam that is inhibiting interconnection by proactively addressing the issue rather than reactively building transmission upgrades based on the specific demands of individual (or a single cluster of) interconnection requests. Thus, SPP argues that requiring the JTIQ cost allocation method to mirror traditional "but for" cost allocation methods would add unnecessary burden and undermine efforts to streamline the interconnection process and provide upfront cost certainty to customers.[250]

131. With respect to the arguments by Clean Energy Associations and other protesters that load must pay more to satisfy the Commission's cost causation principle due to alleged benefits to load, MISO asserts that the arguments are unsupported.[251] In response to protesters that offer alternative approaches, contending that benefits to load must be quantified and/or that JTIQ Portfolio #1 should be analyzed by using the broader benefits metrics, such as benefit to cost ratios, MISO argues that these arguments ignore that JTIQ Portfolio #1 would not be needed but for the interconnection of generating facilities it

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[247] MISO Answer at 10-11; SPP Answer at 18-20.

[248] MISO Answer at 12 (citing Clean Energy Associations Protest at 14-15).

[249] *Id.* at 12-13 (citing *Xcel Energy Servs., Inc. v. SPP*, 162 FERC ¶ 61,203, at PP 73-76 (2018), *order on reh'g*, 178 FERC ¶ 61,096 (2022)).

[250] SPP Answer at 23-24.

[251] MISO Answer at 13.

would enable.[252] MISO notes that while some benefit to cost ratios are used in both RTOs to select transmission projects in the RTOs' respective regional plans for purposes of cost allocation, this does not demonstrate that such ratios are required for JTIQ portfolios. Relatedly, SPP disputes Shell Companies' arguments that JTIQ Upgrade costs should be regionally allocated based on a benefit cost analysis provided during the stakeholder process.[253] SPP argues that Shell Companies erroneously point to this analysis, which SPP asserts evaluated benefits and costs of the non-capital costs of JTIQ Upgrades to load and is irrelevant to the fact that JTIQ Upgrades in JTIQ Portfolio #1 do not provide sufficient benefits to load to qualify as projects selected in either SPP or MISO's regional transmission plan for purposes of cost allocation.[254]

132. With respect to criticism of the backstop funding mechanism, the RTOs argue that it is consistent with cost causation because load will receive some benefit from the backbone reinforcement of the transmission system, including Adjusted Production Cost benefits as well as regional benefits such as resiliency and other quantitative and qualitative benefits if sufficient generation never subscribes.[255] MISO adds that JTIQ Portfolio #1 will expedite the interconnection of needed generation, thereby providing certain resource adequacy benefits in both footprints.[256] MISO asserts that in light of this evidence, the objections from parties such as the Arkansas Commission that such load benefits are too remote or illusory for backstop funding purposes are unsubstantiated and should be rejected.[257] The RTOs also reiterate that JTIQ Portfolio #1 does not include any projects that would qualify for regional cost allocation under the RTOs' respective tariffs.[258]

133. In response to Invenergy Generation and Clean Energy Associations' arguments that the RTOs' proposed allocation of 100% of capital cost of JTIQ Portfolio #1 to interconnection customers, instead of the 90%/10% split initially considered during the stakeholder process and that MISO currently applies for high-voltage generator

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[252] *Id.* at 14.

[253] SPP Answer at 25 (citing Shell Protest at 23).

[254] *Id.* at 25-26.

[255] *Id.* at 16 (citing Kelley Testimony at 41-44); MISO Answer at 14 (citing Johnson Testimony at 30).

[256] MISO Answer at 14-15 (citing Johnson Testimony at 30).

[257] *Id.* (citing Arkansas Commission Protest at 2-3).

[258] *Id.* at 12, 15; SPP Answer at 4, 14.

interconnection projects, is not just and reasonable, MISO asserts that it adequately supported its proposal.[259] MISO notes that the proposed cost allocation for JTIQ Portfolio #1 is reasonable because it includes network upgrades that will be located in both MISO and SPP, and the proposed approach ensures that all JTIQ generators are treated on a comparable basis.[260] MISO also argues that load has already taken on risk to backstop JTIQ Portfolio #1, which is not present with ordinary generator interconnection projects that qualify for the 90%/10% cost allocation in MISO.[261] MISO notes that for ordinary generator interconnection projects, the constructing transmission owner need not start building the project until those generators have executed their GIAs and, as applicable, a Facilities Construction Agreement (FCA) or Multi-Party Facilities Construction Agreement (MPFCA). Moreover, MISO states that both the MISO *pro forma* FCA and the MISO *pro forma* MPFCA have provisions that allow the constructing transmission owner to discontinue construction if interconnection customers do not pay or withdraw.[262] MISO notes that no such provisions exist for JTIQ Upgrades, and it would not be possible to include such provisions, given the requirement for JTIQ transmission owners to construct the JTIQ Upgrades prior to full subscription. MISO asserts that because the JTIQ construct has a different risk profile from ordinary generator interconnection-driven network upgrades, having load pay for 10% of the capital cost of JTIQ Upgrades would not achieve the same cost/risk balance as under the current MISO Tariff provisions.

134. Regarding protesters' arguments that the claimed load benefits to support the backstop proposal are too vague or non-existent in the MISO South Subregion due to contractual transfer limits between the MISO Midwest Subregion and the MISO South Subregion, MISO disagrees with the protesters' objections.[263] MISO acknowledges the existing contractual transfer limits between the MISO Midwest Subregion and the MISO South Subregion but asserts that the existence of this constraint "does not indicate that the MISO South Subregion would not benefit from more expeditious interconnection of generation along the MISO-SPP seam."[264] MISO also does not believe that Entergy's

[259] MISO Answer at 16-17.

[260] *Id.* at 17.

[261] *Id.* at 19.

[262] *Id.* (citing MISO Tariff, attach. X, app. 8, *pro forma* FCA §§ 2.2.3, 3.1.2, 10.2; MISO Tariff, attach. X, app. 9, *pro forma* MPFCA §§ 2.2.3, 3.1.2, 10.3.1-10.3.3).

[263] *Id.* at 20 (citing Mississippi Commission Protest at 3-5; Arkansas Commission Protest at 2-4).

[264] *Id.* at 21 (citing Witmeier Regional Tariff Testimony at 15).

request to condition acceptance of the JTIQ proposal on future treatment of backstop funding is necessary and states that the JTIQ filings are clear that the proposed cost allocation method is for JTIQ Portfolio #1 only, and future portfolios are not before the Commission.[265]

135. In addition, MISO disagrees with Shell Companies' arguments that the proposed financial transmission rights procedures for JTIQ Upgrades do not adequately compensate interconnection customers for the use of those facilities by transmission customers.[266] MISO asserts that this argument is beyond the scope of the current proceeding, noting that Shell Companies admits that the Commission rejected such an argument in prior proceedings, and MISO argues that the JTIQ filings do not propose anything new with respect to financial transmission rights.[267]

136. Additionally, MISO rebuts Shell Companies' objection to the proposed 5% distribution factor as a criterion for including interconnection requests in a JTIQ Participation Group.[268] MISO explains that, under the MISO Tariff, affected system upgrades are evaluated under the same standard for both ERIS and NRIS, and the proposed screening threshold likewise uses identical distribution factor thresholds for both ERIS and NRIS requests. To the extent that Shell Companies oppose the proposed 5% threshold as overly sensitive, MISO notes that the RTOs explained that they evaluated various potential thresholds and, upon evaluation, concluded that "a 5% distribution factor appropriately balances the goals of establishing a sufficient degree of impact at the seam, avoiding free ridership due to the concentration of costs on only a small group of interconnection customers despite broader enablement, and mitigating undersubscription risk."[269] MISO argues that Shell Companies do not explain why this rationale is invalid, arguing only that different distribution factor thresholds should apply to ERIS and NRIS requests. In addition, SPP argues that the decision to subject both ERIS and NRIS interconnection requests to a 5% distribution factor threshold for purposes of identifying requests that will be included in a JTIQ Participation Group has been fully supported.[270] SPP reiterates that using the same 5% distribution factor threshold addresses concerns about generator projects potentially changing NRIS

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[265] *Id.* at 23.

[266] *Id.* at 39 (citing Shell Companies Protest at 35-37).

[267] *Id.* at 40 (citing Shell Companies Protest at 36).

[268] *Id.* at 37.

[269] *Id.* (citing MISO JOA Filing at 18-19).

[270] SPP Answer at 56 (citing Shell Companies Protest at 31).

requests to ERIS to remove themselves from the JTIQ Participation Group, which would create cascading problems for predicting how many projects within a study cycle would pay for JTIQ Upgrades and undermine the cost certainty that the JTIQ framework is intended to provide, and that the decision to use the same approach for ERIS and NRIS interconnection requests recognizes that the JTIQ framework is a collaboration between SPP and MISO, which each have different approaches to studying impacts on their systems.[271]

137. Furthermore, MISO argues that Shell Companies' objection to *pro rata* per-MW cost allocation is unfounded and should be rejected.[272] MISO explains that before a portion of the JTIQ Generator Charge can be assigned to an interconnection request, that request must meet the JTIQ Participation Group criteria, which already account for distance-related impacts of an interconnection request through the distribution factor analysis, and at that point, the amount of service requested (i.e., the size of the interconnection request) is a reasonable measure of the amount of enablement from the JTIQ Upgrades that such project receives. Similarly, SPP argues that the JTIQ filings set forth a reasonable methodology to determine whether an interconnection request will make subsequent use of a JTIQ Upgrade.[273] SPP also argues that the Commission's flexible application of cost causation principles does not bar the JTIQ framework from employing a MW-based cost allocation method.[274]

138. MISO and SPP also state that, in Order No. 2023, the Commission stated that there is a trade-off between simplicity and accuracy when considering proportional capacity versus proportional impact for cost allocation of network upgrades but that methods other than the proportional impact method could be justified under the independent entity variation standard.[275] They contend that the proposed cost assignment here represents such a trade-off.

139. Large Energy Users disagree with Clean Energy Associations, averring that Clean Energy Associations' protest fails to demonstrate both that the proposed cost allocation is

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[271] *Id.* at 56-57.

[272] MISO Answer at 38-39.

[273] SPP Answer at 24.

[274] *Id.* at 20 (citing *El Paso Elec. Co*., 181 FERC ¶ 61,228, at P 22 (2022); *Nev. Power Co.*, 183 FERC ¶ 61,093, at PP 8, 15 (2023); *Avista Corp*., 179 FERC ¶ 61,183, at PP 29, 63 (2022)).

[275] MISO Answer at 39 (citing Order No. 2023, 184 FERC ¶ 61,054 at P 464); SPP Answer at 22 (citing Order No. 2023, 184 FERC ¶ 61,054 at P 464).

unjust and unreasonable and that the Commission should reject the JTIQ framework based on the cost allocation method.[276] Large Energy Users assert that the proposal to assign 100% of JTIQ capital costs to interconnection customers follows well-established cost causation principles, albeit on a cluster basis rather than a one-to-one project to customer basis, and is consistent with Order No. 2003. Large Energy Users assert that the proposed cost allocation follows cost causation principles because the JTIQ Upgrades aim to address transmission limitations on the MISO-SPP seam that prevent the interconnection of large amounts of generation and that the interconnection customers are the primary beneficiaries of the JTIQ Upgrades.[277] Large Energy Users assert that Clean Energy Associations did not support their concern that insufficient subscription to JTIQ Portfolio #1 will cause load to bear significant costs and that there is no evidence to support this claim. Further, Large Energy Users state that much of the new generation proposed in the JTIQ is necessary for state green energy goals, so the bulk of the incremental generation at the MISO-SPP seam would be likely to move forward, with or without the JTIQ.[278]

140. Clean Energy Associations argue that the rationale provided by the RTOs to allocate interconnection customers 100% of the costs of JTIQ Upgrades in JTIQ Portfolio #1 is insufficient.[279] Clean Energy Associations assert that the proposed cost allocation for JTIQ Portfolio #1 breaks with legal precedent and does not reflect the balance of the comparative benefits to interconnection customers and load.[280] Clean Energy Associations state that the Commission cannot ignore known beneficiaries and measurable benefits, particularly where there has not been an effort to identify or quantify many of those benefits.[281] Clean Energy Associations argue that the RTOs' proposed cost allocation approach for JTIQ Portfolio #1 is inconsistent with the "beneficiary pays" principle,[282] and note that courts have found that a cost allocation scheme that allocates 100% of costs to customers receiving only a fraction of benefits

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[276] Large Energy Users Answer at 7.

[277] *Id.* at 7-8 (citing MISO JOA Filing at 31-33).

[278] *Id.* at 9.

[279] Clean Energy Associations Answer at 3-4 (citing MISO Answer at 14-15, 23; SPP Answer at 6).

[280] *Id*. at 7.

[281] *Id*. at 5.

[282] *Id*. (citing *Ill. Commerce Comm'n v. FERC*, 576 F.3d at 470).

was impermissible.[283] Clean Energy Associations argue that, while benefits do not have to be calculated with exacting precision, the Commission should not allow the RTOs to avoid any effort at quantifying and matching costs and benefits.[284] Clean Energy Associations contend that the record is replete with acknowledgments that load in MISO and SPP will derive some benefits from JTIQ Portfolio #1 and, thus, the JTIQ proposal does not follow well-established cost causation principles.[285] Additionally, Clean Energy Associations assert that the Commission's rules require assessment of the multiple benefits and beneficiaries of transmission facilities, stating that the Commission adopted cost allocation reforms based on this principle in Order No. 1000 and expanded this benefits analysis in Order No. 1920.[286] Clean Energy Associations also argue that the proposed cost allocation for JTIQ Portfolio #1 departs from MISO's Tariff, which reimburses interconnection customers 10% of the cost of upgrades rated 345 kV and higher because such facilities provide broad regional benefits.[287]

141. Clean Energy Associations also argue that the RTOs' analysis does not support the proposed allocation of costs to interconnection customers given that there is no dispute that load will also benefit from JTIQ Portfolio #1.[288] Clean Energy Associations argue that the RTOs have tools to evaluate broader benefits from high-voltage transmission lines. Clean Energy Associations note that MISO has recently added additional metrics to capture benefits from transmission, further arguing that these additional metrics could change how certain JTIQ Upgrades in JTIQ Portfolio #1 would be scored as MTEP projects and that, as SPP applies more robust benefits analysis required by Order No. 1920, further details on benefits to system users from JTIQ Upgrades would also become available.[289] Clean Energy Associations also note that the RTOs' recently commenced coordinated system plan would provide an opportunity to evaluate broader benefits of

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[283] *Id*. (citing *Old Dominion Elec. Coop. v. Fed. Energy Regul. Comm'n*, 898 F.3d 1254, 1261 (D.C. Cir. 2018)).

[284] *Id*. at 5-6 (citing *Ill. Commerce Comm'n v. FERC*, 576 F.3d at 470, 477).

[285] *Id*. at 6.

[286] *Id*. at 6-7 (citing Order No. 1000, 136 FERC ¶ 61,051 at P 622; Order No. 1920, 179 FERC ¶ 61,028 at P 720).

[287] *Id.* at 7 (citing *Midwest Indep. Transmission Sys. Operator, Inc*., 133 FERC ¶ 61,221 at P 332; *Midwest Indep. Transmission Sys. Operator, Inc*., 129 FERC ¶ 61,060).

[288] *Id*.

[289] *Id*. at 8.

JTIQ Portfolio #1.[290] Clean Energy Associations argue that it is not just and reasonable that load would have no long-term financial burden for capital costs of JTIQ Portfolio #1 if there is sufficient generator subscription. Clean Energy Associations argue that the Commission should acknowledge that the RTOs have found Adjusted Production Cost savings and other benefits to load.[291] Clean Energy Associations further argue that even if costs exceed benefits to load, it does not support the proposition that all costs should be shouldered by interconnection customers, particularly in light of what Clean Energy Associations argue is paltry evidence to support such a cost allocation.[292]

142. Furthermore, Clean Energy Associations contend that claims that a delay in approval of the proposed JTIQ framework could jeopardize DOE GRIP funding are unsupported.[293] Clean Energy Associations further argue that DOE GRIP funding does not obviate the need for the RTOs to follow cost causation and "beneficiary pays" principles and argue that a reduction in the cost of JTIQ Portfolio #1 should be applied proportionally to each beneficiary.[294]

143. The Mississippi Commission and the Arkansas Commission reiterate their contention that JTIQ Portfolio #1 does not benefit MISO South.[295] The Mississippi Commission and the Arkansas Commission argue that MISO has made no effort to quantify how much JTIQ Portfolio #1 would incrementally increase benefits received by MISO South via its participation in MISO and that it is not possible to determine whether such incremental benefit is roughly commensurate with what the Mississippi Commission and the Arkansas Commission assert is potentially hundreds of millions of dollars that could be allocated to MISO South load if backstop funding is needed.[296] The Mississippi

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[290] *Id*. at 8-9.

[291] *Id*. at 9-10 (citing SPP, "Application Of The DOE Funds For JTIQ," SPP Cost Allocation Working Group7 (Nov. 9, 2023), https://spp.org/spp-documents-filings/?id=20624; *JTIQ Executive Summary, A MISO – SPP Collaboration* 2 (Mar. 2022), https://cdn.misoenergy.org/JTIQ%20Report623262.pdf).

[292] *Id*. at 12.

[293] *Id*. at 13.

[294] *Id*. at 14.

[295] Mississippi Commission and Arkansas Commission Answer at 1-2 (citing MISO, Docket No. ER22-995-000, Testimony of Johannes Pfeifenberger, The Brattle Group, at 9, 16 (Feb. 4, 2022) (Brattle Analysis)).

[296] *Id.* at 2-3.

Commission and the Arkansas Commission further contend that incremental market benefits that may accrue to MISO South are too small and imprecise to justify allocating any backstop funding of JTIQ Portfolio #1 to MISO South load.

144. In addition, the Mississippi Commission and the Arkansas Commission argue that MISO's argument that decreased market-to-market payments would sufficiently benefit load in MISO South to justify allocating JTIQ Portfolio #1 backstop funding fails because: (1) MISO has not quantified these alleged benefits; (2) such benefits could be net neutral given that SPP market-to-market payments may also be reduced; and (3) market-to-market payments were in effect at the time the Brattle Analysis concluded that the limited transfer capability between MISO Midwest and MISO South would prevent sufficient benefits from being conveyed to justify allocating costs for MVPs located solely in MISO Midwest to MISO South.[297]

iii. JTIQ Funding Mechanism

(a) Comments and Protests

145. EDF Renewables states that it supports the overall JTIQ proposal but argues that the Commission should defer ruling on the proposed cost recovery mechanism for the JTIQ Generator Charge subject to the pending outcome of the Commission's Show Cause Order proceedings regarding TO Initial Funding.[298] EDF Renewables asserts that the Commission could reject the proposed cost recovery mechanism because of the significant additional costs that TO Initial Funding imposes on interconnection customers.[299] Alternatively, EDF Renewables asserts that the Commission could hold the proposed cost recovery mechanism in abeyance pending the outcome of the Show Cause Order proceedings.[300]

146. Clean Energy Associations argue that the proposed cost allocation and cost recovery framework is unjust and unreasonable.[301] Clean Energy Associations argue that the JTIQ proposal has no mechanism for cost containment due to the JTIQ funding

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[297] *Id.* at 4.

[298] EDF Renewables Comments at 2-3.

[299] *Id.* at 9-10.

[300] *Id.* at 10.

[301] Clean Energy Associations Protest at 15-16.

mechanism and the study processes.[302] Clean Energy Associations contend that, absent a centralized mechanism to contain costs, and with the proposed JTIQ funding mechanism, JTIQ transmission owners will be incentivized to increase costs and earn a higher rate of return on their initial capital investments.[303]

147. Invenergy Generation similarly takes issue with the fact that the JTIQ framework does not include a cost cap. Invenergy Generation contends that, as proposed, the JTIQ framework would expose interconnection customers to unbounded cost. Invenergy Generation argues that, if the JTIQ Upgrades are allowed as a type of affected system upgrade, then a cost cap similar to the 20% contingency cap from Order No. 2003 should apply.[304]

148. Clean Energy Associations state that they take issue with the following aspects of the JTIQ funding mechanism: (1) interconnection customers must provide financial security to cover 100% of construction costs; (2) JTIQ transmission owners provide the upfront funding of the JTIQ Upgrade design, engineering, and construction and charge JTIQ interconnection customers a monthly JTIQ Generator Charge; (3) JTIQ transmission owners earn a return on and of their initial capital investment in JTIQ Upgrades; and (4) the Commission may create an exception if it accepts the JTIQ funding mechanism while rejecting TO Initial Funding.[305] Clean Energy Associations argue that the security requirement is a functional return of capital and that security is not distinct from repayment because JTIQ interconnection customers post security directly to the JTIQ transmission owner.[306] Clean Energy Associations contend that, in combination with the JTIQ Generator Charge, the security requirement is unjust and unreasonable.[307]

149. Clean Energy Associations argue that the JTIQ funding mechanism, in particular the JTIQ Generator Charge, is a form of unilateral self-funding, or TO Initial Funding, which may be rejected in the Show Cause Order proceedings before the Commission, and should therefore be rejected in this proceeding.[308] Clean Energy Associations claim that,

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[302] *Id.* at 12.

[303] *Id.* at 12-13.

[304] Invenergy Generation Protest at 6-7.

[305] Clean Energy Associations Protest at 17-25.

[306] *Id.* at 20-21.

[307] *Id.* at 16.

[308] *Id.* at 17.

due to the Show Cause Order proceedings, if the Commission accepts the JTIQ funding mechanism as just and reasonable, the Commission is at risk of not acting in a consistent and comprehensive manner.[309] Clean Energy Associations contend that while a return of and some return on a transmission owner's initial capital investment is appropriate so long as it is commensurate with the period during which the JTIQ transmission owner's capital is actually invested and has not yet been reimbursed or secured, JTIQ transmission owners will continue to earn a rate of return on their initial capital investment for the full 20-year asset life of the facilities through the JTIQ Generator Charge after interconnection customers have fully refunded the capital costs because the security requirement covers 100% of the construction costs.[310] Clean Energy Associations argue that the JTIQ funding mechanism will result in higher costs for customers because it will raise costs for interconnection customers who will pass those costs on to end-use customers or too few interconnection customers will subscribe, forcing load to backstop the JTIQ.[311] Clean Energy Associations further argue that TO Initial Funding and the security requirement will increase costs, relative to other generator interconnection-related network upgrades.[312] Spearmint states that it supports Clean Energy Associations' arguments opposing the JTIQ funding mechanism as a form of unilateral TO Initial Funding because the JTIQ funding mechanism allows the JTIQ transmission owners to earn a return on and of their capital costs for the JTIQ Upgrades from the JTIQ interconnection customers.[313]

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[309] *Id.* at 22-23. Clean Energy Associations argue that the JTIQ proposal is inconsistent with the Show Cause Order where the Commission preliminarily found that TO Initial Funding may be unjust, unreasonable, and unduly discriminatory or preferential because it may increase the costs of interconnection service without corresponding improvements to that service, unjustifiably increase costs such that it results in barriers to interconnection, result in undue discrimination among interconnection customers, and because there may be no risks associated with owning, operating, and maintaining network upgrades for which transmission owners are not already otherwise compensated. Clean Energy Associations assert that, because the RTOs do not address these concerns, the JTIQ filings should be rejected. *Id.* at 22 (citing Show Cause Order, 187 FERC ¶ 61,170 at P 44).

[310] *Id.* at 19-20.

[311] *Id.* at 24-25.

[312] *Id.* at 16, 22-25.

[313] Spearmint Protest at 3-4.

150. Shell Companies state that, under the JTIQ proposal, the financial security provided by an interconnection customer will not be refundable after GIA execution.[314] Shell Companies argue that this requirement is restrictive and punitive because an interconnection customer that withdraws can be replaced with a different interconnection customer, and the RTOs have not explained why such a replacement customer's provision of financial security should not allow a withdrawing customer to be refunded any unused portion of its financial security.[315] Shell Companies also contend that, even if a withdrawing interconnection customer is not replaced, given the backstop funding under the JTIQ framework, there is no risk that JTIQ Upgrades will be underfunded. Shell Companies argue that retention of a withdrawing customer's financial security serves as a withdrawal penalty, that an interconnection customer's withdrawal is commercially immaterial and therefore contrary to the logic of withdrawal penalties in Order No. 2023.[316] Therefore, Shell Companies argue that the JTIQ proposal should be revised to provide for return of financial security regardless of an interconnection customers' withdrawal or, in the alternative, the RTOs should be required to apply the unused portion of a withdrawing interconnection customer's financial security to an interconnection request submitted for the same project in a subsequent cluster. Furthermore, Shell Companies argue that interconnection customers should be paid interest for their funds held by the RTOs while JTIQ Upgrades are being subscribed and constructed, arguing that the funds could be held for multiple years.[317] Shell Companies argue that the RTOs propose to collect and hold generator interconnection customer funds as security for the construction costs, but also allege that the RTOs will collect the JTIQ Generator Charge from interconnection customers beginning from when an interconnection customer in a JTIQ Participation Group enters into an effective service agreement, resulting in interconnection customers' funding payments being held by the RTOs for multiple years before the JTIQ Upgrades in JTIQ Portfolio #1 are completed.[318]

151. Public Interest Organizations express concerns with the funding provisions of the JTIQ framework because it adds costs to interconnection customers that will ultimately increase costs to consumers with no added benefit.[319] Public Interest Organizations

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[314] Shell Companies Protest at 38 (citing Witmeier Regional Tariff Testimony at 34).

[315] *Id.* at 39.

[316] *Id.* at 40 (citing Order No. 2023, 184 FERC ¶ 61,054 at P 783).

[317] *Id.* at 41.

[318] *Id.* at 42.

[319] Public Interest Organizations Comments at 8.

contend that the RTOs have proposed a subscription methodology for recovering the costs of the JTIQ Portfolio from interconnection customers that is comparable to unilateral TO Initial Funding. Public Interest Organizations further contend that interconnection customers and others have raised issues with TO Initial Funding because it results in significant cost increases to interconnection customers when network upgrade costs are recovered over many years with a rate of return applied to these charges as well. Public Interest Organizations note that they are particularly concerned that the cost increases interconnection customers incur by paying a monthly JTIQ Generator Charge for up to 20 years will ultimately flow to and be borne by electricity customers.[320]

152. Public Interest Organizations argue that, with regard to the Commission's Show Cause Order regarding TO Initial Funding, concerns about unjustifiable cost increases that result in barriers to interconnection and undue discrimination among interconnection customers can be addressed by allowing the interconnection customers to decide whether to pay their JTIQ Generator Charge upfront or to pay monthly with a rate of return added to each of those payments.[321] Public Interest Organizations argue that the proposed monthly JTIQ Generator Charge is very similar to the TO Initial Funding that the Commission is actively revisiting.

153. Public Interest Organizations assert that, under the JTIQ proposal, JTIQ transmission owners are taking on a risk as they provide a backstop to cover initial funding for JTIQ Upgrades, but that this risk to JTIQ transmission owners is removed when interconnection customers have subscribed to JTIQ capacity via signed GIAs and have posted their security for their full JTIQ costs.[322] Public Interest Organizations contend that, as a result, it is reasonable for JTIQ transmission owners to receive a rate of return while they are exposed to the risk of shouldering the JTIQ Upgrade costs, but that it is unwarranted and unjustified for JTIQ transmission owners to earn a return when there is no risk. Public Interest Organizations argue that this serves only to increase revenues for JTIQ transmission owners with no added benefit to interconnection customers or consumers commensurate with the added cost.[323] Public Interest Organizations contend that charging interconnection customers a rate of return while also requiring them to post full security for their JTIQ costs is a form of double charging, which could lead to unjust and unreasonable rates.

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[320] *Id.* at 8-9.

[321] *Id.* at 9.

[322] *Id.* at 9-10.

[323] *Id.* at 10.

154. Public Interest Organizations argue that no additional benefit is being gained by interconnection customers or consumers when JTIQ transmission owners increase the costs of the JTIQ Generator Charge with the addition of a rate of return. Public Interest Organizations contend that this subscription approach as proposed by the RTOs must be removed if the Commission determines in the Show Cause Order proceedings that TO Initial Funding is unjust and unreasonable, and if such a scenario occurs, they urge the Commission to institute an investigation under section 206 of the FPA.[324]

(b) Answers

155. The RTOs assert that the JTIQ recovery mechanism is a just and reasonable mechanism for funding the JTIQ Upgrades and enabling the unique JTIQ framework, which represents a new approach that accounts for the many and varied interests of the RTOs and which does not fit into traditional categories of transmission projects.[325] SPP argues that the JTIQ framework cannot be fit into a traditional category of network upgrades in part because the JTIQ framework is a proactive, rather than reactive, alternative to traditional generator interconnection network upgrades in order to build large-scale transmission projects at the MISO-SPP seam.[326] MISO similarly asserts that the current funding options in the generator interconnection procedures for the RTOs, including TO Initial Funding and generator upfront funding, exist only in that context and not in the context of the JTIQ portfolio approach based on a subscription method that proactively identifies network upgrades to interconnect multiple facilities.[327]

156. The RTOs assert that the JTIQ recovery mechanism is fundamentally distinct from self-funding.[328] The RTOs assert that protesters misrepresent the JTIQ funding mechanism as self-funding or as TO Initial Funding because the JTIQ framework does not allow JTIQ transmission owners to unilaterally elect any aspect of the JTIQ framework, including the funding mechanism.[329] SPP further argues that the JTIQ framework has been designed to enable an RTO-driven initiative to build RTO-selected JTIQ Upgrades and to assign JTIQ transmission owners the responsibility to build certain

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[324] 16 U.S.C. § 824e; Public Interest Organizations Comments at 10.

[325] MISO Answer at 24; SPP Answer at 5.

[326] SPP Answer at 30.

[327] MISO Answer at 26.

[328] *Id.* at 24; SPP Answer at 30.

[329] MISO Answer at 24-25 (citing Clean Energy Associations Protest at 15-25; Public Interest Organizations Protest at 8-10); SPP Answer at 30-31.

JTIQ Projects, all of which take the optionality out of both the projects and the funding mechanism. MISO similarly asserts that the JTIQ Upgrades must proceed before the interconnection customers are known, so an alternative mechanism, like generator upfront funding, is infeasible in the JTIQ context.[330] MISO further asserts that the unique nature of the JTIQ Portfolio #1 includes multiple projects in both RTOs where interconnection customers may be subscribed at different times. MISO asserts that this contrasts the JTIQ framework further from the RTOs' typical generator interconnection processes and underscores that generator upfront funding is not feasible within the JTIQ framework and that JTIQ transmission owners cannot unilaterally elect a funding mechanism.[331] Similarly, SPP asserts that, although the JTIQ transmission owners will be required to potentially build and fund the JTIQ Upgrades in JTIQ Portfolio #1 well before interconnection customers have subscribed, and the JTIQ funding mechanism cannot be characterized as self-funding and is the only feasible cost recovery mechanism.[332]

157. Further, the RTOs assert that protesters improperly conflate the Show Cause Order and the JTIQ framework and ignore the scope of the Show Cause Order, which investigates four RTOs that allow transmission owners to unilaterally elect the TO Initial Funding option.[333] The RTOs argue that the concerns raised in the Show Cause Order are not directly applicable to JTIQ because the JTIQ funding mechanism is appreciably different[334] and because neither RTO relied on the provisions in their tariffs that the Commission addressed in the Show Cause Order.[335] Additionally, SPP avers that the protesters' claims that the JTIQ funding mechanism would impose significant additional costs are unsupported, and it further asserts that the JTIQ framework will decrease costs to interconnection customers by, in part, allowing interconnection customers in the JTIQ Participation Group to avoid the costs and delays that can occur with the existing affected system processes and providing more cost certainty.[336] SPP argues that comparing the cost of JTIQ Portfolio #1 against the cost of building one-off, smaller network upgrades

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[330] MISO Answer at 26.

[331] *Id.* at 26-27.

[332] SPP Answer at 30-31.

[333] *Id.* at 31-32 (citing Public Interest Organizations Protest at 10-11; EDF Renewables Comments at 10); MISO Answer at 24-25.

[334] SPP Answer at 31-32.

[335] MISO Answer at 24-25.

[336] SPP Answer at 32.

is inapposite because individual interconnection customers are not able to fund upgrades of the scale that can efficiently and cost-effectively meet the demonstrated transmission capacity needs at the MISO-SPP seam.[337] The RTOs also argue that the Show Cause Order and the JTIQ framework should not create precedent for the other. SPP notes that the Commission stated in the Show Cause Order that it did not make any final decision or determination in the Show Cause Order, and SPP argues that the Show Cause Order is not precedential.[338] MISO similarly avers that the JTIQ funding mechanism is fundamentally different from TO Initial Funding and that there should not be an artificial link between the proceedings.[339] Finally, MISO argues that the JTIQ funding mechanism is limited to JTIQ Upgrades and independently justified by the unique circumstances of the JTIQ framework; thus, MISO asserts that Commission acceptance of this framework would not prejudice any decision that the Commission may later make in the Show Cause proceedings.[340]

158. Additionally, the RTOs assert that the JTIQ framework keeps with long-standing Commission precedent in permitting transmission owners to earn a return both of and on their investments in projects and that arguments to the contrary are flawed.[341] SPP asserts that the protesters utilized incorrect assumptions in stating that the JTIQ transmission owners will no longer be exposed to risk once interconnection customers provide financial security because the JTIQ transmission owners' capital will no longer be tied up.[342] SPP asserts that security is distinct from a repayment because, among other things, the JTIQ financial security may be provided in a form other than cash, such as a letter of credit, surety bond, or guaranty, and because the Commission has generally held that the purpose of security is to protect both the transmission owner and transmission service

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[337] *Id.* at 42 (citing Clean Energy Associations Protest, Testimony of David Mindham at 3).

[338] *Id.* at 32-33 (citing *Midcontinent Indep. Sys. Operator, Inc.*, 188 FERC ¶ 61,211, at P 12 (2024)).

[339] MISO Answer at 27.

[340] *Id.* n.94.

[341] *Id.* at 28; SPP Answer at 33 (citing *Midcontinent Indep. Sys. Operator, Inc.*, 171 FERC ¶ 61,075 at P 33, *order on reh'g*, 173 FERC ¶ 61,037 (2020); *Ameren Servs. Co. v. FERC*, 880 F.3d 571, 581 (D.C. Cir. 2018) ("…[A] careful reading of Supreme Court precedent reveals that a regulated industry is entitled to a return that is sufficient to ensure that new capital can be attracted." (emphasis omitted))).

[342] SPP Answer at 34 (citing Clean Energy Associations Protest at 19-20; Public Interest Organizations Protest at 9-10).

customers from the risk that an interconnection customer will stop making payments, not to provide repayment when no default occurs.[343] MISO similarly asserts that the JTIQ Generator Charge and the JTIQ financial security are separate mechanisms that address different concerns and are not mutually exclusive, and the Commission and the courts recognize this.[344] SPP asserts that the JTIQ transmission owners in both RTO territories are only entitled to draw on the portion of the security posted by the interconnection customer for the JTIQ Upgrades authorized for construction by the RTO in the amount of missed payments and that the security may only be used to cover missed payments.[345] Further, the RTOs note that the security amount may be reduced annually to reflect amounts paid upon the request of the interconnection customer.[346] Thus, SPP asserts that, by tendering JTIQ financial security, the interconnection customer has not repaid the JTIQ transmission owner for anything and has not reduced the JTIQ transmission owner's capital investments into the JTIQ Upgrade.[347] Additionally, SPP asserts that allowing JTIQ transmission owners to earn a rate of return while requiring interconnection customers to provide JTIQ security is not double charging, as some protesters have argued.[348] SPP argues that the security requirement insulates the JTIQ transmission owners and their transmission customers only from the risks related to JTIQ construction and engineering costs, not with respect to all manner of all risks that JTIQ transmission owners must assume, such as the risks associated with owning, operating, and maintaining the JTIQ Upgrades throughout their useful lives. SPP further asserts that the JTIQ transmission owners continue to have their capital investment at risk over the 20-year repayment period. SPP asserts that it is just and reasonable that the JTIQ transmission owners receive the opportunity to earn a return on, as well as a return of,

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[343] *Id.* at 34-35 (citing *Midcontinent Indep. Sys. Operator, Inc.*, 173 FERC ¶ 61,037 at P 20).

MISO Answer at 28-29 (citing *Midcontinent Indep. Sys. Operator, Inc.*, 171 FERC ¶ 61,075 at P 33, *order on reh'g*, 173 FERC ¶ 61,037 at PP 20-23 , *aff'd sub nom. Am. Clean Power Ass'n v. FERC*, No. 20-1499, 2022 U.S. App. LEXIS 7734, at *5-6 (D.C. Cir. Mar. 23, 2022) ("[P]ost-construction security requirement serves a different purpose from that of the default provisions: 'to provide recourse where a party is unable to pay.'" (quoting *Midcontinent Indep. Sys. Operator*, 173 FERC ¶ 61,037 at P 23))).

[345] SPP Answer at 35-36 (citing Proposed SPP Tariff, attach. V, app. 6, app. I § B(c); Proposed MISO Tariff, attach. X, app. 18 §§ 5.2.3, 8.2.1 (31.0.0)).

[346] MISO Answer at 41; SPP Answer at 35-36 (citing Proposed SPP Tariff, attach. V, app. 6, app. I § B(a)(i) ; Proposed MISO Tariff, attach. X, app. 18 § 6.3 (31.0.0)).

[347] SPP Answer at 35.

[348] *Id.* at 36 (citing Public Interest Organizations Protest at 10).

their investment in JTIQ Upgrades in exchange for taking on the risks of owning, operating, and maintaining the JTIQ Upgrades.

159. Further, the RTOs assert that JTIQ Portfolio #1 will be at significant risk if the JTIQ funding mechanism is held in abeyance pending, or is accepted conditional to, the outcome of the Show Cause Order.[349] The RTOs assert that JTIQ would be at risk because: (1) there is no alternate funding mechanism that will allow the JTIQ Upgrades to be constructed before they are fully subscribed;[350] (2) the DOE GRIP funding is contingent upon the Commission accepting the JTIQ filings;[351] and (3) the Show Cause proceedings are not likely to be resolved quickly because there is a significant likelihood that the Commission's orders in those proceedings would be subjected to further, protracted litigation.[352] To this point, SPP asserts that the JTIQ framework will not work without the JTIQ recovery mechanism because the JTIQ recovery mechanism allows the JTIQ Upgrades to be built before interconnection customers have been identified and additionally allows the JTIQ Upgrades to progress despite the uncertainty over the interconnection commitment timing and commitment level to cover JTIQ capital costs.[353] Thus, SPP asserts that the JTIQ funding mechanism is interwoven into the JTIQ framework and is therefore an essential part of the framework and is not a severable feature.[354] SPP also avers that it is not possible to accept the JTIQ framework while holding the JTIQ funding mechanism in abeyance because SPP asserts that, pursuant to section 205 of the FPA, the Commission cannot hold a proceeding in abeyance pending the outcome of an unrelated proceeding.[355]

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[349] MISO Answer at 27-28; SPP Answer at 37.

[350] MISO Answer at 28; SPP Answer at 37.

[351] MISO Answer at 27-28; SPP Answer at 37.

[352] SPP Answer at 37.

[353] *Id.* at 29.

[354] *Id.* at 29-30, 38.

[355] *Id.* at 37 (citing 16 U.S.C. § 824 ("Pursuant to section 205 of the FPA, the Commission may: (1) accept the filing; (2) reject the filing; (3) allow the filing to go into effect by operation of law; or (4) accept and suspend the filing (for a nominal period up to five months) and set for hearing and/or settlement proceedings"); *PJM Interconnection, L.L.C.*, 132 FERC ¶ 61,207, at P 49 (2010) (rejecting protesters' request that the Commission defer action on PJM's section 205 proposal until ruling on the Credit Reform notice of proposed rulemaking)).

160. Additionally, MISO asserts that the JTIQ funding mechanism is not unduly discriminatory because it is a mandatory and substantially uniform method for JTIQ transmission owners to recover JTIQ costs.[356] Further, MISO asserts that the RTOs' proposed JTIQ formula rate templates are substantially identical[357] and that JTIQ transmission owners cannot choose a funding mechanism for a specific JTIQ Upgrade or the entire portfolio. MISO asserts that this uniformity ensures that there is no undue discrimination in the JTIQ funding mechanism and cost recovery.

161. SPP asserts that the JTIQ funding mechanism supports both the potential for load to act as backstop and the subscription model under which generator commitments to JTIQ funding occur over a period of time. SPP asserts that these two aspects of the JTIQ framework enable the JTIQ Upgrade construction and the anticipated scale of interconnection of JTIQ Portfolio #1.

162. Further, the RTOs disagree with Shell Companies' request that interconnection customers be paid interest for their funds held by the RTOs while JTIQ Upgrades are being subscribed and constructed because the funds could be held for multiple years.[358] SPP contends that this request does not make sense in the context of the JTIQ framework. SPP asserts that if the funds to which Shell Companies refer are the JTIQ Generator Charges, these monthly payments will not begin until each JTIQ Upgrade is in-service and will not be "held" by the RTOs, but rather will be subsequently disbursed as payments to the JTIQ transmission owner to recover costs the JTIQ transmission owner has incurred to construct the JTIQ Upgrade. SPP argues that, if the funds to which Shell Companies refer are the JTIQ financial security, then the financial security does not need to be provided in cash, meaning Shell Companies request would in many cases be inapplicable. SPP states that, for example, an interconnection customer could provide security in the form of a letter of credit, in which case the money would typically remain with the interconnection customer who could place the funds in an interest-bearing account themselves.[359] MISO also disagrees with Shell Companies' argument that the RTOs should pay interest on JTIQ security and other interconnection customer funds.[360] MISO asserts that the JTIQ security will be held by JTIQ transmission owners in MISO and usually will be in the form of letters of credit, not cash. MISO contends that interconnection customers concerned about lost interest on cash simply do not have to

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[356] MISO Answer at 25.

[357] *Id.* (citing MISO Regional Tariff Filing at 26).

[358] *Id.* at 41-42; SPP Answer at 53-54.

[359] SPP Answer at 53-54.

[360] MISO Answer at 41-42.

use cash as their form of JTIQ security. In addition, MISO argues that the JTIQ Commitment Agreement provides for a refund of JTIQ security each year to reflect payments made under the JTIQ Generator Charge; therefore, the constructing transmission owner will be holding much less money by the end of the term of the JTIQ Generator Charge than at the beginning.

163. In addition, MISO disagrees with Shell Companies' argument that the JTIQ security becoming non-refundable after execution of the GIA amounts to a withdrawal penalty.[361] MISO argues that there are no withdrawal penalties attributable to JTIQ Upgrades during the interconnection study process because JTIQ Upgrades—unlike other network upgrades— are not included in the calculation of any milestone payments or factored into the GIA initial payment. In addition, MISO asserts that the JTIQ framework does not prevent interconnection customers from withdrawing their interconnection request at any time during the interconnection study process or up until the point that they sign their GIA and JTIQ service agreement, which gives interconnection customers more flexibility during the interconnection study process.[362] MISO argues that, although Shell Companies argue that an interconnection customer that withdraws is likely to be replaced by another interconnection customer, Shell Companies ignore that calculations of subscription are based on JTIQ Commitment Group numbers. MISO argues that if one customer is allowed to withdraw and default subsequent to its execution of the GIA and have its security refunded, this will undermine the certainty of the process for others.

164. Finally, regarding protests arguing that the JTIQ framework must include cost caps, MISO asserts that no such cost caps exist under the MISO GIP and, to the extent that there are any concerns about cost transparency, the RTOs' existing planning processes, with all of the protections they provide, such as stakeholder review, Commission-approved rate templates, and recourse to the complaint process under section 206 of the FPA already provide sufficient protection to interconnection customers.[363] SPP similarly argues that protesters requesting that the Commission require cost caps on JTIQ Upgrades wholly disregard the protections afforded by the JTIQ formula rate template, protocols, and related tariff provisions submitted with SPP's JTIQ filings.[364] SPP also notes that because JTIQ Portfolio #1 has been selected to

[361] *Id.* at 40.

[362] *Id.* at 41.

[363] *Id.* at 42-43.

[364] SPP Answer at 44 (citing Clean Energy Associations Protest at 12).

receive DOE GRIP funding, JTIQ Upgrades will be subject to DOE cost oversight and cost controls.[365]

165. ITC disagrees with Clean Energy Associations' concerns that the proposed JTIQ funding mechanism constitutes a form of TO Initial Funding, averring that: (1) the JTIQ Study and cost allocation framework are wholly and conceptually distinct from the generator interconnection process; (2) generator upfront funding would be infeasible and potentially discriminatory; (3) the Show Cause Order is not yet final or precedential; and (4) appellate court precedent requires that transmission owners be permitted to earn a rate of return on networked transmission facilities, which should apply to the JTIQ Upgrades.[366] In particular, ITC argues that generator upfront funding is not applicable to JTIQ because the JTIQ process uses a transmission-first approach that has identified broadly beneficial transmission solutions along the MISO-SPP seam that are not tied to a particular interconnection request and accomplish different goals than a generator interconnection process.[367] Further, ITC argues that the JTIQ subscription model renders generator upfront funding logistically unfeasible.[368] Additionally, ITC argues that the Show Cause Order contained flawed logic, and a JTIQ transmission owner's investment in a JTIQ Upgrade is an investment that is permitted to earn a Commission-approved rate of return because the JTIQ transmission owner must still attract capital from investors.[369] Further, ITC argues that the security requirement is intended to reduce the risk for interconnection customers, who would have to bear the costs of the JTIQ Upgrades, if subscribed interconnection customers default, and does not reduce risk for the transmission owners.[370]

166. Large Energy Users also disagree with Clean Energy Associations, averring that the JTIQ proposal should not be rejected based on the Show Cause Order because the Commission has not yet decided on the Show Cause Order proceedings. Large Energy Users assert that the Commission is on track to identify solutions to the transmission owner self-funding questions raised in the Show Cause Order, and when a solution is reached, the Commission can apply that solution as necessary to the JTIQ framework,

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[365] *Id.* at 45.

[366] ITC Answer at 1-2.

[367] *Id.* at 2-3.

[368] *Id.* at 3.

[369] *Id.* at 4-6.

[370] *Id.* at 5.

and the RTOs can comply with that solution through compliance filings directed by the Commission.[371]

167. Clean Energy Associations assert that the RTOs' arguments that generator funding cannot apply in the JTIQ context misstate the issue and contend that the JTIQ funding mechanism strongly resembles TO Initial Funding.[372] Clean Energy Associations assert that the JTIQ funding mechanism, which includes the JTIQ Generator Charge and financial security, will continue to fund a risk-free return for the constructing JTIQ transmission owner for up to two decades, because the payment obligations through the JTIQ Generator Charge would continue after the transmission owner's capital has been functionally repaid through the provision of financial security. Clean Energy Associations aver that the JTIQ transmission owners will bear risk prior to interconnection customer subscription, thus earning a just and reasonable rate of return in that period. However, Clean Energy Associations assert that, after interconnection customers have subscribed, the JTIQ Generator Charge gives the JTIQ transmission owners a rate of return after their investment has been repaid through the financial security. Thus, Clean Energy Associations assert that the JTIQ Generator Charge gives JTIQ transmission owners an unearned windfall.[373] Finally, Clean Energy Associations assert that MISO's claim that JTIQ transmission owners would have no choice to elect the funding for JTIQ Upgrades is meaningless. Clean Energy Associations assert that, in the generator interconnection process, a transmission owner is similarly told its role is to construct network upgrades, regardless of whether those upgrades are initially funded by the interconnection customer or the transmission owner.

iv. Expanded Scope Analysis and Supplemental Affected System Analysis

(a) Comments and Protests

168. Shell Companies argue that the JTIQ framework is piecemeal and overcomplicates an already administratively burdensome affected system study process.[374] Shell Companies explain that without a comprehensive, single system-wide seams approach, similarly situated interconnection customers could be treated differently depending on when and where they interconnect in the MISO and SPP footprints. Shell Companies state that the JTIQ framework creates a patchwork of affected system processes and study

[371] Large Energy Users Answer at 10.

[372] Clean Energy Associations Answer at 17.

[373] *Id*. at 17-18.

[374] Shell Companies Protest at 10.

methodologies that should make the Commission question claims of improved efficiencies.[375] Likewise, Shell Companies state that the Commission should be concerned that the RTOs are making interconnection processes more complex, noting that the JTIQ framework effectively doubles the number of studies and requires additional agreements.[376] Alternatively, Shell Companies suggest that the RTOs establish a single affected system analysis that applies across the RTOs' seam and, eventually, neighboring seams.[377]

169. Shell Companies claim that the RTOs propose a multitude of different, but interrelated, affected system study criteria for the JTIQ analysis that should be rejected because it is overly complex, unjust, unreasonable, and unduly discriminatory.[378] Shell Companies highlight that some study parameters are based solely on physical location, while others are based on electrical impact to JTIQ Portfolio #1.[379] For example, Shell Companies note that interconnection customers in MISO South and SPP Groups 4 or 5 face different affected system study criteria depending on whether they meet the JTIQ Participant Group criteria, including different study processes and different distribution factor thresholds. Moreover, Shell Companies claim that the Expanded Scope Analysis will include interconnection requests that are not similarly situated, as the Expanded Scope Analysis will include both interconnection requests that have met the JTIQ Participant Group criteria as well as interconnection requests that have not met that criteria and are included in the analysis solely due to their geographic location.[380] Shell

[375] *Id.* at 11.

[376] *Id.* at 14.

[377] *Id.* at 10.

[378] *Id.* at 14.

[379] *Id.* at 15.

[380] *Id.* at 16-17. Shell Companies note that, if interconnection customers in SPP Groups 4 and 5 and MISO South do not meet the JTIQ Participation Group criteria, they will be subject to the current affected system study process while interconnection customers located in the RTOs' northern regions and included in a JTIQ Screening Group will be subject to the Expanded Scope Analysis even if they do not meet the JTIQ Participation Group criteria.

Companies conclude that the different study criteria are inefficient, inject too much regulatory uncertainty,[381] and create a barrier to entry.[382]

170. Shell Companies and Clean Energy Associations argue that contrary to the RTOs' assertions, the Expanded Scope Analysis will subject interconnection customers to an affected system study. Shell Companies state that the Expanded Scope Analysis is another form of affected system study because it examines the impact of interconnection customers on facilities far remote from the requested point of interconnection,[383] while Clean Energy Associations suggest that the Expanded Scope Analysis is a supplement to the affected system study process.[384] Further, Shell Companies and Clean Energy Associations oppose the distribution factor proposed in the Expanded Scope Analysis, arguing that the proposed 10% distribution factor threshold is more stringent than the distribution factor that is required in Order No. 2023[385] and used in MISO's and SPP's current affected system study processes.[386] Shell Companies believe that despite the RTOs' description of the Expanded Scope Analysis as focusing on local impacts, the analysis could require evaluation of facilities hundreds of miles from the proposed point of interconnection using the more stringent 10% distribution factor threshold than required pursuant to Order No. 2023.[387] Moreover, Clean Energy Associations claim that the proposed 10% distribution factor threshold may be an attempt to avoid the Commission's requirement in Order No. 2023 that NRIS requests be studied the same as ERIS requests in affected system studies.[388]

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[381] *Id.* at 15.

[382] *Id.* at 19.

[383] *Id.*

[384] Clean Energy Associations Protest at 14.

[385] *Id.*; Shell Companies Protest at 20.

[386] Shell Companies Protest at 20; Clean Energy Associations Protest at 13-14.

[387] Shell Companies Protest at 20. Shell Companies claims that neither RTO currently uses a 10% distribution factor when performing affected system studies and that both RTOs use a 20% distribution factor analysis for affected system studies.

[388] Clean Energy Associations Protest 14 (citing Order No. 2023, 184 FERC ¶ 61,054 at P 1280).

171. Shell Companies also argue that the RTOs' proposed JOA revisions do not specify whether or how any potential mitigation measures will be determined.[389] Shell Companies further state, under the JTIQ framework, the interconnection customer will be required to enter into an "appropriate agreement" with the affected system RTO to address those impacts in accordance with the rules set forth in the affected system's tariff.[390] Shell Companies argue that the RTOs should clarify whether this language would require that an additional affected system study be performed by the affected system RTO.[391] Shell Companies argue that these differences and the more stringent criteria used in the Expanded Scope Analysis are unjust, unreasonable and unduly discriminatory.

172. Shell Companies and Clean Energy Associations both express concern that the Expanded Scope Analysis could increase costs for interconnection customers by subjecting interconnection customers to paying for affected system upgrades in addition to any assigned JTIQ Upgrade costs.[392] Clean Energy Associations also argue that because the proposed distribution factor threshold for the Expanded Scope Analysis would trigger upgrades more frequently than the current affected system study process, there will be cost shifts from non-JTIQ interconnection customers to JTIQ interconnection customers, raising questions of undue discrimination.[393]

173. Invenergy Generation asserts that interconnection customers need to be provided the potential cumulative cost from bearing a charge for the JTIQ Upgrades and any network upgrades identified in the Expanded Scope Analysis and asserts that no information has been provided regarding this "all-in" cost.[394] Invenergy Generation emphasizes that the potential cumulative cost is critical to cost certainty, as well as for interconnection customers to assess the economic viability of proposed generating facilities.

174. Invenergy Generation requests that the RTOs clarify that when a host RTO performs the Expanded Scope Analysis to identify impacts on the affected RTO, the affected RTO agrees to be bound by the results of the analysis and not impose additional

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[389] Shell Companies Protest at 20.

[390] *Id.* at 13 (citing Proposed JOA §§ 9.4.2(d)(iii); 9.4.2(d)(iv)(a)).

[391] *Id.* n.36.

[392] *Id.* at 19-20; Clean Energy Associations Protest at 13-14.

[393] Clean Energy Associations Protest at 13-14.

[394] Invenergy Generation Protest at 7.

burdens.[395] Invenergy Generation explains that the affected RTO might find the study inadequate and impose service and delivery limitations, adding risk and uncertainty to the process. Invenergy Generation warns that this would have a devastating impact on operating generating facilities, which cannot be financed with such uncertainty.

(b) Answers

175. MISO disagrees with Shell Companies' contention that the relative complexity of the proposed JTIQ and Expanded Scope Analysis procedures indicates that they are unjust and unreasonable.[396] MISO argues that the RTOs' proposed screening procedures are necessary to reflect various unique considerations and ensure that the JTIQ construct works in a fair manner and that Shell Companies do not claim these procedures are not necessary for the JTIQ construct. Similarly, SPP argues that even with the inclusion of the Expanded Scope Analysis, the JTIQ framework will be a more streamlined alternative to the traditional affected system study process.[397]

176. Regarding Shell Companies' focus on certain exceptions for interconnection requests with points of interconnection in MISO South or SPP Groups 4 or 5,[398] MISO emphasizes that this reflects the geographic location and expected electrical reach of JTIQ Portfolio #1 and that the need to evaluate interconnection requests in MISO South via the legacy affected system process arose because the JTIQ Study did not evaluate congestion along the seam in the southern part of the footprint.[399] SPP similarly notes that the JTIQ Study did not evaluate congestion along the MISO-SPP seam in the south to support the proposal that interconnection requests in MISO South or SPP Groups 4 or 5 that do not qualify for inclusion in a JTIQ Participation Group will proceed through the traditional affected system study process.[400]

177. In response to Shell Companies' claim that the Expanded Scope Analysis is another form of affected system analysis, MISO argues that Shell Companies mispresent the nature and focus of the Expanded Scope Analysis and contends that the proposed Expanded Scope Analysis is not a separate affected systems analysis on top of the JTIQ

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[395] *Id.*

[396] MISO Answer at 33-35.

[397] SPP Answer at 38.

[398] MISO Answer at 34 (citing Shell Companies Protest at 14).

[399] *Id.* (citing Witmeier JOA Testimony at 28).

[400] SPP Answer at 39.

framework but is an integrated part of that framework that is necessary to assess the localized impact.[401] SPP similarly argues that characterization of the Expanded Scope Analysis as a supplement to the affected system study process is incorrect because the JTIQ framework is an alternative to the affected system study process. MISO also argues that Shell Companies' claim that the Expanded Scope Analysis would require evaluation of facilities hundreds of miles from the proposed interconnection point is grossly exaggerated and irrelevant because electrical proximity and impact matter, not line miles.[402] MISO emphasizes that the Expanded Scope Analysis is needed because JTIQ Portfolio #1, and JTIQ Upgrades in general, are designed to address the largest and most far-reaching affected system impacts of multiple interconnection requests, but it is not possible to guarantee that individual interconnection requests will not cause more localized impacts near their point of interconnection that require mitigation. MISO states that, to avoid cost shifts and duplicative studies, these localized impacts will be assessed through the Expanded Scope Analysis by the host RTO. SPP similarly argues that the Expanded Scope Analysis is a necessity because it provides a check on localized impacts for reliability purposes that JTIQ is not intended to capture.

178. MISO also disagrees with criticisms of the proposed 10% distribution factor threshold in the Expanded Scope Analysis.[403] MISO explains that, in March 2023, MISO reduced its distribution factor threshold used for ERIS studies from 20 percent to 10 percent to evaluate impacts on sub-345 kV transmission facilities in the MISO Midwest subregion.[404] Further, MISO states that the Expanded Scope Analysis is not a "garden variety" affected system study, and its criteria must be assessed on its own merits. MISO explains that the 10% distribution factor threshold in the Expanded Scope Analysis is geared specifically to the "local impacts" focus of that analysis, which requires a reasonable level of sensitivity. Further, MISO states that the 10% distribution factor threshold is being applied to ERIS and NRIS requests equally, even though NRIS requests are evaluated with much lower distribution factor thresholds on the host RTO system. MISO states that, to ensure consistency, the RTOs agreed to a single value, which provides for a comparable and non-discriminatory application across both RTO footprints. Similarly, SPP argues that Clean Energy Associations' challenge to the use of a 10% distribution factor threshold fails to recognize that MISO has been using a 10%

[401] MISO Answer at 34-35 (citing Shell Companies Protest at 19).

[402] *Id.* at 35 (citing Shell Companies Protest at 19-20).

[403] *Id.*at 35-36 (citing Shell Companies Protest at 20; Clean Energy Associations Protest at 13-14).

[404] *Id.* at 36.

distribution factor for ERIS since 2023.[405] Furthermore, MISO argues that, by their nature, the JTIQ filings are submitted under the independent entity variation standard, as there is no JTIQ process under the Commission's *pro forma* Large Generator Interconnection Procedures, and that the RTOs have justified the proposed requirements on their own merits.[406]

179. MISO also addresses Invenergy Generation's concerns that it may not be fully clear that the affected system RTO will abide by the Expanded Scope Analysis performed by the host RTO.[407] MISO states that the JTIQ filings are reasonably clear that this is the case and that the requirements for the Expanded Scope Analysis will be stated in both the proposed JOA and the RTOs' tariffs. MISO states that the JOA is a binding contract and a tariff and, consequently, both MISO and SPP are obligated to follow each other's Expanded Scope Analysis determinations.

v. Additional Issues

(a) Comments and Protests

180. LS Power states that, while it supports the RTOs' efforts to solve the developmental delays of new generation capacity along the MISO-SPP seam, it is not just and reasonable for the proposed JTIQ process to require the incumbent transmission owner to construct JTIQ Upgrades.[408] LS Power states that, although the Commission recognized in Order No. 1920 that generator interconnection is an important part of the transmission planning process, plans to facilitate more holistic transmission planning should not be used as a backdoor mechanism to limit transmission competition.[409] LS Power states that although JTIQ Upgrades are neither traditional generator interconnection-related network upgrades nor qualify as interregional projects, JTIQ Upgrades would benefit from competition because non-incumbent transmission developers would offer competitive proposals that include cost containment commitments.[410] LS Power asserts that, as proposed, all cost risk is borne only by the interconnection customers and the RTOs' ratepayers, and that all economic benefit inures

[405] SPP Answer at 41.

[406] MISO Answer at 37-38.

[407] *Id.* at 38 (citing Invenergy Generation Protest at 7).

[408] LS Power Comments at 2.

[409] *Id.* (citing Order No. 1920, 187 FERC ¶ 61,068 at PP 1100-1105).

[410] *Id.* at 3.

to the incumbent transmission owners' rate base. LS Power states that the RTOs should instead follow the competitive processes in their respective tariffs and that the Commission should direct the RTOs to eliminate the provisions of the JOA that provide incumbent transmission owners the exclusive right to develop the JTIQ Upgrades.[411] Similarly, Invenergy Generation argues that competitive transmission opportunities to develop JTIQ Upgrades will ensure that customers benefit from least cost just and reasonable rates.[412]

181. Spearmint argues that JTIQ does not account for generating facilities with interconnection requests in both MISO and SPP, which could result in inefficient coordination and studies for such generating facilities.[413] Spearmint states that, under the proposed JTIQ framework, a dual-interconnected project, such as its own, might be subject to rules that would undercut the benefits of the generating facilities to both regions and result in unnecessary delays and duplicative costs. With regard to duplicative costs, Spearmint asserts that the JTIQ framework provides for the same set of JTIQ Generator Charges in both regions, meaning that a dual-interconnected project could be charged twice for the same upgrades. According to Spearmint, the RTOs claim that this is to avoid creating an incentive for a generator to favor a location in one region over the other based on JTIQ rates, but Spearmint contends that this is not a sufficient reason to charge a dual-interconnected project twice for the same upgrades.[414] Spearmint asserts that a dual-interconnection project could be subject to the existing JOA framework for its interconnection request in MISO and to the new JTIQ framework for its interconnection request in SPP in a DISIS study cluster whose application window may close after the SPP Board of Directors approves JTIQ Portfolio #1, thus subjecting it to divergent affected system rules and processes, which would be unduly discriminatory and result in an unjust and unreasonable outcome.[415] Spearmint argues that, more broadly, this could lead to intermittent failures by the system operators to effectively plan and coordinate affected system study processes for future generating facilities with interconnection requests in both regions.

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[411] *Id.* at 4.

[412] Invenergy Generation Protest at 9-10.

[413] Spearmint Comments at 4.

[414] *Id.* at 7.

[415] Spearmint explains that its dual-interconnected project has a queue position in the MISO DPP-2023 study cluster, which closed in April 2024, and will establish a queue position in the SPP DISIS-2024-001 cluster, which Spearmint states may not close until March 2025 as a result of SPP's waiver request in Docket No. ER24-2860. *Id.* at 5-6.

182. Spearmint argues that the RTOs should confirm that the Expanded Scope Analysis will study network upgrades for generating facilities with interconnection requests in both RTOs' queues comprehensively, to ensure that the interconnection customer is not responsible for duplicative network upgrades in the same region.[416] Spearmint explains that if a dual-interconnected generating facility triggers network upgrades in either RTO, those network upgrades should essentially be the same as Supplemental Affected System Upgrades and should not result in duplicative network upgrades for the interconnection customer. Accordingly, Spearmint requests that the RTOs explain that for interconnection requests that are not in the JTIQ Screening Group, there is sufficient flexibility to allow for coordination on generating facilities with interconnection requests in both RTOs' queues to ensure there is no double counting of generating facilities, duplicative studies, or "double dipping" on network upgrades or affected system upgrades.

183. Invenergy Generation states that the JTIQ framework does not address a process for delayed JTIQ Upgrades and argues that the RTOs need to clarify the remedy for such delay and address how liquidated damages would be applied on a portfolio basis and to interconnection customers on either side of the seam.[417] Further, Invenergy Generation argues that it is not clear whether the entire JTIQ Portfolio must reach commercial operation before full interconnection service is provided. In addition, Invenergy Generation states that the JTIQ framework would be a new form of transmission that historically has been planned through the annual transmission planning process and rolled into transmission rate base. Invenergy Generation argues that, if instead interconnection customers will be treated as load and bear the cost for the regional and interregional JTIQ Upgrades, the RTOs need to clarify whether a transmission-use right will be bestowed on interconnection customers.

184. Invenergy Transmission asserts that, while the JTIQ framework may provide some benefits, it should not be seen as a replacement for an optimal interregional transmission plan across the RTO seam that leverages interregional merchant transmission, which can provide even more benefits than the JTIQ framework.[418] Invenergy Transmission argues that the Commission must require that transmission planning fully incorporate merchant and interregional transmission, and it urges the Commission to adopt policy that advances the place of merchant transmission in the regulatory planning and market fabric.[419]

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[416] *Id.* at 7-9.

[417] Invenergy Generation Protest at 8.

[418] Invenergy Transmission Comments at 1-4.

[419] *Id.* at 6-9.

185. Shell Companies state that the Commission should require that the RTOs confirm that JTIQ Portfolio #1 is not based on outdated modeling and study assumptions, pointing to the RTOs' statements that their analysis potentially is now at least three to four years out of date, and the data used in conducting that analysis is older still.[420] Invenergy Generation similarly argues that the RTOs should confirm that JTIQ Portfolio #1 is based on the best available data and contend that the modeled inputs are likely to be stale.[421] In addition, Shell Companies also state that the full JTIQ Commitment Group may not be determined until two or more years after the initial JTIQ Commitment Group members have executed GIAs and JTIQ agreements, and therefore it is possible that early JTIQ Commitment Group members will experience commercial operation date schedule conflicts with Order No. 2023's requirement to reach commercial operation within three years of the date specified in their respective interconnection request applications. Shell Companies request that the Commission require the RTOs to clarify how the timeline for identification of the JTIQ Commitment Group will be harmonized with the three-year commercial operation deadline requirement.[422]

186. Shell Companies further argue that the RTOs should clarify how JTIQ Upgrades can displace regionally cost allocated projects in light of MISO's proposal to move certain tariff language. Specifically, Shell Companies assert that, according to MISO, JTIQ Upgrades will be a subset of Generation Interconnection Projects. According to Shell Companies, the MISO then proposes to move, but not substantively change, language contemplating that a Generation Interconnection Project may defer or displace a Baseline Reliability Project. Shell Companies question whether this means that a JTIQ Upgrade could defer or displace a Baseline Reliability Project.[423] Shell Companies contend that the Commission should require the RTOs to clarify how this provision will be implemented and how the RTOs will ensure that, going forward, JTIQ Upgrades are evaluated in light of both the RTOs' transmission plans, using the most currently available data.

(b) Answers

187. SPP disagrees with LS Power's protest suggesting that the JTIQ Upgrades in JTIQ Portfolio #1 should be subjected to competitive bidding.[424] SPP argues that this claim is

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[420] Shell Companies Protest at 27-28.

[421] Invenergy Generation Protest at 9.

[422] Shell Companies Protest at 37-38.

[423] *Id.* at 29.

[424] SPP Answer at 51.

not grounded in law because the JTIQ Upgrades were not selected in MISO or SPP's regional transmission planning for purposes of cost allocation, which is a trigger for the competitive process. SPP argues that the JTIQ Portfolio #1 projects are intended to primarily benefit JTIQ interconnection customers and would not be built but for interconnection requests; therefore, JTIQ Portfolio #1 is not subject to the competitive bidding requirements applicable to traditional, long-term, regionally planned projects. MISO similarly asserts that JTIQ Upgrades are Generation Interconnection Projects under the MISO Tariff and, hence, are not subject to the competitive transmission process that applies to eligible projects, i.e., MVPs and Market Efficiency Projects in MISO.[425]

188. SPP also argues that Spearmint's "dual interconnection" issue arguments are outside the scope of this proceeding.[426] SPP contends that, while Spearmint's interconnection request with MISO and its interconnection request with SPP may be subject to different relative queue priorities, this is not an unintended consequence of the JTIQ framework, but would merely reflect the fact that Spearmint is seeking interconnections with two separate RTOs with their own rules and procedures. SPP asserts that Spearmint fails to demonstrate how the JTIQ framework will complicate coordination between SPP and MISO or complicate the existing affected system coordination process between SPP and MISO.[427] MISO also disagrees with Spearmint's argument that it should not be subject to two JTIQ Generator Charges if it were to have a project that seeks to interconnect with and have interconnection service in both RTOs. MISO argues that, if a project requests the ability to serve load in both RTOs, then separate studies with unique assumptions must be performed to evaluate both requests. MISO asserts that these studies can and will result in different impacts on the system for which Spearmint would be responsible to mitigate. MISO contends that, regardless, Spearmint's concerns are beyond the scope of this filing. MISO explains that the MISO Tariff does not contemplate generating facilities that propose to integrate with two different transmission provider transmission systems and that Spearmint has not in fact yet submitted an interconnection request for the same facility into both RTOs' queues.[428]

189. In response to Invenergy Generation's protest that the JTIQ filings do not address whether interconnection customers will be provided transmission use rights, MISO states that no such rights are provided to interconnection customers.[429] MISO notes that

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[425] MISO Answer at 43.

[426] SPP Answer at 57 (citing Spearmint Protest at 3).

[427] *Id.* at 58.

[428] MISO Answer at 44-45.

[429] *Id.* at 40 (citing Invenergy Generation Protest at 8).

financial transmission rights are provided to interconnection customers under the JTIQ proposal but that the MISO Tariff is clear that generator interconnection service does not entitle interconnection customers to any transmission service.[430]

190. SPP argues that commenters and protesters have not raised sufficient reasons for SPP or MISO to revisit the JTIQ Study, selected JTIQ Upgrades, or the JTIQ transmission owners chosen to build those projects.[431] SPP states that the year-long JTIQ Study was completed in December 2021 and revised and updated in 2023. SPP argues that it remains as true today as when the JTIQ Study was run that interconnection queues at the MISO-SPP seam remain backlogged. SPP also argues that, for purposes of transmission planning and modeling, the Commission has held that a five calendar-year limit is sufficient to prevent transmission providers from using data that may be stale.[432] SPP contends that the JTIQ Study is well within this five calendar-year window. Similarly, MISO asserts that the Commission should reject Shell Companies' arguments that the JTIQ Study is out of date and should be reconfirmed. MISO contends that the original JTIQ Study was performed utilizing 10-year out models and that the long-term outlook associated with these models does not immediately become "stale" after a few years. In addition, MISO argues that it has consistently updated the assumptions underlying JTIQ Portfolio #1, pointing to updates in 2022, 2023, and 2024. Finally, MISO argues that the proposal establishes a process for the RTOs to perform future JTIQ studies and propose additional JTIQ portfolios to address system changes and assumptions that are outside the scope of these studies and reviews, which ensures that the JTIQ study analysis remains up to date and not "stale."[433]

191. MISO argues that Shell Companies' concern that the time required to completely identify the JTIQ Commitment Group for JTIQ Portfolio #1 may be longer than the time within which any one of the interconnection customers is required to bring their generating facilities into commercial operation under the SPP and MISO tariffs are misplaced.[434] MISO asserts that the status of subscription towards the JTIQ Commitment Group has no bearing whatsoever on when a customer can meet its commercial operation date. MISO states that JTIQ Upgrades are not automatically contingent facilities; they become so only if they satisfy existing tariff criteria for contingent facilities. Further, MISO states that, in the unlikely event that an interconnection customer is prevented

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[430] *Id.* (citing MISO Tariff, attach. X, § 2.3).

[431] SPP Answer at 48-50.

[432] *Id.* at 50 (citing Order No. 1920, 179 FERC ¶ 61,028 at P 170).

[433] MISO Answer at 31-32.

[434] *Id.* at 42 (citing Shell Companies Protest at 37).

from achieving a commercial operation date due to a delayed JTIQ Upgrade, current *pro forma* GIA language provides an automatic three-year extension for a generating facility to achieve commercial operation, which MISO states is preserved in its Order No. 2023 compliance filing. Furthermore, MISO asserts that Shell Companies' argument ignores one of the key benefits of JTIQ which is that JTIQ transmission owners will begin construction of the JTIQ Upgrades upon approval, and there is no need to wait for full subscription. Thus, if full subscription takes dramatically longer than expected, it still would have no impact on the construction schedule.

192. In response to Shell Companies' requests that the MISO clarify how its existing Baseline Reliability Project displacement rule will be implemented in connection with the JTIQ framework, MISO explains that the framework does not change the Baseline Reliability Project displacement rule, which will continue to apply to non-JTIQ Generation Interconnection Projects.[435] MISO acknowledges that the transmittal letter accidentally omitted the words "that is not a JTIQ Upgrade" when quoting from the proposed MISO Tariff revisions, but that the proposed revisions themselves include the correct language, which discusses when "a Generation Interconnection Project *that is not a JTIQ Upgrade* defers or displaces a Baseline Reliability Project."[436] MISO notes that the proposed revisions move existing language to where it more logically fits and keeps existing cost allocation for non-JTIQ Generation Interconnection Projects. MISO states that it has not identified any Baseline Reliability Projects that would be displaced by a JTIQ Upgrade in JTIQ Portfolio #1 and that, for any future portfolios, it would be required to refile the JTIQ cost allocation provisions.[437]

c. Commission Determination

193. As discussed below, we find the RTOs' proposed JTIQ framework to be just and reasonable and not unduly discriminatory or preferential. Further, we find that the RTOs' proposed tariff and JOA revisions implementing reforms to their generator interconnection processes and *pro forma* GIAs are just and reasonable and not unduly discriminatory or preferential and accomplish the purposes of the Commission's final rules on generator interconnection, including Order Nos. 2003 and 2023, by helping to ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner.[438] Therefore, we find that the

[435] *Id.* at 45.

[436] *Id.*

[437] *Id.* at 45-46.

[438] *See* Order No. 2003, 104 FERC ¶ 61,103 at PP 26, 827; Order No. 2023, 184 FERC ¶ 61,054 at P 1.

RTOs' proposed tariff revisions meet the independent entity variation standard.[439] We note that the Commission will evaluate MISO's and SPP's compliance with each requirement of Order No. 2023 in their Order No. 2023 compliance proceedings, and nothing in this order prejudges the outcome of that evaluation.

194. Furthermore, we direct MISO and SPP to each submit a further compliance filing. First, in its filing in Docket No. ER24-2871-000, MISO proposes to revise its GIP and its *pro forma* GIA to include, among other things, a definition for Target MW Value.[440] However, MISO's proposed definition in its GIP and *pro forma* GIA is not consistent with MISO's proposed definition for Target MW Value in Attachment JJJ of the MISO Tariff in that same filing, or with MISO's description of Target MW Value.[441] Therefore, we direct MISO to submit, within 30 days of the date of this order, a further filing in Docket No. ER24-2871 to revise its GIP and *pro forma* GIA to include a definition of Target MW Value that is consistent with the definition provided in Attachment JJJ of the MISO Tariff.[442]

195. Second, in its filing in Docket No. ER24-2825-000, SPP states that proposed Appendix 2 to Attachment AV contains the JTIQ formula rate template,[443] and SPP provides a live workbook version of the JTIQ formula rate template as Exhibit SPP-0007 to its filing. However, the proposed Appendix 2 of Attachment AV of the SPP Tariff that SPP submitted in the Commission's eTariff system does not contain a formula rate

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[439] *See supra* P 13.

[440] Proposed MISO Tariff, attach. X, § 1 (Definitions) (163.0.0); MISO Proposed Tariff, attach X., app. 6, § 1 (Definitions) (103.0.0).

[441] Proposed MISO Tariff, attach. JJJ, section 1 (Definitions); Weitmeier JOA Testimony at 16 ("The Target MW Value is the projected total MW capacity value of generation projects to be enabled by a JTIQ Portfolio.").

[442] MISO proposes to define Target MW Value in Attachment JJJ of the MISO Tariff as MISO proposes to define Target MW Value in Attachment JJJ of the MISO Tariff as "[t]he projected new generation interconnection MW enabled by the JTIQ Portfolio. The Target MW Value for each JTIQ Portfolio shall be identified in Section 9.4 and related subsections of Rate Schedule 6." Proposed MISO Tariff, attach. JJJ, § 1 (Definitions). We note that the RTOs' proposed revisions to the JOA similarly provide that "[t]he Target MW Value is the projected total MW capacity value of generation projects to be enabled by a JTIQ Portfolio." MISO JOA Filing at 17; Proposed JOA, section 9.4.2(e)(i).

[443] SPP Regional Tariff Filing at 35.

template and instead states "Note: Template to be added once finalized."[444] Therefore, we direct SPP to submit, within 30 days of the date of this order, a further filing in Docket No. ER24-2825 to incorporate the JTIQ formula rate template into the SPP Tariff.

i. Cost Allocation

196. We find that the proposed cost allocation for JTIQ Portfolio #1 is just and reasonable and not unduly discriminatory or preferential based on the unique set of facts and circumstances of the proposed JTIQ framework. Under Commission precedent, costs must be allocated according to the cost causation principle, which requires that "all approved rates reflect to some degree the costs actually caused by the customer who must pay them."[445] Courts have further explained that, to "the extent that a utility benefits from the costs of new facilities, it may be said to have 'caused' a part of those costs to be incurred, as without the expectation of its contributions the facilities might not have been built, or might have been delayed."[446] As a result, a cost allocation method can satisfy the cost causation principle if the Commission "has an articulable and plausible reason to believe that the benefits are at least roughly commensurate with" the allocation of the costs.[447]

197. For generator interconnection-related network upgrades identified through the generator interconnection process, the Commission has accepted proposals by RTOs/ISOs to allocate the cost of such network upgrades solely to individual, or clusters of, interconnection customers.[448] Through the generator interconnection process, the transmission provider studies individual or clusters of interconnection requests and identifies specific network upgrades needed to accommodate each interconnection request on an incremental basis (i.e., by determining whether a network upgrade is needed "but for" the interconnection of a generating facility). In contrast, under the JTIQ proposal, the RTOs propose to study and plan for the interconnection of a certain MW amount of generation capacity along the MISO-SPP seam before individual interconnection customers that will subscribe to JTIQ have entered MISO's DPP or SPP's DISIS queues. As such, the RTOs will not identify network upgrades that would not be needed "but for" a specific interconnection request(s) based on a study of those

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[444] Proposed SPP Tariff, attach. AV, app.2 (JTIQ Formula Rate Template).

[445] *KN Energy, Inc. v. FERC*, 968 F.2d 1295, 1300 (D.C. Cir. 1992).

[446] *Ill. Commerce Comm'n v. FERC*, 576 F.3d at 476.

[447] *Id.* at 477.

[448] *See Sw. Power Pool, Inc.*, 122 FERC ¶ 61,060 (2008); *Sw. Power Pool, Inc.*, 171 FERC ¶ 61,272 (2020).

specific requests, but instead propose to plan JTIQ Upgrades on a portfolio basis to accommodate a large amount of future interconnection requests, with subsequent analysis to determine the extent to which each future interconnection request that meets specific criteria will be enabled by the JTIQ Upgrades.[449] In essence, the RTOs are using forward-looking planning, historically used for transmission planning, to anticipate the need for transmission facilities to accommodate the interconnection of future generation capacity and facilitate the development of those facilities. As a result, JTIQ Upgrades are not planned, and their costs are not allocated, on an incremental basis based on identification of interconnection-related network upgrades required to mitigate the impact of specific interconnection request(s). For this reason, we decline to apply the Commission's participant funding precedent for interconnection-related network upgrades in RTOs/ISOs to this proposal. Instead, we evaluate whether the proposal is just and reasonable consistent with the cost causation principle and allocates the costs of JTIQ Portfolio #1 in a manner that is at least roughly commensurate with estimated benefits.

198. We find that allocating 100% of the capital costs of JTIQ Portfolio #1 to interconnection customers is consistent with the cost causation principle and allocates costs in a manner that is at least roughly commensurate with estimated benefits. The RTOs identified JTIQ Portfolio #1 through the JTIQ Study to address transmission system limitations preventing interconnection of large amounts of future generation capacity. As such, all interconnection customers eventually included in JTIQ Commitment Groups will benefit from JTIQ Portfolio #1, which was designed to enable their interconnection to the transmission system. The RTOs also have shown that the JTIQ Upgrades do not provide sufficient benefits for load in either RTO to qualify as transmission projects selected in the regional transmission plan for purposes of cost allocation.[450] For these reasons, interconnection customers are the primary beneficiaries of the JTIQ Upgrades and, therefore, the proposed allocation of 100% of the capital costs

[449] We note that the proposed JTIQ framework includes exceptions for interconnection requests for generating facilities located in MISO South or SPP Group 4 or 5 that do not meet the criteria for inclusion in the JTIQ Participation Group, as well as for interconnection requests that are screened for JTIQ participation when the RTOs are attempting to avoid oversubscription of a JTIQ Portfolio, to undergo the RTOs' current affected system study process. *Supra* PP 103, 104.

[450] A transmission facility selected in a regional transmission plan for purposes of cost allocation is one that has been selected, pursuant to a Commission-approved regional transmission planning process, as a more efficient or cost-effective solution to regional transmission needs. Order No. 1000, 136 FERC ¶ 61,051 at P 5.

of JTIQ Portfolio #1 to interconnection customers when fully subscribed is just and reasonable.

199. We also find that the RTOs' proposal to allocate the costs of JTIQ Portfolio #1 on a per-MW basis to interconnection customers in a JTIQ Commitment Group based on analysis pursuant to the proposed JTIQ study criteria is consistent with "beneficiary pays" cost allocation. We recognize, as protesters such as Shell Companies and Clean Energy Associations argue,[451] that individual interconnection customers will not be evaluated for the level of individualized impacts on constraints with and without JTIQ Upgrades. We find, however, that because the JTIQ Portfolio is designed to address interconnection-related transmission needs at the MISO-SPP seam and because such JTIQ Upgrades will be incorporated into the base models used for interconnection studies, it is reasonable to assess whether individual interconnection requests meet the proposed JTIQ Participation Group criteria based on their impacts on the JTIQ Upgrades and to use the total MW capacity of an interconnection request as a metric to capture the use of the JTIQ Upgrades. We also find that allocating the costs of the JTIQ Upgrades to subscribing interconnection customers on a *pro rata* per-MW of interconnection service basis is a just and reasonable approach for identifying interconnection customers that are beneficiaries of JTIQ Portfolio #1 and the extent to which those interconnection customers benefit from JTIQ Portfolio #1. Further, we find that, given the novel JTIQ framework, which identifies specified target MWs of enabled interconnection requests over multiple clusters, a per-MW of requested interconnection service allocation approach allows for cost allocation with certainty across multiple clusters because it does not require the RTOs to determine the relative impacts of interconnection requests submitted in clusters potentially multiple years apart.

200. Further, we disagree with Shell Companies' argument that the JTIQ proposal is not just and reasonable because the JTIQ Participation Group criteria do not distinguish between ERIS and NRIS requests. The Commission has not required the use of different modeling standards for ERIS and NRIS requests in affected system studies.[452] Moreover, as the RTOs argue, the proposed threshold balances the goals of establishing a sufficient degree of impact at the seam and avoiding free ridership. It also helps to avoid the cost uncertainty for interconnection customers that could otherwise arise due to interconnection customers potentially changing their interconnection request from NRIS to ERIS during the study process.

201. We further find that the backstop mechanism, under which some of the costs of JTIQ Upgrades included in JTIQ Portfolio #1 may be allocated to transmission customers in MISO or SPP on a system-wide basis, is a just and reasonable method to accommodate

[451] *Supra* P 123.

[452] Order No. 2023, 184 FERC ¶ 61,054 at PP 1257, 1276.

the temporal differences between the in-service dates of the JTIQ Upgrades and interconnection customers' subscription to the JTIQ Portfolio. We acknowledge that the backstop mechanism potentially presents an uncertain final cost to be paid by load. However, the RTOs have provided persuasive evidence that the need for JTIQ Portfolio #1 means that such costs, if any, are likely to be within a narrow range relative to total costs and will not exceed a small portion of total costs. Specifically, we note the RTOs' arguments that, based on their respective forecast demand and historical and current interconnection queue sizes, they expect that JTIQ Portfolio #1 would likely achieve full subscription within relatively few interconnection queue cycles.[453] We agree with the RTOs that the significant need for interconnection capacity at the MISO-SPP seam means that JTIQ Portfolio #1 will likely eventually be fully subscribed and, therefore, that load being allocated backstop costs on a permanent basis is unlikely. Accordingly, we find that the specific evidence presented in this proceeding allows us to reasonably compare costs load will likely pay to the benefits load receives in accordance with the cost causation principle.[454] Where benefits are concerned, the record demonstrates that load in MISO and SPP will receive quantitative and qualitative benefits from the JTIQ Upgrades in JTIQ Portfolio #1, including Adjusted Production Cost savings.[455] Further, the RTOs demonstrate that benefits to load include increased transmission system robustness and more timely interconnection of new generation, which helps loads meet their capacity resource needs.[456] Additionally, the RTOs demonstrate that load in SPP will receive increased wheeling revenues, increased resilience, and decreased market uplift.[457] As a result, we find that the backstop funding mechanism satisfies the cost

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[453] *See* MISO JOA Filing at 11; Witmeier JOA Testimony at 38-40; SPP JOA Filing at 33; Locke Testimony at 12.

[454] *Ill. Commerce Comm'n I*, 576 F.3d at 477 ("We do not suggest that the Commission has to calculate benefits to the last penny, or for that matter to the last million or ten million or perhaps hundred million dollars." (citing *Midwest ISO Transmission Owners v. FERC*, 373 F.3d 1361, 1369 (D.C. Cir. 2004) ("[W]e have never required a ratemaking agency to allocate costs with exacting precision.")).

[455] *See* MISO JOA Filing at 33 (citing Cost Allocation Working Group, *CAWG – JTIQ Benefits and Cost Allocation Update*, Southwest Power Pool, Inc. (Oct. 3, 2023) (SPP CAWG October 2023 Update)); MISO Regional Tariff Filing at 20 (citing SPP CAWG October 2023 Update); SPP JOA Filing at 40 (citing SPP CAWG October 2023 Update); SPP Regional Tariff Filing at 41 (citing SPP CAWG October 2023 Update).

[456] *See* MISO JOA Filing at 33; MISO Regional Tariff Filing at 20; Witmeier Regional Tariff Testimony at 15-16; SPP JOA Filing at 40; SPP Regional Tariff Filing at 41.

[457] *See* SPP JOA Filing at 40 (citing SPP CAWG October 2023 Update);

causation principle such that costs are allocated in a manner that is at least roughly commensurate with estimated benefits. The DOE GRIP funding further supports our finding that the cost allocation is just and reasonable.

202. We find that the proposal represents a just and reasonable cost allocation because interconnection customers are the primary beneficiaries of JTIQ Portfolio #1 and bear the primary responsibility for the costs of the JTIQ Upgrades in JTIQ Portfolio #1, while load still receives some benefit and is correspondingly allocated more limited, potentially temporary, cost responsibility through the backstop funding mechanism. Further, because interconnection customers would exclusively receive ARRs and ILTCRs for incremental transmission system capacity created by JTIQ Portfolio #1 to the extent it is subscribed, granting such rights to interconnection customers further balances benefits and costs among interconnection customers and load to ensure that estimated benefits are at least roughly commensurate with costs. For this reason, we disagree with Shell Companies that the costs of JTIQ Portfolio #1 borne by interconnection customers need to be fully reimbursed by ARRs and ILTCRs. Furthermore, contrary to certain protesters' arguments that the RTOs' demonstrations of benefits to load in their filings and during the stakeholder process require greater cost allocation to load, we find that the resulting balance of costs and benefits among interconnection customers and load satisfies the "beneficiary pays" principle. As such, we also disagree with protesters' arguments that further benefits analyses should be performed as well as Shell Companies' contention that the Commission should set the proposed cost allocation method for hearing and settlement procedures.

203. We also disagree with the Mississippi Commission and the Arkansas Commission that the proposal to assign backstop cost responsibility regionwide, including to transmission customers in MISO South, is unjust and unreasonable. Based on the record here, we find that the entirety of MISO, including MISO South, will benefit to some degree from the high voltage transmission facilities included in JTIQ Portfolio # 1 to enable future interconnection customers' interconnections, regardless of which MISO subregion they are located in.[458] MISO's Commission-approved existing generator interconnection cost allocation provisions that provide that 10% of the capital cost of interconnection-related network upgrades with a voltage of 345 kV and above is reimbursed to applicable interconnection customers and, thus, paid for by load throughout the entire MISO region are illustrative, in that the Commission has found that certain high voltage network transmission facilities that are developed primarily to benefit generators also provide sufficient benefits to regional load to warrant allocation

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SPP Regional Tariff Filing at 41 (citing SPP CAWG October 2023 Update).

[458] Witmeier Regional Tariff Testimony at 15-16; MISO Answer at 21-23; *supra* P 98.

of some share of costs to that load.[459] Further, while the Mississippi Commission and the Arkansas Commission cite precedent in which the Commission accepted a MISO proposal to not allocate costs of an MVP portfolio to load in MISO South due to a lack of benefits, we note that MISO provided analysis in that proceeding assessing benefits of a portfolio of sub-regional MVP projects, not JTIQ Portfolio #1. Finally, we deny Entergy's request that acceptance of the proposed cost allocation method be conditioned on MISO's proposed backstop mechanism not being limited to a single JTIQ portfolio, as no such proposals regarding cost allocation of further JTIQ portfolios are currently before the Commission.

ii. JTIQ Funding Mechanism

204. We find that the proposed JTIQ funding mechanism for JTIQ Upgrades, under which a JTIQ transmission owner provides upfront funding for construction of the JTIQ Upgrade(s) in its zone and subsequently earns a rate of return on and of its investment over a 20-year period, is just and reasonable and not unduly discriminatory or preferential based on the novel circumstances of the proposed JTIQ framework. The JTIQ portfolio structure works only if the JTIQ transmission owners, who are obligated to design, engineer, and construct the JTIQ Upgrades, provide upfront funding for the capital costs of JTIQ Upgrades. We note that the alternative—that interconnection customers provide upfront funding (i.e., generator upfront funding)—is not workable, because interconnection customers may not be identified when construction of a JTIQ Upgrade begins.

205. We disagree with protesters' assertions that the JTIQ funding mechanism is unjust and unreasonable because certain aspects of the JTIQ funding mechanism resemble aspects of TO Initial Funding. First, in contrast to typical network upgrades, JTIQ Upgrades are identified and selected prior to the submission of interconnection requests and identification of the interconnection customers that will be subscribed to those JTIQ Upgrades.[460] Given this distinction, we decline EDF Renewables' request to hold this proceeding in abeyance pending the outcome of the Show Cause Order proceedings.

206. Second, the JTIQ Upgrades may be partially or fully constructed prior to interconnection customers being subscribed to a JTIQ portfolio. Under the TO Initial Funding processes, construction of network upgrades begins after the finalization of the GIA, which identifies the funding mechanism to be used for network upgrades and establishes the responsibilities of the transmission owner or the interconnection customer to provide such funding during construction. Under the JTIQ proposal, the JTIQ transmission owners will be obligated to begin construction of their assigned JTIQ

[459] *See* MISO Tariff, attach. FF, § III.A.2.d.

[460] *Supra* P 76.

Upgrades once the RTOs' boards of directors approve a JTIQ portfolio, and it is unknown what the level of subscription will be when the JTIQ transmission owners begin construction. Further, interconnection customers that eventually subscribe to a JTIQ portfolio may not have been identified or submitted interconnection requests when construction commences and, therefore, such interconnection customers could not feasibly provide generator upfront funding when construction commences. As such, it is just and reasonable that the JTIQ transmission owners fund the capital costs for the JTIQ Upgrades rather than wait for full subscription to be able to provide the option of generator upfront funding, which would likely delay construction timelines and force the interconnection customers in the early JTIQ Commitment Groups to have longer timeframes between their subscription and when the JTIQ Upgrades are completed. We note that Clean Energy Associations acknowledge this distinction.[461]

207. Additionally, we disagree with Clean Energy Associations' and Public Interest Organizations' implication that, because of the Commission's concern in the Show Cause Order that TO Initial Funding may be implemented in an unduly discriminatory or preferential manner among interconnection customers, this same concern may be present in the JTIQ framework.[462] In the Show Cause Order, the Commission stated its concern that a vertically integrated transmission owner or a transmission owner that is affiliated with a company that owns generation may decide to elect TO Initial Funding for network upgrades assigned to non-affiliate interconnection customers to raise interconnection costs to competitors and cause withdrawals from the interconnection queue that would otherwise not occur if generator upfront funding were used.[463] In contrast, under the JTIQ framework, the JTIQ transmission owners cannot exercise undue discrimination to favor affiliate generation or harm non-affiliated generation through the JTIQ funding mechanism because all interconnection customers in the JTIQ Commitment Group will be subjected to the same JTIQ funding mechanisms. Thus, there is no potential for JTIQ transmission owners to exert undue discrimination or preference as to any interconnection customer in a JTIQ Commitment Group because they will be required to apply identical cost recovery funding mechanisms to every interconnection customer and, as discussed above, the interconnection customers may not be identified when construction of a JTIQ Upgrade begins.

208. We also find that the RTOs' proposal to allow JTIQ transmission owners to earn a rate of return over a 20-year term is just and reasonable because, as discussed above, the multi-year subscription period requires the JTIQ transmission owners to provide the upfront capital for the JTIQ Upgrades. Protesters concede that it is reasonable for a JTIQ

[461] *See* Clean Energy Associations Protest at 18-19.

[462] *Supra* PP 149, 152.

[463] Show Cause Order, 187 FERC ¶ 61,170 at P 58.

transmission owner to receive a rate of return when it is exposed to the risk of financing the JTIQ Upgrades.[464] Thus, the issue is whether a 20-year term itself over which a JTIQ transmission owner receives its return on and of investment is just and reasonable. We find that it is *a* just and reasonable rate.[465] The 20-year term mirrors the 20-year period during which the JTIQ Portfolio is open for subscription. Specifically, although the RTOs acknowledge that the scenario is unlikely, it is possible that the JTIQ Portfolio will not be fully subscribed at the end of those 20 years, and thus the subscription model creates *some* uncertainty for the JTIQ transmission owners, who assume the responsibility for designing, engineering, and constructing the JTIQ Upgrades. Additionally, contrary to Clean Energy Association's claim that the JTIQ transmission owners will receive a rate of return over the full 20-year asset life of the JTIQ Upgrades, the 20-year term provides JTIQ customers with a shorter period to pay depreciation expenses than would a period of recovery based on useful service life of the JTIQ Upgrades.

209. Moreover, we disagree with protesters' assertions that the financial security requirement is unjust and unreasonable because it is a functional return of the transmission owners' investment and thus is not distinct from the JTIQ Generator Charge. We find that the financial security provided by interconnection customers in a JTIQ Commitment Group is distinct from the JTIQ Generator Charge, which is the monthly payment that the interconnection customer provides to the JTIQ transmission owners over the JTIQ term. In contrast to the JTIQ Generator Charge, the financial security protects JTIQ transmission owners and other interconnection customers from the risk of a JTIQ participant's default over the term that they are repaying the JTIQ transmission owners. Furthermore, the provision of financial security is distinct from repayment because, among other things, financial security may be provided in a form other than cash, and financial security mitigates the risk that an interconnection customer

[464] *See* Clean Energy Associations Protest at 19; Public Interest Organizations Protest at 9.

[465] *See, e.g.*, *Oxy USA, Inc. v. FERC*, 64 F.3d 679, 692 (D.C. Cir. 1995) (stating that a proposal under FPA section 205 "need not be the only reasonable methodology, or even the most accurate"); *Cities of Bethany v. FERC*, 727 F.2d 1131, 1136 (D.C. Cir. 1984) (finding that the Commission properly did not consider "whether a proposed rate schedule is more or less reasonable than alternative rate designs"); *Louisville Gas & Elec. Co.*, 114 FERC ¶ 61,282, at P 29 (2006) ("[T]he just and reasonable standard under the FPA is not so rigid as to limit rates to a 'best rate' or 'most efficient rate' standard. Rather, a range of alternative approaches often may be just and reasonable."), *order on reh'g sub nom. E.ON U.S. LLC*, 116 FERC ¶ 61,020 (2006).

will stop making payments, not to provide repayment when no default occurs.[466] Therefore, we disagree with protesters that financial security is a form of double charging in the JTIQ framework. Additionally, we note that an interconnection customer may request reduction of its financial security over time to reflect the interconnection customer's decreased remaining costs for its portion of cost responsibility for the JTIQ Upgrades. In addition, regarding Shell Companies' request that interconnection customers should be paid interest for their funds held by the RTOs while JTIQ Upgrades are being subscribed and constructed, to the extent that Shell Companies intend to reference the financial security provided by an interconnection customer in the JTIQ Commitment Group, we disagree that such interconnection customers should receive interest on their financial security.[467] As the RTOs note, financial security does not need to be provided in cash. Further, as the RTOs explain, despite Shell Companies' contention otherwise, the JTIQ Generator Charge will not be assessed to interconnection customers in a JTIQ Commitment Group until the JTIQ Upgrade is in-service and, thus, no interconnection customer funds from the JTIQ Generator Charge are held during the construction period.[468]

210. Further, we disagree with Shell Companies' request that an interconnection customer in a JTIQ Commitment Group should have its financial security returned, or be applied to an interconnection request submitted for the same project in a subsequent cluster, if the interconnection customer withdraws after executing a GIA and a service agreement committing it to JTIQ subscription. As MISO notes, subscription calculations are based on JTIQ Commitment Group numbers, so allowing such interconnection customers to withdraw or default after executing their GIA and returning their security would undermine the certainty of the process for others.[469]

211. Finally, we are not persuaded by protests arguing that the JTIQ framework must include cost caps.[470] As the RTOs note, there are multiple existing processes to ensure the justness and reasonableness of the JTIQ Upgrade costs that are recovered in Commission-jurisdictional rates.[471] For example, as SPP explains, the JTIQ Upgrade

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[466] MISO Answer at 41; SPP Answer at 34-35.

[467] Shell Companies Protest at 41-43.

[468] MISO Answer at 41-42; SPP Answer at 52-54.

[469] MISO Answer at 41.

[470] *See* Clean Energy Associations Protest at 12-13; Invenergy Generation Protest at 6-7.

[471] *See* MISO Answer at 42-43; SPP Answer at 44-48.

costs are passed through via the JTIQ formula rate template, which is subject to reporting, information-sharing, and transparency requirements.[472] In addition, any change in cost to any JTIQ Upgrade would be reflected in publicly available, populated JTIQ formula rates that would include specific cost input information. Interested parties would be able to review these inputs and potentially challenge them.[473] Parties seeking to challenge JTIQ Upgrade costs also have the FPA section 206 complaint process available to challenge rates as unjust and unreasonable.[474] Given these existing tools to ensure the justness and reasonableness of the JTIQ Upgrade costs recovered through Commission-jurisdictional rates, we are not convinced by arguments that the proposed JTIQ framework is unjust and unreasonable due to a lack of cost caps.[475]

iii. Expanded Scope Analysis and Supplemental Affected System Analysis

212. We find that the RTOs' proposal to conduct an Expanded Scope Analysis, which may identify additional network upgrades or facilities necessary to accommodate an interconnection request, to be just and reasonable and not unduly discriminatory or preferential because this analysis assesses interconnection requests for impacts that are not addressed by the higher-voltage JTIQ Upgrades. As the RTOs explain, although the JTIQ Upgrades will enable significant interconnection capacity, individual interconnection requests may still have more localized impacts on the affected RTO's transmission system near their point of interconnection. We agree with the RTOs that an Expanded Scope Analysis will determine whether interconnection customers cause constraints that require mitigation closer to the point of interconnection. As such, we disagree that the Expanded Scope Analysis is duplicative, overly complex, or too administratively burdensome. We find that the RTOs have justified the Expanded Scope

[472] SPP Answer at 45-46.

[473] *Id.* at 46-47.

[474] *See id.* at 47; MISO Answer at 43.

[475] *See Reform of Generator Interconnection Procs. & Agreements*, Order No. 845, 163 FERC ¶ 61,043, at PP 189 (2018), *order on reh'g*, Order No. 845-A, 166 FERC ¶ 61,137, *order on reh'g*, Order No. 845-B, 168 FERC ¶ 61,092 (2019) (declining to take action related to capping costs for network upgrades, but noting that the Commission will not bar a transmission provider from proposing to establish cost caps for network upgrade costs by submitting a separate filing pursuant to FPA section 205); *Cal. Indep. Sys. Operator Corp.*, 170 FERC ¶ 61,112, at P 27 (2023) (accepting CAISO's request for an independent entity variation to allow the use of cost caps with respect to reliability network upgrades and local delivery network upgrades).

Analysis as required to ensure that local constraints caused by interconnection requests in a JTIQ Screening Group, that are not addressed by the JTIQ Upgrades, are mitigated.

213. Further, we find that the RTOs' proposal to require interconnection customers to pay for affected system upgrades identified in the Expanded Scope Analysis is consistent with "but for" cost allocation, which requires interconnection customers to pay for network upgrades required but for their interconnections. The Expanded Scope Analysis will assess whether an interconnection customer's impact on the affected RTO's transmission system results in constraints on the affected RTO's system that require mitigation, and the cost of affected system upgrades necessary to mitigate those constraints are the interconnection customer's "but for" costs.[476] Thus, these affected system upgrades are planned as "but for" upgrades similar to network upgrades identified under existing generator interconnection processes and the proposal to allocate costs is consistent with the RTOs' existing Commission-approved participant funding methods for such network upgrades.

214. We disagree with protesters that the Expanded Scope Analysis is unjust and unreasonable given that the proposed 10% distribution factor threshold used in the Expanded Scope Analysis is determined by the new JTIQ framework in which many of the constraints that would have existed without the JTIQ Upgrades are no longer present. Regarding Clean Energy Associations' and Shell Companies' claim that the Expanded Scope Analysis' distribution factor threshold is more stringent than what Order No. 2023 required for affected system studies, we note that, while the Commission, in Order No. 2023, required affected system transmission providers to use the same modeling standard used to study ERIS requests directly connecting to its own transmission system when studying both ERIS and NRIS requests in affected system studies, the Commission did not specify or set a distribution factor threshold that transmission providers must use.[477] While we acknowledge that the Expanded Scope Analysis does not use the ERIS modeling standards used in each RTO, we find that the proposal is just and reasonable because it treats all interconnection customers in a JTIQ Screening Group consistently regardless of whether they are requesting ERIS or NRIS on their host transmission system and whether they are located in MISO or SPP.[478] Further, unlike the affected

[476] We note that, in contrast, for JTIQ Upgrades, the RTOs propose to study and plan for the interconnection of a certain MW amount of generation capacity along the MISO-SPP seam before individual interconnection customers that will subscribe to JTIQ have entered MISO's DPP or SPP's DISIS queues.

[477] Order No. 2023, 184 FERC ¶ 61,054 at PP 1276, 1286.

[478] We note that MISO currently uses a 10% distribution factor threshold to evaluate impacts of ERIS requests on sub-345kV transmission facilities in the MISO Midwest Subregion. MISO Answer at 36. We further note that, as part of the proposed

system studies contemplated in Order No. 2023, under the JTIQ framework, the host RTO conducts the Expanded Scope Analysis during its interconnection study process to identify localized impacts of interconnection customers in the JTIQ Screening Group on the affected RTO's system and the JTIQ Upgrades are already incorporated into the base case model. We also note that, while protesters raise concerns that the Expanded Scope Analysis may, in some cases, evaluate impacts hundreds of miles from the proposed interconnection point, we recognize that the higher-voltage JTIQ Upgrades are expected to address most wide-area constraints.[479]

215. In addition, regarding Invenergy Generation's contention that cumulative "all-in" cost estimates are needed to provide cost certainty and its concern about uncertainty due to the risk of a host RTO inadequately performing an Expanded Scope Analysis, there is no evidence that the JTIQ framework entails more cost uncertainty than other interconnection study processes or that the Expanded Scope Analysis would add more risk and uncertainty than that which is already present in the affected system study process. Further, we note that studies always include some risk of error, but we expect the host RTO to coordinate with the affected RTO when performing the Expanded Scope Analysis.

iv. Additional Issues

216. We disagree with LS Power and Invenergy Generation's protests that it is not just and reasonable for the proposed JTIQ process to require incumbent transmission owners to construct JTIQ Upgrades. The JTIQ framework establishes a new process for studying and developing transmission solutions to facilitate new interconnections, as compared to the existing generator interconnection process. The nonincumbent transmission developer requirements of Order No. 1000, and in particular the requirement to eliminate any federal right of first refusal, apply to transmission facilities that are selected in a regional transmission plan for purposes of cost allocation.[480] As the RTOs explain, the JTIQ Upgrades do not qualify to be, and have not been, selected in MISO's or SPP's regional transmission plan for purposes

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revisions to the JOA, the RTOs propose to re-organize existing JOA language regarding the RTOs' existing affected system study processes that are not changed by the JTIQ proposal. As noted above, nothing in this order prejudges the outcome of the evaluation of the RTOs' Order No. 2023 compliance proceedings.

[479] MISO Regional Tariff Filing at 39 (citing Witmeier Regional Tariff Testimony at 27).

[480] *See, e.g.*, Order No. 1000, 136 FERC ¶ 61,051 at PP 313, 318; Order No. 1000-A, 139 FERC ¶ 61,132 at P 392.

of cost allocation.[481] Therefore, there is no requirement that the JTIQ Upgrades be open to competitive development. Assigning construction of the JTIQ Upgrades to the transmission owners where the JTIQ Upgrades are located does not render the JTIQ proposal unjust and unreasonable, and, as noted above, the proposed cost allocation results in costs being assigned in a manner that is at least roughly commensurate with estimated benefits.

217. Regarding Spearmint's concern that dual-interconnection projects that submit interconnection requests to both MISO and SPP may in some circumstance be subject to differing studies, we note that such concerns are speculative. Moreover, to the extent that an interconnection customer is concerned that the timing of its interconnection request may impact whether it is subject to study through the JTIQ framework or the currently effective affected system study process, interconnection customers may submit interconnection requests at the time of their choosing. In addition, as SPP explains, while Spearmint's interconnection request with MISO and its interconnection request with SPP may be subject to different relative queue priorities, this is not an unintended consequence of the JTIQ framework and reflects the fact that Spearmint is seeking interconnections with two separate RTOs with their own rules and procedures.[482] We further note that, as the Commission has acknowledged, by choosing to submit interconnection requests to both MISO and SPP, an interconnection customer assumes the risk of being studied through different processes.[483] Additionally, we further note that MISO and SPP perform affected system studies in accordance with their Commission-approved affected system study processes.

218. Regarding Invenergy Generation's and Shell Companies' concerns about potential delay in JTIQ Upgrade construction and potential impacts on an interconnection customers' commercial operation date, we note that the JTIQ proposal does not propose to change either MISO's or SPP's generator interconnection procedures related to commercial operation dates and permissible extensions. Shell Companies also argue that it is possible that early JTIQ Commitment Group members will experience commercial operation date schedule conflicts that violate Order No. 2023's requirement to reach the commercial operation date within three years of the date specified in their respective interconnection request applications, as the full JTIQ Commitment Group may not be

[481] MISO JOA Filing at 8; SPP JOA Filing at 9; MISO Regional Tariff Filing at 18 (citing Johnson Testimony at 29); SPP Regional Tariff Filing at 39 (citing Kelley Testimony at 42).

[482] SPP Answer at 58. *See also* MISO Answer at 43 ("[I]f a project requests the ability to serve load in both RTOs, then separate studies with unique assumptions must be performed to evaluate both requests.").

[483] *See Sw. Power Pool, Inc.*, 189 FERC ¶ 61,079, at P 34 (2024).

determined until two or more years after the initial cluster study participants have executed GIAs and a JTIQ Agreement. We find Shell Companies' argument unavailing because, under the proposed JTIQ framework, the timing for JTIQ transmission owners to commence construction of JTIQ Upgrades is not contingent on the identification of one or more JTIQ Commitment Groups, let alone full subscription.[484] Further, regarding Invenergy Generation's contention that the RTOs must address the application of liquidated damages, although SPP's and MISO's *pro forma* GIAs[485] provide for liquidated damages when a transmission owner does not complete interconnection facilities or network upgrades by the dates designated in a GIA, the Commission has not required liquidated damages for delays in the construction of affected system upgrades.[486]

219. We disagree with Invenergy Generation's argument that the RTOs need to clarify whether a transmission-use right will be bestowed on interconnection customers because the JTIQ Upgrades would be a new form of transmission that historically has been planned through the annual transmission planning process and rolled into transmission rate base, with interconnection customers being treated as load and bearing the cost for high voltage regional and interregional JTIQ transmission. As the RTOs explain, JTIQ Upgrades are developed to address barriers to interconnection of future generation capacity along the MISO-SPP seam and do not demonstrate sufficient benefits to be selected in either RTOs' regional transmission planning processes. Further, interconnection customers funding JTIQ Upgrades will receive financial capacity rights in both MISO and SPP, as described above.[487]

220. Regarding Invenergy Transmission's request that the Commission act to fully incorporate merchant and interregional transmission in its policies, we find that this request is outside the scope of this proceeding. The question before the Commission in this proceeding is whether the proposed tariff revisions implementing the proposed JTIQ framework are just and reasonable based on the record before us. As discussed herein, we find that they are.

221. Shell Companies request that the RTOs clarify how existing Baseline Reliability Project displacement will be implemented in connection with the JTIQ framework. MISO's answer provides that clarification, explaining that the proposed tariff revisions

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[484] MISO Answer at 42; Johnson Testimony at 25; Kelley Testimony at 28.

[485] MISO Tariff, attach. X, app. 6, art. 5.3; SPP Tariff, attach. V, app. 6, art. 5.3.

[486] *See Pro Forma* Large Generator Interconnection Agreement, app. 11 (Affected System Facilities Construction Agreement), app. 12 (Multiparty Affected System Facilities Construction Agreement).

[487] *Supra* PP 89, 93.

do not change the Baseline Reliability Project displacement rule, but just move the existing language with a revision to state that the provision applies to a Generation Interconnection Project "that is not a JTIQ Upgrade."[488] MISO acknowledges in its answer that its transmittal letter omitted the words "that is not a JTIQ Upgrade" when quoting the Baseline Reliability Project displacement tariff revisions, but it notes that the proposed tariff revisions themselves include the correct language.[489] We find that MISO's answer has sufficiently addressed Shell Companies' concerns on this issue because the tariff revisions state that the Baseline Reliability Project displacement provision does not apply to JTIQ Upgrades. Finally, regarding Shell Companies' and Invenergy Generation's contention that the Commission should require the RTOs to confirm that JTIQ Portfolio #1 is not based on outdated modeling and study assumptions, we find that this argument is speculative, and protesters do not provide evidence that the RTOs' modeling is out of date or that the passage of time since the JTIQ Study renders the proposal unjust or unreasonable.

The Commission orders:

(A) The RTOs' proposed JOA revisions in Docket Nos. ER24-2797-000 and ER24-2798-000 are hereby accepted, effective November 14, 2024, as requested, as discussed in the body of this order.

(B) MISO's proposed tariff revisions in Docket No. ER24-2871-000 are hereby accepted, subject to condition, effective November 14, 2024, as requested, as discussed in the body of this order.

(C) SPP's proposed tariff revisions in Docket No. ER24-2825-000, are hereby accepted, subject to condition, effective November 14, 2024, as requested, as discussed in the body of this order.

(D) 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.

(E) SPP 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.

[488] MISO Answer at 45-46.

[489] *Id.* at 45.

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

(S E A L)

Carlos D. Clay,
Acting Deputy Secretary.

Appendix – eTariff Records

Docket No. ER24-2797-000

- Midcontinent Independent System Operator, Inc., MISO Rate Schedules, Section 9.4, Analysis of Interconnection Requests. (37.0.0).
- Midcontinent Independent System Operator, Inc., MISO Rate Schedules, Section: 9.4.1, General Coordination Process (31.0.0).
- Midcontinent Independent System Operator, Inc., MISO Rate Schedules, Section 9.4.2, Coordination Procedure for JTIQ Studies (31.0.0).
- Midcontinent Independent System Operator, Inc., MISO Rate Schedules, Section 9.4.3, Coordination Procedure for Interconnection Requests Not... (31.0.0).

Docket No. ER24-2871-000

- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, 1.A, Definitions - A (69.0.0).
- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, 1.C, Definitions - C (72.0.0).
- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, 1.M, Definitions - M (78.0.0).
- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, 42, Types of FTRs and ARRs (32.0.0).
- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, 43.2.4, Nomination and Allocation of ARRs and MTPS ARRs (34.0.0).
- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, 43.2.4A, Stage 2 - ARR Allocation (31.0.0).
- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, 47, MISO Transmission Portfolio Solutions (32.0.0).

- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, 47.1, MTPS ARR Entitlements (32.0.0).
- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, 47.2, MTPS ARRs (31.0.0).
- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, 47.3, MTPS ARR Settlement (33.0.0).
- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, SCHEDULE 26-G, Cost Recovery for Backstop Charges (JTIQ Upgrades) (31.0.0).
- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, SCHEDULE 26-H, Reimbursement of Backstop Payments (JTIQ Upgrades) (31.0.0).
- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, SCHEDULE 26-I, Cost Recovery for Generator Charges (JTIQ Upgrades) (31.0.0).
- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, ATTACHMENT X, Generator Interconnection Procedures (GIP) (166.0.0).
- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, Attachment X: Appendix 6, Generator Interconnection Agreement (GIA) (103.0.0).
- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, Attachment X: Appendix 18, JTIQ Commitment Agreement (31.0.0).
- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, ATTACHMENT FF, Transmission Expansion Planning Protocol (91.0.0).
- Midcontinent Independent System Operator, Inc., FERC Electric Tariff, ATTACHMENT JJJ, Joint Targeted Interconnection Queue (JTIQ) Upgrade Charge (31.0.0).

Docket No. ER24-2798-000

- Southwest Power Pool, Inc., Rate Schedules and Seams Agreements Tariff, RS 9 Sec. 9.4, Rate Schedule 9 Section 9.4 (8.0.0).
- Southwest Power Pool, Inc., Rate Schedules and Seams Agreements Tariff, RS 9 Sec. 9.4.1, Rate Schedule 9 Section 9.4.1 (0.0.0).
- Southwest Power Pool, Inc., Rate Schedules and Seams Agreements Tariff, RS 9 Sec. 9.4.2, Rate Schedule 9 Section 9.4.2 (0.0.0).
- Southwest Power Pool, Inc., Rate Schedules and Seams Agreements Tariff, RS 9 Sec. 9.4.3, Rate Schedule 9 Section 9.4.3 (0.0.0).

Docket No. ER24-2825-000

- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Table of Contents, Table of Contents (17.0.2).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Definitions I, 1 Definitions I (4.0.1).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Definitions J, 1 Definitions J (0.0.0).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Definitions M, 1 Definitions M (5.0.1).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Attachment H, Attachment H Annual Transmission Revenue Requirement For ... (86.0.1).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Attachment J Section II, Attachment J Section II (4.0.0).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Attachment J Section V, Attachment J Section V (4.0.1).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Attachment L Section I, Attachment L Section I (3.0.0) .
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised

Volume No. 1, Attachment L Section III, Attachment L Section III (9.0.1).

- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Attachment L Section IV, Attachment L Section IV (2.0.1).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Attachment O Section V, Attachment O Section V (7.0.0).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Attachment V, Attachment V Generator Interconnection Procedures (GIP) ... (6.0.1).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Attachment V Section 1, Attachment V Section 1 (14.0.1).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Attachment V Section 3, Attachment V Section 3 (20.0.1).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Attachment V Section 5, Attachment V Section 5 (9.0.1).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Attachment V Section 8, Attachment V Section 8 (16.0.1).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Att. V Appendix 6, Attachment V Appendix 6 Generator Interconnection Agreement (22.0.1).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Attachment V Appendix 13, Attachment V Appendix 13 (18.0.1).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Att. Z2 Section IV, Attachment Z2 Section IV (4.0.0).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Att. AV, Attachment AV - Joint Targeted Interconnection Queue Process (0.0.0).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Att. AV Section I, Attachment AV Section I (0.0.0).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Att. AV Section II, Attachment AV Section II (0.0.0).

- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Att. AV Section III, Attachment AV Section III (0.0.0) .
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Att. AV Section IV, Attachment AV Section IV (0.0.0).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Att. AV Section V, Attachment AV Section V (0.0.0).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Att. AV Section VI, Attachment AV Section VI (0.0.0) .
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Att. AV Section VII, Attachment AV Section VII (0.0.0).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Att. AV Section VIII, Attachment AV Section VIII (0.0.0).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Att. AV Appendix 1, Attachment AV Appendix 1 (0.0.0).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Att. AV Appendix 2, Attachment AV Appendix 2 (0.0.0).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Att. AV Appendix 3, Attachment AV Appendix 3 (0.0.0).
- Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1, Att. AV Appendix 4, Attachment AV Appendix 4 (0.0.0).

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Midcontinent Independent System Operator, Inc.	Docket Nos.	ER24-2797-000 ER24-2871-000
Southwest Power Pool, Inc.		ER24-2798-000 ER24-2825-000

(Issued November 13, 2024)

CHRISTIE, Commissioner, *concurring*:

1. I concur with today's order, which largely accepts Midcontinent Independent System Operator, Inc.'s (MISO) and Southwest Power Pool, Inc.'s (SPP) (together, RTOs) Joint Targeted Interconnection Queue (JTIQ) proposal. It is worth writing separately, however, to emphasize that the projects that make up JTIQ Portfolio #1, the first projects identified in the study undertaken by the RTOs, would *not* have been selected in the RTOs' regional transmission plans for purposes of cost allocation.[1] These projects are not designed to serve load, i.e., consumers, with optimal solutions to identified reliability concerns or economic drivers. Rather, the primary purpose of these projects is to provide interconnection customers—generation developers, primarily wind and solar—with more interconnection opportunities. Accordingly, it is appropriate that the primary funding for these projects is from the generation developers themselves as they are the primary beneficiaries.[2]

2. A key component of the JTIQ proposal involves load providing backstop funding for JTIQ Portfolio #1, and to justify this backstop funding, today's order establishes that benefits to load are sufficient for purposes of the cost causation principle.[3] This is only true, and the backstop funding mechanism is only just and reasonable, however, with the U.S. Department of Energy Grid Resilience and Innovating Partnerships funding, covering approximately 25% of the total JTIQ Portfolio #1 capital costs.[4] Without this funding, it would be unjust and unreasonable to allocate to load any of the costs of JTIQ

[1] *See, e.g.*, Order at PP 94, 198.

[2] *Id.* P 198.

[3] *Id.* P 201.

[4] *Id.* PP 7, 201.

Portfolio #1. These projects were not designed to serve load, plain and simple, and if there were no funding, the JTIQ proposal would not be acceptable.

For these reasons, I respectfully concur.

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Mark C. Christie
Commissioner

Document Content(s)