

MICHIGAN PUBLIC SERVICE COMMISSION CASE NO. U-21902

**COMMENTS OF THE
MICHIGAN ENERGY INNOVATION BUSINESS COUNCIL
AND
ADVANCED ENERGY UNITED**

Introduction

The Michigan Energy Innovation Business Council (“Michigan EIBC”¹) and Advanced Energy United (“United,”² collectively “Michigan EIBC/United”) appreciate the opportunity to provide comments in the Michigan Public Service Commission’s (“Commission”) docketed Case No. U-21902 focused on establishing a process to address the Midcontinent Independent System Operator Inc.’s (“MISO”) proposed Expedited Resource Addition Study (“ERAS”) tariff. Michigan EIBC/United agree with the Commission’s expressed concerns with MISO’s proposed ERAS process and offer recommendations regarding the Commission’s proactive proposed state-specific determination process for ERAS participation.

Background

On March 17, 2025, MISO filed a request with the Federal Energy Regulatory Commission (“FERC”) to revise its existing Open Access Transmission, Energy, and Operating Reserve Markets tariff.³ With this filing, MISO proposes to amend its Generator Interconnection Procedures to establish the new ERAS process on the grounds that it will provide a framework for the accelerated study of generation projects that

¹ The Michigan Energy Innovation Business Council is a trade organization tasked with growing Michigan’s advanced energy economy by fostering opportunities for innovation and business growth and offering a unified voice in creating a business-friendly environment for the advanced energy industry in Michigan.

² Advanced Energy United is a national business association representing leading companies in the advanced energy industry. United supports a broad portfolio of technologies, products, and services that enhance U.S. competitiveness and economic growth through an efficient, high-performing energy system that is clean, secure, and affordable

³ See Midcontinent Independent System Operator, Inc.’s tariff filing in FERC docket ER25-1674 on March 17, 2025.

can address resource adequacy and reliability needs within the MISO footprint in the near-term. The proposed ERAS process will allow generation projects seeking to interconnect within MISO's service territory to be studied "serially" each quarter and, if projects meet the established eligibility criteria, they will be granted an expedited generation interconnection agreement within 90 days.⁴ The eligibility criteria that MISO is proposing to establish for generation projects wishing to enter into the ERAS process are as follows: 1) demonstration of 100% site control (site and point of interconnection) for the customer's interconnection facilities, 2) establishment of due dates for commercial operation dates, 3) requirement of a non-refundable deposit of \$100,000 and a \$24,000 per megawatt ("MW") milestone payment, and 4) agreement to pay for all necessary network upgrades per the executed generation interconnection agreement. Most relevant to this proceeding, projects must also receive a written notification from the applicable Relevant Electric Retail Regulatory Authority ("RERRA") to demonstrate that the project is necessary to address a resource adequacy need. MISO asserts that ERAS is necessary to close potential resource adequacy shortfalls, citing electrification efforts, the retirement of older generation units, the high demand to establish data centers needed to support artificial intelligence and other technologies, and insufficient entry of new resources.⁵ MISO describes ERAS as a temporary process to address short-term needs, although ERAS is not just a one-time, emergency request given that MISO will conduct multiple cycles before sunsetting ERAS by the end of 2028.

Within the filing, MISO asserts that the ERAS process is designed to be flexible and accommodate various regulatory constructs. However, MISO acknowledges that Illinois and Michigan will need to adjust their existing processes to accommodate ERAS due to the existence of retail choice in their respective jurisdictions. With this understanding, MISO states that it will "[continue] to work with Illinois and

⁴ In a presentation that MISO provided in an ERAS Workshop on December 6, 2024, MISO indicates that a "Serial" study means that no other projects (other than the project being evaluated) will be included in the study so that a withdrawal will not negatively impact any other project.

⁵ See NERC's 2024 Long-Term Reliability Assessment published December 2024.

Michigan to develop processes and Tariff provisions that will permit the ERAS process to function effectively in retail choice jurisdictions.” Furthermore, MISO plans to file a separate tariff for ERAS, pending FERC approval, to address these specific retail choice states.

It is important to note that on April 7, 2025 the Commission filed a notice of intervention and limited protest in response to MISO’s FERC proposal for ERAS.⁶ Within this filing, the Commission acknowledges that significant need exists for new approaches to be considered in the interconnection process given the existing Generator Interconnection Queue delays. However, the Commission contends that ERAS is an unjust and unreasonable solution to achieve these goals. The Commission states that certain provisions within MISO’s proposal will “build inherent inequities and [have the] potential for exacerbating the underlying concerns.” Of utmost concern, the Commission notes that MISO’s proposal fails to properly evaluate existing projects in the interconnection queue when engaging in the ERAS process, which harms the fundamental principles of Open Access. The Commission provides some options for properly considering existing projects in the interconnection queue, such as more detailed screening criteria for existing queue projects, evaluation of existing queue projects before new projects are considered, and verification of demonstrated spot and load need. Furthermore, MISO’s proposal fails to meet the minimum safeguards to avoid preferential and discriminatory practices that exist within FERC’s approval of PJM’s Reliability Resource Initiative, which is explicitly discussed within the concurring statement of FERC Commissioners Rosner and Phillips and the dissenting statement of Commissioner Chang.⁷

⁶ See Notice of Intervention and Protest of the Michigan Public Service Commission in response to Midcontinent Independent System Operator, Inc.'s Energy and Operating Reserve Tariff Expedited Resource Addition Study filing in Case No. ER25-1674 on April 7, 2025.

⁷ PJM Interconnection, L.L.C., 190 FERC paragraph 61,084 (2025) (Rosner and Phillips, Commissioners, concurring; Chang, Commissioner, dissenting).

In its comments, the Commission also states that “much of Michigan’s processes are structured to encourage competitive bidding of projects, even those ultimately owned or under a Power Purchase Agreement arrangement with an incumbent utility, and ERAS will further restrict the ability of developers to participate in utility procurement solicitations, limiting the projects able to be considered and likely increasing project costs, harming customers. The ability of non-incumbent developers to participate in ERAS should, at a minimum, not be impeded or, at worst, precluded. While this barrier to entry may be unintended in MISO’s proposal, it will most certainly be the result if ERAS is adopted in the current filing.”⁸ Ultimately, the Commission recommends that FERC reject MISO’s proposal as unjust and unreasonable and urges MISO to refile a modified proposal that ensures any projects filed through an expedited study process are adequately suited to meet resource adequacy needs. Michigan EIBC/United commend the Commission’s tenacity to file this protest in the FERC docket and agree with the Commission’s expressed concerns with MISO’s proposed ERAS process.⁹

Commission Order

On April 24, 2025, the Commission issued an Order in Case No. U-21902 to address MISO’s ERAS process as it pertains specifically to Michigan’s regulatory environment.¹⁰ The Commission notes that it has jurisdiction over resource adequacy for all electric load in Michigan and acknowledges that recent capacity reports have indicated challenges due to plant retirements and delays experienced by new projects seeking to interconnect. The Commission affirms that it has concerns with the ERAS process, as acknowledged in its comments made in the FERC proceeding. Nonetheless, the Commission finds it prudent to develop a

⁸ See Notice of Intervention and Protest of the Michigan Public Service Commission in response to Midcontinent Independent System Operator, Inc.’s Energy and Operating Reserve Tariff Expedited Resource Addition Study filing in Case No. ER25-1674 on April 7, 2025 at p. 12.

⁹ Advanced Energy United filed a comments with other organizations jointly as the “Clean Energy Associations” protesting Midcontinent Independent System Operator, Inc.’s Energy and Operating Reserve Tariff Expedited Resource Addition Study filing in Case No. ER25-1674 on March 18, 2025.

¹⁰ See Michigan Public Service Commission Order in Case No. 21902 on April 24, 2025.

Michigan-specific process for evaluating projects for inclusion in the ERAS process (pending FERC approval of MISO's proposal). The Commission therefore proposes the following process to receive and address submitted requests for participation in the MISO ERAS process:

- 1. Requests from interconnection customers for inclusion in ERAS may come from entities regulated by the Commission including IOUs and AESs licensed in Michigan, or from an IPP, subject to the restrictions described below. The Commission directs the Commission Staff (Staff) to approve requests on behalf of the Commission that meet the following specific criteria in an expeditious manner:*
 - a. Requests received from IOUs: the project must be aligned with a Commission-approved IRP, clean energy plan, renewable energy plan (REP), or certificate of need (CON), and is the winning bidder of an RFP that meets the guidelines outlined in the Commission-approved competitive bidding guidelines adopted in the September 9, 2021 order in Case No. U-20852. If Staff determines that the project qualifies for ERAS treatment, then Staff shall issue a letter to the interconnection customer indicating that the project is approved by the Commission for inclusion in ERAS and citing to the prior approval of the project by the Commission. No order or minute action will be issued by the Commission.*
 - b. Requests received from AESs: the project must be aligned with a Commission-approved REP or with the AES's capacity demonstration filing, and Staff has to have reviewed the unredacted signed contract. If Staff determines that the project qualifies for ERAS treatment, then Staff shall issue a letter to the interconnection customer indicating that the project is approved by the Commission for inclusion in ERAS, and citing to the order approving the AES's REP or accepting the AES's capacity demonstration as part of the annual capacity demonstration order. No order or minute action will be issued by the Commission.*

establishing a finalized procedure by June 12, 2025. It is important to note that discussions with MISO on tariff language pertaining to Michigan’s retail supplier market remain ongoing.

Recommendations and Considerations

Michigan EIBC/United greatly appreciate the Commission’s proactive approach to establishing a Michigan-specific process to address potential MISO ERAS requests from generation projects. While Michigan EIBC/United agree that ERAS is flawed, the central role of the RERRA notification as a gatekeeper to ERAS participation makes state implementation of ERAS central to its rollout and ultimate impact. Indeed, robust state implementation that safeguards against discrimination and takes all available measures to ensure a fair and competitive ERAS selection process at the state-level will help to counterbalance – though not fully resolve – some of the flaws in the ERAS proposal itself. The Commission’s initiative on this matter is critical to ensure a smooth transition towards the MISO proposed ERAS process, safeguard open access, prevent undue discrimination, and ensure the best outcomes for customers. Upon reviewing MISO’s FERC filing proposing the ERAS process as well as the Commission’s Order, Michigan EIBC/United make the following recommendations:

1. The Commission should enable the participation of different ownership models when reviewing ERAS application requests to ensure that a diverse range of ownership types are approved under the ERAS process.

The process that the Commission is proposing allows Load-Serving Entities (“LSEs”) the ability to submit a request for inclusion in the ERAS process and allows Commission Staff to approve requests on behalf of the Commission. This process, however, does not appear to require any consideration of the different ownership models of potential generation projects seeking a place in the ERAS process. In general, third-party owned generation projects have been shown to be more

cost-effective for ratepayers than investor-owned utility-owned projects.¹¹ Beyond these immediate price differences, the Commission has an obligation to ensure that future prices remain competitive for customers. A strong third-party market will provide competitive prices, which ensure ratepayers are paying the lowest prices. Third-party competition reduces the risk that customers will pay elevated regulated monopoly prices that benefit utilities and their shareholders, rather than customers. In addition, given the demonstrated capital bias of monopoly utilities, it behooves the Commission to heed, consider, and when appropriate, take action to mitigate this risk. In the context of the Commission’s proposal to implement ERAS, it will be important to ensure that utility-owned projects are not fast-tracked in a manner that provides undue advantage to those projects. For example, there may be data access or information advantages that a utility possesses which may allow it to dominate a first-come, first-served process. Michigan EIBC/United urge the Commission to carefully consider these potential biases and design a review process that equally allows third-party owned projects to advance quickly.

2. The Commission should urge MISO to ensure that interconnection customers who are currently awaiting approval in MISO’s interconnection queue are able to submit ERAS application requests and customers’ queue positions are not subverted.

MISO has stated that existing projects in the interconnection queue will be eligible to transfer to ERAS, with consideration given to the projects’ needs and potential impact on the queue.¹² Specifically, MISO states that projects currently in the 2023 cycle or later cycles that have not reached “Decision Point 2” in the existing Definitive Planning Process will be eligible to transfer into the ERAS process subject to all existing penalties and harm calculations as outlined in the tariff. However, MISO has proposed tariff language that will effectively prevent projects from

¹¹ MPSC, *Report on the Implementation and Cost Effectiveness of the PA 295 Renewable Energy Standard*, February 15, 2017.

¹² See MISO’s presentation to the Expedited Resource Adequacy Study (ERAS) Workshop – PAC-2023-1 on December 6, 2024.

dropping out of the queue after Decision Point 2 and entering the ERAS process until 1 year following the drop-out. As mentioned in the above section, the Commission responded to this matter in its comments on MISO's FERC filing in Case No. ER25-1674 asserting that MISO's proposal fails to properly consider and evaluate existing projects in the interconnection queue for their ability to address resource adequacy needs. Certain strategies should be considered to ensure that existing projects in the interconnection queue are properly examined for their ability to address resource adequacy needs area. MISO (before considering projects not currently in the interconnection queue) should evaluate existing projects and determine what specific projects have the capability to meet MISO's identified resource adequacy needs. Additionally, MISO can consider updating existing interconnection processes, such as provisional Generator Interconnection Agreements, that could be adapted to allow for quicker resource interconnection.¹³ Michigan EIBC/United agree with the Commission's comments and believe that enhanced safeguards and processes need to be established to ensure that projects awaiting approval in MISO's interconnection queue are able to participate in the ERAS process and are not subverted in the interconnection queue process.

3. The Commission should consider the following revisions to the proposed review process:

- a. *Commission Staff's review and subsequent approval or denial of an ERAS application should be conducted in a public and transparent manner through a public case filing.*

The process that the Commission has described for ERAS applications allows for an LSE to submit a request for a recommendation to the Commission and for Commission Staff to review and send a letter approving or denying the request without the need for a Commission order or minute actions. The process described provides little transparency and does not allow for the involvement of other stakeholders when considering an ERAS

¹³ See Developer Coalitions' ERAS Counterproposal Considerations presentation provided at MISO's Planning Advisory Committee on February 19, 2025.

application request. Michigan EIBC/United recommend that these requests be considered in a more public manner. For instance, an applicant could request *ex-parte* treatment through the filing and/or the Commission could order an expedited proceeding, but Michigan EIBC/United contend that all decisions should be made by the Commission through a public action. It is not reasonable for these decisions to occur behind closed doors without the opportunity for stakeholders to review them and, if necessary, object to certain applications. This would not amount to a re-review of the original approval, but would simply allow stakeholders, if desired, to review applications progressing within the ERAS process. In other words, there should be no debate about the merits of the original approval for the project, but there must be the ability for public review of the “fast-tracked” application.

- b. Any filed ERAS application (as described above) should include information relevant to the review of the application including the prior approval docket and ownership model.*

To coincide with the recommendation that all ERAS application requests should be considered in a public manner, Michigan EIBC/United recommend that the Commission require applicants to submit information pertaining to the docket in which the applicant received prior approval to construct a project as well as the ownership model of the respective project. This information should be received by the Commission upfront within an applicants’ request for ERAS recommendation. Information on the specific docket in which the project received prior approval will allow the Commission and other outside parties to properly recognize whether the project has been authorized by the Commission. Additionally, information on the ownership model of an applicants’ project will help to track the diversity of different ownership types for projects pursuing an ERAS recommendation and ensure that any preference based on ownership type is avoided.

- c. *In reviewing ERAS applications, if the Commission is unable to verify whether the project has received prior Commission approval, the application should be rejected rather than allowing for a petition to be filed and a subsequent proceeding to occur.*

The ERAS application process that the Commission has described within its order allows an applicant to file a petition for Commission consideration if Commission Staff is unable to verify that the applicants' project has already received prior Commission approval. Coinciding with the recommendation that all ERAS applications should be considered publicly, Michigan EIBC/United recommend that if the Commission is unable to properly verify if the applicants' project has received prior Commission approval, then that application should be rejected. This process would assure that the only projects applying for an ERAS application request are reasonable Commission-approved projects that can meet Michigan's resource adequacy needs. This process would also reduce the Commission's administrative burden, by not allowing for a petition and subsequent additional proceeding to occur for these application requests. Furthermore, the possibility of rejection could serve as a mitigation tool against applicants submitting "inadequate" application requests and ensure that the Commission receives verifiably Commission-approved projects.

- d. *The Commission should add additional requirements to their proposed process such as: the demonstration that specific projects meet expected energy needs (or in the inverse, demonstration that existing interconnection queue projects cannot meet expected energy needs) and additional timeline requirements for projects.*

The ERAS process that the Commission proposes does not adequately consider the ability for potential ERAS projects to meet expected energy needs or the inability for existing MISO interconnection queue projects to meet expected energy needs nor does it establish concrete timelines for projects. These considerations are crucial to create proper guardrails

around the Commission’s proposed process. As such, the Commission should require that all projects participating in the Commission’s ERAS process provide documentation showing that the project is needed to address expected energy needs, such as proof of a connection with new large load (such as data centers) to demonstrate that there is a near-term resource adequacy need that the project would meet. Specifically, this could be structured as a path for IPPs if the IPP can prove that it has an agreement to serve a large load customer. Alternatively, applicants could provide evidence that shows that the existing interconnection queue projects cannot meet the expected energy needs that the applicable project is anticipating meeting. Furthermore, applicants to the Commission’s ERAS process should provide verification that the project will come online quickly to address near-term energy needs. This could be done by requiring documentation of a specific project timeline to meet the need and avoid potential delays beyond what is already required in an existing approval. To further achieve projects coming online in a timely manner, the Commission should require projects to provide proof of a Commercial Operation Date that is within 3 years of the applicable ERAS cycle that the project wishes to join to ensure that “shovel-ready” projects are prioritized in this process.

Conclusion

Michigan EIBC/United appreciate the opportunity to provide comments on this matter and request that the Commission take the above recommendations into consideration when designing the ERAS application process. Michigan EIBC/United acknowledge and respect the Commission’s forward-looking approach to addressing the MISO ERAS process, but share the Commission’s concerns regarding MISO’s proposal and urge the Commission to continue to raise concerns with FERC over the proposed process.