

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Nora Mead Brownell, and Suedeen G. Kelly.

Midwest Independent Transmission
System Operator, Inc.

Docket Nos. ER05-1508-000
and ER05-1508-001

ORDER CONDITIONALLY ACCEPTING IN PART AND REJECTING IN PART
LARGE GENERATOR INTERCONNECTION AGREEMENT

(Issued January 31, 2006)

1. In this order, we conditionally accept in part and reject in part a Large Generator Interconnection Agreement (LGIA) among Power Partners Midwest, LLC, (Power Partners), Midwest Independent System Operator, Inc. (Midwest ISO), and Interstate Power and Light Company (IP&L), a wholly-owned subsidiary of Alliant Energy Corporation, effective September 13, 2005, subject to conditions as discussed below.

I. Midwest ISO Filing

2. On September 26, 2005, as amended December 2, 2005, the Midwest ISO submitted for filing with the Commission an LGIA among the parties above to interconnect Power Partners' Generating Facility to Interstate Power's transmission system. The Midwest ISO proposes substantial non-conforming provisions (deviations from its *pro forma* interconnection agreement) that are also proposed as revisions to its *pro forma* interconnection agreement in Docket No. ER05-1475-000, *et al.*, currently pending before the Commission. The Midwest ISO proposes numerous deviations in Article 1, "Definitions."¹ These deviations are also in Docket

¹ These terms include "Breach," "Breaching Party," "Commercial Operation Date," "Confidential Information," "Default," "Dispute Resolution," "Effective Date," "In-Service Date," "Interconnection Customer's Interconnection Facilities," "Interconnection Service," "Metering Equipment," "Network Upgrades," "Notice of Dispute," "Stand Alone Network Upgrades," and "Transmission Owner's Interconnection Facilities."

No. ER05-1475-000, *et al.* It proposes numerous non-substantive modifications that are also proposed in Docket No. ER05-1475-000, *et al.*² The Midwest ISO also includes revisions to Articles 7.1 and 7.4, which address metering, that are also in Docket No. ER05-1475-000, *et al.* The LGIA also contains modifications that are “bridging” language.³ Such language “bridges” the transition between the Midwest ISO’s pre-Order No. 2003 and its post-Order No. 2003 processing of interconnection requests. The Commission has previously accepted these deviations.⁴

3. The Midwest ISO says that the deviations reflect factors unique to the LGIA or operational concerns, including reliability concerns, novel legal issues, or other unique factors, such as using consistent terms within the LGIA or reflecting specific requests of either the Interconnection Customer or Transmission Owner. In order to have consistent terms within this LGIA, the Midwest ISO proposes deleting “Standard Large Generator Interconnection Agreement” and replacing it with “this LGIA.”⁵

² These modifications are proposed to Articles 4.1.2.1, 4.1.2.2, 5.5.1, 5.11, 5.19.1, 9.7.1.2, 9.7.6, 11.3, 11.3.1, 11.3.2, 11.4.1, 11.4.2, 13.6, 18.1, 18.1.2, 18.1.3, 18.2, 18.3, 22.1.8, 22.1.11, 24.3.

³ “Bridging” language is included in the definitions of “Interconnection Facilities Study,” “Interconnection Facilities Study Agreement,” “Interconnection Feasibility Study,” “Interconnection Feasibility Study Agreement,” “Interconnection Request,” “Interconnection System Impact Study,” and “Interconnection System Impact Study Agreement” and “bridging” language in Article 4.1 of the LGIA.

⁴ See *Midwest Independent Transmission System Operator, Inc.*, 111 FERC ¶ 61,421 at P 15 (2005).

⁵ Numerous other proposed deviations include revisions to the definitions of “Generating Facility,” “Generating Facility Capacity,” “Generator Upgrades,” “Interconnection Customer,” “Large Generating Facility,” “Large Generator Interconnection Agreement (LGIA),” “Loss,” “Small Generating Facility,” and “Transmission Owner.” Midwest ISO states that these deviations are specific to the LGIA and were requested by the Transmission Owner during the negotiation of the LGIA.

It says that the revisions that were requested by the Transmission Owner or the Interconnection Customer⁶ either reflect revisions to the terminology “of a third party agreement,” clarify the obligations of the parties under the terms of this LGIA, or are project-specific (*e.g.*, modifications in Articles 11.5 and 12.2).

4. Additionally, the Commission observes that the definitions “Interconnection Study,” “Point of Interconnection,” “Reasonable Efforts,” “Stand Alone Network Upgrades,” “Standard Large Generator Interconnection Procedures,” and “Transmission Owner” in the LGIA deviate from Midwest ISO’s *pro forma* LGIA. However, the Midwest ISO did not explain these deviations in its Transmittal Letter.

5. The Midwest ISO requests that the Commission waive its sixty-day prior notice requirement and make the LGIA effective as of September 13, 2005.

II. Notice of Filing

6. Notice of Midwest ISO’s LGIA was published in the *Federal Register*, 70 Fed. Reg. 58,397 (2005), with interventions and protests due on or before October 17, 2005. None was filed. On December 2, 2005, Midwest ISO filed an amendment to its September 26, 2005 filing. Notice of Midwest ISO’s amendment was published in the *Federal Register*, 70 Fed. Reg. 74,800 (2005), with interventions and protests due on or before December 23, 2005. None was filed.

III. Discussion

7. In Order No. 2003, the Commission required Transmission Providers (such as Midwest ISO) to file *pro forma* interconnection documents and to offer customers interconnection service consistent with these documents.⁷ The use of *pro forma* documents ensures that Interconnection Customers receive non-discriminatory

⁶ These modifications are proposed to Articles 2.3.1, 2.4, 5.1, 5.1.1, 5.2, 5.3, 5.4, 5.10, 5.10.1, 5.10.2, 5.10.3, 5.14, 5.15, 5.16, 5.17.7, 8.2, 9.6.2, 9.7.4.1, 9.9.2, 10.5, 11.4.1, 11.5, 12.1, 12.2, 12.4, 17.1.2, 18.3.5, 18.3.10, 19.1, 20.1, 22.1.2, 22.1.3, 22.1.7, 25.5, 27.1, 28.1.2, and 29.11.

⁷ *Standardization of Generator Interconnection Agreement and Procedures*, Order No. 2003, 68 Fed. Reg. 49,845 (Aug. 19, 2003) *FERC Statutes and Regulations* ¶31,146 (2003), *order on reh’g*, Order No. 2003-A, 69 Fed. Reg. 15,932 (Mar. 26, 2004), *FERC Statutes and Regulations* ¶ 31,160 (2004), *order on reh’g*, Order No. 2003-B, 70 Fed. Reg. 265 (Jan 4, 2005), *FERC Statutes and Regulations* ¶ 31,171 at P 56 (2004), *order on reh’g*, Order No. 2003-C, 70 Fed. Reg. 37,661 (June 30, 2005), *FERC Statutes and Regulations* ¶ 31,190 (2005).

service and that all Interconnection Customers are treated on a consistent and fair basis. Using *pro forma* documents also streamlines the interconnection process by eliminating the need for an Interconnection Customer to negotiate each individual agreement. This reduces transaction costs and the need to file interconnection agreements with the Commission to be evaluated on case-by-case basis.⁸

8. At the same time, the Commission recognized in Order No. 2003 that there would be a small number of extraordinary interconnections where reliability concerns, novel legal issues or other unique factors would call for a non-conforming agreement.⁹ The Commission made clear that the filing party must clearly identify the portions of the interconnection agreement that differ from its *pro forma* agreement and explain why the unique circumstances require a non-conforming interconnection agreement.¹⁰ The Commission analyzes such non-conforming filings, which we do not expect to be common, to ensure that operational or other reasons necessitate the non-conforming agreement.

9. The Midwest ISO proposes revisions¹¹ to the LGIA that are presently pending before the Commission as revisions to its *pro forma* LGIA in Docket No. ER05-1475-000, *et al.* We will accept and suspend these proposed revisions subject to the outcome of these dockets.

10. The Midwest ISO also proposes non-conforming provisions to "bridge" the transition between its pre-Order No. 2003 processing of interconnection requests and its post-Order No. 2003 processing of interconnection requests.¹² This includes language provided in the definitions of "Interconnection Facilities Study," "Interconnection Facilities Study Agreement," "Interconnection Feasibility Study," "Interconnection Feasibility Study Agreement," "Interconnection Request," and

⁸See, e.g., *PJM Interconnection, L.L.C.*, 111 FERC ¶ 61,098 at P 10 (2005); *El Paso Electric Company*, 110 FERC ¶ 61,163 at P 4 (2005).

⁹Order No. 2003 at PP 913-15.

¹⁰Order No. 2003-B at P 140.

¹¹ These modifications are proposed to Article 1 "Definitions" and to Articles 4.1.2.1, 4.1.2.2, 5.5.1, 5.11, 5.19.1, 7.1, 7.4, 9.7.1.2, 9.7.6, 11.3, 11.3.1, 11.3.2, 11.4.1, 11.4.2, 13.6, 18.1, 18.1.2, 18.1.3, 18.2, 18.3, 22.1.8, 22.1.11, and 24.3.

¹² Before the approval of Midwest ISO's Order No. 2003 compliance filing, interconnection requests in Midwest ISO were processed according to Attachment R to its tariff. After the approval of Midwest ISO's of Order No. 2003 compliance filing, interconnection requests are processed according to Attachment X to its tariff.

“Interconnection System Impact Study.” These changes are accepted as changes necessitated by the transition from Attachment R to Attachment X.¹³

11. The Midwest ISO also proposed deviations that it claims reflect factors unique to the LGIA, reliability concerns, or specific requests of either the Interconnection Customer or Transmission Owner. However, the Midwest ISO did not submit a clear explanation as to why such deviations are operationally necessary or present any novel legal issues germane to the operation of the LGIA. In the absence of such an explanation, the Commission rejects the proposed revisions without prejudice to the Midwest ISO re-filing such changes with an explanation as to why they are operationally necessary to the LGIA.

12. For the reason stated above, the Commission will also reject the revisions to the definitions of “Interconnection Study,” “Point of Interconnection,” “Reasonable Efforts,” “Stand Alone Network Upgrades,” “Standard Large Generator Interconnection Procedures,” and “Transmission Owner,” which are not identified as deviations from the *pro forma* interconnection agreement in Midwest ISO’s Transmittal Letter.

13. Insofar as the proposed revisions by the Midwest ISO to the LGIA track the revisions pending in Docket No. ER05-1475-000, *et al.*, the Commission accepts and suspends them for a nominal period and makes them effective September 13, 2005, subject to the outcome of Docket No. ER05-1475-000, *et al.*¹⁴

The Commission orders:

(A) The Midwest ISO’s LGIA is hereby accepted in part, suspended, and rejected in part, effective September 13, 2005, subject to the conditions discussed in the body of this order.

(B) The request for waiver of the Commission’s prior notice requirement is hereby granted.

¹³ See *Midwest Independent Transmission System Operator, Inc.*, 111 FERC ¶ 61,421 at P 15 (2005).

¹⁴ *Central Hudson Gas and Electric Company*, 60 FERC ¶ 61,106, *reh’g denied*, 61 FERC ¶ 61,089, and *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, *clarified*, 65 FERC ¶ 61,081 (1993).

(C) The Midwest ISO is directed to file any necessary revisions to the Interconnection Agreement reflecting the outcome of Docket No. ER05-1475-000, *et al.*, as discussed in the body of this order.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.