



January 26, 2024

Interregional Planning Stakeholder Advisory Committee (IPSAC)
PJM Interconnection, L.L.C (PJM)
Midcontinent Independent System Operator (MISO)

March 1, 2024 IPSAC Agenda Item

Re: Interregional Transmission Planning
Establishing Minimum Interregional Transfer Capability

Dear IPSAC,

Our regional grids are undergoing significant changes that merit consideration of joint planning activities. The transition from dispatchable thermal generators to intermittent, clean energy resources, and a surge in electric demand raise challenges to PJM, MISO, and their interconnected neighbors' ability to reliably and cost-effectively support one another when called upon.

This concern is underscored by severe weather events that are becoming increasingly common. During Winter Storm Elliott, both MISO and PJM were heavily dependent on each other's resources while also exporting power to and importing power from neighboring regions.¹ More recently, the heatwave in August 2023 required multiple balancing authorities to employ emergency procedures and necessitated MISO importing roughly 8.5 GWs of energy from PJM and Manitoba.² While these events were managed, the growing frequency of these events and shrinking capacity reserves in each footprint has the potential to disrupt electricity supplies, which in turn disrupts the economy and may put public health and safety at risk. Expanding transfer capacity between regions can help to improve grid resilience and minimize the negative impacts of extreme weather events.

¹ PJM, Winter Storm Elliott: Event Analysis and Recommendation Report, July 17, 2023, <https://www.pjm.com/-/media/library/reports-notice/special-reports/2023/20230717-winter-storm-elliott-event-analysis-and-recommendation-report.ashx>.

Overview of Winter Storm Elliott December 23, Maximum Generation Event, MISO Reliability Subcommittee January 17, 2023 [Overview of February 2021 Extreme Weather \(misoenergy.org\)](https://www.misoenergy.org).

² *Overview of August 24th, 2023 Maximum Generation Event*, MISO Reliability Subcommittee, October 3, 2023 <https://cdn.misoenergy.org/20231003%20RSC%20Item%2005%20Overview%20of%20August%2024%20Max%20Gen%20Event630385.pdf>.

The role that transmission, and in particular interregional connections, will play in the development of a grid that delivers continued benefits to electricity consumers is increasingly apparent.³ The U.S. Department of Energy has drafted a transmission needs study that identifies major opportunities for interregional projects to deliver benefits.⁴ The Federal Energy Regulatory Commission has recently considered promulgating regulation around a minimum transfer capability between regions.⁵ Congress has required the North American Electric Reliability Corporation to study this issue of interregional transmission capacity.⁶

With these factors in mind, OPSI⁷ and the OMS⁸ urge PJM and MISO to begin to explore joint long-term interregional transmission planning between their footprints while maintaining a focus on affordability and identifying optimal solutions. Specifically, MISO and PJM should work together to: (1) engage in joint transmission modeling; (2) work with state regulators to determine reliability objectives and state policy objectives; and (3) leverage existing planning processes such as Long-Range Transmission Planning and Long-Term Regional Transmission Planning to take advantage of existing processes to plan new transmission holistically and manage this change. While similar efforts may serve to improve interregional transfers between other regions adjacent to MISO and PJM, we would rely on the leadership of these RTOs in helping to determine the extent this process could be applied.

Thank you for your attention to this important issue.

Respectfully submitted,



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President, Organization of MISO States



Kent A. Chandler
President, Organization of PJM States

³ Illinois Governor JB Pritzker recognized the importance of interregional transmission by setting the Midwest Governors Association's Chair's Agenda as "Better Connections Through RTOs - Improving Transmission Reliability in the Midwest." MID-GRID 2035, *See*, <https://midwesterngovernors.org/chairs-agenda>.

⁴ U.S. Department of Energy, National Transmission Needs Study, October 2023.

⁵ Establishing Interregional Transfer Capability Transmission Planning and Cost Allocation Requirements, Docket No. AD23-3-000, Staff-Led Workshop, December 5 and 6, 2022; Fiscal Responsibility Act of 2023, Public Law 118-5. Sec. 322(b) (NERC study on Interregional Transfer Capability must be filed at FERC by Dec. 2, 2024); 12 months following public comment period on NERC study FERC must file report to Congress with conclusions and recommendations, if any, for statutory changes, *Id.*, Sec. 322(c).

⁶ *Id.*

⁷ This letter was approved by the following states: Delaware Public Service Commission, Public Service Commission of District of Columbia, Illinois Commerce Commission, Indiana Utility Regulatory Commission, Kentucky Public Service Commission, Maryland Public Service Commission, Michigan Public Service Commission, New Jersey Board of Public Utilities, North Carolina Utilities Commission, Pennsylvania Utility Commission, Tennessee Public Utility Commission, Public Service Commission of West Virginia, Virginia State Corporation Commission; Public Utilities Commission of Ohio abstained.

⁸ This letter was approved by the following states: Illinois Commerce Commission, Indiana Utility Regulatory Commission, Iowa Utilities Board, Kentucky Public Service Commission, Michigan Public Service Commission, Minnesota Public Utilities Commission, Missouri Public Service Commission, North Dakota Public Service Commission, South Dakota Public Utilities Commission.