



OMS-OPSI Response to MISO-PJM Joint Interregional Study

October 24, 2024

Dear Mr. Aubrey Johnson and Mr. Paul McGlynn,

On May 9, 2024, PJM Interconnection, L.L.C. (PJM) and the Midcontinent Independent System Operator (MISO) (together, the RTOs) announced their intention to proceed with an informational interregional transfer capability study (ITCS)¹ in response to the Organization of PJM States, Inc. (OPSI) and the Organization of MISO States' (OMS) (together, We) letter requesting greater collaboration on interregional transmission.² On September 4, 2024, MISO and PJM issued a “one-pager” providing an overview of the details of the study information.³

We welcome PJM's and MISO's action to evaluate the need for increased interregional transmission capability between the RTOs, especially given the Department of Energy's 2023 Transmission Needs Study, which indicates a need for up to a 114 percent increase in interregional transmission capacity to accommodate moderate load and high clean energy growth.⁴ The RTOs noted that the increase in interregional transfer capabilities would increase grid resiliency, which is especially beneficial given the increased risk of extreme weather conditions and the changing resource mix.⁵ We have additional feedback about the scope of the current and future studies and are focused on whether the studies will effectively inform project development in the future. We request that the RTOs split this interregional study into two phases. Phase 1, the current study, should feed into Phase 2, which will build on the work done to date as outlined below.⁶

¹ PJM-MISO announcement available here: <https://www.pjm.com/-/media/about-pjm/newsroom/2024-releases/20240509-two-major-grid-operators-embark-on-joint-planning-endeavor-to-enhance-reliability.ashx>.

² OMS-OPSI letter available here: https://www.misostates.org/images/stories/Filings/Board_comments/OMS_OPSI_IPSAC_Letter_20240126.pdf.

³ On Sept. 30, 2024, MISO and PJM posted an ITCS FAQ document on their respective websites, available here: <https://cdn.misoenergy.org/20241122%20MISO%20PJM%20-%20ITCS%20FAQ650732.pdf>.

⁴ <https://www.energy.gov/gdo/national-transmission-needs-study>.

⁵ As noted in our March 2024 letter, OMS and OPSI are interested in optimal solutions across the seam, particularly in light of a changing resource mix and increased frequency of extreme weather events. <https://www.pjm.com/-/media/committees-groups/stakeholder-meetings/ipsac/2024/20240325/20240325-third-party-issues-oms-opsi.ashx>.

⁶ The following OPSI members support this letter: Delaware Public Service Commission, Public Service Commission of the 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 Public Utility Commission, Tennessee Public Utility Commission, Virginia State Corporation Commission, and the Public Service Commission of West Virginia. The Public Utilities Commission of Ohio abstained.

The following OMS members support this letter: 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, and South Dakota Public Utilities Commission.

1. Provide Solution Options Considered and their Costs and Benefits (Phase 1)

As part of Phase 1, the RTOs should provide a list of solution options evaluated that include the costs of the solutions and the benefits anticipated. The benefits could include energy savings, reduced line losses, etc. as long as the benefits calculated lead to real, not hypothetical or theoretical, savings. Additionally, the RTOs should elaborate on the reasoning behind the selection or rejection of various solution options, which were studied, and why. If this is not possible for Phase 1 due to logistical constraints, we would then expect that a discussion of solution options would be needed after it concludes, prior to Phase 2. At a minimum, we would expect the RTOs to conduct this work in Phase 2, as that phase will likely consider more robust and longer-term transmission solutions than Phase 1.

2. Align Future Interregional Planning Requirements with Order 1920 Requirements

We understand that a 2032 planning horizon is likely appropriate to identify the near-term upgrades for Phase 1 of this study. However, given that FERC Order 1920 imposes a 20-year planning horizon, a 20-year planning horizon would likewise be more appropriate for future studies beyond Phase 1. We request that the RTOs align future planning with Order 1920 and look for ways to identify more long-term interregional transmission needs in Phase 2, which should commence in Q3/Q4 2025 and build on lessons learned from Phase 1.

3. OMS and OPSI Support Evaluation of Increased Numbers of Interfaces

We support the addition of more interfaces as the RTOs indicated in their September 2024 communication. Strong interconnections improve both reliability and resilience of the grid by allowing access to cheaper and more numerous resources better able to meet the needs of consumers and respond to increasingly frequent severe weather events. The DOE has identified numerous regional price differences between wholesale market regions and the extent to which high prices could be reduced depends on the magnitude of available generation made accessible by transmission.⁷ This is especially true during extreme weather events, such as Winter Storm Elliott, where there was a difference of up to \$2,000/MWh between the ComEd (PJM) and Ameren (MISO) zones, and during Winter Storm Uri, where power prices were significantly higher in MISO than PJM.⁸ Of course, it is critical to understand whether these price differences are the result of insufficient interregional transfer capability or differences in PJM's and MISO's system dispatch and modeling software and/or business practices. Understanding the causes will guide the solutions and prevent unnecessary investment. Effective interregional planning will also require the RTOs to take a holistic look at planning between the two RTOs on each portion of the seam to enable the RTOs' respective long-term transmission planning initiatives that will increase the potential for interaction across the seam.

4. Consider Use of a Joint Model for Future Studies

In the execution of this initial phase of the study, we understand that “coordinated modeling” – but not “joint modeling” – is currently being used. Instead of joint modeling, consistent scenarios are being designed for each RTO's model. We are encouraged that PJM and MISO are exploring joint modeling, and we encourage the RTOs to establish a joint model in the future. PJM has expressed interest in joint modeling to complete an accurate interregional transfer capability study. That study will be very sensitive to modeling inputs.⁹ Both RTOs working from a joint model is critical to a successful transfer study analysis and should be used in Phase 2.

⁷ [National Transmission Needs Study \(energy.gov\)](#), at 32.

⁸ <https://acore.org/wp-content/uploads/2023/11/ACORE-Billions-in-Benefits-A-Path-for-Expanding-Transmission-Between-MISO-and-PJM.pdf>.

⁹ From the July 8, 2024 OMS-OPSI meeting.

5. Establish Procedures for Stakeholder Input and Updates

The RTOs should provide regular progress updates. Both the July 8, 2024 meeting and the PJM-MISO ITCS Overview one-pager and FAQ document provided in September were informative. A bimonthly report based on the study milestones is appropriate. The RTOs should seek and integrate feedback from OMS and OPSI as the study progresses, establish milestones and firm deadlines, and schedule meetings to provide regular updates. We agree that using existing interregional forums (*e.g.*, the Inter-Regional Planning Stakeholder Advisory Committee) to which the RTOs have already committed is efficient and transparent. Frequent updates and solicitation and incorporation of feedback will improve transparency as well as provide opportunities for states and other stakeholders to help ensure the study's success.

6. Create Lessons Learned Document from Phase 1 to Inform Phase 2

This study should advance future interregional planning studies. The RTOs should create a “lessons learned” document to shape next steps and scope-out Phase 2 studies. As discussed above, these next steps should include a more expansive look at interregional planning, including more ambitious studies and process reforms. However, any investment decisions must be tied to real benefits that exceed the costs of development. The concerns outlined by both RTOs and the Department of Energy about the need for interregional transmission planning will continue to demand attention. Future studies will help states identify barriers and solutions to interregional transmission planning.

7. RTO Baselines on Existing Transfer Capabilities and Operational Capabilities (or Limitations) Should Be Established

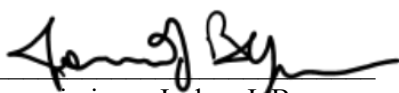
It is important to determine the current interregional transfer capability between MISO and PJM to establish that as the baseline case. This will help identify current system limitations, the extent transfer capacity is underutilized today, and will inform future needs as the bulk electric system continues to evolve. These future needs will drive identification of the agreed-to result (*e.g.*, the amount of interregional transfer capability required based on study and analysis), which will be used to identify the transmission needed, if any.

8. Continue Evaluating All Solutions to Improve Interregional Efficiencies

We encourage the RTOs to continue thinking about seams issues broadly across their entire footprints. These seams efforts and RTO collaboration will feed into Order 1920's interregional requirements and give the RTOs a head start on that compliance effort. The changing resource fleet requires new transmission solutions, and both PJM and MISO should be open to additional conversations about improving connections with their neighboring balancing authorities.

The need to reliably serve retail load during normal and emergency circumstances requires us to better collaborate and jointly plan with neighboring balancing authorities to ensure reliable power systems are resilient and affordable. OMS and OPSI would like to thank PJM and MISO for their efforts on this study, and we look forward to working with you as the study develops. If the RTOs have other solutions in mind regarding seams, we encourage them to reach out to the states. We are open to those discussions.

Respectfully submitted,



Commissioner Joshua J. Byrnes
President, Organization of MISO States



Chairman Emile C. Thompson
President, Organization of PJM States