

Clean Grid Alliance's response to the Illinois Agencies' Request for Information on MISO's ERAS Process

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Clean Grid Alliance (CGA) appreciates the IPA and ICC's (Agencies) interest in improving the MISO ERAS process and seeking stakeholder feedback on this topic. Clean Grid Alliance is an active stakeholder in the Environmental Sector at MISO and CGA has raised concerns to MISO and FERC about the ERAS process and its discriminatory effects on clean energy development by independent power producers (IPPs). Unfortunately, these concerns have largely come true, limiting opportunities for IPPs to use ERAS slots to meet near-term resource needs and state clean energy objectives in Illinois.

While ERAS slots are largely filled and CGA does not support any expansion of ERAS, we recognize that ERAS may eventually be expanded, or a similar proposal may be adopted by MISO in response to FERC's show-cause order under Section 206 of the Federal Power Act (FERC Docket EL26-70-000).¹ CGA prefers an approach that would conform to the requirements of FERC Order 2023,² which makes cluster-based queue studies the standard, by implementing interconnection reforms that unlock the queue backlog. Doing so would necessarily also unlock significant clean energy and storage projects currently in the queue and would better allow Illinois to achieve its clean energy policy goals. With this in mind, CGA offers the following feedback for ways to minimize the discriminatory effects of ERAS and better facilitate use of ERAS by clean energy developers in Illinois:

Questions & Responses

1. As referenced in the preceding section, requirements must be met by a generation project before it can be accepted and studied within MISO ERAS. What, if any, requirements pose a barrier to developers seeking to access the MISO ERAS process for generation projects being developed in Illinois? Please consider requirements in Illinois law, from agencies, from utilities, or from MISO or corresponding MISO tariffs. Particularly, the Agencies are seeking feedback on the 100% site control, issues

¹ <https://www.ferc.gov/media/e-8-el26-70-000>.

² Order 2023 was recently upheld by the D.C. Circuit Court of Appeals in *Advanced Energy United et al. v. FERC et al.* Opinion available online at: <https://media.cadc.uscourts.gov/opinions/docs/2026/07/23-1282-2185998.pdf>

around transparency or data asymmetries, and off-take agreement requirements to obtain feedback if these are hindering submission into ERAS.

Several of the threshold eligibility requirements for ERAS are commercially misaligned with how projects are developed and financed in retail choice markets like Illinois:

- **100% Site Control Barrier:** ERAS requires 100% site control for both the generator site and the Interconnection Customer Interconnection Facilities (ICIF) / Point of Interconnection (POI) at the time of submission. ERAS explicitly disallows the use of financial security in lieu of control. This can be logistically prohibitive or impossible for projects. For example, securing 100% of a transmission tie-line route (often requiring complex right-of-way negotiations with multiple private landowners), early in the development cycle is extremely difficult and unrealistic for many developers. Furthermore, this requirement encourages speculative site control that may not be environmentally or commercially optimal, forcing developers to secure fewer ideal routes or site configurations rather than negotiating for more efficient options that would minimize community impact. As such, this approach is inconsistent with the goals of FERC Order No. 2023, which seeks to reduce speculative interconnection requests. Overly stringent site control rules for transmission tie-lines do not effectively screen for viability; they merely penalize projects with complex linear facilities, which is a common feature of utility-scale renewables. In contrast, in the standard Definitive Planning Phase (DPP), developers can use financial deposits while finalizing routing and such should be allowed in ERAS. Forcing 100% ICIF site control upfront eliminates otherwise highly viable projects.
- **Off-Take Agreement:** ERAS requires an executed off-take agreement to prove projects developed by IPPs will serve an identified resource adequacy need. For IPPs operating in Illinois, this creates an unworkable Catch-22. Corporate buyers, municipalities, and Load Serving Entities (LSEs) typically require cost certainty before executing a binding Power Purchase Agreement (PPA). However, ERAS network upgrade costs are not known until the Expedited Generator Interconnection Agreement (EGIA) is issued—meaning buyers need price certainty on network upgrades, which is exactly the information the ERAS process is designed to produce. Expecting a signed PPA before this information is known is commercially unreasonable. This requirement inadvertently suppresses development opportunities in retail choice states like Illinois by favoring incumbent, vertically integrated utilities that can simply self-certify their own supply. This runs counter to the pro-competitive principles underpinning the Illinois market.

- **Transparency and Data Asymmetries:** The ERAS process requires the Relevant Electric Retail Regulatory Authority (RERRA) to verify the resource adequacy need. Under ERAS rules, when a developer submits a retail choice project, MISO gives the RERRA a 10-day notice window to object or veto the request MISO files revised proposal for expedited power project queue at FERC. Currently, Illinois has no public framework, objective criteria, or scoring metrics defining how the ICC evaluates these 10-day notifications. This creates administrative uncertainty for Independent Power Producers (IPPs), who risk non-refundable application fees (\$100,000 D1 fees plus Milestone M2 deposits) without clear guidance on how to satisfy RERRA. Furthermore, data asymmetry exists because MISO's ERAS serial quarterly studies rely on baseline models containing only projects with executed Generator Interconnection Agreements (GIAs). Vertically integrated utilities with in-house transmission planning teams have greater visibility into system constraints than independent developers. This provides vertically integrated utilities with insights regarding forecast network upgrade risks prior to submission that are not equally available to IPPs.

2. Do other barriers, beyond that reference in Question 1, exist which may limit participation in MISO ERAS for projects being developed in Illinois?

Yes, there are three other major structural barriers embedded in the ERAS rules that negatively impact Illinois projects:

- **The 150% Interconnection Service Cap:** ERAS rules stipulate that the requested Network Resource Interconnection Service (NRIS) cannot exceed 150% of the identified MW need. Because wind and solar resources receive significantly lower capacity accreditation compared to thermal resources, an Illinois renewable project must request a much higher nameplate interconnection service to yield the accredited capacity required to meet a specific load need. Capping this at 150% functionally locks out many renewable and hybrid (solar + storage) projects, tilting the playing field heavily toward fossil-fuel generation – an asset class that is not practically available in Illinois. To illustrate this discriminatory effect: a 100 MW thermal plant receiving a 90% capacity credit can satisfy a 90 MW need. However, a 100 MW solar project with a 30% capacity credit only provides 30 MW of accredited capacity. To meet the same 90 MW need, the solar project would need 300 MW of nameplate capacity, requiring a 300 MW interconnection request—double the 150% cap. This rule functionally makes it impossible for solar to meet the same need as a thermal plant in ERAS.

- **Aggressive Commercial Operation Date (COD) Timelines:** The requirement to achieve COD within 3 years of submission (even with a 3-year grace period) is highly aggressive given the current realities of the global supply chain. Lead times for high-voltage transformers and breakers frequently exceed 36 to 48 months. The threat of project cancellation due to supply chain delays outside the developer's control deters participation.
- **Lack of Early Cost Visibility for Interconnection Facilities:** Even where a project identifies a POI with sufficient injection capability, it may face substantial, site-specific interconnection facility costs including fiber installation, optical groundwire, telecommunications, protection and control upgrades, or other transmission-owner requirements. In some cases, these requirements can add millions of dollars per mile and may not be identified until relatively late in the interconnection study process, leaving developers unable to assess total interconnection costs or make informed business decisions at the time of ERAS application. The resulting cost uncertainty may deter otherwise viable Illinois projects from entering ERAS or force developers to include significant contingencies in project pricing.

3. What changes could be made to the MISO ERAS process to reduce or eliminate the current barriers identified in Questions 1 and 2, improving participation for projects being developed in Illinois?

To make ERAS a functional tool for Illinois developers, the IPA and ICC should advocate for the following changes:

- **Allow Financial Security for ICIF Site Control:** MISO should amend the ERAS tariff to allow developers to post an increased, non-refundable financial security deposit in lieu of 100% ICIF routing site control, matching the standard DPP Phase I flexibility. This proposal is not a novel concept but rather seeks to harmonize the ERAS requirement with a well-established and functional standard already utilized and proven within MISO's own Definitive Planning Phase.
- **Accept Advanced Term Sheets for IPPs:** To solve the off-take Catch-22, MISO should accept legally binding exclusivity term sheets, Letters of Intent (LOIs) with financial penalties, or physical hedging agreements as sufficient proof of commercial readiness for the off-take requirement, rather than demanding a fully executed PPA. To ensure commercial readiness, MISO could require these term sheets to contain specific binding elements, such as financial penalties for termination or strict clauses of exclusivity.

- **Shift the 150% Cap to Accredited Capacity:** The 150% cap should be based on accredited capacity rather than raw interconnection service (nameplate MW). This would make the process genuinely fuel-agnostic and technology-neutral, allowing Illinois wind, solar, and battery storage projects to participate equitably. Aligning the rule with accredited capacity directly serves MISO's stated goal of ensuring reliability, as accredited capacity is what ultimately counts toward resource adequacy.
- **Provide Earlier Interconnection Facility Cost Information:** MISO and the applicable Transmission Owner should provide ERAS applicants, before or at the time of submission, with available information regarding reasonably foreseeable Interconnection Customer Interconnection Facility requirements and costs at the proposed Point of Interconnection. At a minimum, this should include known telecommunications, fiber, optical ground wire, protection and control, substation expansion, and other site-specific requirements that may materially affect project economics. Where such information cannot be provided in advance, ERAS should include a defined opportunity for the developer to withdraw, modify its request, or receive appropriate commercial and schedule relief if the study identifies material interconnection-facility costs that could not reasonably have been anticipated at the time of application. This would allow developers to make informed investment decisions without undermining the readiness standards or expedited objectives of ERAS.

4. Are there additions, changes, refinements, or clarifications that could be made to the IPA's plans – Long-Term Renewable Resources Procurement Plan, recommendations for the forthcoming Energy Storage Procurement Plan, and/or renewable resources or energy storage system implementation processes and procedures – that could alleviate project barriers seeking to participate in the MISO ERAS processes? Please explain in detail.

The IPA can take proactive steps within its own procurement plans to bridge the gap between MISO's current ERAS rules and project development realities in Illinois. Given the limited number of ERAS study opportunities and the strong demand for available capacity, these reforms should be treated as an immediate priority. The IPA should implement any adopted changes as quickly as practicable so that Illinois projects can benefit from the revised procurement framework before future ERAS study cycles begin. Delaying these reforms risks leaving otherwise viable Illinois clean energy and storage projects unable to access ERAS, undermining the State's procurement objectives.

Additionally, while ERAS can help accelerate critical projects, it should complement, not replace, continued improvements to MISO's standard interconnection queue. MISO

should continue pursuing reforms that reduce study timelines, improve transparency, and increase certainty for all projects, regardless of whether they participate in ERAS. The long-term solution is an interconnection process that moves projects through the queue more efficiently and better meets the requirements of Order 2023.

- **Procurement Timeline Alignment:** The IPA should align its Indexed REC (Renewable Energy Credit) procurement events and the forthcoming Energy Storage Procurement Plan timelines to neatly precede MISO's quarterly ERAS submission windows (March, June, September, December) and should ensure that Indexed-REC and Indexed Storage Credit contracts can be fully executed before the quarterly study deadlines.
- **IPA Contracts as ERAS Off-Take:** The IPA should formally clarify that the award of a contract through the IPA procurement process (such as an Indexed REC contract or a centralized storage tolling agreement) explicitly satisfies MISO's "executed agreement" requirement. The IPA could provide a standardized "Statement of Resource Adequacy Intent" alongside contract awards, giving IPPs the exact documentation needed for ERAS submission. An IPA contract award is the result of a rigorous, competitive procurement that firmly establishes both the commercial viability of a project and its critical role in meeting state-mandated renewable energy goals. As such, it is a superior and more definitive indicator of need and project readiness than a standard bilateral PPA.
- **Streamlined RERRA Verification for Illinois:** Since MISO allows a 10-day window for RERRAs in retail choice states to veto an ERAS project, the IPA and ICC should jointly publish a clear, objective framework outlining exactly what criteria they will use to evaluate these notifications. If developers know in advance that winning an IPA contract guarantees they will clear the 10-day RERRA review without a veto, it will significantly de-risk the \$100,000 D1 application fee and material Milestone 2 (M2) payments required to enter ERAS.