

MISO ADVISORY PROCESS– ROLE OF STATE COMMISSION REPRESENTATIVES

(Approved March 2005)

BACKGROUND

The Advisory Committee of the Midwest ISO (MISO) makes recommendations and provides advice to MISO management and the Board of Directors. From the Transmission Owners Agreement, which has been approved at FERC, it is clear that it is advice, and there is no obligation that the advice be taken nor is any action taken in the Advisory Committee process binding on any state commission. There are now three seats designated for state regulatory commissions on the Advisory Committee.

The formation of the Organization of MISO States, with full-time staff since early 2004, has allowed better coordination and support for the state commission Advisory Committee representatives. Nevertheless, these representatives play an important role in expressing the viewpoints of the state regulatory community to MISO and its members.

Under the OMS bylaws, the OMS Vice-President serves as one of the Advisory Committee members, with “lead state” responsibility. The OMS Secretary and the At-Large Member of the Executive Committee are the other two members. MISO’s tariff requires one of the three Advisory Committee members to be from a MAPP state. These positions are filled at the OMS Annual Meeting in December of each year. The OMS Nominating Committee recommends commissioners representing the range of interests of member states and satisfying other requirements.

All states are expected and encouraged to participate to the extent their resources will allow and have their voices fully heard at all MISO Committee and Subcommittee meetings.

ROLE OF THE LEAD STATE

The role of the lead state has been to commit a designated Commissioner and necessary staff to serve as a representative of all MISO states in a manner consistent with representative democracy.

The OMS office supports the lead state by keeping all states informed on matters of specific and general interest, by providing an educational function, by acting as a catalyst for joint state review and action on issues related to MISO, and by providing facilitation resources (conference calls, faxes, etc.).

Among the expectations of lead states is the commitment to undertake the following responsibilities:

1. **Designated Commissioner.** Designate a commissioner to be the primary representative of the MISO state commissions who is expected to attend key MISO meetings including the monthly Advisory Committee meetings. When this commissioner cannot personally attend a meeting, the expectation is that s/he will take responsibility to find a substitute who has been closely following the developments of state positions on MISO issues. In order to maintain the significant state role every efforts should be made to have a state commissioner available to represent the states. Another commissioner from the lead state or one from the backup states should be timely

notified and secured in the event the lead state commissioner develops a conflict and is unable to attend. This could also be a commissioner from another state that has been actively participating in MISO activities. Every effort should be used to have a commissioner level representation; however, in the event a commissioner is not available, a member of the lead commission's staff or a staff member from another state commission may represent the state commissions. (It should be noted that there is an expectation among currently active state commissions that the designated commissioner will personally attend at least six of the twelve monthly Advisory Committee meetings).

The designated commissioner is expected to devote sufficient time to keeping up regular personal contact with other state commissioners and key staff members through personal calls and electronic communications as well as moderating and leading discussions in conference calls or video conferences open to all interested MISO state commissions. Inclusiveness and open communications is the preferred mode.

2. **Consensus.** Experience has shown that the state commissions are most effective when they can speak with one voice in communications to the MISO Board and, especially, to the FERC. While this may not always be possible, it is a worthy goal to pursue and the lead state plays a critical role in promoting unified or joint filings on key issues.
[Material deleted – OMS has other procedures for coordinating FERC filings]
3. **Information Dissemination.** The lead state should coordinate with the OMS office to make all reasonable efforts to ensure that all participating commissions have the same information base to work from in developing positions on MISO-related issues. This greatly increases the likelihood of developing a consensus position on issues. It also reduces potential acrimony between states that find themselves taking opposing policy positions. The lead state should also be attentive to those issues that are likely to be important to the states and attempt to arrange with MISO (or others as appropriate) for educational programs to foster a broader understanding of the issues. All state commissions are encouraged to actively participate in the various working groups and meetings.
4. **Voting.** When there is an opportunity to cast a vote at an Advisory Committee meeting, each authorized state commission voting representative should be cognizant that its vote represents the collective thinking of the OMS state commissions as a whole, to the extent possible, not the position of an individual state. Where time allows, the lead state should consult OMS commissions through an OMS conference call/meeting to discuss the issue in question in an attempt to reach consensus. Typically, the OMS schedules a Board meeting shortly before each Advisory Committee meeting to discuss the Advisory Committee agenda. When votes come up unexpectedly, and the Advisory Committee is unwilling to defer the vote to allow for the explicit development of a consensus position among state commissions, the lead state, in concert with the other OMS state commissioners and staff who are present at that given Advisory Committee meeting, can vote accordingly. However, in cases where a consensus position cannot be reached, or reasonably extrapolated, the preferred practice has been for the state commission representative to abstain from voting.
5. **Negotiations.** In the event that a state commission representative is asked to participate in negotiations with MISO or other MISO stakeholder groups, it is incumbent upon the state commission representative to establish the following understanding with the

negotiating parties prior to the start of the negotiations: State commission representatives must be free to share the details of the negotiations, including confidential negotiations, with the other MISO state commissions. If necessary, formal confidentiality requirements can be complied with. With this understanding secured, the state commission representative will make every effort to inform the other MISO state commissions on the progress of the negotiations in the manner agreed upon by those state commissions.

6. **Participation in MISO Subcommittee and Working Group meetings.** The OMS office and OMS work groups attempt to develop a consensus viewpoint to the extent possible. All state commission staff and Commissioners attending meetings of MISO Subcommittees or MISO working groups have an opportunity under the rules of those committees to express their views and vote consistent with direction given by their home state commission. During issue discussion in these forums, the positions of other state commissions not present could be aired to the extent they are known.
7. **Liaison to MISO Staff and Stakeholder Groups.** Lead commissions may also take the initiative to work with key MISO staff and stakeholder representatives on developing issues, or respond to requests to do so from other MISO state commissions. To the extent this occurs, lead state commissions should keep other states commissions apprised of new developments and opportunities for cooperative or complementary efforts with these groups.
8. **Other Duties.** The designated Commissioner from the lead state may be asked by the MISO Board or the other states to make reports to the Board of Directors, to arrange meetings with the Board of Directors, or to represent the state interests in meetings with the Board and MISO management. The OMS office can assist with these arrangements.