

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

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**Midwest Independent Transmission     )  
System Operator, Inc.                    )**

**Docket Nos.   ER04-691-025  
                  EL04-104-024**

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**COMMENTS OF THE ORGANIZATION OF MISO STATES (OMS)  
ON MARKET READINESS ISSUES**

**I.     BACKGROUND**

FERC's August 6, 2004, Order on MISO's Transmission and Energy Market Tariff (TEMT) in Docket ER04-691-004 et al., provides, at paragraph 55:

55. On market readiness, we will require the Midwest ISO to consult with and adopt OMS's recommendations for metrics related to commercial operations readiness and the testing plan. The Midwest ISO must certify to the Commission, 30 days before market startup, the reliability and readiness of its systems. The Commission will not approve the start of the markets until it receives the certification. We will also require the Midwest ISO's independently evaluated Verification Plan to be filed with the Commission, on an informational basis, at least three months prior to the market start. We also request that OMS make an informational filing to advise the Commission of OMS's views on market readiness.

The OMS has maintained a significant focus on the issue of market readiness and has been actively engaged, working with MISO, market participants and control area operators, to assure that a robust market readiness assurance process involving stakeholders has taken place. While MISO, the independent readiness advisor and MISO's own members are the parties with technical capability for determining readiness for market operations, MISO must ultimately make its own case to the Commission that it is ready to begin market operations.

On February 15, 2005, MISO filed its Readiness Certification in Docket Nos. ER04-691-025 and EL04-104-024 in compliance with FERC's August 6, 2004, Order (108 FERC ¶ 61,163, 2004).

On February 17, 2005, FERC noticed MISO Readiness Certification Filing and set the comment date for February 25, 2005. As a result, the OMS is making its information filing on Market Readiness consistent with the FERC's February 25 deadline.

## **II. SUMMARY OF COMMENTS**

The OMS considers the work and efforts made by the MISO and Market Participants to be very impressive and very significant in an effort to prepare for the launching of the MISO's Energy Markets. While the OMS does not have the full measure of expertise needed to determine if the MISO Energy Markets are ready to start, we will instead urge FERC to be attentive to analysis by market experts, such as, the Readiness Advisor and Independent Market Monitor, as well as those comments expressed by market participants. However, in response to the Commission's invitation for the OMS to provide an informational filing regarding the OMS' views on market readiness, and as a result of the OMS' involvement in MISO's process such as the MIG Task Force, Readiness Advisory Meetings, Parallel Operations Meetings, MISO's Market Readiness Workshop, and Project Managers Readiness Meetings, the OMS provides the following comments. We principally address the small list of areas that remain as of the week February 14 to 18, 2005, expressed by various parties with an interest in the MISO Day-2 energy market that MISO may need to address before market start-up. Based on discussions with various parties the issues discussed are expected to be completed before market start-up on April 1, 2005.

## **III. MARKET READINESS ISSUES**

The OMS will focus on the following 6 areas in addressing market readiness issues:

- Readiness Advisor Remaining Metrics and Metric Interpretive Guidance Task Force (MIGTF);
- Market Readiness Workshop and Project Managers Readiness Meeting;
- Transmission Owners Core Work Group (TOCWG) Metrics Issues;
- Stress Testing the System;
- MISO's Cut-Over Plan, MISO's Reversion Plan, and MISO's Communication Links with Balancing Authorities' Back-up Facilities; and,
- MISO Readiness Certificate filed with the FERC.

As follows, the OMS has included brief comments on these remaining market readiness issues for information purposes to the FERC regarding MISO Day-2.

### **A. *READINESS ADVISOR REMAINING METRICS AND METRIC INTERPRETIVE GUIDANCE TASK FORCE (MIGTF)***

#### **1. *Remaining Metrics with Readiness Advisor***

Science Applications International Corporation (SAIC) became Midwest ISO's Readiness Advisor (RA) in mid-2004 and quickly moved to make its assigned employees and its part of the overall readiness assurance process very open and accessible. On the most recent weekly update call, the RA stated that

as of that date, February 17, 2005, eight metrics have not been verified.<sup>1</sup> The categories containing open metrics are System Readiness (29.1, 35, and 45.2), BPM Readiness (11B), Market Monitor Readiness (85), JOA Readiness (40.1), Contingency Readiness (55.4), and LMP/SE Readiness (58). The status of the metrics is: metrics 35, 40.1 and 55.4 have Completion Review Documents (CRDs) completed and received for review; metrics 29.1, 45.2, 58 and 85 are submitted in draft form; and metric 11B has not been received yet but is expected to be submitted on 2/17/05.

At the February Advisory Committee (AC) Meeting, the RA reported that from a metric perspective there were no specific obstacles to Midwest ISO beginning market operations on the scheduled date of April 1, 2005. The RA anticipated that all CRDs would be completed by early March if not by the end of February. In the Midwest ISO Market Readiness Compliance Filing on February 15, 2005, the Midwest ISO stated: “This Readiness Certification is an attestation that the metrics the Midwest ISO has identified prior to the commencement of the Energy Market have been substantially accomplished.”<sup>2</sup>

OMS commends the Midwest ISO for allowing stakeholders to review and comment on many aspects of the RA process and results. The weekly calls with the RA were particularly helpful to the OMS participants. The RA was very willing to share its work and was open to comments made by stakeholders on the calls.<sup>3</sup>

## 2. *MIGTF*

The Metric Interpretive Guidance Task Force (MIGTF) was formed to review Midwest ISO’s Midwest Market Initiative Performance Metrics and Metric Interpretive Guidance documents. The MIGTF was to submit any suggestions for changes, additions, or deletions to the Market Subcommittee, Midwest ISO staff, and the Readiness Advisor (RA). The MIGTF is a subgroup of the Midwest ISO Market Subcommittee and was established by that Subcommittee on April 6, 2004.

OMS was an active participant in the MIGTF process. Representatives of several state commissions and the OMS Executive Director regularly attended the meetings. OMS representatives also reviewed draft documents that were produced by the MIGTF such as new metrics, changes to existing metrics, task force reports and meeting notes.

In its report to the Midwest ISO AC on February 16, 2005, the MIGTF reported that it had some areas of concern but did not identify specific metrics. The MIGTF also noted that it would not be holding meetings in the future but would utilize the new biweekly stakeholder readiness meetings as the forum for presenting its concerns.

OMS believes that the Midwest ISO appropriately responded to its stakeholders’ concerns regarding commercial readiness metrics by establishing the MIGTF. The MIGTF created three

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<sup>1</sup> Verification of two additional metrics was reported at the RA call on February 24, 2005. Additionally, the calls have been extended to April 7, 2005.

<sup>2</sup> Midwest Independent Transmission System Operator, Inc. Docket Nos. ER04-691-025 and EL04-104-024, Compliance Filing, Page 2, also see footnote 8.

<sup>3</sup> The Michigan Public Service Commission submits that MISO represented that the end result is that the metric verification process has adequate transparency to assure that Midwest ISO or RA statements about readiness metrics are appropriate.

new metrics on participant-side readiness and reworded many other commercial readiness metrics to make them more applicable and relevant. This process resulted in a set of metrics that better reflected the tasks that were needed to prepare for the start-up of the market.

#### *B. MARKET READINESS WORKSHOP AND PROJECT MANAGERS READINESS MEETING*

Based on OMS participation in the February 14, 2005, MISO Market Readiness Workshop and February 16, 2005, Project Managers Market Readiness Meeting with MISO, the OMS heard the following as the list of remaining areas of market readiness issues to be resolved: 1) Ramping, 2) Reserve Sharing, 3) Settlements, 4) Meter Data, 5) JOA/GFAs, 6) System Operation Tests-data conversions, 7) XML server availability, 8) Combined Cycle Testing. OMS was not involved in all of the detailed conversations regarding these eight areas; however we will discuss the areas where we did hear more detailed comments.

Regarding settlements, there will be additional testing in the second and third weeks of March that will test 7 and 14 day settlement periods (referred to as S7 and S14). MISO was holding ongoing meetings on settlement issues the week of February 14 to 18, 2005. MISO will be picking key cities to walk through settlement statements and codes; a schedule for these meetings will be out soon.

Regarding XML server availability, the backup signal between MISO and Control Areas was more than half-completed; final concerns on remaining control area issues are still being worked on.

Other clean-up issues raised by Project Managers in the February 16, 2005, meetings were:

- Concerns on getting start and stop instructions for self-scheduled units; this should not occur since these are self-scheduled units.
- Concerns on portal information not matching *ex post* LMP numbers.
- Preparedness issues related to jointly-owned units and FTR auctions.
- Issues related to market participants that have been less involved in MISO Day-2 start-up to date: plant reference information, load forecast for control area, meter data, FTR load share, gas nominations, and jointly-owned units.
- Concerns related to stress testing that are discussed later in these comments.

#### *C. TRANSMISSION OWNERS CORE WORK GROUP (TOCWG) METRICS ISSUES*

The OMS is aware that the Transmission Owners Core Work Group (TOCWG) provided MISO with a list of 17 performance metrics to ensure these metrics were appropriately captured and completed prior to market start-up. MISO has provided responses to all 17 metrics and has explained how each of these metrics has been completed and verified. At the MISO AC Meeting

on February 16, 2005, the TOCWG promised to get back to the MISO AC and indicate if its members are satisfied with MISO response regarding the completion and verification of these metrics. The OMS appreciates both the TOCWG for bringing these metrics forward and MISO's timely response to these concerns. The OMS recommends that a follow-up occur to ensure that MISO satisfactorily addresses the 17 metrics identified by the TOCWG.

#### *D. STRESS TESTING THE SYSTEM*

The OMS has observed the considerable amount of effort MISO has spent inviting market participants to appropriately stress MISO's Midwest Market Initiative (MMI) systems through participation in pre-market launch system testing. Five phases of such testing have taken place: (1) Day-in-a-Life Basic, (2) Day-in-a-Life Enhanced, (3) Parallel Operations I, (4) Parallel Operations II, and (5) Final Trials. Within those testing regimes, MISO has included System Operations Tests, where MISO sends signals to generating units and the units respond to the signals. Because of the additional month caused by MISO's delay in beginning financially binding markets, MISO plans to have additional System Operations Tests on Tuesdays and Fridays for durations of three to five hours each. Additionally, MISO has scheduled a period of mandatory testing for the dates of February 17 through March 18. Finally, MISO has self-stressed the MMI systems.

The level to which any software is stressed before going into production is the result of the desires of parties having testing capability. In the case of MMI software, both the MISO and its market participants have this capability. Some market participants have opined that MMI systems ought to be stress tested to an even greater extent than has taken place to date. However, it appears to the OMS that MISO has undertaken processes it can reasonably be expected to use to encourage systems stress tests. To the extent market participants have not elected to participate, OMS suggests that market participants have behaved in accordance with the needs of their respective organizations. The OMS expects market participants have prudently and carefully weighed the costs/risks and benefits of participation and have participated to the extent they find to be optimal for their own purposes. Based on the information currently available to the OMS, it appears that many of MISO's MMI systems have been tested. OMS expects MISO will thoroughly test all of its systems and software – including recent or future upgrades and patches -- before market launch.

OMS representatives stated at the February 16 Project Managers Market Readiness Meeting that if necessary, the OMS is willing to help MISO inform market participants of the benefit of participating in MISO system stress tests. Stress tests scheduled for March 2 and 16 are important to ensure the MISO Day-2 energy market is indeed ready.

#### *E. MISO'S CUT-OVER PLAN, MISO'S REVERSION PLAN, AND MISO'S COMMUNICATION LINKS WITH BALANCING AUTHORITIES' BACK-UP FACILITIES*

##### *1. MISO's Cutover Plan*

The OMS notes that as part of MISO's completion of Metric 11, MISO's Reliability Subcommittee ("RSC") recently reviewed MISO's Overall Business Continuity Plan and related

business/IT plans for shifting system operations from decentralized control-area operations to centralized security-constrained dispatch, collectively known as MISO's "cutover plans." With respect to the RSC's review of MISO's cutover plans, the OMS notes that the RSC recently reported in writing to the MISO AC at the February 16, 2005, AC meeting.<sup>4</sup> Specifically, the RSC reported that the Business Continuity Focus Group ("BCFG") found the following:

In general, the review showed that there is appropriate detail in both the Overall Business Continuity Plan and the individual business/IT plans. **It is the recommendation of the focus group that the Reliability Subcommittee approve Metric 11 from a content perspective.**

The plans do a good job of explaining "What" needs to be done under different scenarios and severity levels. However, the focus group did not review any procedures that document "How" the plans are implemented.

The focus group recommends that MISO and RSC consider additional follow-up items:

- If not already provided, ensure that business continuity plans are in place for vendors/service providers such as OATI, as well as suppliers of ICCP data.
- It appears that more detail is required as to the Business Continuity Plan of the St. Paul Office.
- A review of the IT functional plans should be conducted to ensure that all roles and responsibilities and vendor contract information are included.
- The Overall Business Continuity Plan should include timeframe requirements for testing of different business function plans.
- Confirm that the requirements/supplies for operation at alternate sites are available. The plans list the requirements/supplies but have they been acquired?<sup>5</sup>

The RSC further reported to the AC that the RSC passed without opposition the following motion:

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<sup>4</sup> Item 3N of February 16, 2005 Advisory Committee meeting, Reliability Subcommittee "Status Report," pp. 1-2. Emphasis in the original.

<sup>5</sup> Ibid.

The Reliability Subcommittee endorses the recommendations of the Business Continuity Focus Group. The Reliability Subcommittee requests that MISO respond back to the Reliability Subcommittee addressing the additional follow-up items by the May RSC meeting.<sup>6</sup>

The OMS commends MISO for allowing stakeholders to review its internal cutover plan. Such stakeholder reviews should help ensure both a successful market launch and efficient on-going operations. Although the BCFG's follow-up items may pertain more to post-market launch operations, MISO should strive to respond to the BCFG's follow-up items as soon as possible in order to provide additional assurance of efficient Day 2 operations in a timely manner.

## 2. *MISO's Reversion Plan*

In its August 6, 2004, Order, the Commission stated,

[W]e will require that no later than three months prior to the start of the Day 2 market, the Midwest ISO file with the Commission a detailed plan, including demonstration of successful testing of the plan, for cutover to decentralized power system operations in the even of a serious failure of Day 2 operations.<sup>7</sup>

Under Tab C of its December 1, 2004, compliance filing, MISO provided its proposed Reversion Plan, which "defines the process for operating the Midwest ISO generation and transmission system during loss of market operations due to failure of the unit dispatch system ('UDS')."<sup>8</sup> In its January 24, 2005, Order, the Commission conditionally accepted MISO's proposed Reversion Plan and directed MISO to modify or clarify the plan in various ways.<sup>9</sup> In particular, the Commission stated,

We find that the Midwest ISO has made reasonable progress working with the committees to educate stakeholders and test the plan for the Commission to accept the Reversion Plan at present. Therefore, we accept the Reversion Plan subject to the Midwest ISO conducting a test of the Reversion Plan in January 2005, and the Midwest ISO's subsequent filing of the results with the Commission within 30 days of the issuance of this order.<sup>10</sup>

At the February 16, 2005, AC meeting, MISO staff reported that MISO intends to make its compliance filing on February 23, 2005. Due to the Commission's deadline for these comments, the OMS is not able to review MISO's planned compliance filing.

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<sup>6</sup> Ibid.

<sup>7</sup> August 6, 2004, Order at ¶58.

<sup>8</sup> MISO's December 1, 2004, compliance filing, p. 5.

<sup>9</sup> For a discussion of modifications and clarifications required by the Commission, see January 24, 2005, Order at ¶41-47.

<sup>10</sup> January 24, 2005, Order at ¶46.

Nonetheless, the OMS notes that at the February 16, 2005, AC meeting, the Readiness Advisor reported that the UDS Contingency Completion Review Documents (“CRDs”) for Metrics 55.1,<sup>11</sup> 55.2,<sup>12</sup> and 55.3<sup>13</sup> “are under review and waiting for test results and system observations for verification.”<sup>14</sup> The Readiness Advisor expects to verify these (and all other) CRDs by March 1, 2005.<sup>15</sup> The OMS also notes that in mid-January, the Transmission Owners Core Working Group (“TOCWG”) raised concerns with Metrics 53<sup>16</sup> and 54,<sup>17</sup> which the Readiness Advisor recently verified. MISO’s written responses to the TOCWG’s stated concerns for Metrics 53 and 54 were included in MISO’s MMI status report at the February 16, 2005, AC meeting.<sup>18</sup>

The OMS takes some comfort in the statement in MISO’s Certificate of Operational Readiness that “safeguards have been developed to respond to potentially abnormal operations during EMT conditions when the Energy Markets are implemented on April 1, 2005.”<sup>19</sup> Likewise, the OMS takes some comfort in the statement in MISO’s Certificate of Organizational Readiness that “the Midwest ISO has prepared its personnel for their duties and responsibilities in implementing the Energy Market on April 1, 2005, in accordance with the provisions in the EMT and to operate Energy Market on an ongoing basis under both normal and abnormal conditions.”<sup>20</sup> In addition to the readiness of MISO’s systems and personnel, the OMS is interested in the readiness of Balancing Authorities’ and Market Participants’ systems and personnel for their Day 2 functions and responsibilities under normal and abnormal conditions.

Based on all of the evidence to date, the OMS has confidence that the Reversion Plan will be thoroughly tested by the MISO and the relevant market participants before the Commission is asked to approve the Plan in advance of market launch. The OMS stands ready to assist MISO and the Commission as they address any outstanding issues regarding MISO’s Reversion Plan and other aspects of Day 2 operations under abnormal conditions.

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<sup>11</sup> Metric 55.1 states, “For failure to achieve the Real-Time solution, Midwest ISO shall have a process for evaluating and approving the future operation that manages congestion and maintains reliability. The processes shall be tested and shall include for each geographical area: Demonstration of criteria to exit the use of State Estimator (SE) model in the LMP Market (i.e. if one failure of SE, use last good solution).”

<sup>12</sup> Metric 55.2 states, “For failure to achieve the Real-Time solution, Midwest ISO shall have a process for evaluating and approving the future operation that manages congestion and maintains reliability. The processes shall be tested and shall include for each geographical area: Demonstration of generation dispatch.”

<sup>13</sup> Metric 55.3 states, “For failure to achieve the Real-Time solution, Midwest ISO shall have a process for evaluating and approving the future operation that manages congestion and maintains reliability. The processes shall be tested and shall include for each geographical area: Demonstration of calculation of NSI.”

<sup>14</sup> Readiness Advisor Team, “Readiness Advisor Briefing For The Advisory Committee,” February 2005, p. 5.

<sup>15</sup> *Id.*, p. 7.

<sup>16</sup> Metric 53 states, “Midwest ISO shall have back-up systems in operation so that Control Areas and the Market can operate when Midwest ISO systems and/or communications links fail.

<sup>17</sup> Metric 54 states, “Publish detailed procedures, which have been reviewed by the Market and Reliability Subcommittees for normal and abnormal/emergency system operations and communications with both internal MISO Control Areas and Market Participants and all first tier external to the MISO operating entities. MISO will seek recommendations from each reviewing entity. These recommendations will be sent to the Advisory Committee and MISO Board of Directors. The Board of Directors will specifically acknowledge and respond to these recommendations.”

<sup>18</sup> “MMI Status: Advisory Committee Update,” February 16, 2005, pp. 22-23.

<sup>19</sup> MISO’s February 15, 2005, Readiness Certification, Attachment 1.

<sup>20</sup> MISO’s February 15, 2005, Readiness Certification, Attachment 2.

### 3. MISO's Communication Links with Balancing Authorities' Back-up Facilities

Currently, NERC requires control area operators to maintain back-up operating facilities for situations in which primary operations facilities are unavailable for some reason.<sup>21</sup> It follows logically that preparations for Day 2 operations under *locally* abnormal conditions ideally should include the establishment of functioning communication links between MISO and the Control Areas'/Balancing Authorities' back-up operating facilities. MISO's Certificate of Operational Readiness states that "the Midwest ISO has established and exercised communication infrastructure, protocols and procedures with Market Participants, Control Areas, Balancing Authorities, adjacent reliability coordinators and adjacent market operators to ensure that the Midwest ISO's systems are operational and will be implemented on April 1, 2005."<sup>22</sup> While the OMS can not independently verify the concern, based on electronic messages distributed to the Control Area Working Group and Reliability Subcommittee, at least some MISO stakeholders appear to question the availability of communication links between MISO and some control areas' back-up facilities. The OMS trusts that the MISO is aware of this concern and will address this to the satisfaction of the FERC.

The OMS also notes that none of the readiness metrics, as written, addresses explicitly the availability and functionality of communication links between MISO and back-up operating facilities for Control Area Operators/Balancing Authorities and other relevant entities.<sup>23</sup> Further, MISO's proposed Reversion Plan, as it appears in MISO's December 1, 2004, compliance filing, does not explicitly address the issue of MISO's communication links with Balancing Authorities' back-up operating facilities. Presumably, functional communication links between MISO and Balancing Authorities' backup operating facilities would help MISO satisfy the assumptions listed in MISO's proposed Reversion Plan.<sup>24</sup>

The OMS expects that MISO and relevant stakeholders will address this issue soon in order to ensure reliable Day 2 operations. Based on the above considerations, the OMS nonetheless respectfully urges the Commission to ensure that MISO provides a detailed plan to establish

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<sup>21</sup> See NERC Standard EOP-008-0, R.1 and R1.1, which are to be effective on April 1, 2005:

R1. Each Reliability Coordinator, Transmission Operator and Balancing Authority shall have a plan to continue reliability operations in the event its control center becomes inoperable. The contingency plan must meet the following requirements:

R1.1. The contingency plan shall not rely on data or voice communication from the primary control facility to be viable.

<sup>22</sup> MISO's February 15, 2005, Readiness Certification, Attachment 1.

<sup>23</sup> Metric 54, which has been verified, comes close to addressing this issue, but the CRD for Metric 54 is not readily publicly available. Accordingly, the OMS has not assessed the extent to which the Readiness Advisor, in the course of verifying Metric 54, considered information regarding MISO's communication links with control areas' back-up facilities.

<sup>24</sup> See Attachment A to these comments for the list of assumptions included on pages 3-4 of MISO's proposed Reversion Plan, which was attached under Tab C of MISO's December 1, 2004, compliance filing:

communication links with control areas' back-up facilities, or in the alternative, explain why such communication links are not necessary or reasonable.<sup>25</sup>

#### *F. MISO READINESS CERTIFICATE FILED WITH THE FERC*

MISO certified its readiness to commence market operations in a February 15, 2005, filing to the Commission. Both James Torgerson, President and Chief Operating Officer, and John Bear, Senior Vice President and Chief Operating Officer filed certifications; Mr. Torgerson filing a certification of organizational readiness and Mr. Bear filing a certification of operational readiness. The OMS has been working with other stakeholders in anticipation of the commencement of MISO's Midwest Market initiative. During that time, the OMS goal has been that markets start when MISO has thoroughly demonstrated its readiness—when the circumstances are right. For its part, MISO has consistently assured the OMS and other stakeholders that it would only commence market operations when conditions were right—when the parties were ready. The OMS has observed MISO's open and rigorous process leading toward market operations commencement, including the use of an outside Readiness Advisor. The OMS also has observed MISO's willingness to delay that commencement, as it did on January 27, 2005, when it appeared that MISO could be ready for a March 1, 2005, commencement, but some market participants could be at risk if such a schedule were followed. MISO's willingness to examine its own readiness and to listen to the concerns of its stakeholders gives the OMS confidence that MISO will do what it must to assure that the Midwest Market Initiative will commence operations only when MISO and its stakeholders are ready. Given the prospective nature of MISO's readiness certification, the Commission should carefully consider the state of affairs as the market launch date approaches before giving significant weight to MISO's certification in the Commission's determination of whether the MISO ought to commence Midwest Market Initiative operations.<sup>26</sup>

#### **IV. REQUEST FOR WAIVER OF SERVICE**

The OMS hereby respectfully requests waiver of the requirements set forth in 18 C.F.R. § 385.2010. The OMS has electronically served a copy of this filing upon all Midwest ISO Members, Member representatives of Transmission Owners and Non-Transmission Owners, and the Midwest ISO Advisory Committee participants. In addition, the filing has been electronically posted on the OMS website at [www.misostates.org](http://www.misostates.org) under the heading "Filings to FERC" for other interested parties.

Good cause exists for granting this waiver due to the volume of interested parties in this matter, the limited resources available to make service, and the financial burden on the OMS in copying and mailing copies of this filing. Many parties, in fact, prefer receiving their copy in electronic

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<sup>25</sup> The Indiana Utility Regulatory Commission notes that the MISO filing regarding the Reversion Plan (ER04-691, filed on Wednesday February 23) was made after the cutoff date for OMS' consideration in preparation of these comments.

<sup>26</sup> The Pennsylvania Public Utility Commission submits that MISO's readiness certification ought to be given significant weight in the Commission's determination of whether the MISO ought to commence Midwest Market Initiative operations. The Indiana Utility Regulatory Commission strongly supports the Pennsylvania Commission's comment.

format or from a website and are accustomed to electronic service on Midwest ISO dockets. Paper copies will be made available to any person upon request to the OMS office.

## V. CONCLUSION

The Organization of MISO States submits these comments because a majority of the members have agreed to generally support them. The following members generally support these comments, with the exceptions noted herein. Individual OMS members reserve the right to file separate comments regarding the issues discussed in these comments:

- Indiana Utility Regulatory Commission
- Iowa Utilities Board
- Michigan Public Service Commission
- Minnesota Public Utilities Commission
- Nebraska Power Review Board
- North Dakota Public Service Commission
- Pennsylvania Public Utility Commission
- South Dakota Public Utilities Commission
- Wisconsin Public Service Commission

For procedural reasons, these members are not able to express a formal position at this time:

- Kentucky Public Service Commission
- Manitoba Public Utilities Board
- Public Utilities Commission of Ohio
- Illinois Commerce Commission
- Montana Public Service Commission
- Missouri Public Service Commission

The Minnesota Department of Commerce and the Iowa Consumer Advocate, as associate members of the OMS, participated in these comments and generally support these comments.

Respectfully Submitted,

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Dated: February 25, 2005

## Attachment A

The following assumptions are listed on pages 3-4 of MISO's proposed Reversion Plan, which was attached under Tab C of MISO's December 1, 2004 compliance filing:

### 3. Assumptions

This Reversion Plan assumes the UDS is not functioning due to software and/or hardware failure. The Reversion Plan assumes the following:

- The BU UDS tool is functional.
- During the initial readiness period the Midwest ISO will revert to Day 1 Operation in 3 hours or less.
- Legacy systems of the Midwest ISO will have full functionality:
  - Electronic Scheduling System ("ESS") will be operational and have Day 1 functionality.
  - Transmission losses will be calculated in the ESS.
  - Transmission Scheduling Information Network ("TSIN") still has Day 1 functionality (i.e. as it existed on February 28, 2005). Balancing Authorities must not delete Points of Receipt/Points of Delivery ("PORs/PODs") until after the expiration of this Reversion Plan.
  - The Midwest ISO EMS is functional.
  - The Midwest ISO Open-Access Same-Time Information System ("OASIS") is functional.
  - The Midwest ISO Available Flow Capacity ("AFC") calculations will be available.
- Reliability Control:
  - The Reliability function of Midwest ISO has full capability.
  - SE and Real-Time Contingency Analysis ("RTCA") are operational.
  - ICCP data links are operational.
  - Transmission Loading Relief ("TLR") will be used for market flow reduction and external Point-To-Point flow reduction.

- Until the Day 2 market has been converted to the Day 1 processes, the last set of upload market flow calculations will be used to the relief calculation.
- The Control Area definition will be kept in the Interchange Distribution Calculator (“IDC”) (IDC does not recognize Balancing Authority definition).
- Until the Day 2 market has been converted to the Day 1 processes, the market flow reduction will be accomplished by manual redispatching sets of generators per IDC.
- Generator Shift Factors (“GSFs”) from the IDC shall be used to calculate and perform market flow reduction for congestion.
- Participants:
  - Balancing Authorities have OASIS functionality.
  - Balancing Authorities have tagging functionality.
  - Balancing Authorities have a scheduling system.
  - Balancing Authorities have the ability to update and operate to a manual NSI.
  - Balancing Authorities can perform economic dispatch either manually or electronically.
  - Balancing Authorities have not deleted PORs/PODs until after the initial readiness period.
  - Balancing Authorities have maintained communication protocols with generation and IPPs.
  - Balancing Authorities have maintained the ability to respond to Reserve Sharing events and notify Regional Generation Dispatchers.