

**The Organization of MISO States
Staff Comments on
MISO's Proposed 2012 Incentive Metrics
November 11, 2011**

The Organization of MISO States (OMS) Staff appreciates the opportunity to provide feedback on MISO's Proposed 2012 Incentive Metrics. The comments below address concerns in metric 4.2, Product and Performance Enhancement Strategic Goals.

- We recommend that Goal 7, Resource Adequacy, be changed to account for the fact that FERC has not approved MISO's Resource Adequacy filing in ER11-4081, and suggest the following edits:

7. Resource Adequacy

Develop and implement enhancements to the Resource Adequacy application including adding locational ~~market~~ mechanisms (required by a June 8, 2011 FERC order), enhanced load forecasting processes, and retail load tracking and capacity settlement, ~~and enhanced auction mechanism.~~

This goal requires the upgraded system to be in production by year-end.

- We also note that the Threshold, Target and Excellent levels of Metric 4.2 are measured by completion of a certain number of Goals, without consideration of the complexity or importance of the individual projects. For example, the efforts required to meet the Interchange Optimization goal may not equal those necessary to replace or upgrade OASIS. We suggest that the differences be taken into account in either the design of the Incentive Plan, or in the performance evaluation.