

OMS Regional Planning Work Group Feedback on Project Status Update Proposal

Revised

April 26, 2013

The OMS Regional Planning Work Group (RPWG) would like to thank MISO for incorporating previously suggested edits to the BPM. However, there are some remaining suggestions that are essential for process clarification and to provide sufficient transparency on substantive changes throughout the development and construction of a project. This is especially important in light of the competitive selection process required by FERC Order 1000. Substantive clear updates serve as a record for a developer's ability to provide plausible accurate estimates during the bidding process and throughout the entire construction phase which can be used as a selection criterion going forward.

Simply relying on the Planning Subcommittee exploder list for requesting project status updates is insufficient. Before a project is placed in Appendix A, a transmission developer contact with responsibility for submitting the Project Status Updates should be identified and contact information provided to MISO. Then all project status report requests can be sent to the PSC, as well as the key contacts identified for each project.

During the PSC meeting on April 16, 2012, the Transmission Owners (TOs) suggested a modification to the availability date of "15 days after the end of the quarter" for project status report summaries in the 1st paragraph under Section 4.2.3.1. As MISO pointed out during the meeting, these due dates are known ahead of time and there is no reason for additional time.

Updates based on cost and schedule variance are only optional and the starting point for the variance calculation is unclear in the current proposed BPM language in the 2nd paragraph in Section 4.2.3.1. We support required updates if the cost estimate increases by 10 percent or more or by \$5 million or more, whichever is less since the last update or from the original estimate. We also support required updates for substantial schedule changes. If however, updates based on cost variance remain voluntary, then a backstop update should be required for any project that has not submitted an update in the past calendar year.

Milestone 3 is too uncertain. When the developer "is scheduled to place their first order" could be very different from when the order is actually placed. Thus, allowing a long time in between, during which there could be substantial cost changes. We suggest the insertion of this clarifying 2nd sentence: "If the order is delayed then this update should occur no more than 3 months prior to the actual placement of the order. " We do not agree that this update should be submitted after the order is placed as suggested by the TOs during the PSC meeting on April 16, 2013. These are large ticket items and the developer should be fairly certain on the pricing of the items before the order is placed. A cost update as accurate as possible should be provided *before* the order is placed.

Additional information should be required for all projects, including Base Line Reliability projects that meet one or more of the listed criteria.

Projects Status Updates should be required for all Appendix A projects and not just starting from MTEP13.