Organization of MISO States (OMS)
Markets Work Group
Response to MSC Feedback Request
Submitted on June 5, 2026

In the May 21, 2026 meeting of the Market Subcommittee (MSC), stakeholders were invited to review and submit feedback on MISO's response to WPPI proposal and MISO's plan for ARR/FTR enhancements (MSC-2025-5).

https://www.misoenergy.org/engage/stakeholder-feedback/2026/msc-ftr-arr-market-enhancements-msc-2025-5-20260521/

The OMS Markets Work Group (MWG) provides this feedback to MISO regarding its proposed FTR-ARR Enhancements. **This feedback is from an OMS work group and does not represent a position of the OMS Board of Directors.**

Regarding MISO's evaluation of WPPI's proposal, the MWG believes that MISO should run the allocation process outside the annual time (i.e., seasonally), since this would provide LSEs the opportunity to be allocated additional capacity prior to releasing it in the auctions and competing against financial traders in obtaining positions. The same rationale would apply for a new monthly allocation from the seasonal nomination that was not allocated. By shifting the allocation to be closer to when outages and topology changes occur, LSEs who built the transmission system would be the first entity to be allocated additional capacity; as such, an allocation in the seasonal process should be a requirement. MISO also mentions late outage submissions. However, what percentage of the congestion is due to nominating ARRs when late outages are submitted? We believe the additional process changes would be worth the effort and that MISO can run such a process and may look to how SPP operates their allocation/nomination processes for ideas.

Furthermore, the MWG has been disappointed by the slow progress MISO has made to date on these enhancements and believes MISO should accelerate this work. It is difficult to understand what MISO is evaluating and prioritizing if the scope, details, and objectives remain unclear. However, any enhancement must prioritize the return of additional congestion dollars to load in a more equitable fashion. The MWG has been frustrated that MISO is not speaking more about this; however, we are encouraged that they are at least thinking about how to respond to concerns over how FTRs are not commensurate with associated DA congestion costs. However, an evaluation is not a concrete proposal to return more congestion dollars to ratepayers.

Therefore, we strongly urge MISO to keep the door open to more fundamental reforms to a market perceived by many members as not functioning properly. Therefore, MISO should put forward more fundamental reform concepts for stakeholder consideration including the Willing Buyer-Seller Market framework. Given the limited number of opportunities to improve not only the processes in this market, but also the ability to advance such reforms, a conversation must be started in earnest with specific proposals advanced and evaluated.

As for the remaining enhancements under consideration (e.g, improvements to RSP process, updated entitlements, revised TCM, etc.), the MWG supports moving forward with those

enhancements and discussing the specifics. We hope that MISO will provide additional metrics upon which to help gauge the success of their efforts, including those that return additional dollars to load. These metrics should not only include revenues and costs observed in the ARR/FTR market, but also the implicit cost of congestion seen in the MCC of the LMP. This will ensure a comprehensive understanding of how well the ARR/FTR construct hedges DA congestion costs. After proposals for these enhancements and reforms are developed, some members would like to explore an expanded set of FTR products. The success of this effort will be questioned if stakeholders are not shown metrics of what was achieved and what can still be improved.

To that end and to repeat prior MWG feedback,[1] we would like a concrete plan to evaluate:

1. How these enhancements provide equitable return of dollars to ratepayers;
2. How these enhancements improve hedges that deliver the most cost-effective, reliable output; and
3. More foundational reforms (e.g., the Willing Buyer-Seller model).

Also, some of MISO's responses appear to be summaries of stakeholder feedback with their own vested interests. For instance, as brought up by WPPI, MISO should provide their evaluation of how its proposal would "impair[s] efficient FTR price formation." MWG would like to understand what this says about how well LSEs are hedged, and how they came to such a conclusion.

Finally, after the enhancements that MISO has presented are considered and the feedback that has been provided is incorporated, MISO should develop a timeline about design, discussion, filing, and rollout of the enhancements/reforms.

[1] OMS Markets Work Group, Requests for ARR/FTR Information and Modeling (March 17, 2026).