

**COST ALLOCATION AND REGIONAL PLANNING (CARP) MEETING  
CARP XII  
December 14-15  
Midwest ISO  
Carmel, Indiana**

**MEETING INFORMATION:**

<http://www.misostates.org/CARP12MeetingINFO14-15December2009CarmelREVISED.pdf>

Please note that, because this meeting is a Monday – Tuesday meeting, the first day will start at 11:00 a.m. to allow for travel on Monday morning. We will try to be done as early as possible on Tuesday to accommodate travel plans as well. To ensure that we get through the full agenda, we may go later than 5:30 on Monday.

**AGENDA**

**December 14<sup>th</sup>**

**11:00 – 11:05 Welcome and Call of the Roll**

Commissioner Lauren Azar, President of OMS  
Commissioner Greg Jergeson, Secretary of OMS  
Bill Smith, Executive Director of OMS

**11:05 – 11:10 EISPC Update**

Commissioner Lauren Azar, President of OMS

Commissioner Azar will give an update on the status of the funding request and the various workgroups that have been working during the last few months.

**11:10 – 11:15 UMTDI Update**

Chancy Bittner, Iowa Utilities Board Staff

Chancy will give an update on the efforts and timing of the Upper Midwest Transmission Development Initiative.

**11:15 – 11:20 RECB Taskforce Update**

Commissioner Lauren Azar, President of OMS/Chair of RECB Taskforce  
David Johnston, Indiana Utility Regulatory Commission

The group will provide an update on the RECB Taskforce, which will meet on the days subsequent to CARP.

**11:20 – 11:30 Engineering Analysis Conference Call Report**

Hisham Choueiki, Public Utilities Commission of Ohio

Between the November and December CARP meetings, there was a conference call with Matt Tackett from the Midwest ISO to discuss and ask questions about the engineering analysis. Hisham will give a brief update on the highlights of that call.

**11:30 – 12:00 Legal Primer: Filing Rights Under Current Framework**

Art Iler, Midwest ISO

This is one issue on the December decision outline. Mr. Iler will provide a context for discussion of this issue and potential future decision making.

The CARP negotiators will have to discuss whether the filing right will need to change under a new framework. Note, this is one of the issues on the Decision Outline.

**12:00 – 12:30 BREAK/LUNCH – We will have lunch available, but will only take a short break and continue working while dining.**

**12:30 – 3:00 Injection Withdrawal Data Update/Discussion**

This time frame will be mainly used for additional information and analysis from Jennifer Curran, which will focus on the following:

- Engineering analysis using 2014 time frame rather than 2024.
- Discussion of other generator interconnection breakdowns/splits.
- Review of any analysis done on other futures.

**3:00 – 3:15 Short Break**

**3:15 – 5:00 Injection Withdrawal Data Update/Discussion Continued**

CARP Negotiators

**The Injection-Withdrawal discussions will be heavily geared toward the outline that was sent out after the last CARP meeting (and available on the CARP website). This is a critical document for this meeting, and was distributed in advance to give participants an opportunity to consider the issues before the meeting. Please come prepared to have in-depth discussions on the issues in this outline.**

Randy Rismiller from Illinois has provided some ideas on how this outline can be revised to capture other ideas. We will review the outline modifications at this time. Randy's proposed revisions are available here:

<http://www.misostates.org/CARPXIIRismillerOutlineProposal.pdf>

**5:00 – 5:30 A Perspective: Are Usage Charges Under Injection/Withdrawal Consistent With The Principle That Beneficiaries Should Pay?**

Nick Bowden, Illinois Commerce Commission

\*\* Note: we may need to go beyond the 5:30 time on Monday to make sure that we complete the agenda for this meeting.

**December 15<sup>th</sup>**

**8:30 – 10:30 Injection Withdrawal Decision Outline**

CARP Negotiators

The CARP Negotiators will begin working through the decision outline, which is as follows (note, some modifications may be made pursuant to the discussion on Monday):

**Questions/Decision Points Related to Injection/Withdrawal**

- A. Should the Midwest ISO move forward with development of a draft Injection/Withdrawal Tariff?** The decision at this point recognizes that moving forward with drafting a tariff is going to require significant resources expended by the Midwest ISO staff. This decision will also recognize that, at this point, no CARP state will be bound to approving the final tariff language or to accept Injection/Withdrawal at a later date.
- B. Should embedded costs be included in the Injection/Withdrawal method?**
  - 1. If yes, which embedded costs?

- a. All Schedule O expenses?
  - b. Schedule O's Operation and Maintenance expenses?
  - c. A combination of i. and ii?
  - d. Attachment 26 projects?
2. If yes, should there be a transition period to include embedded costs into Injection/Withdrawal method?
  3. If yes, should embedded costs only be included at the local layer or only at the regional layer or some combination?
  4. If no, and embedded costs are attributed to only the local level, should any of the costs be paid by generators?

**C. What types of future projects should qualify for inclusion in Injection/Withdrawal?**

1. What criteria should be applied – is the engineering analysis proper?
2. NOTE: this decision should be considered for the December meeting, but this may be a question that will require additional discussion. State negotiators should be prepared to discuss this issue at the December meeting.

**D. Which decisions do we want to revisit at this point?** Decisions to-date have been for planning purposes only. Now that we are moving forward with more concrete decisions, negotiators should be prepared to identify modifications to earlier decisions.

1. Decision to charge both generation and load – should it be ONLY generation?
2. Regional level charge – should it use something other than usage?
3. Split between generation and load – should the same rate apply to both?
4. How should sub regions be defined?
5. OTHER QUESTIONS NEED TO BE IDENTIFIED ASAP

**E. Will modifications to the export charges change your view on Injection/Withdrawal as a whole?**

1. What export charge would be necessary for you to support the Injection/Withdrawal method?
2. Under the current tariff, there is a “zero out” rate for exports to PJM. Additional discussion and information may be needed on this issue. Please identify any information you want prior to December on this issue.

**F. Should other engineering analyses be identified/prepared?**

1. A question was raised whether there are other ways to define beneficiaries other than the shift factor analysis that we have been looking at.
2. This issue will be the subject of an upcoming conference call, which will be held on Tuesday, December 1 at 10:00 a.m. eastern time. Any questions you have at this point should be sent to Matt Tackett at the Midwest ISO prior to conference call.

**Filing Rights [Note: this will be discussed during Monday's portion of this meeting]**

1. **The December meeting will include a brief legal primer on who has rights to file what under the current legal framework.** Be prepared to discuss filing rights under the current Midwest ISO framework (including the Transmission Owners' Agreement) and whether these filing rights may need to be modified if Injection/Withdrawal is pursued.
2. **Should states have filing rights?**
3. **Should Regional State Committees (OMS) have filing rights?**

**Other Models**

Please be prepared to discuss your views on the following options at the December meeting specifically being prepared to discuss whether we should further investigate alternatives that could be included in the tariff filing due by July 15, 2010.

1. **Tehachapi Model** [note, this model was described at an earlier CARP meeting and was laid on the table for now, with the option of using for targeted issues (like DC lines).
  - a. There was not significant support for pursuing this model at this time...however,
  - b. One option is to include something in this tariff revision/rewrite that would explicitly note that parties could pursue options like Tehachapi for a cost allocation model outside of Injection/Withdrawal
2. **SPP Portfolio Approach** [This was also discussed at an earlier CARP meeting – no vote was recorded on whether to pursue this option.]
3. **RECB Modifications**
4. **Other**

**10:30 – 10:45 Break**

**10:45 – 12:00 Injection Withdrawal Decision Outline Continued**

**12:00 – 1:00 Lunch (it will be brought in and discussion will continue)**

**1:00 – 2:30 Injection Withdrawal Decision Outline Continued**

**2:30 – 2:45 Break**

**2:45 – 4:00 2010 CARP Activities  
CARP Negotiators**

The negotiators will discuss the timeline and goals for:

1. Tariff development (provided CARP decides to move this direction)
2. Should CARP be investigating other cost allocation methodologies?
3. Planning activities

**4:00**

**Adjourn**