



**ORGANIZATION OF MISO STATES, INC.
Board of Directors Meeting
Conference Call Minutes
September 10, 2009**

Approved October 8, 2009 with revisions

Lauren Azar, President of the Organization of MISO States, Inc. (OMS), called the September 10, 2009 meeting of the OMS Board of Directors to order via conference call at approximately 1:00 p.m. (CDT). The following board members or their proxies participated in the meeting:

Sherman Elliott, Illinois
Jim Atterholt, Indiana
Rob Berntsen, Iowa
Bill Bowker, proxy for David Armstrong, Kentucky
Monica Martinez, Michigan
Tom Pugh, Minnesota
Jeff Davis, Missouri
Greg Jergeson, Montana
Tony Clark, North Dakota
Valerie Lemmie, Ohio
Tyrone Christy, Pennsylvania
Greg Rislov, proxy for Gary Hanson, South Dakota
Lauren Azar, Wisconsin

Absent
Manitoba

Agency members participating
Randy Rismiller – Illinois
Bob Pauley, Beth Roads – Indiana
Parveen Baig, Frank Bodine, Jeff Kaman – Iowa
Angie Butcher, Jessica Van Dusen – Michigan
Burl Haar - Minnesota
Brian Dekiep, Steve Cameron – Montana
Jerry Lein – North Dakota
Jim Melia – Pennsylvania
Don Neumeyer, Randel Pilo – Wisconsin

Others on the call
Chris Miller – FERC
Don Mohr – Quanta Technology
Bill Smith, Julie Mitchell – OMS Staff

The directors and proxies listed above established the necessary quorum for the meeting of at least eight directors being present.

Approval of Minutes from August 13, 2009 Board of Directors meeting

Lauren Azar requested a wording change on page 2 of the minutes under the Review of the Executive Committee Meeting from "Valerie Lemmie moved to amend the by-laws..." to "Valerie Lemmie moved to go into..." Requested attendance additions were: Angie Butcher and Bill Bowker of Michigan and Burl Haar of Minnesota.

Greg Jergeson moved for approval of the minutes of the July 9 and July 29 board meetings. Monica Martinez seconded. The motion was approved by unanimous voice vote.

Treasurer's Report

Valerie Lemmie moved for acceptance of the treasurer's report. Greg Rislov seconded. The motion was approved by unanimous voice vote.

Review of the Executive Committee Meeting – Bill Smith

Bill Smith presented a verbal summary of the August 27th Executive Committee Meeting. He highlighted the following items that were discussed during the meeting:

- The draft OMS budget for 2010;
- Status of the Nominating Committee work
- Status report on the Eastern Interconnection project;
- Discussed the formation for the Demand Response and Technology WG;
- Discussed the agenda for this meeting;
- A closed session regarding personnel matters that will be further discussed in a closed session following this meeting.

Presentation on the SMART Study – Don Mohr

- Don Mohr of Quanta Technologies gave a presentation on the Strategic Midwest Area Renewable Transmission (SMART) Study and took questions from the Board and staff. The presentation document follows the minutes.

Administrative Report from Executive Director – Bill Smith

A written report was submitted prior to the meeting. The following was highlighted from that report:

- The Green Power settlement is moving forward;
- MISO value proposition calls will be on Sept. 16 and Oct. 7.

Work Group Status Reports

Demand Response WG

- No report provided

Transmission Cost Allocation WG

- Written report follows minutes;
- Randy Rismiller also noted that FERC issued a deficiency letter to MISO regarding their RECB phase I filing and MISO must answer by September 17th.

Markets and Tariffs WG

- Written report follows minutes

Resources WG

- Written report follows minutes

Regional Planning WG

- Written report follows minutes;

- Parveen Baig mentioned that the next hot topic is regional planning and the due date is October 7th.

Governance and Budget WG

- Written report follows minutes;
- Burl Haar provided an overview of the bylaw revisions being proposed and those were discussed by the Board.

Modeling WG

- Written report follows minutes

BUSINESS

1/2. MISO Advisory Committee & Planning Advisory Committee Issues – Valerie Lemmie

- Valerie Lemmie distributed a report on the issues prior to the meeting;
- The October hot topic is on regional infrastructure. That will be handled by the Regional Planning Work Group;
- The September A/C meeting agenda was summarized;
- The next PAC meeting is October 7th.

3. OMS Nominating Committee Report – Tom Pugh and Ty Christy

- The report was distributed prior to the meeting. The officer candidates are: President Valerie Lemmie, Vice-President Monica Martinez, Secretary David Armstrong, Treasurer Jeff Davis and At-Large Rob Bernsten;
- The 2010 nominating committee recommendations are: David Armstrong, Sherman Elliott and Ty Christy;
- A bylaw change is also recommended to include the at-large position as an officer to meet the geographical balance requirements of the organization.

4. OMS Annual Meeting Plans – Bill Smith

- Bill Smith discussed the preliminary plans for the annual meeting;
- It was noted there will be a closed session at the annual meeting to discuss staffing.

5. OMS 2010 Budget – Bill Smith

- Bill Smith presented the budget and highlighted various line items for discussion.

Valerie Lemmie moved to approve the budget. Tom Pugh seconded. The motion passed by unanimous voice vote.

6. Intervention in FirstEnergy, FERC Docket No. ER09-1589 – Lauren Azar

- Bill Smith presented the options available to the Board;
- There was discussion about whether to intervene;
- Indiana expressed concern about having companies “jump” between ISO’s.

Valerie Lemmie moved to have OMS submit an extension request to FERC until October 23rd. Jim Atterholt seconded. The motion passed by unanimous voice vote.

7. TO Joint Defense Agreement – Lauren Azar

- There was no update on this item.

8. Report – Eastern Interconnection Planning Process Update – Lauren Azar

- Lauren Azar gave an update on the Eastern Interconnection process;
- Virginia and New Mexico will submit commitment letters;
- The proposal will be submitted on September 14.

9. Update on the RECBTF – Lauren Azar

- Lauren Azar updated directors on the CARP and RECB task force processes and timeline;
- The CARP process should be finished by the end of 2009;
- If CARP adopts injection withdrawal, then RECB could be used to address the smaller decision points. However, if CARP rejects injection withdrawal, CARP will continue into 2010.

ADJOURNMENT

The OMS Board of Directors meeting adjourned to closed session at 2:25 pm CDT.

The Board reconvened in closed session and approved a consulting contract with Dr. Mike Proctor.

OMS

Organization of MISO States
Report of the Treasurer
Tom Pugh, Minnesota Public Utilities Commission
to the
Board of Directors
September 10, 2009
Report for August 2009

CASH ON HAND

The beginning balance as of August 1 for the Wells Fargo Business Performance Savings Account was \$59,634.65. Interest earned for this month was \$11.85. The August 31, 2009 balance was \$59,646.50.

The beginning balance as of August 1 for the Chase Bank One Checking account was \$75,640.02. The total disbursements from the checking account for August 2009 were \$35,981.76. Deposits, interest and adjustments were \$43,956.05. As of August 31, 2009, the checking account bank balance was \$88,168.25 and the book balance was \$83,614.31 (with 7 checks outstanding).

The total savings and checking account balances as of August 31, 2009 is \$143,260.81.



TREASURER'S REPORT
Organization of MISO States
August 31, 2009

Wells Fargo Business Performance Savings Account

Balance as of 08/01/09			\$	59,634.65
8/31/09	DEP	Interest on Savings	\$	11.85
				<hr/>
Business Performance Savings Account Balance at 08/31/09			\$	59,646.50

Chase Bank One Commercial Checking with Interest

Balance as of 08/01/09			\$	75,640.02
8/7/09	DEP	Berkley Labs	\$	3,375.53
8/10/09	DEP	MISO Remittance	\$	40,000.00
8/10/09	DEP	Reimburse CARP VI hotel cost	\$	208.67
8/24/09	DEP	Reimburse CARP VI hotel cost	\$	371.00
8/31/09	DEP	Interest on checking	\$	0.85
				<hr/>
Total Deposits			\$	43,956.05

Checks and Charges

Date	Check #	Descriptions		
8/6/09	3129	Triplett Office Essentials	\$	121.14
8/6/09	3130	Ryan Givens & Co	\$	505.00
8/6/09	3131	IA Travel Reimbursement	\$	635.93
8/6/09	3132	MI Travel Reimbursement	\$	67.07
8/6/09	3133	MO Travel Reimbursement	\$	190.40
8/6/09	3134	WI Travel Reimbursement	\$	700.64
8/12/09	3135	KY Travel Reimbursement	\$	607.29
8/12/09	3136	MI Travel Reimbursement	\$	271.35
8/12/09	3137	WI Travel Reimbursement	\$	48.00
8/18/09	3138	100 Court Investors	\$	1,686.42
8/18/09	3139	Chase Card Services	\$	10,753.00
8/18/09	3140	Conference Suite	\$	607.23
8/18/09	3141	MN Travel Reimbursement	\$	727.23
8/25/09	3142	DWX Internet	\$	35.00
8/25/09	3143	Qwest	\$	265.02
8/25/09	3144	PA Travel Reimbursement	\$	590.62
8/25/09	3145	OH Travel Reimbursement	\$	459.77
8/25/09	3146	OH Travel Reimbursement	\$	744.20
8/25/09	3147	Void	\$	-
8/31/09	247	401(k) Contribution - August	\$	629.13

8/31/09	242	401(k) Contribution - August	\$ 64.50
8/31/09	243	401(k) Contribution - August	\$ 2,224.30
8/10/09	W/D	Paychex Invoice	\$221.06
8/31/09	W/D	Paychex Payroll	\$ 9,037.17
8/31/09	W/D	Paychex Payroll Taxes	\$ 4,790.29

Total Checks and Charges \$ 35,981.76

CHECKING ACCOUNT BALANCE 08/31/09 \$ 83,614.31

CERTIFICATES OF DEPOSIT, SAVINGS AND CHECKING ACCOUNT BALANCES AS OF 08/31/09 \$ 143,260.81

CHASE CHECKING ACCOUNT RECONCILIATION

	<u>Check #</u>	<u>Amount</u>
Bank Balance 08/31/09		\$ 88,168.25
Less Checks OS	3010	\$ 253.19
	3137	\$ 48.00
	3144	\$ 590.62
	3146	\$ 744.20
	247	\$ 629.13
	242	\$ 64.50
	243	\$ 2,224.30
Book Balance 08/31/09		<u>\$ 83,614.31</u>

OMS Treasurer Report for Month of August 2009

Wells Fargo Business Performance Savings Account

Beginning Balance	59,634.65	
Interest Earned this Month	<u>11.85</u>	
Ending Balance		59,646.50

Chase Bank One Checking Account

Beginning Balance	75,640.02	
Total Disbursements	(35,981.76)	
Deposits/Interest/Adjustments	<u>43,956.05</u>	
Ending Balance		<u>83,614.31</u>

Total Savings & Checking Balances as of August 31, 2009

143,260.81

7 checks outstanding at 08/31/09



Organization of MISO States

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OMS Executive Director Report September 9, 2009

FERC and DOE Activity

1. A settlement was filed August 13 relating to formula rate issues in the Pioneer docket, ER09-75. Rehearing is still pending with respect to the financial incentives.
2. Settlement discussions relating to formula rate issues continued in the Green Power Express docket, ER09-681, with conferences September 1 and 9. Rehearing is still pending with respect to the financial incentives.
3. On July 31, FirstEnergy announced its decision to withdraw from the Midwest ISO and join the PJM Interconnection. On August 17, it made a filing at the FERC to accomplish the transfer, in Docket NO. ER09-1589.
4. The Senate Energy and Natural Resources Committee will meet on September 15 to consider pending nominations, including John Norris to serve as a FERC commissioner.
5. MidAmerican Energy and two Iowa municipal utilities were successfully integrated into Midwest ISO operations on September 1.

OMS-MISO Activity:

1. On September 8, the states in the Eastern Interconnection successfully concluded deliberation on a proposal in response to the Department of Energy's Funding Opportunity for Eastern Interconnection-wide planning. The proposal will be submitted to DOE September 14.
2. The OMS held a cost allocation / regional planning (CARP) workshop August 17-18. Future meetings are scheduled September 24-25 (Carmel), October 29-30 (Carmel), November 18-19 (Chicago), and December 14-15 (Carmel).

Public Relations

1. Presentations:
 - None.

2. Pending speaking/meeting invitations:
 - Commissioner Azar is scheduled to appear at the FERC's September 21 Technical Conference on Order No. 890 Transmission Planning Processes. She has been asked to serve on Panel 2, addressing Regional and Inter-regional Planning.
 - Bill Smith will speak at the Michigan State IPU Advanced Course on September 29.

Upcoming MISO Filings of Regional Interest

Filing Date	Docket No.	Description	Pursuant to Commission Order	Working Group/Committee where issue/change will be reviewed
09/23/2009	ER08-1169-001	The Midwest ISO to submit a 90-day compliance filing to clarify the methodology and specific assumptions to set operational limits for temporary Generator Interconnection Agreements with ERIS in the Tariff.	127 FERC ¶ 61,295 (2009)	N/A
09/30/2009	ER09-1049-00_	The Midwest ISO to submit proposed revisions to the Tariff to provide for Aggregations of Retail Customers ("ARCs").	N/A	DRWG
10/14/2009	OA10-___-000	The Midwest ISO to submit an Informational Report regarding operational penalty assessments and revenue distributions in compliance with Order No. 890.	Order No. 890	N/A
10/21/2009	ER08-404-00_	The Midwest ISO to submit a Quarterly Status Report on the progress made in allowing EDR resources to set Locational Marginal Pricing ("LMP").	123 FERC ¶ 61,070 (2008)	N/A
10/26/2009	ER08-622-000	The Midwest ISO to submit a Quarterly Status Report on Section 205 Revisions to the FTR Credit Policy in Attachment L.	123 FERC ¶ 61230 (2008)	N/A

OMS Executive Director Report

July 3, 2009

Page 3

10/27/2009	RM07-19-001	The Midwest ISO to submit a compliance filing to amend market rules as necessary to accept bids from ARCs that aggregate the demand response of (1) the customers of utilities that distributed more than 4 million MWh in the previous fiscal year, and (2) the customers of utilities that distributed 4 million MWh or less in the previous fiscal year, where the relevant electric retail regulatory authority permits such customers' demand response to be bid into organized markets by an ARC.	Order 719-A	AC MSC
10/28/2009	RM07-19-000 AD07-7-000	The Midwest ISO to submit its assessment regarding pilot projects or other mechanisms of the technical feasibility and value to the market of smaller demand response resources providing ancillary services including how smaller demand response resources can reliably and economically provide operating reserves.	Order No. 719	AC MSC
12/01/2009	ER08-394-004 ER08-394-005	The Midwest ISO to submit a report detailing how the overall generation mix affects the planning reserve margin calculated for planning zones.	126 FERC ¶ 61,143	N/A

Other upcoming dates:

- Next OMS Executive Committee meeting: **September 24** at 1:00 pm CDT – (May be rescheduled due to CARP conflict)
- OMS regular Board of Directors meetings: **October 8, November 12, November 30 (Monday)**.
- OMS Annual Meeting, Tuesday, **October 13**, at 9:00 am, Carmel.
- OMS Cost Allocation and Regional Planning Meetings, **September 24-25 and October 29-30 (Carmel), November 18-19 (Chicago), and December 14-15 (Carmel)**.



the power of

Strategic Midwest Area Renewable Transmission (SMART) Study

September 3, 2009

Agenda/Objectives for Today's Meeting

Introductions

Project Overview

Project Sponsors

Project Contractor

Phase one – Identifying the Alternatives

Assumptions and Input Data

Futures

Sensitivities

Timeline

Comprehensive study of the transmission needed in the Upper Midwest to support renewable energy development and transport that energy to consumers in markets to the east.

Objectives:

Development of EHV overlay alternatives that ensures reliable service for sponsors' communities, is environmentally friendly, and supports national energy policy.

A reliability analysis and recommendation for technically sound solutions for integration of extra high voltage transmission into the existing transmission system.

An economic analysis of those solutions identified in the technical analysis showing the benefits of extra high voltage transmission to the study regions.

American Transmission Company (ATC)

Electric Transmission America, LLC (ETA)

American Electric Power (AEP)

MidAmerican Energy Holdings Company

Exelon Corporation

MidAmerican Energy Company

NorthWestern Energy

Quanta Technology

The high-growth, independent consulting arm of Quanta Services

70+ professional staff, with many industry-renowned experts

Headquarters in Raleigh, NC and regional offices in MA and CA

Our Mission is to Provide business and technical expertise to solve strategic and operational problems for energy utilities and industry

Significant planning experience

SPP EHV Overlay

Develop a 20 year vision of the future

Support for significant investment in renewable energy resources

Support for emerging energy markets

Provide insight into near term transmission projects

Midwest ISO (MISO) – Interconnection System Impact Studies:

Biomass & Natural Gas, 780MW Natural Gas, 500MW Wind Farm, etc

Exelon Commonwealth Edison - Generator to Transmission Interconnection Support

Direct Energy - ERCOT Reliability Assessment - objective was to increase ERCOT West-North transmission capability

California Energy Commission - Intermittent Wind Generation Report of Impacts on Grid System Operations

Open and Transparent Process

Steering Committee with Project Sponsors

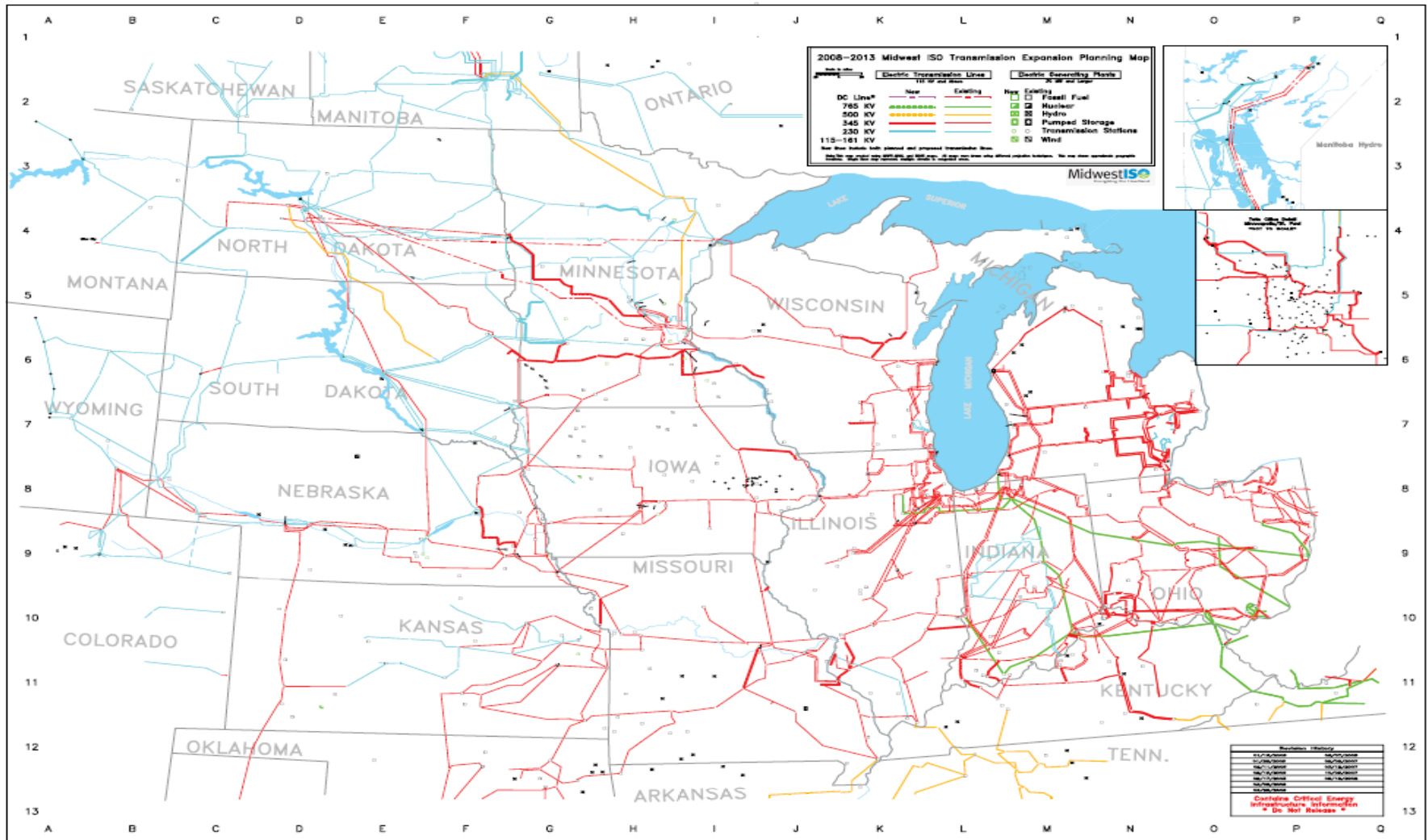
Stakeholder Input

Multi-Regional Transmission Focus

Consistent with National, Regional, and Local Energy Policies

Technical and Economic Based Alternatives

SMART Study – Geographical Area of Interest



Primary Focus Areas – North Dakota – South Dakota – Iowa – Nebraska
 Indiana – Ohio – Illinois – Minnesota – Wisconsin – Michigan

Phase One: Identifying the Alternatives

Steady State Analysis

Develop several alternatives

Develop performance metrics

Identify top performing alternatives

Phase Two: Societal Benefits Evaluation

Security Constrained Economic Dispatch

Develop Societal Benefits Metrics

Evaluate top performing alternative

Provide final ranking

Time Frame

20 year focus

Summer peak case -2029, 2024, & 2019

Light load case-2029, 2024, & 2019

Upper Midwest Focus

North Dakota, South Dakota, Iowa, Nebraska, Indiana, Ohio, Illinois, Minnesota, Wisconsin and Michigan

Extent of network modeled

Full Eastern Interconnection as outlined in the 2019 MISO case

Future annual load growth from 2019

Use .85% AEP and 1.4% other areas

AEP Midpoint annual load growth rate is .85%

MISO annual load growth rate is 1.4%

PJM annual load growth rate is 1.5% and 1.4%

Geographic distribution of wind farms for updated EHV study

Since the precise data of wind farms MWs and location for 2029 is not available, we will use appropriate amount of wind generation based on:

EIA, MISO, PJM, and other published recourses.

Each Project Sponsor

In addition, wider range of wind generation will be studied in sensitivity studies.

Capacity contribution of wind farms at peak

20% for on-peak and 90% for off-peak

MISO uses 20% for on-peak and 90% for off-peak

Net interchange value

Since the modeling timeframe is 20 years out, the net interchange values will be a function of the topology

Generation additions – assumed mix

Known generation additions in queue will be included, if any
Proxy generation will be added based upon an agreed upon mix. Recommendation is 50/50 mix

MISO uses a 41,000MW high wind case which is made up of 21,000MW wind and 20,000MW other generation (50% natural gas CC and 50% conventional steam).

Generation Retirements

Known retirements will be included, if any

Coal plants ≥ 40 years in 2009 will be run as a sensitivity in one or two levels; 100MW or less and/or 250MW or less

Dispatch merit order

Provided by ISOs/RTOs and used for off-peak gen profile

Reactive load support in 2029

The process is to scale up the load at constant PF and add capacitors to the lower voltages

Contingencies

All N-1 contingencies with additional contingencies supplemented by each company

Initially start with the PJM and MISO 2019 contingency list

Contingencies will be performed down to the 345kV level and facilities 200kV and above will be monitored

Reliability standards, policies and criteria that govern the area of study

NERC TPL 001 through 004 standards

More stringent regional and local standards

EHV Voltage Criteria

ISOs/RTOs and each company will supply values for normal and contingent operations

Total Project Costs in \$B

Total transmission circuit miles

Circuit miles is a key driver in Total Cost. Proxy metric to assess land owner issues

Total new stations

System Losses

Capacity Impact from On-Peak Analysis

Number of Lines

Number of Lines is also a key driver in Total Cost. Proxy metric to assess community concerns

FCTTC Imports & Exports in MW

Computed from load flow program based on specific network design

N-1-1 Performance

Number of Thermal and Voltage violations for N-1-1

Generation Futures

Highest probability – Base future

High Gas future

High Hydro future

Environmental future

Sensitivities

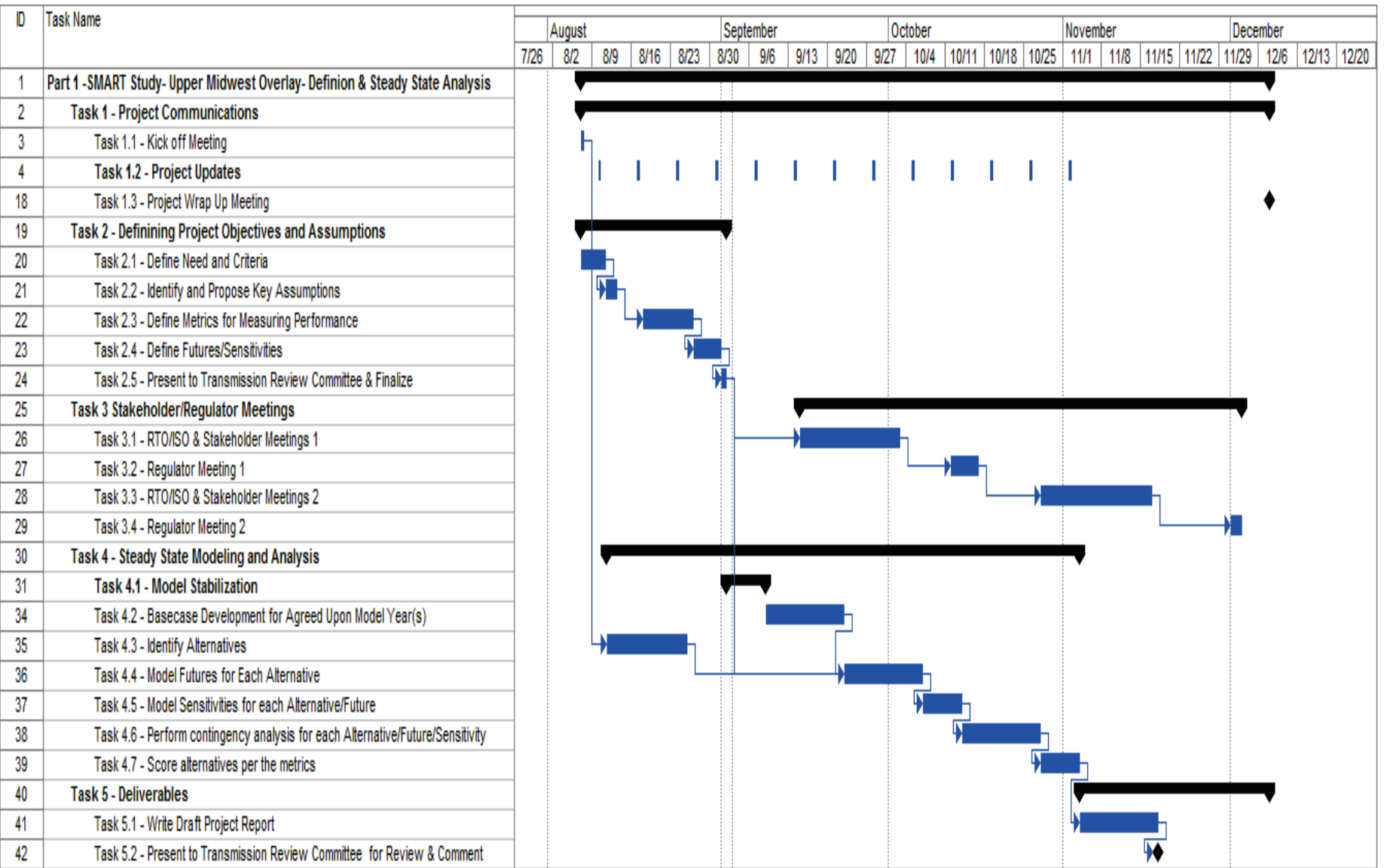
Higher than forecasted load growth

Plant retirements – Coal plants ≥ 40 years old - 100MW or less and/or 250MW or less

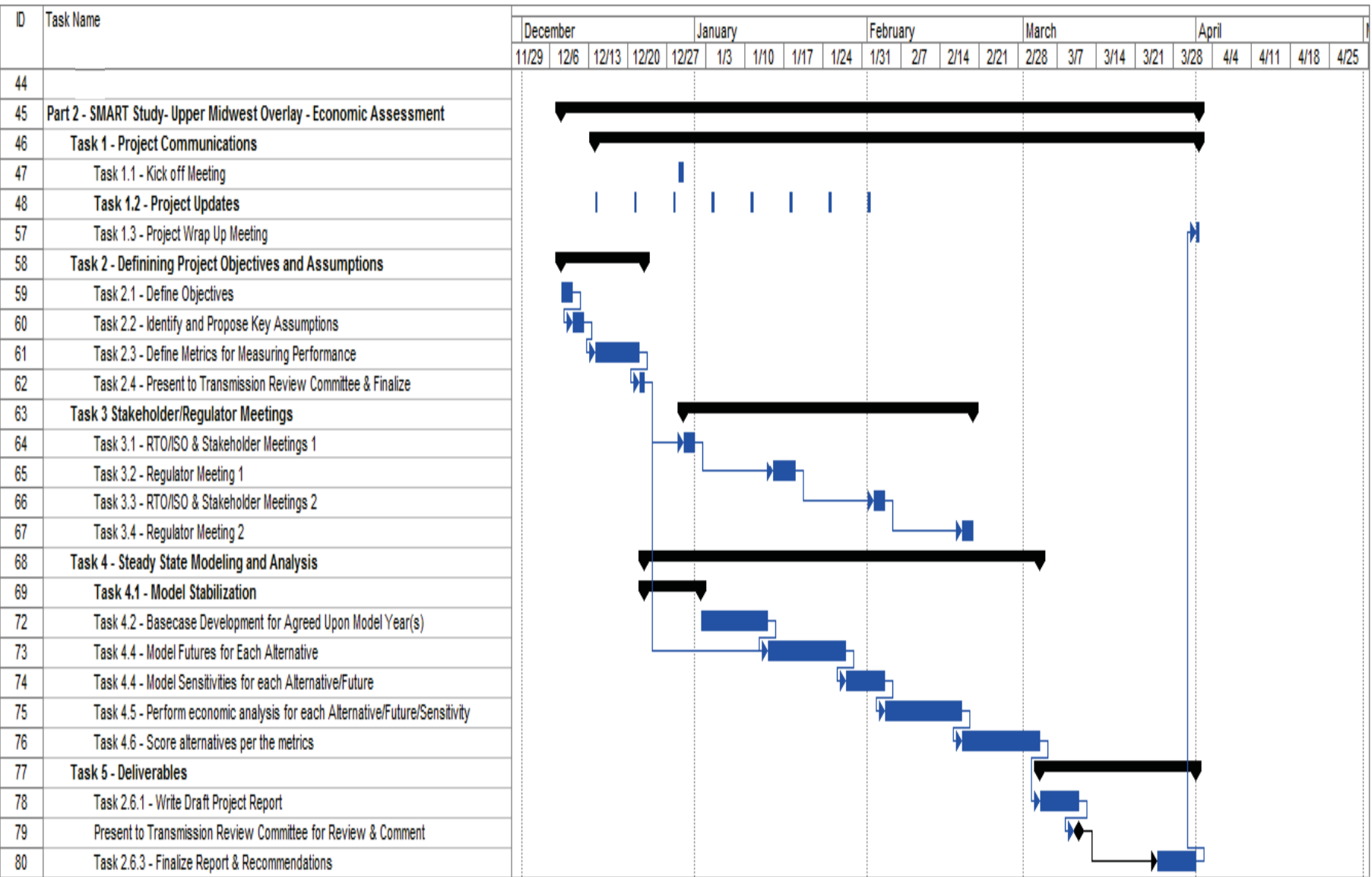
High wind capacity

High wind import and export SPP

SMART Study Schedule – Phase 1



SMART Study Schedule – Phase 2



QUESTIONS?

dmorrow@quanta-technology.com

tgentile@quanta-technology.com

Report from the OMS Transmission Cost Allocation Working Group
September 10, 2009
Randy Rismiller

- The majority OMS Comments regarding MISO's RECB Phase I proposal (ER09-1431-000) were filed with FERC on August 13. The Illinois Commerce Commission and the Michigan Public Service Commission separately filed alternative comments. On September 2, FERC issued a deficiency letter to MISO requiring MISO to respond to six detailed questions by September 17.
- The OMS filed comments on MISO's proposal for allocating NERC penalty assessments (ER09-1435) on July 31. On September 8, FERC issued an Order conditionally accepting MISO's proposed tariff changes. Contrary to OMS's recommendation, FERC decided that MISO need not give notice to its tariff customers and members of a NERC root cause investigation that may eventually lead to a MISO-wide assessment of penalty charges by MISO. Also contrary to OMS's recommendation, FERC decided that the individual Section 205 penalty assessment filings will present sufficient opportunity for parties to argue that former tariff customers and members should be assessed a penalty allocation and for new tariff customers and members to argue that they should be exempt from penalty allocations for events that occurred prior to their participation in MISO.
- On August 31, the Midwest ISO Transmission Owners submitted a filing to revise Attachments O, FF, and GG of the MISO tariff (ER09-1657-000). The filing is aimed at correcting the fixed charge aspect of Attachment FF that failed to properly account for depreciation of the transmission projects subject to RECB cost sharing. This is the so-called perpetuity problem fix. Comments are due on September 21. Notice was sent to the members of the OMS Transmission Cost Allocation Work Group seeking advice on how to proceed.
- On August 31, the Midwest ISO submitted an informational filing of its 2009 status report on the RECB cost allocation process (ER06-18-000). FERC has not set a filing deadline for comments on the ER06-18-000 informational filing. Last year, the OMS TCAWG drafted comments on MISO's 2008 RECB informational filing that the OMS Board chose to table. MISO's 2009 informational filing covers much of the same ground as MISO's 2008 informational filing. Notice was sent to the members of the OMS Transmission Cost Allocation Work Group seeking advice on how to proceed with respect to the 2009 informational filing.

1. Revenue Sufficiency Guarantee (RSG)

The MISO RSG WG meets each month (10/7 and 11/4 next mtgs) and reports to the MSC. Issues are on two fronts: The RSG Redesign going forward, and RSG resettlement.

Regarding the RSG Redesign, during the 9/2 meeting, stakeholders approved a work plan towards an 11/5 compliance filing to address RSG cost allocation issues, including exempted transactions and resources such as wind. MISO's compliance filing on 9/8/09 includes this plan. MISO has asked the IMM, and the IMM has agreed to perform the required RSG cost causation study for the RSGTF. An Xcel Energy motion that "changes to charging exempted resources/deviations which would result in resettlement be implemented prospectively" failed (12-17).

Regarding RSG resettlement, on 7/2/09 EPIC Merchant Energy and SESCO Enterprises petitioned the US Court of Appeals DC Circuit for review of 11/10/08 and 5/6/09 FERC RSG orders. Earlier this year, EPIC Merchant Energy et al., had petitioned the Court for a Writ of Mandamus on the 11/10/08 Order.

Jim Wottreng tracks issues here for our group.

Status: Continuing monitoring redesign and resettlement issues before MISO and FERC. Review 9/8 compliance filing.

2. Financial Transmission Rights (FTRs)

The MISO FTR Working Group meets each month (10/7 and 11/4 next mtgs) with the objective of finding ways to improve funding available to pay FTR revenues. It reports to the MSC. During the 9/2 meeting, stakeholders discussed MISO-PJM market-to-market coordination and correction and resettlement of market flow errors discovered earlier this year. Corrections went into effect on 6/18/09, so resettlement applies to the period prior. Stakeholders also discussed the effects of outages and load transfers on long term transmission rights, FTR funding, multi-period FTR auctions, and a motion concerning ARR counter flow assignment and termination of rights.

Wisconsin raised a concern during 8/18 OMS Sector meeting with MISO Mgt concerning Long Term Transmission Rights and the inability to get allocated ARRs for new resources (and therefore not being able to get FTRs). This is potentially related to the underfunding issue. The WG will hold a conference call to discuss the issue.

Jim Wottreng tracks issues here for our group.

Status: Continuing to monitor.

3. Market Monitoring, Market Power Mitigation, and OMS calls with MISO IMM

At the 8/18 OMS Sector meeting with MISO management, MISO offered to provide a day-in-the-life discussion with OMS, suggesting, for example, a walk through of the automatic mitigation process.

Bob Pauley and Nick Bowden coordinate communications and meetings with the IMM for the M&TWG.

Status: Bill Smith to coordinate a meeting with MISO for all OMS interested in the mitigation process.

Notice of other related items:

- 4. **MISO Market Subcommittee** - monthly, meetings 9/1, 10/6
- 5. **FERC Market Oversight Calls** - monthly, 9/11 1:00 PM EDT

The **OMS Markets and Tariffs Work Group** covers: ASM, Day2, FTR, ARR, RSG, LTTR, Market Monitoring and Mitigation. See

<http://www.misostates.org/2008Oct14OMSWGstructureapprovedbyOMSBOD.pdf>

Christine Ericson and Bill Bokram, Markets and Tariffs Work Group co-chairs

OMS Resources Work Group

Status Report to OMS Board of Directors – September 10, 2009

Price Response Demand

The Chair is re-engaging the Price Response Demand work components with the task team. The components will include: report, past capacity shortage history, BPM for PRD, and the MISO status for DRRs setting LMPs. This will be for the October meeting.

Module E Compliance Template

At the Sept 3rd SAWG meeting, MISO had an agenda item on “LSE Under-Forecast Review.” The overall goal is to check on forecast accuracy with some rules to prevent “free-riding” and also to insure accuracy of the forecasts. MISO is checking the whole LSE, but also checking down to the commercial pricing (CP) node. This is necessary with possible load shifts between retail suppliers among other issues. The one standard deviation rule for error allowances may put too many nodes into a “bucket” that could be reported to the States. The issue of Behind the Meter (BTM) generation also complicates the after the fact report. Out of 95,000 MW of demand in June with a total of 264 CP nodes, 74 were under forecast (including standard deviation and losses). A set of screening rules will be needed to sort the routine deviations from the exceptions to be reported to the States.

Brattle Group Questionnaire on Resource Adequacy

The Brattle Group has a questionnaire out on the evaluation of the MISO’s progress on its resource adequacy construct. The 2 page questionnaire to the market participants is due September 18th. The report will be to Midwest ISO Board of Directors.

A separate questionnaire on Demand Response is being sent out.

VCA

The voluntary capacity auction shows increased participation. The capacity cleared at \$0.05

APRCs	Oct-09	Sept-09	Aug-09	Jul-09	Jun-09
Offers submitted	22,312.5	13,729.5	3,588	363.8	7,525.3
Bids submitted	614.9	300	110	1,216.60	864
Cleared Amount	614.9	300	110	363.8	864
Clearing Price	\$0.05	\$0.01	\$1	\$10,015	\$50

Wind Capacity Credit

MISO is continuing to investigate the capacity credit value of wind. One technique is the Effective Load Carry Capability (ELCC) based on the performance of wind during the “riskier” days or hours. NREL is providing assistance.

A wind integration workshop is scheduled at MISO Sept 29th.

OMS Regional Planning Work Group Report to OMS Board of Directors – September 10, 2009

MTEP- 09

Review 1 material was posted for stakeholder review on July 1 and was distributed to the System Planning Committee of the Midwest ISO Board. The material includes review of reliability and value-based planning methodologies, MISO planning approach evolution, MISO system information, historical congestion information, MTEP 09 long range projects and JCSP report summary.

Review 2a material was posted for review on July 31. Review 2a content includes an overview of investment and cost sharing along with a status report of MTEP 08 planned facilities, estimated impacts of future scenarios, results of reliability analysis with a new Appendix A project list and preliminary cost allocations. The Midwest ISO discussed the Review 2a content and Review 1 feedback at the August 7th PAC meeting. Final feedback (on feedback form) is due September 16th for editorial comments and September 29th for substantive comments.

Review 2b content remains in progress with a couple sections delayed for additional project analysis, now due September 29th. Some of the material has been partially posted for review while in-progress work is expected to be posted by September 16th. Content includes economic assessment of projects, resource adequacy risk assessment, congestion relief transmission study, Southern Indiana Market Efficiency Alternatives study, RGOS I and II, and EHV overlay design

A stakeholder meeting to review MTEP-09 cost allocation projects was held September 9th. MTEP 09 contains 21 projects totaling \$292 million that are eligible for cost sharing. Projects to be eligible for RECB base line reliability/GIP cost sharing include 3 projects in the east totaling approximately 88 million, four projects in the Central region totaling approximately \$99 million and 13 projects in the west totaling approximately \$108 million. Additionally, MTEP-09 is expected to include the first regionally beneficial project with RECB II cost sharing. That project is P2794, a 345 kV tie line between the Coffeen and Coffeen North substations in south central Illinois.

A final draft MTEP 09 report and stakeholder feedback is expected to be distributed to the Midwest ISO Board and AC on October 8th with System Planning Committee final review on December 2nd and Board approval expected on December 3rd.

MTEP-10

Proposed Scope of Work in 2010

Transmission solutions to address constraints not otherwise currently classified either as reliability or economic projects. Determine if the proposed solutions may have other reliability or economic benefits.

Potential new targeted studies include (1) planning for constraints resulting in LTTR infeasibility; (2) planning for constraints resulting in reduced deliverability of network resources; and (3) Southeast Wisconsin Issues Study.

Interconnection Process Task Force

The Midwest ISO Interconnection Process Task Force met August 27th in Carmel. The agenda included presentations on Injection/Withdrawal transmission rate design, temporary Generator Interconnection Agreement Limits and results of a survey seeking feedback on queue reform effectiveness.

Midwest ISO Studies are ongoing/done for ~37,500 MW of wind generation. Total RPS Mandates for Midwest ISO regions are ~ 23000 MW

The Midwest ISO plans to go forward with FLIP proposal starting with identification and subscription and continuing with proposal development beginning in October.

RGOS I

Purpose – To provide indicative transmission and generation to the regulatory community for input concerning the renewable zone strategy.

Status – Technical review group met August 24th. Two scenarios (15 and 25 GW transfers) being studied. See August 24th meeting materials for summary of preliminary results and indicative maps for 345 and 765 kV alternatives. Executive report target date was August 31, but some additional detailed analysis will be needed after August.

RGOS II

RGOS II is designed to develop transmission alternatives needed to implement Renewable Portfolio Standards or goals at the least cost for consumers while continuing to reliably serve load.

In addition to the five RGOS I states, RGOS II covers Missouri, Illinois, Indiana, Michigan, Ohio and Pennsylvania. Any increases for RGOS I states will also be included.

Analysis will be performed in an open and transparent fashion involving stakeholders throughout, coordinate with neighboring systems.

The study is a Mid-term (5-15yr) bridge between the Generator Interconnection queue and longer term planning efforts.

RGOS II is a targeted study that is a coordinated effort within the Midwest ISO Transmission Expansion Plan (MTEP) “umbrella” that is intended to develop real projects.

A workshop to develop indicative RGOS II transmission plans was conducted July 28-30 in Carmel with results expected to be available August 31st.

EWITS

The EWITS (Eastern Wind Integration and Transmission Study) Technical Review Committee (TRC) had a Webinar meeting August 6th. The meeting covered LOLE (Loss of Load Expectation) and ELCC (Effective Load Carrying Capability) analysis and

production simulations with high wind penetration scenarios. The presentations are draft are for the use of the TRC during their review work and are not considered public information for publication. The EWITS report this fall will contain the final information and associated appendices of the technical information.

There are four wind scenarios being studied:

- Scenario 1 - 20% Lowest Cost Wind
- Scenario 2 – 20% Hybrid with Offshore
- Scenario 3 - 20% Load-Weighted Wind with Aggressive Offshore
- Scenario 4 – 30% Aggressive On and Offshore

The Production runs simulate the regional interfaces and their respective ability to transfer power in one or both directions. The goal is to find the ELCC of wind. The work is using the real wind and load profiles from 2004, 2005 and 2006. The conclusion is the ELCC of Wind can vary greatly geographically depending on which historical load and wind profiles are being studied. The study is also looking at the LOLE tie benefits of an Inter-Connected system by looking at the reliability differences. There was much discussion on the methodology to define the reference level such as with and without a conceptual overlay or even a “copper-sheet” analysis.

The high penetration production runs are examining wind curtailment sensitivity cases. Such sensitivities include: set coal units to non-must run, no transmission thermal limits, and a -\$40/MWh. The work has observed the transmission constraints and min generation events are interrelated. On the large scale being reviewed, the transmission constraints caused a majority of the wind curtailment. The study further is reviewing the wind integration costs. Again, a very vigorous discussion of how to set the base line across the regions was carried out at the meeting. Analysis will continue on bidding logic and carbon sensitivity production simulations.

Enerex is the consultant helping with the analysis. They are simulating for each region a week with maximum wind and a week of minimum wind and seasonal load variations. They are looking at PJM, MISO, SPP, ISONE, NYISO and SERC. They check the load, transactions, dispatch generation, wind generation, and wind curtailment. Each region has different patterns.

The EWITS Technical Review Committee has a webinar conference call on Oct 2nd. A draft report will be sent out Oct 9th for review by Oct 16th. A “final” TRC meeting is schedule for Oct 21. This report will included updated scenarios of the future and Atlantic off-shore wind.

OMS Modeling Work Group
OMS Board of Directors Meeting Status Report
September 10, 2009

The Modeling group continues its participation in CARP negotiations, and continues to monitor MISO's value proposition and RGOS II initiatives.

Upcoming meetings:

RGOS II – Sep 10
Value Proposition – September 16
CARP 9 – Sep 24 and 25

Memo

Date: September 4, 2009

To: Board of Directors
Organization of Midwest ISO States

From: Burl Haar and Gail Maly, Co-chairs
OMS Governance and Budget Work Group

Subject: OMS Bylaws amendments

Earlier this year, the OMS Board of Directors (BOD) directed the OMS Governance and Budget Work Group (WG) to review OMS bylaws for possible updating and specifically directed the Group to review three issues:

1. e-mail voting to provide for expedited voting by the Board in time sensitive situations,
2. after the fact voting to expand the time frame in which a state may change its vote on an item, and
3. incorporation of minority state positions into OMS comments.

The WG was directed to develop amendments for these items and any other changes deemed necessary and to bring its recommendations to the full BOD at its annual meeting in October.

The WG received proposed language drafts and additional written comments from the staffs of the Illinois Commerce Commission (ICC) and the Public Service Commission of Wisconsin (PSCW). Based on those documents, the WG held two telephone conference discussions: one on June 2nd; the other July 28th. In addition to the three specific issues identified by the BOD, the WG identified several additional possible areas for revision. The proposed revisions are shown in the draft *OMS Bylaws* (Bylaws) and *OMS Process for Approving Position Statements for FERC and MISO* (Decision Document) accompanying this memo.

The Group was able to reach consensus on all but one of the issues; i.e., incorporation of minority positions in OMS comments. For that issue, three options are presented.

A brief description of each recommendation is presented below.

ARTICLE I - NAME

- Line 6: No apparent reason for capital "p."

ARTICLE II - MEMBERSHIP

Section 1 – MEMBERSHIP;

- Line 21: the phrase “associated with” is unclear and seems unneeded.

ARTICLE IV – BOARD OF DIRECTORS

Section 7 – VOTING PROCEDURES

- Lines 94-103 deal with Section 7:
 - Line 95 adds language to make it clear that the section on Elections pertains to elections of *officers* of the OMS BOD.
 - Line 98 changes the voting requirement for changes in bylaws from a two-thirds voting rule of directors “present or participating” to a two-thirds rule for directors, period. In other words, it makes the voting requirement for amending bylaws more rigorous. The changes here as well as those on lines 365-368 were made to address an apparent inconsistency in the bylaws on amendment of bylaws.
 - Lines 102-103 allow for electronic voting by the BOD.
 - In addition, the separate voting instances described in this section have been reformatted into separate subcategories for enhanced clarity.

Section 8 – POSITIONS ON POLICY ISSUES

- Lines 107-164 deal with proposed modifications to Section 8, which addresses two of the primary issues of interest; after the fact voting and incorporation of minority positions in OMS comments.
 - Lines 107-117 simply provide the current bylaw language as a reference.
 - Lines 121-138 show the language provided by the ICC, addressing both after the fact voting and incorporation of minority position. Lines 124-133 deal with minority positions. This approach would establish a “no ‘No’ vote” rule for determining OMS positions on issues. The ICC indicated its desire to establish a more deliberate process for reaching formal OMS positions and recommended the “no ‘No’ vote” rules as its preferred approach.

The language on lines 136-138 is the WG consensus allowing for after the fact voting. Section 5 of the draft Decision Document has also been revised to incorporate this change.

- Lines 142-159 is language which provides an alternative approach on minority positions which was supported by several members of the WG. This approach is also intended to encourage a more deliberate process for establishing final OMS positions by allowing for a "Unanimous OMS Position"; and, when a majority, but not unanimity, prevails, allows for an "OMS Plurality Position."

The language on lines 162-164 is the WG consensus allowing for after the fact voting. Section 5 of the draft Decision Document has also been revised to incorporate this change.

ARTICLE V - OFFICERS

Section 2 – ELECTION, TERM, VACANCIES,

- Line 180 removes obsolete language.

Section 5 – REMOVAL.

- Lines 231-232 clarify that removal applies to the officer position, i.e., not a director position.

ARTICLE VI - COMMITTEES

Section 1 – ESTABLISHED.

- Line 237 clarifies that the BOD can abolish as well as create committees and work groups.

ARTICLE XII – OPEN MEETINGS

- Lines 350-351 limits the requirement for open meetings to OMS groups where the majority of participants are commissioners, thereby relieving groups consisting primarily of staff members from open meeting requirements.

-

ARTICLE XIII - AMENDMENTS

-

- Lines 365-368 require a two-thirds vote of all Directors to amend the bylaws. It replaces the rule allowing amendment by a two-thirds vote of a quorum. This amendment, along

with the change on line 98, would remove an apparent inconsistency in the current bylaws and establish a more rigorous requirement for amending bylaws.

The second attachment to this memo presents some proposed changes to the OMS's Decision Document, i.e., *Process for Approving Position Statements for FERC and MISO*. The proposed changes will make the Decision Document consistent with changes suggested for the bylaws.

Additional Items for Possible Board Consideration:

Subsequent to the Work Group's process there were additional suggestions advanced, and those are presented here:

ARTICLE II – MEMBERSHIP: The suggestion was made the reference to independent transmission companies is probably no longer needed. If the Board agrees, this could be addressed by deleting everything after "MISO" on line 21; i.e., delete, ", including independent transmissions (sic) companies."

ARTICLE V – OFFICERS. The suggestion was made the making the At Large Board member an officer would facilitate the organization's ability to more readily satisfy the Geographical Balance requirement (Section 3). If approved, Article V would need to be amended to include the At Large Board member in any listing of officer positions. Alternatively, the Geographical Balance requirement could be dropped.

ARTICLE XII – OPEN MEETINGS: The suggestion was made that the organization may want to continue to allow the Nominating Committee to have closed sessions when necessary. To address this concern, the Nominating Committee meetings could be added to the list of exceptions in the first sentence of the Article. For example, ". . . meetings, except that discussion of commercially sensitive, legal, and personnel issues, as well as the meetings of the Nominating Committee (Article VIII), may be conducted in closed session."

ARTICLE IV – BOARD OF DIRECTORS, Section 8. A suggestion was made that reference to the Decision Document should be incorporated in the bylaws. One possible option for addressing this would be to add the following in the first sentence of Section 8, after "statements" but before the comma (line 108), insert "in accordance with the Process for Approving Position Statements for FERC and MISO".

Organization of MISO States Process for Approving Position Statements for FERC and MISO

Goals:

Approved 10/14/04

- 1) Help states form positions on issues
 - a. Perform thorough analysis of issues
 - b. Test differences and sharpen analysis through discussion of differences in order to gain better understanding of the issues
- 2) Express collective position of states to decision maker
 - a. Build consensus when possible
 - b. Allow parallel presentation of contrasting viewpoints

Stage 1 – Working Group Preparation of an Issues Document

Approved 10/14/04

Section 1- Assignment of topics to a Working group, or Working groups:

The OMS Executive Committee assigns all new topics to either an existing working group or to a new working group when needed. When a topic in an active docket has already been assigned to a working group, the Executive Director (ED) is authorized to make follow-up assignments. As time is of the essence in such cases, the ED shall timely make such assignments and shall immediately inform the Executive Committee. The ED may delegate this responsibility as necessary.

Section 2 - Review of OMS Work Plan by Executive Committee:

The ED shall include in his/her monthly report, or as necessary, -a list of FERC and MISO (or other) actions expected in the coming 60 days that may require Working Group assignment. The Executive Committee shall review the list of action items provided by the ED each month and shall direct the ED to give early warning of possible assignments to OMS working groups. The ED shall inform the Executive Committee, via electronic mail, of the completion of such notifications.

Section 3 - Approving the Timetable for Issues Documents:

Providing the greatest possible lead time, the ED, in consultation with the president, will prepare a schedule which outlines a time line of when document issues must come to the OMS Board's attention. The schedule shall include the date that the Board decides issues that will be included in the document, the date that first (and second drafts when possible) will be shared with the membership, and the date that the board will be taking final action on the document.

The Board of Directors will approve the time line of when document issues must come to the OMS Board's attention. Board members are encouraged to note key dates and work to facilitate appropriate action by their Commission so that Board members can vote on the document.

The Board schedule will include a board meeting when Commissioners determine what issues will be included in the document, and give general policy direction to the working groups. Working groups are encouraged to develop "principles" or a short outline that the Board can consider as it advises on policy direction. *Exceptions: Sometimes proceedings that OMS wishes to comment on may have a very short timeline. In these situations, the board may not have time to take ~~these~~ all the above steps. In those situations, the board will determine how it wishes to proceed.*

Section 4 - Preparation of the Issues Document:

Working groups, which are involved in the document, will encourage members to volunteer to write sections of the issues document. Assignments should be reported to the ED of OMS.

Working groups shall promptly set up their own internal schedule to review all sections of an issues document. The working group's internal schedule must coordinate with the Board's approved time line of when document issues must come to the OMS Board's attention. (see above) The ED shall track Working Group progress and, in the event he/she becomes concerned that progress is inadequate, shall first consult with the working group chair. If such consultation fails to resolve the problem, the Executive Committee shall be informed immediately.

Working groups shall strive for consensus. When working groups know there are strong differences that should be expressed on a specific issue in the document, comments reflecting two or more positions may be developed by the working groups.

All members of a working group shall have the opportunity to read a "draft" section of an issues document, and offer suggestions and changes at least once prior to submittal to the Executive Director for inclusion in an OMS document. If more than one work group is assigned to work on an issue, each working group must have an opportunity to read a "draft" section and offer suggestions and changes at least once prior to submittal to the Executive Director for inclusion in the OMS document.

When two or more working groups have provided sections of the draft documents, the ED shall assure the internal consistency of the completed document, whether draft or final.

The chair or chairs of the working groups involved shall submit the document to the ED in a timely manner.

The ED will only include information in issues documents that follows the procedure outlined in this section "Preparation of the Issues Document." *Exceptions: There may be situations when short timelines, or other factors, do not allow all steps of this process to take place. The ED should then note, in an attachment to the draft document, which steps have not taken place in preparation of the document.*

Stage 2– Board Discussion of the Document, Including Proposed Changes

Approved 12/9/04

Section 1

The Executive Director will submit to the Board, in a timely manner, the final version of a working group issues document. If all of the steps of the process outlined in Stage 1 have not been able to be followed, the ED should then note, in an attachment to the issues document, which steps have not taken place in preparation of the document.

Section 2

Board members or associate members may suggest language changes to the document at the Board meeting, and are encouraged to circulate them to membership, before the meeting, to facilitate good understanding of the language changes proposed. Since the Executive Director has the most up to date e-mail list, Board members are encouraged to send proposed changes to the ED for circulation, and are also encouraged to "track" all changes to a final working group issues document.

Section 3

The Board will decide how it wishes to discuss proposed changes to the document. For example, does it wish to proceed page by page or section by section through the document and have the presiding officer ask if there are any questions or suggested changes and discuss and vote upon suggested changes individually? Or does the Board wish to start with a “new” revised version of the document, which includes several changes?

Stage 3 - Voting Process

Approved 8/12/04

Section 1

All members are encouraged to vote on the final document rather than to abstain. If procedural reasons preclude a member from voting, members are encouraged to state this at the beginning of the discussion of the document.

Section 2

Members who have to abstain in the vote on the final document are encouraged to share their thoughts in the discussion of the issues, so that OMS members have as complete an understanding of the issues as possible prior to voting.

Section 3 - Voting on different points of view within a document

If discussion and study of issues documents brings forward more than one point of view on a specific issue *within the document*, board members may be asked to indicate which position they favor. The first priority will be to work to develop consensus language on these specific issues *within the document*. If consensus language can-not be adopted, -varying positions would be fully explained including the basis for any differences. The document will indicate which states favor specific positions. The goal of the document is to reflect differences in a positive manner in order to provide as much information as possible to the recipient of the final document.

Section 4

Only members present at the meeting, by proxy or in person, may vote on an issue document. States not present at the meeting may choose to sign on to the final document within a reasonable period of time, but may not propose any changes to the document.

Section 5

Some members may need time after the board meeting for procedural reasons to confirm their votes. The Board of Directors may grant members present an extended period not to exceed ten days, depending on the filing schedule, may grant members up to 24 hours to confirm their votes with the Secretary and the Executive Director, ~~depending on the filing schedule.~~ Members who are granted an extended voting period up to 24 hours, may confirm or change their votes within that timeframe but may not propose any changes to the document. The final vote will not be determined until the members who have been granted an extension up to 24 hours have confirmed their votes.

Stage 34 - Filing of Comments

If the final vote reflects that a majority of members wish to file the comments, the comments will be filed.

1 **Organization of MISO States BYLAWS**

2
3 **ARTICLE I –NAME**

4
5 The organization shall be known as the Organization of MISO States, Inc.
6 (Organization). The Ppincipal office of the Organization shall be at such location,
7 either within or outside of the state of Indiana, as the Board of Directors shall from time
8 to time establish. The Organization may also maintain such branch offices and places of
9 business as the Board of Directors may deem necessary or of advantage in the conduct
10 of its business.

11
12 **ARTICLE II – MEMBERSHIP**

- 13
14 1. MEMBERSHIP. Membership shall be open to all state and provincial regulatory
15 authorities that
16 (a) regulate the retail electricity or distribution rates of transmission-owning members or
17 transmission-dependent utility members of the Midwest Independent System
18 Operator (MISO), or
19 (b) are the primary regulatory authority responsible for siting electric transmission
20 facilities in states or provinces where there are transmission-owning members of the
21 MISO, including ~~or independent transmissions companies that own or operate~~
22 ~~transmission facilities associated with the MISO.~~

- 23
24 2. ASSOCIATE MEMBERSHIP. Associate membership shall be open to all state and
25 provincial agencies that
26 (a) are involved with energy planning, and or environmental issues that relate to electric
27 transmission, or
28 (b) are involved with consumer advocacy issues that relate to electric transmission, or
29 (c) are approved by the Board of Directors for associate member status.

30
31 **ARTICLE III – ANNUAL MEETING**

32
33 The Annual Meeting of the Organization (Annual Meeting) shall be held at such time and
34 place as may be determined by the Executive Committee. Notice of the time, place, and
35 purpose of the meeting, shall be provided by mail or electronic means to each Member
36 and Associate Member of the Organization not less than thirty (30) days prior to the
37 meeting. At the Annual Meeting, all members of member regulatory agencies may have
38 seat and voice. The business of the Annual Meeting will be conducted by vote of the
39 Board of Directors as provided in these bylaws.

40
41 **ARTICLE IV – BOARD OF DIRECTORS**

- 42
43 1. POWERS, RESPONSIBILITIES AND ACCOUNTABILITIES. The corporate
44 business and affairs of the Organization shall be managed by the Board of Directors,
45 except as may be otherwise provided in these bylaws or the Organization’s articles of
46 incorporation (Articles of Incorporation).
47

48 2. COMPOSITION. Each member regulatory authority, as defined in Article II.1 of
49 these bylaws, may designate one Commissioner to serve on the Board of Directors. In
50 the case of member agencies organized without commissioners, an official of similar
51 level may be designated. When any such person ceases to be the duly authorized
52 representative of that Member, he or she shall be replaced on the Board of Directors by
53 another representative from his or her state or provincial regulatory authority. A member
54 regulatory authority may replace its Director at any time by notifying the Secretary of the
55 Organization.

56
57 3. RESPONSIBILITIES. The Board of Directors shall elect the officers of the
58 Organization, select members to serve on the MISO Advisory Committee, appoint the
59 members of the Nominating Committee, and determine the general policies and direction
60 of the Organization. The Board of Directors may amend the Articles of Incorporation
61 and bylaws, take all other action requiring membership vote, and conduct other business
62 as delineated in Article X.

63
64 4. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held at
65 such time and place as may be determined by the Executive Committee, except that the
66 Board of Directors shall meet no less than one time each calendar year, in addition to the
67 annual meeting. Notice of the time, place and purpose of the meeting(s) shall be
68 provided by mail or electronic means to each Member and Associate Member of the
69 Organization not less than ten (10) days prior to the meeting.

70
71 5. SPECIAL MEETINGS. The president may call a special meeting of the Board of
72 Directors. Notice of the time, place and purpose of the meeting(s) shall be provided by
73 mail or electronic means to each Member and Associate Member of the Organization not
74 less than three (3) days prior to the meeting.

75
76 6. QUORUM If a Director from each of a majority of the member state or provincial
77 regulatory authorities is present (either in person or by authorized telephonic or electronic
78 means), a quorum exists for the transaction of business at any meeting of the Board of
79 Directors, but if less than such majority is present at a meeting, a majority of the
80 members that are present may adjourn the meeting without further notice. The Directors
81 present at a properly called meeting may continue to transact business until adjournment,
82 notwithstanding the withdrawal of enough members to leave less than a quorum. A
83 member regulatory authority may allow a proxy from the same agency to participate as a
84 substitute for its designated director at a meeting of the Board of Directors by notifying
85 the Secretary of the Organization.

86
87 7. VOTING PROCEDURES. Each Director present (either in person or by authorized
88 telephonic or electronic means) shall be entitled to one vote. However, if a state or
89 province has more than one regulatory authority that is a Member of the Organization,
90 voting rights shall be divided equally among the Directors from that state or province
91 present and voting (one vote per state).

92 | (a) Elections for Officers of the Organization shall be by ballot in contested elections and
93 | may be by voice or other means in uncontested elections. A plurality of votes cast shall
94 | elect.

95 | (b) Changes in the bylaws shall require a vote of two-thirds of the Directors ~~present or~~
96 | ~~participating.~~

97 | (c) All other matters shall be determined by a majority of the Directors present and
98 | voting, unless otherwise provided by Indiana law or these bylaws.

99 | (d) Voting on all matters may be conducted via e-mail or other electronic means as
100 | authorized by the Board.

101 |
102 | [SECTION 8 – WITHOUT REVISION; i.e., AS IT IS PRESENTLY]
103 |

104 | 8. POSITIONS ON POLICY ISSUES. The Board of Directors will give direction to
105 | formation of issue statements, which will then be referred to member state and provincial
106 | regulatory authorities. A position approved by a majority of the Board of Directors may
107 | be issued as the Organization’s position with identification of the participating and non-
108 | participating Member authorities. Individual Member authorities retain all rights to
109 | object to, support, or otherwise comment on, issues statements of the Organization,
110 | including the attachment of a minority report or dissenting opinion, provided it is
111 | submitted in a timely manner.. The Board of Directors may authorize intervention in
112 | proceedings before federal regulatory agencies and in related judicial proceedings to
113 | express the Organization’s positions, and may authorize the Executive Committee to
114 | retain legal counsel to represent the Organization in such proceedings.

115 |
116 | [SECTION 8 – AS PROPOSED BY THE ICC STAFF]
117 |

118 | 8. POSITIONS ON POLICY ISSUES. The Board of Directors will give direction to
119 | formation of issue statements, which will then be referred to member state and provincial
120 | regulatory authorities. A position approved by a majority of the Board of Directors may
121 | be issued as the Organization’s position ~~with identification of~~ provided that no OMS
122 | Board Member votes “no” and the participating and non-participating Member authorities
123 | are identified. If any OMS Board member votes “no” on a proposed position of the
124 | Organization, that position shall not be issued as the position of the Organization.
125 | Rather, such a position may be issued as the position of the Members supporting the
126 | position, with identification of participating, non-participating and non-supporting
127 | Members. Under such circumstances, the non-supporting Members will have the right to
128 | attach a minority report or dissenting opinion to the position, provided it is submitted in a
129 | timely manner. Individual Member authorities retain all rights to object to, support, or
130 | otherwise comment on, ~~issues statements positions~~ of the Organization, ~~including the~~
131 | ~~attachment of a minority report or dissenting opinion, provided it is submitted in a timely~~
132 | ~~manner.~~.. The Board of Directors may authorize intervention in proceedings before
133 | federal regulatory agencies and in related judicial proceedings to express the
134 | Organization’s positions, and may authorize the Executive Committee to retain legal
135 | counsel to represent the Organization in such proceedings. The Board of Directors may
136 | authorize members present to cast their vote on proposed OMS positions within a later,
137 | specified time period, not to exceed ten days.

138 |
139 | [SECTION 8 – ALTERNATIVE A]
140 |

141 | 8. POSITIONS ON POLICY ISSUES. The Board of Directors will give direction to
142 | formation of issue statements, which will then be referred to member state and provincial

143 regulatory authorities. Consensus is the goal in formulating issue statements. A position
144 approved by aall members of the Board of Directors shall be issued as the Organization's
145 "Unanimous OMS Position." A position approved by a majority of the Board of
146 Directors may be issued as the Organization's "OMS Plurality pPosition" with
147 identification of the participating and non-participating Member authorities. Under such
148 circumstances, the non-supporting Members will have the right to attach a minority
149 report or dissenting opinion to the position, provided it is submitted in a timely manner.
150 Individual Member authorities retain all rights to object to, support, or otherwise
151 comment on, ~~issues statements positions~~ of the Organization, ~~including the attachment~~
152 ~~of a minority report or dissenting opinion, provided it is submitted in a timely manner.~~
153 The Board of Directors may authorize intervention in proceedings before federal
154 regulatory agencies and in related judicial proceedings to express the Organization's
155 positions, and may authorize the Executive Committee to retain legal counsel to represent
156 the Organization in such proceedings. The Board of Directors may authorize members
157 present to cast their vote on proposed OM positions within a later, specified time period,
158 not to exceed ten days.

161 ARTICLE V - OFFICERS

162
163 1. NUMBER AND TITLE. The officers of the Organization shall be the president, vice
164 president, secretary, and treasurer.

165
166 2. ELECTION, TERM, VACANCIES. The president, vice president, secretary, and
167 treasurer shall be elected by the Board of Directors for a term of one year, or until their
168 successors are elected, and shall not consecutively serve for more than one term in any
169 one office. Partial terms are not counted as one term of office. Officers shall be elected
170 at the Annual Meeting to take office on the first day of January following the Annual
171 Meeting at which elections are held. The Executive Committee may fill a vacancy
172 among the officers other than the president to serve until the next scheduled election. In
173 the case of a permanent vacancy in the office of the president, the vice-president will
174 succeed until the next scheduled election. ~~The terms of the Vice President and Secretary~~
175 ~~elected in 2003 shall be deemed full terms. The terms of the President and Treasurer~~
176 ~~elected in 2003 shall be deemed partial terms.~~

177
178 3. GEOGRAPHIC BALANCE. Two of the officers shall be Directors from states
179 predominantly west of the Mississippi River. Two of the officers shall be Directors from
180 states predominantly east of the Mississippi River.

181
182 4. DUTIES. The duties of the officers shall be as follows:

- 183
184 (a) The PRESIDENT shall be the principal officer of the Organization and shall
185 preside at the Annual Meeting and all meetings of the Board of Directors and the
186 Executive Committee, shall be responsible for seeing that the lines of direction
187 given by the Board of Directors and the Executive Committee are carried into
188 effect, and shall have such other powers and perform such other duties as may be
189 assigned by the Board of Directors.

- 191 (b) In the temporary absence or disability of the president, the VICE-PRESIDENT
 192 shall preside at meetings of the Board of Directors and the Executive Committee.
 193 The Vice President shall also serve as the lead state representative on the MISO
 194 Advisory Committee. He or she shall have such other powers and perform such
 195 other duties as may be assigned by the Board of Directors.
 196
- 197 (c) The SECRETARY shall be responsible for keeping a roll of the Members and
 198 seeing that notices of all meetings of the Board of Directors and the Executive
 199 Committee are issued and shall see that minutes of such meetings are kept. The
 200 secretary shall be responsible for the custody of corporate books, records and
 201 files, shall exercise the powers and perform such other duties usually incident to
 202 the office of secretary, and shall exercise such other powers and perform such
 203 other duties as may be assigned by the president or Board of Directors. The
 204 secretary shall also serve as a member of the MISO Advisory Committee.
 205
- 206 (d) The TREASURER shall be responsible for monitoring the receipt and custody of
 207 all monies of the Organization and for monitoring the disbursement thereof as
 208 authorized, for assuring that accurate accounts of monies received and disbursed
 209 are kept, for execution of contracts or other instruments authorized by the Board
 210 of Directors, and for overseeing the preparation and issuance of financial
 211 statements and reports. The Executive Director shall assist the treasurer in the
 212 performance of his/her duties. The treasurer shall give a report of the
 213 organization's finances at the Annual Meeting. The treasurer shall be an ex
 214 officio member of the finance committee, if such a committee shall be established
 215 by the Board of Directors, shall exercise the powers and perform such other duties
 216 usually incident to the office of treasurer, and shall perform such other duties as
 217 may be assigned by the president or Board of Directors.
 218

219 | 5. REMOVAL. An officer of the Organization may be removed from such officer
 220 | position with or without cause by written vote of two-thirds of the total membership of
 221 | the Board of Directors.
 222

223 **ARTICLE VI - COMMITTEES**

- 224
- 225 | 1. ESTABLISHED. The Board of Directors may establish and abolish committees and
 226 | work-groups as it deems necessary and provide for their governance.
 227
- 228 | 2. COMPOSITION AND APPOINTMENT. The president shall appoint members of the
 229 | committees, with Executive Committee approval. Unless otherwise provided by the
 230 | Board of Directors, a committee may elect its chair. Members and Associate Members
 231 | may participate in work of committees and work-groups that relate to matters within their
 232 | jurisdiction.
 233

234 **ARTICLE VII – EXECUTIVE COMMITTEE**

235

236 EXECUTIVE COMMITTEE. The Executive Committee shall consist of no more than 5
 237 members of the Board of Directors, among whom shall be the officers of the
 238 Organization and any other Member selected to serve on the MISO Advisory Committee.

239 The Executive Director is an ex officio non-voting member of the Executive Committee.
240 The Executive Committee shall be elected by the Board of Directors at each Annual
241 Meeting. The Executive Committee shall have, and may exercise, the powers of the
242 Board of Directors in the interim between Board of Directors meetings, except that the
243 Executive Committee shall not have the power to adopt the budget, or to take any action
244 which is contrary to, or substantial departure from the direction established by the Board
245 of Directors, or which represents a major change in the affairs, business or policy of the
246 Organization. The Executive Committee shall meet as needed in person or by telephone
247 or electronic means. Such meetings shall be called by the president as chair of the
248 Executive Committee. Notice, quorum and filling of vacancies shall be consistent with,
249 and adhere to, Articles IV, V, VIII, XI, and XII of these bylaws.

250
251

ARTICLE VIII –NOMINATING COMMITTEE

252

253 1. COMPOSITION. The nominating committee shall consist of three members of the
254 Board of Directors.

255

256 2. METHOD OF ELECTION, TERM, VACANCIES. Members of the nominating
257 committee shall be elected by the Board of Directors for a term of one year, or until their
258 successors are elected. Terms of office shall begin at the close of the Annual Meeting at
259 which elections are held, and shall expire at the close of following Annual Meeting. The
260 Executive Committee shall have the power to fill vacancies in the nominating committee.

261

262 3. RESPONSIBILITIES. At the Annual Meeting, the nominating committee shall
263 present to the Board of Directors a single slate of nominations for elected officers of the
264 Organization, subject to the provisions of Article V.3 and Article V.4.b and c, and
265 following rotation guidelines adopted by the Board of Directors. Any Director may make
266 additional nominations.

267

268

ARTICLE IX – STATES NOT BOUND

269

270 No vote of, or resolution passed by, the Board of Directors has any binding effect upon
271 any state or provincial regulatory authority, or any individual member thereof, in the
272 exercise of the authority's powers.

273

274

ARTICLE X - FISCAL RESPONSIBILITIES OF THE BOARD OF DIRECTORS

275

276 1. FISCAL YEAR. The Board of Directors shall establish the fiscal year of the
277 Organization.

278

279 2. FUNDING. Any funds shall be accepted or collected only as authorized by the Board
280 of Directors.

281

282 3. DEPOSITORIES. All funds of the Organization shall be deposited to the credit of the
283 Organization in fully insured accounts.

284

- 285 4. APPROVED SIGNATURES. Approvals for signatures necessary on contracts,
286 checks, and orders for the payment, receipt, or deposit of money, and access to securities
287 of the Organization shall be provided by resolution of the Executive Committee.
288
- 289 5. BONDING. All persons having access to or major responsibility for the handling of
290 monies and securities of the Organization shall be bonded as provided by resolution of
291 the Board of Directors.
292
- 293 6. INDEMNIFICATION AND INSURANCE. Indemnification and Directors and
294 Officers insurance shall be provided by resolution of the Board of Directors in
295 accordance with the Articles of Incorporation and Indiana law.
296
- 297 7. BUDGET. The annual budget of estimated income and expenditures shall be
298 approved by the Board of Directors. No expenses shall be incurred in excess of approved
299 budget levels without prior approval of the Executive Committee with notice to the Board
300 of Directors.
301
- 302 8. CONTRACTS AND DEBTS. Contracts may be entered into or debts incurred only as
303 directed by resolution of the Executive Committee after general authorization from the
304 Board of Directors.
305
- 306 9. AUDITS. A certified public accountant or other independent public accountant shall
307 be retained by the Executive Committee to make an annual examination of the financial
308 accounts of the organization. A report of this examination shall be submitted to the
309 Board of Directors.
310
- 311 10. LEGAL COUNSEL. Independent legal counsel should be retained by the
312 Organization to: (a) insure compliance with federal and state requirements, (b) review
313 and advise on any and all legal instruments the Executive Committee executes, such as
314 leases, contracts, property purchases, or sale. Legal Counsel may also be retained for
315 administrative matters determined necessary by the Executive Committee. The
316 Executive Committee may retain legal counsel for interventions before federal regulatory
317 agencies and related judicial proceedings pursuant to authorization of the Board of
318 Directors.
319
- 320 11. PROPERTY. Title to all property shall be held in the name of the Organization,
321 unless otherwise approved by the Board of Directors.
322
- 323 12. INVESTMENT. The treasurer shall invest the funds of the Organization in
324 accordance with the direction of the Board of Directors or any Committee of the board
325 appointed for such purpose.
326

327 **ARTICLE XI - PARLIAMENTARY AUTHORITY**

328
329
330 All meetings shall be conducted in a manner that will allow fullest possible participation
331 by the members. In the event of a dispute, Robert's Rule of Order, newly revised, shall
332 be the parliamentary authority governing the meetings of the Board of Directors, the

333 Executive Committee, and all committees, subject to the laws of Indiana, the Articles of
334 Incorporation, these bylaws, and any special rules of order adopted by the Organization.

335 **ARTICLE XII - OPEN MEETINGS**

336
337 The Annual Meeting and all meetings of the Board of Directors, the Executive
338 Committee, and subordinate committees for which the majority of the appointed
339 members are commissioners shall be open meetings, except that discussion of
340 commercially sensitive, legal, and personnel issues may be conducted in closed session.

341 For the purposes of these bylaws, open meeting means:

- 342 (a) Notice of the time, place, and purpose of the meeting, as provided in Article III,
343 shall be made available to public, through printed or electronic means.
- 344 (b) Minutes of the Board of Directors and the Executive Committee meetings shall be
345 made available to the public, through printed or electronic means, within two
346 weeks of the date of the meeting.
- 347 (c) The public may attend all open meetings of the Organization.
- 348 (d) The Board of Directors may provide for participation by telephone or electronic
349 means.

350 **ARTICLE XIII- AMENDMENTS**

351
352
353 These bylaws may be amended ~~by a two-thirds vote of a quorum~~ at the Annual Meeting
354 ~~and or~~ any meeting of the Board of Directors, provided that the proposed amendment
355 ~~was must have been~~ included in the notice of the meeting. Passage of a bylaws
356 amendment requires an affirmative vote of two-thirds of the Board of Directors.

357 **ARTICLE XIV- EXECUTIVE DIRECTOR**

358
359
360 1. EMPLOYMENT. The Executive Committee shall select an Executive Director,
361 subject to ratification by the Board of Directors at its next regular or special meeting.
362 The Board of Directors shall determine the terms and conditions of the employment of
363 the Executive Director. The Executive Director's employment may be terminated by a
364 majority of all serving Directors.

365
366 2. RESPONSIBILITIES. The Executive Director shall be the chief executive of the
367 organization under the supervision and day-to-day policy guidance of the Executive
368 Committee. The Executive Director shall be responsible for providing advice and
369 assistance to the Board of Directors, the Executive Committee, the president and other
370 officers, and the committees; and shall be responsible for administering the operations of
371 the Organization. The Executive Director shall have such other powers and perform such
372 other duties as may be provided by the Board of Directors and the Executive Committee.
373 The Executive Director is an ex officio non-voting member of the Executive Committee.
374

**Midwest ISO Advisory Committee Meeting
Conference Call
September 16, 2009
10:00am – 12:00pm EPT**
Dial-in and WebEx information available at www.midwestmarket.org

Agenda

1. Welcome*	Gary Mathis	10:00
2. Review of agenda	Gary Mathis	10:05
3. Approval of the August 2009 Meeting Minutes√	Gary Mathis	10:10
4. Action Items from previous AC Meetings	Alison Johnson	10:15
5. Midwest ISO Update - RSG FERC Order	Steve Kozey	10:20
6. RSG Task Force Update - FERC Order	Jason Minalga	10:35
7. AC Self Assessment Discussion	Gary Mathis	10:50
8. Advisory Committee Items	Gary Mathis	11:20
a. Drafting Team for December Hot Topic* (Resource Adequacy)		
b. Hot Topics Recommendations for 2010		
c. AC Sector Reps for 2010*		
d. Review AC Management Plan		
9. Standing Committee/Other Stakeholder Committee Reports		
a. RECB Task Force	Lauren Azar	11:35
b. PAC Report on MTEP	Julie Voeck	11:40
c. Transmission Owners**	Kevin Largura	11:45
d. Organization of Midwest ISO States	Bill Smith	11:50
10. New Business*	Gary Mathis	11:55
11. Recap – Issues/Assignments*	Alison Johnson	12:00

Rotating Agenda Team October: Tim Stewart
John Moore
Mark Volpe

Upcoming Hot Topics: December Resource Adequacy

√ Denotes Potential Voting Item

* Denotes Report is Oral

**Midwest ISO Advisory Committee Meeting Notes
August 19, 2009
Prepared by Quanetta Batts and Valerie Lemmie**

- 1. Welcome**
- 2. Agenda Review**
- 3. Approval of the June 2009 Meeting Minutes** ✓ Gary Mathis

Minutes were approved.

4. Action Items from previous AC Meetings Alison Johnson

There were no action items to discuss

5. Sector Hot Topic – Wind Integration Midwest ISO Introduction Clair Moeller

Clair pointed out that MISO's objective was to see a wind integration program that is reliable, efficient, and has a level/fair playing field. Target date for tariff changes is April 2010. The next wind workshop is September 29.

a. Public Consumer Advocates

They expressed concerns regarding cost allocation, transmission infrastructure and problems with wind in the queue.

b. OMS

Chairman Jergeson reported on behalf of OMS. Iterated that there are a lot of uncertainties with Wind, including federal regulations, state rules, RECs etc. Mr. Felman asked a question about storage and Manitoba's use of hydro. Jergeson replied that he thought hydro could be a useful tool. Question about MISO having some role in RECs in 3b of our document. OMS just means that MISO should be taking a look at this, not be in the market of REC trading. Interstate high voltage system? Jerry Lein reiterated that we were just concerned about how we can move the wind from the states that produce it to the states that need the power. Angie Butcher added that OMS is concerned about the different REC processes from state to state. Question, why does OMS think that MISO favors certain types of generation (as stated in 5A) and what generation types were we referring to. The answer wasn't very clear, but that this was just a general statement. Bill Bockram answered a question about market power concerns as described in 6e.

c. Environmental Sector/IPP Minority Opinion

The environmental sector and IPP sector (the minority opinion) reported together. Pointed out that the wind integrated system will grow and evolve over time to meeting states RPS. Concerns were expressed with building regional transmission facilities to handle all of the wind. Concerns with cost allocation and iterated that it should be decided soon. We need a timeline that would give ample time to come up with solutions concerning wind integration. The April 2010 date provided by MISO is too soon to address all of the issues. Regarding the stakeholder process, they think there should be "robust" participation and decisions should be made in a public setting. Stakeholders should not be in a reactive role to a decision that has already been made.

d. IPP MAJORITY OPINION

There was also a majority IPP opinion presented to the group. There comments focused on incentives for generators and the flexibility that wind can bring. Discussed demand response and that it was better integrated in other markets.

e. PM

Key points are cost causation and fairness. Wind creates additional cost (requiring additional use of a peaker) that should be attributed to the cost causer. As wind increases in MISO there will be

a need for more regulation. If wind is causing the cost, wind generators should pay for the cost (I assume he means the generators of wind). Also expressed concerns about the lack of storage capability.

f. Munis/Coop/TDU

MISO should focus on the need of load serving entities in the footprint. Factor in the requirements and desires for local wind generation. All generators interconnected should be prioritized. Cost causers should pay the bill. The stakeholder process that exists today is acceptable for input. Wants transparency of the cost associated with the development of wind resources.

g. Transmission Owners

Support MISO's efforts. Believes the MISO has made steps to address barriers that others have raised (Renewable energy zones, RGOS, CARP, etc). Several of the TO's do not support the general comments and do not believe there should be another taskforce. The current wind integration team can handle coordination.

h. Coordinating Members

Hydro is important and is comparable to wind in all of the green attributes. It's fast responding and it provides energy storage. The US has hydro potential. The comments focused entirely on incorporating hydro.

i. Eligible End Users (no written comments)

They didn't share anything with the group.

6. IMM State of the Market Recommendations Todd Hilman

Referred to the PowerPoint that showed the 11 recommendations. Took questions from the audience.

7. FERC Aug 7 Order on RSG Steve Kozey

8. Advisory Committee Items Gary Mathis

a. Drafting Team for October Hot Topic* (Regional Infrastructure Planning)

There will be an email sent with this information.

b. Hot Topics timeframe for Dec 09 and Jan 2010*

There will be an email sent with this information.

c. Hot Topics recommendations for 2010*

There will be an email sent with this information.

d. AC Self-Assessment results discussion

Will look at the responses (and if you haven't done so already, please do). There will be a discussion about what the AC can do better in the future.

e. Review AC Management Plan

The plan was updated and is on the website. The update is for a rolling 12 month period. This is another place where stakeholders can put emerging issues. If there are things that are missing, please let Allison know the topic and the timeframe associated with it. It can go into the next update of the management plan.

f. September Advisory Committee Meeting Discussion*

A few things that were going to be discussed in September will be moved to October. The rotating agenda team will decide if a September meeting is needed and an email will be sent in the next week or two. If there are items you want to discuss in September send them to Allison immediately.

9. Standing Committee/Other Stakeholder Committee Reports

a. Steering Committee David Hastings

There is a new report template for committee reports. There will also be a written report presented every meeting from now on from the steering committee. The templates are a result from stakeholder discussions about wanting to know the activities of the steering committee.

b. RECB Task Force Lauren Azar

Lauren provided a brief update on CARP and RECB. She commented that she hoped this CARP phase would be done at the end of 2009. Lauren's report was brief and concise.

c. Finance Subcommittee Data Center Review A. Dotterweich

The group recommended a data center expansion project (for data storage/data management) after evaluating several options. This recommendation is over \$44 million and will be taken to the MISO Board tomorrow. AS YOU PROBABLY KNOW PUCO STAFFER JOE BUCKLEY IS THE CHAIRMAN OF THIS GROUP.

d. MSC – Mkt to Mkt Resettlement* Barry Trayers - Iowa Integration*

There is no written report available. Everything is set to go for the September start date with the Iowa integration project. He briefly discussed market flow capability and some errors they found. The plan is for MISO and PJM to try to recalculate and fix the errors. (his oral presentation was very technical). There will likely be a flow of money from PJM to MISO once the calculations are corrected. Perhaps tens of millions.

e. Stakeholder Governance Working Group√ Bill SeDoris

This is a voting item. There are six different parts of this motion that all deal with changes to the Governance Guide. The attached motion was approved by the AC.

f. Transmission Owners* Kevin Largura

They have three new members Mid-American, and two others. They continue to focus also on cost allocation.

g. Organization of Midwest ISO States

Hisham provided a brief update on the OMS activity on Bill's behalf.

10. New Business* Gary Mathis

None

11. Recap – Issues/Assignments* Alison Johnson

Four items:

1. Notice will be sent for volunteers for the October hot topic.
2. Notice will also be sent to request 2010 hot topics.
3. There will also be an email request for potential AC items in September.
4. The rotating agenda team will meet a week or two earlier to determine if a September meeting is actually warranted.

Advisory Committee Hot Topics
2009

<u>Month</u>	<u>Hot Topic</u>
January	Midwest ISO BOD Interaction with Stakeholder to meet the requirements of FERC Order 719
March	Load Forecasting
June	FTR Auction and Allocation
August	Wind Integration
October	Regional Infrastructure Planning
December	Resource Adequacy

PAC Meeting Notes 9-2-2009

A) MISO Reviewed the Eastern Interconnection Planning Collaborative, EIPC

Team includes ISO-NE, NYISO, PJM, TVA, Southern Company, Entergy, MappCorp

Bids Due: September 14, 2009.

Governance Structure

- Stakeholder Steering Committee (SSC)
- Analysis Team
- Project Manager

Functions and Work Products

1. Roll Up and Analysis of Approved Regional
2. Inter-regional Expansion Scenarios
3. Development of Inter-Regional Transmission Expansion Options

Charles Rivers Associates does production cost modeling.

Oak Ridge Lab performs reliability review.

Keystone Group provides facilitation.

B) MTEP2009 Review—Super Summary Points

Appendix A--275 new transmission projects, totaling \$896 million

MTEP09 contains 21 projects totaling \$292 million that are eligible for cost sharing

Projects in Appendix A and B total \$4 billion

Projects in Appendix A and B could lead to \$1 billion in lower market congestion

In terms of Resource Adequacy, LSEs have lowered their demand forecasts.

Present growth rate is 1% per year, versus 1.5% in prior years.

Lower demand growth may mean that MISO does not reach its 2006 demand peak until 2018.

Assuming LSEs' forecast is accurate, LOLE analysis and planning reserve analysis shows solid resource adequacy until 2018.

Stakeholder feedback due September 16.

First Draft-MTEP report sent to MISO Board is September 18.

Last day for all stakeholder feedback for Final-MTEP report is September 29.

October 14, MISO AC reviews MTEP2009, and considers motions.

MISO Board Committees review in November.

MISO Board approval planned for December AC.

PAC Draft Motion—"MTEP2009 should move forward to AC and Board."

Will be voted on at October 7th, PAC meeting.

C) Julie Voeck announces she is ending her 2-year commitment to be PAC Chairperson.

Call for nominees is now outstanding. OMS gets one vote at next meeting.



Organization of MISO States

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REPORT OF THE NOMINATING COMMITTEE

Nominations for 2010 Officers

President	Valerie Lemmie	Ohio
Vice-President	Monica Martinez	Michigan
Secretary	David Armstrong	Kentucky
Treasurer	Jeff Davis	Missouri
At-Large	Rob Berntsen	Iowa

Nominating Committee for 2010:

David Armstrong	Kentucky
Sherman Elliot	Illinois
Ty Christy	Pennsylvania

Submitted by the 2009 Nominating Committee:

Tom Pugh
Gary Hanson
Ty Christy

OMS Annual Meeting, October 13, 2009, Carmel, IN Information – DRAFT

The Annual Meeting of the Organization of MISO States (OMS) will be held Tuesday, October 13 from 9:00 am to 2:30 pm EDT. The meeting will be held in Carmel Indiana in the lower level of MISO's new 720 building. Please notify Secretary Greg Jergeson at gjergeson@mt.gov with a copy to bdekiep@mt.gov if you will not be able to attend in person. For security purposes, MISO must have a list of all attendees prior to the meeting. MISO requests that you register on their site as well. Link is provided. Please return the OMS meeting registration to the OMS office ASAP. ([meeting agenda draft and registration form will be attached](#))

Lunch Reservations: Lunch will be provided with a reservation. ([to be attached](#)) There is no charge to OMS members, but anyone wanting lunch must send a registration and reservation to the OMS office no later than **October 9**.

OMS Work Groups: OMS Work Group Chairs & Key Staff Meeting will be held from 4:00 pm* to 5:30 pm Wednesday, October 14 in the 720 building. (* *At close of MISO AC meeting*)

OMS Recognition Dinner: All OMS commissioners and staff are invited to attend the OMS Recognition Dinner to be held Tuesday evening at Deeter's Nasch and Nip, 12901 Old Meridian Street, Carmel, IN 46032 Phone: (317)844-8500

Regulator Meetings: Following Tuesday's OMS Annual meeting is the MISO Informational Forum from 3:00 pm to 5:00 pm EDT. The Advisory Committee Meeting is from 10:00 am to 3:00 pm EDT on Wednesday, October 14 and the MISO Board meeting is from 1:00 to 2:30 pm on Thursday, October 15. Agendas for these MISO meetings will be posted at <http://www.midwestmarket.org>. An OMS meeting with the TOs sector is scheduled for Wednesday morning at 9:00 am EDT. You are all encouraged to attend. If interested in a tour of MISO's control room, please RSVP to Bill Malcolm. The tour will be available Wednesday at noon (during the AC meeting lunch break.) Wednesday night, an informal dinner will be held at Bazebeaux Pizza at 6:00 pm for any OMS members interested. ([meeting schedule will be attached](#))

Travel Reimbursement: Travel assistance is available to OMS members. (Please refer to the OMS travel expense reimbursement policy available on the OMS web site). Up to 3 individuals from each member state may receive travel assistance to the OMS annual meeting. (OMS travelers to the OMS WG Chairs meeting are additional.) Requests for travel assistance should be sent to the OMS office, attention: Julie Mitchell. ([Travel Approval Request will be attached](#))

Accommodations: A block of rooms for Monday, Tuesday, and Wednesday nights, October 12-14 has been reserved at the **Renaissance Indianapolis North Hotel**. This Marriott property is located at 11925 N. Meridian Street, Carmel, IN. Phone number of the hotel is 317-814-2515. The hotel offers a \$109 room rate (which also includes the breakfast buffet in Grille 39). **For reservations, please dial at 1-866-905-9619 and ask for the "Organization of MISO States" room block to receive this rate.** (Remember: hotel reservationists do not know that OMS is the acronym for the organization.) OMS has made arrangements to pay the hotel directly for your room charge; however, any incidental charges (calls, room internet access, meals, etc.) should be billed to your personal credit card. **Hotel reservations should be made by Monday, September 28 to secure a room. Room availability cannot be guaranteed after Sept.28.**

Transportation: The closest airport to Carmel is Indianapolis International Airport. MISO headquarters is about 40 minutes from the airport. Directions from the Airport to the Hotel and to MISO's 720 Building ([will be attached](#).) They are also available on the MISO web site at <http://www.midwestmarket.org>

- **Carey Indiana Limo** - (shared rate is \$26.91 + gratuity per person each way from airport to hotel) - 317-241-7100 (call ahead for reservations/or walk up to the counter at the airport ground transportation center.)
- **Carmel Circle City Cab** - (\$40 flat rate from the airport to the Doubletree Suites) Call ahead for reservations - 317-848-5757. (\$42 flat rate from airport to Midwest ISO)

Organization of MISO States, Inc.

2010 Budget

	Budget 2007	Actual 2007	Budget 2008	Actual 2008	Budget 2009	Actual Thru June 2009	Budget 2010
1 Ordinary Income/Expense							
2 Income							
3 Excise Tax Refund - IRS		1,191		21		603	
4 MISO Grant	480,000	360,000	480,000	360,000	480,000	240,000	660,000
5 Interest - Checking Acct and Savings	2,000	2,201		1,188		126	
6 Miscellaneous revenue	0	0		1,645		914	
7 Total Income	482,000	363,392	480,000	362,854	480,000	241,643	660,000
Cash carried forward from prior year	150,000	204,871	166,277	166,277	110,000	109,570	114,000
Total funds available	632,000	568,263	646,277	529,131	590,000	351,213	774,000
8 Expense							
9 Personnel Compensation and Benefits							
10 OMS retirement matching funds				1,269			
11 Compensation - Exec Director	135,000	123,000	135,000	136,130	140,000	63,929	147,000
12 Compensation - Admin Asst	71,000	58,492	71,000	48,710	75,000	32,517	79,000
13 Compensation - additional personnel	35,000	7,169	35,000	10,534	35,000	5,325	135,000
14 Other Personnel Expenses							
15 Staff Training	2,000	40	2,000	0	2,000	0	2,000
16 Paychex Accounting Fees	1,500	1,377	1,500	1,091	1,500	1,020	2,200
17 Total Personnel Expenses	244,500	190,078	244,500	197,734	253,500	102,791	365,200
18 Office Expenses (non-personnel)							
19 Computers	5,000	523	6,000	227	6,000	0	6,000
20 Furniture/Office Equipment	1,500	1,890	1,500	42	1,500	5,363	1,500
21 Rent, parking, other occupancy	10,500	11,001	11,500	12,870	11,500	10,379	20,500
22 Books, subscriptions, reference	3,000	1,940	3,000	2,294	3,000	2,125	3,000
23 Equip rental & maintenance							
24 Computer support	6,000	5,434	6,000	5,157	8,000	3,678	8,000
25 Web Site Hosting	600	575	600	540	600	210	600
26 Printer/Copier/Fax Rental	2,500	2,027	2,000	2,245	2,000	173	1,000

27	Postage, shipping, delivery	1,200	456	1,000	328	1,000	228	1,000
28	Printing & copying	600	0	600	335	600	838	1,000
29	Supplies	1,800	1,380	2,000	1,332	2,000	1,434	3,000
30	Phone, Fax, DSL	3,000	2,748	3,000	2,814	3,000	1,945	4,000
31	Miscellaneous Operating Expense	0	64	0	-129	0	0	
32	Total Office Expenses (non-personnel)	35,700	28,038	37,200	28,055	39,200	26,373	49,600
33	Organizational (corp) and Insurance Expenses							
34	Professional, Audit, Other	3,200	4,877	3,200	3,937	3,200	4,425	5,000
35	General Office Insurance	2,800	0	2,600	0	2,600	2,274	2,600
36	Workers' Comp	1,300	3,399	600	3,114	600	26	600
37	Directors & Officers Insurance	3,500	6,824	3500	3,324	3500	0	3,500
38	Total Organization and Insurance Expense	10,800	15,100	9,900	10,375	9,900	6,725	11,700
39	Consultants / DC Counsel	60,000	0	60,000	0	100,000	4,266	140,000
40	OMS - meetings and training							
41	Officers	3,000	2,278	3,000	1,747	3,000	0	3,000
42	Exec Dir	10,000	14,822	11,000	10,901	12,000	6,291	13,000
43	Other Staff	3,500	483	2,000	949	2,000	0	2,000
44	Total OMS Officer and Staff Expenses	16,500	17,583	16,000	13,597	17,000	10,557	18,000
45	MISO Meeting Expenses							
46	MISO work groups and committees	36,000	26,530	45,000	31,758	45,000	6,077	45,000
47	MISO BOD,AC - Lead States	20,000	18,223	20,000	14,137	20,000	11,521	20,000
48	Consumer Advocate Travel	30,000	6,010	30,000	11,969	30,000	2,615	30,000
49	Exec Dir (MISO AC,BOD)	8,000	6,067	9,000	9,077	10,000	4,472	11,000
50	Total MISO Meeting Expenses	94,000	56,830	104,000	66,941	105,000	24,685	106,000
51	OMS Meetings							
52	OMS Annual Meeting						0	
53	Director attendance expense	12,000	15,392	14,000	28,494	20,000	0	25,000
54	Annual Meeting Location Costs	2,000	2,652	2,500	-8,083	2,500	0	2,500
55	Total OMS Annual Meeting	14,000	18,044	16,500	20,412	22,500	0	27,000
56	Regular OMS BOD Meeting							
57	Regular BOD Mtg Location Costs	1,500	2,066	1,500	4,664	4,000	0	4,000
58	Regular BOD Meeting attendance expense	10,000	4,484	10,000	19,652	12,000	0	20,000
59	Total Regular OMS BOD Meeting	11,500	6,550	11,500	24,316	16,000	0	24,000

60	OMS Executive Committee Meeting							
61	OMS Exec Com Mtg attendance expenses	3,000		3,000	0	3,000	0	3,000
62	OMS Exec Comm - Meeting Location	500	23	500	0	500	0	500
63	Total OMS Executive Committee Meeting	3,500	23	3,500	0	3,500	0	3,500
64	Conference Calls	16,000	30,517	24,000	19,550	24,000	9,892	12,000
65	OMS Work Group Meetings - attendance expenses	12,000	3,978	12,000	0	12,000	0	12,000
66	OMS Work Group meeting - location costs		243		0		0	
67	MWDRl meetings - attendance expenses	55,000	20,385	55,000	12,926	55,000	844	0
68	MWDRl meetings - location/call costs	0	2,912	0	1,170	0	0	0
69	FERC/DOE Tech Conference - attendance expenses	5,000	8,104	8,000	2,268	8,000	1,187	8,000
70	OMS Technical Training	50,000	1,791	50,000	3,047	10,000	51,519	25,000
71	Technical training location costs		1,137		62		4,084	10,000
72	Total OMS Meeting and Training Expenses	167,000	93,684	180,500	164,289	273,000	102,768	245,500
73	Total Expenses	628,500	401,313	652,100	525,719	675,600	238,657	812,000
74	Operating surplus of funds available over expenses	3,500	166,950	-5,823	3,412	-85,600	112,556	-38,000
75	Depreciation allowance	0	0		5412		0	
	Net Surplus of available funds over expenses	3,500	166,950	-5,823	-2,000	-85,600		-38,000

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

First Energy Service Company)

Docket No: ER09-1589-000

**NOTICE OF INTERVENTION OF THE ORGANIZATION OF MISO STATES
AND RESPONSE IN SUPPORT OF OHIO PUBLIC UTILITY COMMISSION'S
MOTION FOR EXTENSION OF TIME**

I. BACKGROUND

On August 17, 2009, the FirstEnergy Service Company made a filing for the Commission's approval of its termination of membership in the Midwest ISO and its proposed move to PJM Interconnection, L.L.C. The Commission has set a comment date of September 15, 2009. On September 1, 2009, the Public Utilities Commission of Ohio submitted a request for an extension of the comment date to October 23, 2009.

II. NOTICE OF INTERVENTION

Pursuant to Rule 214(a)(2) of the Federal Energy Regulatory Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(a)(2), the Organization of Midwest ISO States files its Notice of Intervention in this proceeding. Service of pleadings, documents, and communications should be made on the following:

William H. Smith, Jr.
Executive Director
Organization of MISO States
100 Court Avenue, Suite 315
Des Moines, Iowa 50309

III. SUPPORT FOR EXTENSION OF COMMENT DATE

The Organization of MISO States (OMS) is a regional state committee whose members are the fourteen state and provincial regulatory authorities within the Midwest ISO footprint. Today the OMS Board of Directors met and agreed to support the Ohio Commission's request for an extension of the comment date to October 23, 2009, in light of the extent and complexity of the issues identified in the Ohio Commission's motion and in the supporting pleadings of

other state regulatory agencies. The importance of these issues and their need for thoughtful analysis warrants more extensive comments than can be prepared by the September 15 comment date. The OMS suggests that the Commission's decisional process would be aided if additional time were provided for the OMS and other stakeholders to develop complete and thorough comments in this case.

III. CONCLUSION

For the reasons explained above, the OMS requests that the Commission establish a revised comment date in this docket.

Respectfully Submitted,
William H. Smith, Jr.
William H. Smith, Jr.
Executive Director
Organization of MISO States
100 Court Avenue, Suite 315
Des Moines, Iowa 50309
Tel: 515-243-0742

Dated: September 10, 2009

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Des Moines, Iowa, this 10th day of September 2009.

William H. Smith, Jr.
William H. Smith, Jr.