



**ORGANIZATION OF MISO STATES, INC.  
Board of Directors Meeting  
Conference Call Minutes  
July 9, 2009**

**Approved August 13, 2009**

Lauren Azar, President of the Organization of MISO States, Inc. (OMS), called the July 9, 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  
Bob Pauley, proxy for Jim Atterholt, Indiana  
Rob Berntsen, Iowa  
Bill Bowker, proxy for David Armstrong, Kentucky  
Monica Martinez, Michigan  
Jeff Davis, Missouri  
Brian Dekiep, proxy for Greg Jergeson, Montana  
Valerie Lemmie, Ohio  
Tyrone Christy, Pennsylvania  
Gary Hanson, South Dakota  
Lauren Azar, Wisconsin

Absent

Manitoba  
Minnesota  
North Dakota

Agency members participating

Randy Rismiller – Illinois  
Jeff Kaman – Iowa  
Angie Butcher – Michigan  
Jerry Lein – North Dakota

Others on the call

Todd Hillman – MISO  
Bill Smith – 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 June 11, 2009 Board of Directors meeting**

President Azar requested the Board to approve the June 11 meeting minutes as distributed. There was no dissent.

## **Treasurer's Report**

President Azar requested the Board to approve the June Treasurer's Report as distributed. There was no dissent.

## **Review of the Executive Committee Meeting – Bill Smith**

Bill Smith presented a verbal summary of the June 25 Executive Committee Meeting. He highlighted the following items that were discussed during the meeting:

- The Executive Director personnel review is complete;
- The audit and IRS filing are complete and posted to the OMS website;
- Issues with the Nominating Committee;
- Annual meeting planning;
- Preview of the Eastern Interconnection meeting;
- Board meeting agenda;
- MWDRI and Demand Response;
- Voting for the MISO Board of Directors Nominating Committee.

## **Administrative Report from Executive Director – Bill Smith**

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

- The need for commissioners to RSVP to the dinner with MISO directors. If there is not enough participation, the opportunity will likely be lost going forward;
- Please RSVP for the MISO lunch at the NARUC meeting as soon as possible if you plan to attend.

## **Work Group Status Reports**

### Transmission Cost Allocation WG

- No report provided

### Markets and Tariffs WG

- Written report follows minutes

### Resources WG

- No report provided

### Regional Planning WG

- Written report follows minutes

### Governance and Budget WG

- No report provided

### Modeling WG

- No report provided

## **BUSINESS**

### **1. MISO Advisory Committee Issues – Valerie Lemmie**

- There was no June meeting. The August hot topic is wind integration. The hot topic has been referred to the Regional Planning Work Group for discussion and comments.
- The Planning Advisory Committee met and a report was submitted to the Board. The PAC requested input from the stakeholders on MTEP '09 and MTEP '10 and transmission planning load shedding. These will be referred to the appropriate work groups for discussion and comments. Feedback is requested at the August 7, 2009 PAC meeting.

## **2. OMS Nominating Committee – Bill Smith**

- Last year's Nominating Committee did not nominate a committee to serve this year, in an oversight of the by-laws. Commissioner Tom Pugh from Minnesota has offered to serve again to provide continuity from last year. Commissioner Gary Hanson of South Dakota and Commissioner Ty Christie of Pennsylvania have agreed to serve as well.

**Valerie Lemmie moved to accept the 2009 nominating committee. Brian Dekiep seconded. The motion passed by unanimous voice vote.**

## **3. Formation of Demand Response Working Group – Bill Smith/Lauren Azar**

- Bill Smith summarized the memo that was sent out prior to the meeting that included background, discussion and the recommendation that an OMS Demand Response Work Group be formed.
- It was agreed that a new Demand Response Work Group would be formed and interested individuals would hold a conference call meeting to determine the exact scope of the group and its leadership.

## **NEW BUSINESS**

Randy Rismiller mentioned that FERC has issued a notice of intent to hold a technical conference on September 21st on regional/inter-regional transmission planning and cost allocation in the northeast (which includes MISO) in Philadelphia. The Board agreed that OMS should seek a spot on the panel list.

## **ADJOURNMENT**

The business portion of the OMS Board of Directors meeting adjourned at 1:30 pm CDT and the Board moved to the educational portion of the meeting. The documents for that presentation by MISO's Todd Hillman on Module E follow the minutes.

## OMS Markets and Tariffs Work Group Status Report For 7/09/09 OMS Board Meeting

### **1. Resource Adequacy Market Monitoring Issues ER08-394-007, ER08-394-009, ER08-394-022**

The MISO filed its RA compliance filing on 6/17 which included Module D tariff provisions addressing the monitoring and mitigation of the Voluntary Capacity Auction (VCA). We held a work group conference call (on 6/5) to discuss the filing and requested concerns and issues from the work group via e-mail on 6/18, with no responses. We therefore have no concerns or draft comments to present. The deadline for comments is 7/8/09. OMS has intervened and commented on other matters in this docket.

**Status:** No action required. Continue to monitor.

### **2. Revenue Sufficiency Guarantee (RSG)**

The MISO RSG WG meets each month (7/8 and 8/5 next mtgs) and reports to the MSC. Issues are on two fronts: The RSG Redesign going forward, and RSG resettlement.

Regarding the RSG Redesign, a current issue is whether and to what extent intermittent resources should be subject to real time RSG. The RSG WG passed a motion that would subject intermittent resources to RSG, but a similar motion was tabled for one month at the MSC on 6/2. On 6/10 MISO indicated it would like to hold items that passed in the stakeholder groups until it completes the analysis of the issues being done in the Wind Integration workshops. In June 2009, the Independent Market Monitor recommended the development of allocation rules for RSG and other costs (e.g., reserves and/or regulation) that assign the costs to intermittent resources to the extent that they cause them (2008 State of the Market Report, Recommendation 10). Based on these events, stakeholders agreed to withdraw the tabled motions at the 7/7 MSC meeting.

Regarding RSG resettlement, FERC issued an Order 5/6 that revised the effective refund date from 8/10/07 to 11/10/08 for the Section 206 complaint docket EL0-86 et al. (On 6/17 FERC issued a tolling order granting rehearing for further consideration of the 5/6 order.) FERC issued an Order on 6/12 in docket ER04-691 et al, that (1) affirmed there should be no rate mismatch (P 39), (2) exercised FERC discretion and waived refunds for the period prior to 11/5/07 (P. 42), (3) denied the motion to act on the 12/8/08 compliance filing since the public comment period is still open with respect to MISO's answers to the deficiency letter (P 23), and (4) denied the request to stay the resettlements (P 21) Summarizing the effect of these two RSG orders; (a) the period from 11/5/07 thru 11/9/08 requires resettlement to fix the rate mismatch, and (b) the period from 11/10/08 and forward will reflect the RSG Interim rate method (removal of the RSG exemption for those that do not actually withdraw energy). In addition, prior resettlements for the period 8/10/07 to 11/4/07 need to be reversed.

**Status:** Continuing monitoring redesign and resettlement issues before MISO and FERC.

### **3. Financial Transmission Rights (FTRs)**

The MISO FTR Working Group meets each month (7/6,8 and 8/5 next mtgs) with the objective of finding ways to improve funding available to pay FTR revenues. It reports to the MSC.

Jim Wottreng and Mike Proctor track issues here for our group. No new developments.

**Status:** Continuing to monitor the FTR Work Group and watch for future opportunities for OMS to comment to MISO on FTRs.

### **4. Market Monitoring, Market Power Mitigation, and OMS calls with MISO IMM**

Our last conference call with MISO IMM David Patton was on 5/13. David answered questions on MISO's Resource Adequacy VCA, Order 719, Demand Response and Shortage Pricing compliance filings. We circulated a summary to the WG on 5/21. Next meeting is on 7/30 at 1 PM CDT. Dr. Patton has completed the 2008 State of the Market Report. In that report he used the modified Lerner index that Bob Pauley reported to Board under "MISO Competition Metrics" on 4/9/09. According to the report, the IMM estimated a "mark-up" of real-time market prices over suppliers' competitive costs of less than 0.5% in 2007 and about 1.1% in 2008 (SOM presentation slide 211).

Bob Pauley and Nick Bowden track these issues for the M&TWG.

**Status:** Next meeting 7/30/09 at 1pm central time.

#### **Other items that we monitor or provide notice of:**

5. **ASM Issues ER07-1372 et al** - MISO and IMM Compliance filings made 7/6/09. MISO presented a summary of their filing at the 7/7 MSC meeting (see meeting materials). No tariff changes proposed, so filings are informational. Shared with OMS work group via e-mail. Absent concerns raised, no OMS action expected. Likely due date for comments is around 7/27.
6. **MISO Market Subcommittee** - monthly, meetings 7/7, 8/4
7. **FERC Market Oversight Calls** - monthly, 7/14 12:00 noon EDT

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

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

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

## **MTEP- 09**

### Revised Stakeholder Review Process:

Review 1 material was distributed on July 1. It 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. Midwest ISO discussed the material at July 8 PAC meeting. Stakeholder feedback is due July 24<sup>th</sup>.

Review 2 material will be distributed on July 30<sup>th</sup>. Review 2 content includes an overview of project economic assessment and cost sharing along with a status report of MTEP 08 planned facilities, results of reliability and market efficiency analysis and regional energy policy studies. August 5<sup>th</sup> PAC meeting is scheduled to discuss review 2 content and review 1 feedback content. Final feedback (on feedback form) is due to Midwest ISO on September 1. A final draft MTEP 09 report and stakeholder feedback is expected to be distributed to the Midwest ISO Board on October 8<sup>th</sup>. Editorial stakeholder feedback can be provided as red-lined version to Midwest ISO. Substantial can be provided

## **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. To date no proposals for additional studies have been raised by stakeholders during SPM meetings.

### **Interconnection Process Task Force**

The Midwest ISO Interconnection Process Task Force (IPTF) is a two prong process. The first effort is to draft Multi-Party Facilities Construction Agreement intended to simplify funding procedures for network upgrades involving multiple parties. The goal is to file the agreement in July 2009 as a new Appendix 8 to Attachment X. The second effort is intended to develop procedures for incorporating Forward Looking Interconnection Projects (FLIPs) in the queue. The plan to lay this proposal on top of whatever allocation is in place was problematic because generators didn't like splitting half the cost of a big number and TO's are concerned about recovery. Subscription/qualification parts of the proposal are tabled until RECB TF figures out the cost allocation for these projects. Next TF meeting is scheduled for July 22.

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

## **RGOS I**

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

Status – Technical review group meeting is scheduled for July 16. Study completion target date is August 31

## **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.

July 28: Workshop to develop indicative transmission plans.

## OMS

Organization of MISO States  
Report of the Treasurer  
Tom Pugh, Minnesota Public Utilities Commission  
to the  
Board of Directors  
July 9, 2009  
Report for June 2009

### CASH ON HAND

The beginning balance as of June 1 for the Wells Fargo Business Performance Savings Account was \$59,608.76. Interest earned for this month was \$13.23. The June 30, 2009 balance was \$59,621.99.

The beginning balance as of June 1 for the Chase Bank One Checking account was \$48,248.27. The total disbursements from the checking account for June 2009 were \$35,816.42. Deposits, interest and adjustments were \$40,000.62. As of June 30, 2009, the checking account bank balance was \$57,740.34 and the book balance was \$52,432.47 (with 12 checks outstanding).

The total savings and checking account balances as of June 30, 2009 is \$112,054.46.





TREASURER'S REPORT  
Organization of MISO States  
June 30, 2009

Wells Fargo Business Performance Savings Account

Balance as of 06/01/09			\$	59,608.76
6/30/09	DEP	Interest on Savings	\$	13.23
				<hr/>
Business Performance Savings Account Balance at 06/30/09				<u>\$ 59,621.99</u>

Chase Bank One Commercial Checking with Interest

Balance as of 06/01/09			\$	48,248.27
6/8/09	DEP	MISO Remittance	\$	40,000.00
6/30/09	DEP	Interest on checking	\$	0.62
				<hr/>
Total Deposits				\$ 40,000.62

Checks and Charges

Date	Check #	Descriptions		
6/4/09	3032	KY Travel Reimbursement	\$	452.80
6/4/09	3033	MI Travel Reimbursement	\$	184.19
6/4/09	3034	MI Travel Reimbursement	\$	741.28
6/4/09	3035	WI Travel Reimbursement	\$	187.72
6/4/09	3036	Triplett Office Essentials	\$	89.01
6/4/09	3037	Conference Suite	\$	406.75
6/10/09	3038	IL Travel Reimbursement	\$	35.00
6/10/09	3039	IL Travel Reimbursement	\$	193.91
6/10/09	3040	IA Travel Reimbursement	\$	502.37
6/10/09	3041	MI Travel Reimbursement	\$	138.05
6/10/09	3042	MN Travel Reimbursement	\$	514.41
6/10/09	3043	MT Travel Reimbursement	\$	1,519.00
6/11/09	3044	IA Travel Reimbursement	\$	437.70
6/11/09	3045	MI Travel Reimbursement	\$	252.03
6/11/09	3046	MO Travel Reimbursement	\$	490.83
6/11/09	3047	SD Travel Reimbursement	\$	370.21
6/11/09	3048	SD Travel Reimbursement	\$	498.20
6/11/09	3049	SD Travel Reimbursement	\$	50.00
6/11/09	3050	WI Travel Reimbursement	\$	105.28
6/11/09	3051	WI Travel Reimbursement	\$	21.00
6/11/09	3052	WI Travel Reimbursement	\$	416.63
6/11/09	3053	WI Travel Reimbursement	\$	312.35

6/11/09	3054	WI Travel Reimbursement	\$	185.91
6/11/09	3055	ED Travel Reimbursement	\$	15.75
6/22/09	3056	100 Court Investors	\$	1,686.42
6/22/09	3057	DWX Internet	\$	35.00
6/22/09	3058	Qwest	\$	263.41
6/22/09	3059	Doubletree Guest Suites	\$	2,641.95
6/25/09	3060	MN Travel Reimbursement	\$	585.68
6/25/09	3061	MO Travel Reimbursement	\$	625.98
6/25/09	3062	WI Travel Reimbursement	\$	261.67
6/25/09	3063	DWX Internet	\$	35.00
6/25/09	3064	Midwest ISO - Non travel meeting expense	\$	49.50
6/25/09	3065	Ryan Givins & Co. PLC	\$	4,010.00
6/30/09	235	401(k) Contribution - June	\$	641.80
6/30/09	236	401(k) Contribution - June	\$	2,224.30
6/30/09	237	401(k) Contribution - June	\$	69.81
6/22/09	Epay	Chase Card Services	\$	481.82
6/10/09	W/D	Paychex Invoice	\$	106.78
6/29/09	W/D	Paychex Payroll	\$	9,137.44
6/30/09	W/D	Paychex Payroll Taxes	\$	4,839.48

Total Checks and Charges

\$ 35,816.42

CHECKING ACCOUNT BALANCE 06/30/09

\$ 52,432.47

CERTIFICATES OF DEPOSIT, SAVINGS AND CHECKING ACCOUNT BALANCES AS OF 06/30/09

\$ 112,054.46

**CHASE CHECKING ACCOUNT RECONCILIATION**

	<u>Check #</u>	<u>Amount</u>
Bank Balance 06/30/09		\$ 57,740.34
Less Checks OS	2468	\$ 74.00
	2885	\$ 76.00
	3010	\$ 253.19
	3039	\$ 193.91
	3045	\$ 252.03
	3060	\$ 585.68
	3061	\$ 625.98
	3062	\$ 261.67
	3064	\$ 49.50
	235	\$ 641.80
	236	\$ 2,224.30
	237	\$ 69.81
Book Balance 06/30/09		<u>\$ 52,432.47</u>



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## **OMS Executive Director Report July 3, 2009**

### **FERC and DOE Activity**

1. Settlement discussions relating to formula rate issues continue in the dockets concerning Pioneer and Green Power Express. The next settlement conference in the Green Power docket is scheduled for September 1. The Pioneer docket may be settled without an additional conference. Rehearing is still pending with respect to the financial incentives.
2. Regional cost allocation revisions applicable to wind-producing areas were considered by the Advisory Committee on June 17. The stakeholder recommendation would assign 90% of new transmission facilities to the interconnecting generator. A filing by MISO is expected during the week of July 6.
3. The FERC addressed resettlement of Revenue Sufficiency Guarantee payments by order issued June 12, 2009. 127 FERC ¶ 61,241 The Commission dismissed requests for rehearing of its November 7, 2008, Order and exercised its discretion to waive refunds through November 4, 2007, and provided additional guidance.

### **OMS-MISO Activity:**

1. An all-states meeting was held June 29-30 in Washington to plan a response to the Department of Energy's Funding Opportunity for Eastern Interconnection-wide planning.
2. The OMS held a cost allocation / regional planning (CARP) workshop June 17-18 in Traverse City. Future meetings are scheduled in Carmel July 8, St. Paul August 17-18, and in Carmel September 24.

**Public Relations**

1. Presentations:
  - None.
2. Pending speaking/meeting invitations:
  - a. Bill Smith is scheduled to participate in a training course for the Regional Electricity Regulators Association of Southern Africa July 27-31. This activity was postponed from the original date in May.

**Upcoming MISO Filings of Regional Interest**

Filing Date	Docket No.	Description	Pursuant to Commission Order	Working Group/Committee where issue/change will be reviewed
July 2009	ER09-____-000	The Midwest ISO to submit proposed revisions to the Tariff to add Schedule 34 (“Allocation of Cost Associated with Penalty Assessments”).	N/A	TBPS RSC
July 2009	ER09-____-000	The Midwest ISO to submit proposed revisions to the Tariff amending Attachment FF and Attachment GG (RECB).	N/A	AC RECBTF TBPS
07/06/2009	ER07-1372-002 ER08-1254-000 ER08-1257-000 ER07-1372-005 ER09-24-000	The Midwest ISO to submit a 180-day Report to the Commission on the merits of instituting a minimum reserve zone size and the IMM to submit an Informational Report pursuant to the Commission’s December 18, 2008 Order Authorizing the Midwest ISO ASM Start-Up.	125 FERC ¶ 61, 318 (2008)	N/A
08/03/2009	ER06-18-000 ER06-18-004 ER06-18-005	The Midwest ISO to submit a report to analyze the effectiveness of the transmission expansion cost allocation methodologies.	118 FERC ¶ 61, 209 at P 203 (2007)	N/A
08/14/2009	ER09-____-000	The Midwest ISO to submit revisions to Attachment X, Queue Reform, Phase II.	N/A	TBPS
08/18/2009	ER08-394-006 ER08-394-008	The Midwest ISO to submit a compliance filing informing the Commission what steps are being taken to develop a more permanent approach to addressing congestion that limits aggregate deliverability.	126 FERC ¶ 61,144	MSC SAWG

# OMS Executive Director Report

July 3, 2009

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08/25/2009	ER08-1169-000	The Midwest ISO to submit an Informational Report regarding Queue Reform and its developments.	124 FERC ¶ 61,183	(2008)
10/14/2009	OA10-____-000	The Midwest ISO to submit its Informational Report regarding operational penalty assessments and revenue distributions in compliance with Order No. 890.	Order No. 890	N/A
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	N/A
11/30/2009	ER07-1372-0__	The Midwest ISO to submit its Informational Filing regarding reliability issues that arise from the use of Stored Energy Resources (“SER”) for contingency reserves as well as regulating reserves.	125 FERC ¶ 61,319	(2008)
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 regular Board of Directors meeting: **July 9** at 1:00 pm CDT
- Next OMS Executive Committee meeting: **July 23** at 1:00 pm CDT
- OMS Cost Allocation and Regional Planning Meeting, Carmel, **July 8**
- OMS regular Board of Directors meeting: **August 13**
- Executive Committee meeting: **July 23** (if needed)
- OMS Cost Allocation and Regional Planning Meeting, St. Paul, **August 17-18**
- OMS Sector Meeting with MISO officers and dinner with MISO Directors, St. Paul, **August 18**
- OMS Cost Allocation and Regional Planning Meeting, Carmel, **September 24**

**Q's notes from the Planning Advisory Committee meeting  
July 8, 2009 11:30am-3:30pm**

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**2a. MTEP 09 Review**

- MTEP Content has been broken down into 3 phases to help with the review process. Phase 1 content has been identified and stakeholders should provide feedback on those areas specified. **Deadline is July 24, and the feedback will be discussed at the August meeting.**
- Looking for 2 types of feedback. 1) Editorial feedback via redlines of the sections. 2) Substantive feedback using the evaluation form on the MISO website. Please send all feedback at one time.

**2b. MTEP 10 Scope**

- Discussion about how stakeholder requests and targeted studies are prioritized.
- Identified MTEP10 Targeted Studies
  - Continuing RGOS 1 & 2, Congested Flowgate study, Pioneer Transmission Project, and Western Regional Dynamic Rating Study.
  - Potential new studies include planning for constraints resulting in LRRR infeasibility and planning for constraints resulting in reduced deliverability of NRs.
- **If stakeholders want modifications to the scope of MTEP 10 they should be prepared to discuss at the August PAC meeting. The Scope will be finalized at the September and October meetings.**

**2c. RECB n-1-1 (C3) Treatment Update**

- Discussed changes to the document (changes were made to appendix H only).

**2d. MPFCA Update, Multi Party Facilities Construction Agreement**

- Forward Looking Interconnection Project (FLIP) will replace the Regionally Planned Generator Interconnection Project.
- FLIP will develop a method to line up interconnection requests with larger upgrades.
- MPFCA will focus on common upgrades to multiple projects. There is a IPTF meeting scheduled for July 22 where they will review these items. There will be a presentation at the August PAC meeting.

**2e. Update on SPA Studies**

- See PowerPoint presentation

**Other**

- **The August PAC meeting will be in St. Paul on Friday, August 7. There will also be a video conference available at the Carmel office.**

## MEMORANDUM

To: OMS Executive Committee

From: OMS Work Group Chairs and Key Staff

Date: June 17, 2009

RE: Future of MWDRI and Demand Response in the Midwest ISO

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### Background

On June 1, 2009, OMS Work Group Chairs and Key Staff held its monthly meeting to discuss work group assignments and issues. Included in the agenda was a discussion of the future direction for MWDRI, given the change in leadership, and how best to position OMS Board Members and staff to cover demand response in the Midwest ISO. The group reconvened on June 15, 2009 with MWDRI members, Midwest ISO Demand Response Work Group (DRWG) chairs April Paronish and Marlene Parsley, Rich Sedano of RAP, and Mike Robinson of the Midwest ISO. Below is a summary of the June 15 discussion and is followed by recommended actions for the OMS Executive Committee to consider.

### June 15 Discussion

The June 15 discussion was well attended by over ten key staff and representatives of MWDRI, the Midwest ISO, and the Midwest ISO DRWG. Marlene Parsley and April Paronish informed the group of current and planned activities for the DRWG and Mike Robinson filled in additional details regarding demand response priorities in the next year. The group concluded that there a host of important demand response issues at the Midwest ISO and OMS should be aware of them and, to the extent practicable, involved in the issues.

Another topic in the discussion was whether a new OMS work group for demand response should be formed. Many supported the idea, citing the increasing priority of demand response for states, a need to formalize participation in and relationships with the DRWG, a means to greater efficient use of staff resources, and a potential means to increase participation in MWDRI. The group also raised a significant barrier to this new work group, which was the amount of time and resources necessary for a standalone OMS work group.

The third topic of discussion was the future direction for MWDRI and to what extent it could continue in its current form. The group discussed a lack of participation by OMS Members and the difficulty in keeping OMS Members engaged. But it was clear that MWDRI provides an invaluable resource that the group felt must continue to be utilized. Rich Sedano informed the group that MWDRI was positioned to cover some of the areas identified as key priorities and that MWDRI needs to serve OMS as best as possible. In addition, he informed the group of the increasingly important topics MWDRI had just begun to address.

## Recommendations

The group reached a general consensus that a separate OMS Demand Response Work Group should be formed. In addition, the resources of MWDRI, including RAP and Lawrence Berkeley Labs, should be utilized, to the extent practicable. Issues covered by this new work group would still need to be determined and the OMS Board would need to establish goals, priorities, issues, and timelines immediately.

Rich Sedano presented a more specified group composition that was generally supported by the group. This was an OMS Demand Response Work Group composed of 2-4 Commissioners, 4-7 committed staff members, and MWDRI resources.

To address the issue of significant staff time and resources, the group believes that OMS Board members may need to consider reorganization of their own staff resources and priorities. Several discussion attendees offered assistance and a willingness to take on leadership roles as necessary.



# **Wind Integration Initiative Objectives, Work Plan and Issues**

Midwest ISO Wind Workshop  
June 10, 2009

# Wind Integration Initiative

## Overall Objective

- **Enable Integration of Wind Resources in a manner that will:**
  - **Ensure Reliability**
  - **Ensure an Efficient and Effective Market**
  - **Ensure a Level Playing Field for all Market Participants**

# Wind Integration Initiative

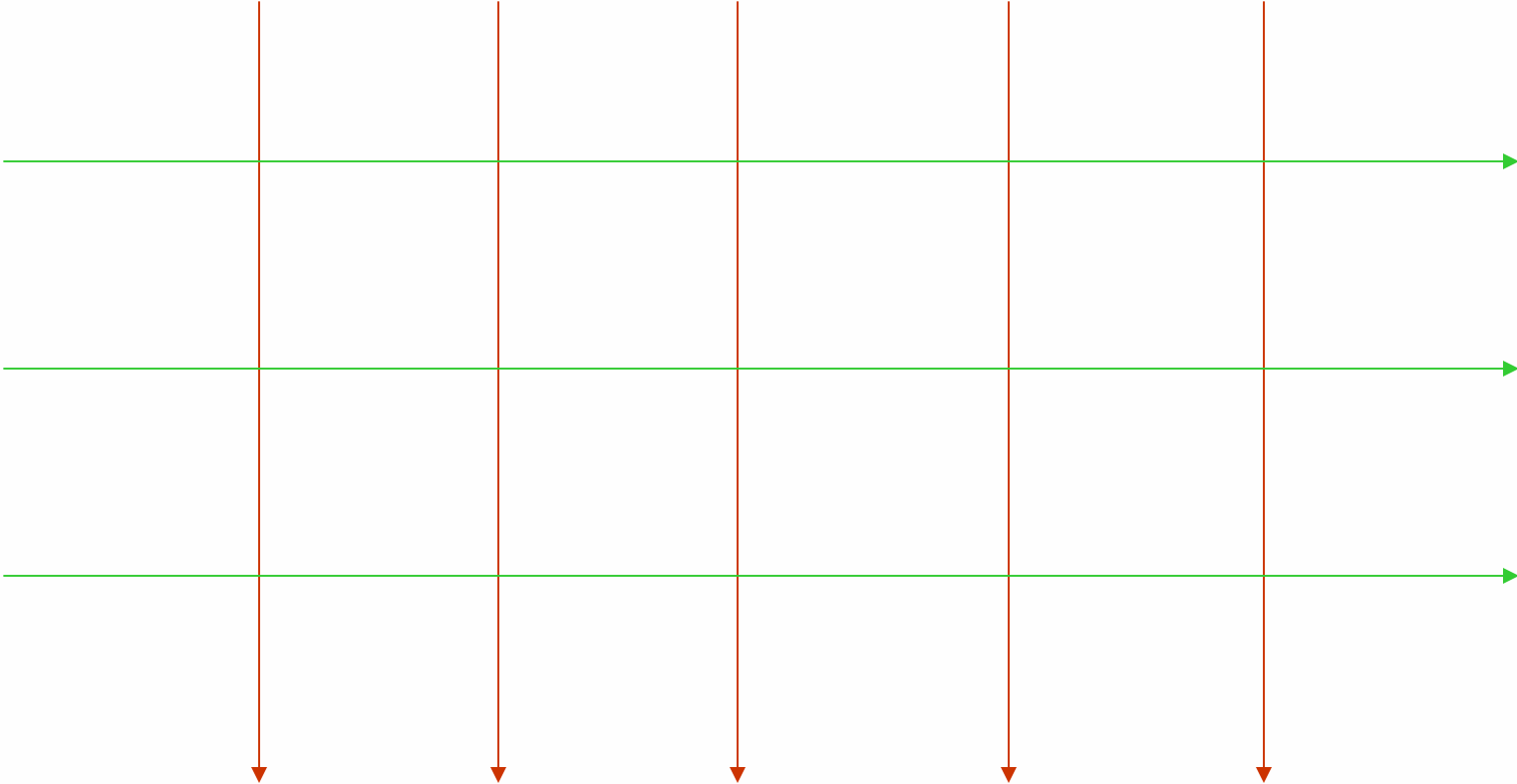
## High-Level Milestones and Deadlines

- **Study and Analyze Identified Issues**
  - Current Target Date - August 31, 2009
- **Work with Stakeholders to Develop High-Level Policy Recommendations**
  - Current Target Date - October 31, 2009
- **Develop Detailed Wind Integration Business Rules**
  - Current Target Date - 4Q 2009
- **File Wind Integration Tariff Changes**
  - Current Target Date - 1Q 2010

# General Approach to Wind Integration Initiative

Detailed Analyses of Identified Issues

Development of Proposed Solutions



# Transmission and Resource Adequacy Identified Issues

- **Generation Interconnection**
  - Generation interconnection planning
  - Generation interconnection cost allocation
  - Energy resource vs. network resource requirements
- **Transmission Expansion**
  - Regional and interconnection-wide planning
  - Regional and interconnection-wide cost allocation
- **Resource Adequacy**
  - Wind capacity credits
  - Loss of load expectation methodology
- **Transmission Planning Modeling**
  - Generation models for load-flow, short-circuit and stability analyses
  - Use of historic RT wind data in transmission planning process
- **Related Industry Policies**
  - Cap and trade
  - Federal RPS
  - Other renewable resources
  - Wind energy credits

# Operations and Markets Identified Issues

- **Emergency Operations**
  - Maximum and Minimum generation events
  - Local emergencies
  - Major changes in wind output
- **Normal Operations**
  - Regulating reserve requirement impact
  - Load following impact
  - Congestion management and seams issues
  - Outage coordination and security planning
- **Market Design**
  - Market solutions to operational issues
  - Pricing signals and volatility
  - Wind resource market rules
- **Market Modeling and Forecasting**
  - Wind forecast accuracy
  - Wind resource commercial and network modeling
  - SCUC, SCED and EMS modeling
- **Market Settlements**
  - Cost allocation

# Reliability and Technology Identified Issues

- **System Reliability**
  - Frequency Response
  - Voltage Regulation
  - Voltage Stability
  - Small Signal Stability
  - Transient Stability
- **Standards Compliance**
  - NERC Standards
  - Other Standards (e.g., ANSI/IEEE standards, etc.)
- **New Technologies**
  - Energy storage
  - Wind curtailment, dispatch and control