

**COST ALLOCATION AND REGIONAL PLANNING (CARP) MEETING
CARP XIII
January 12-13
Hilton Garden Inn
St. Paul, MN**

MEETING INFORMATION:

<http://www.misostates.org/CARP13MeetingInfoREVISED4xpdf.pdf>

Note, unlike earlier meetings in St. Paul, this meeting will not be held at the offices of the Minnesota Public Utilities Commission. Instead, the meeting will be held in the Town Square Ballroom at the Hilton Garden Inn, which is where OMS has a block of sleeping rooms.

AGENDA

January 12

9:00 – 9:05 Welcome and Call of the Roll

Commissioner Lauren Azar
Bill Smith, Executive Director of OMS

9:05 – 9:15 EISPC Update

Commissioner Lauren Azar

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

9:15 – 9:20 UMTDI Update

Chancy Bittner, Iowa Utilities Board Staff

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

9:20 – 9:40 RECB Taskforce Update

Commissioner Lauren Azar
Dave Johnston, Indiana Utility Regulatory Commission
Mike Proctor

Commissioner Azar et al. will discuss the actions of the RECB Taskforce actions from the December meeting, which took place on the days following the last CARP meeting.

Specifically, these presenters will identify areas where the RECB Taskforce took a different direction than CARP.

9:40 – 10:40 Process Update – The Road To The Filing

Clair Moeller, Midwest ISO
Jennifer Curran, Midwest ISO

The Midwest ISO will give a primer on the expected steps that will lead to any FERC filing on this issue, including discussion on how RECB Taskforce decisions will affect the Midwest ISO's process.

10:40 – 10:50 Short Break

10:50 – 11:00 Engineering Analysis Data Update

Keith Beall, Midwest ISO
Matt Tackett, Midwest ISO

At CARP 12, there was a report from an engineering analysis conference call that was held between CARP 11 and 12. As part of that report, it was identified that some of the underlying data may be released to states, but there were potential legal issues with releasing the data to states that are not signatories to the non-disclosure agreement. Midwest ISO representatives will provide additional information on the status of this data.

11:00 – 12:00 Discussion on Specific Issues in the CARP Injection/Withdrawal Framework

CARP Negotiators

Given the issues raised at the previous CARP meeting and the RECB Taskforce decisions, the CARP negotiators will engage in additional discussion of the following items:

- The **subregional layer** (should it be included, why or why not?; should the subregions be modified?; can changes be made to accommodate a subregional layer?)
- **External transactions**
- **What attributes of a transmission project will be used to determine if a project should be considered for inclusion in the Injection/Withdrawal payment methodology**

[Note: This discussion will likely continue during the lunch hour. Additional time is available on the 13th as well.]

12:00 – 12:45 Lunch

**** 12:45 – 1:00 Special OMS Board of Directors Call – Information on this meeting is being sent separately.**

1:00 – 4:30 Market Issues

David Patton, Potomac Economics
Midwest ISO Market Group Participant
CARP Negotiators

At CARP 12, there were a number of issues identified with the Injection/Withdrawal model that could have market implications.

January 13th

8:30 – 10:30 Continued Discussion on Injection/Withdrawal Framework/Market Issues

CARP Negotiators

Issues open from the previous day's discussion, we will take them up first thing on day two.

This time will likely include a focus on the inclusion criteria (i.e., what should be included in Injection/Withdrawal) and external transactions. These issues are continuations of the items that will be discussed on January 12th.

10:30 – 10:45 Break

10:45 – 11:30 Continued Discussion on Injection/Withdrawal Framework/Market Issues

11:30 – 12:15 Additional Information and Discussion on the “Higher Of” Aspect of Injection /Withdrawal

Eric Lavery, Midwest ISO

The “higher of” aspects of this model were discussed at length during the last CARP meeting and was also a major topic of discussion at the RECB Taskforce. The Midwest ISO staff will provide additional information to ensure that CARP negotiators are clear on this aspect of Injection/Withdrawal.

12:15 – 1:15 Lunch

1:15 – 1:45 Generation Interconnection: Does Injection/Withdrawal Solve the Otter Tail Problem?

Jennifer Curran, Midwest ISO
Eric Lavery, Midwest ISO

This item is a corollary to the “higher-of” pricing issue, but will be discussed separately to ensure that all participants are clear on the potential outcomes of the Injection/Withdrawal payment methodology.

1:45 – 2:15 Plan B Discussions – Introduction

CARP Negotiators

CARP voted 9 - 3 in favor of asking MISO to begin developing a draft tariff for the injection/withdrawal model, with one abstention. The RECB Task Force voted 48 - 47 in favor of beginning to develop the business rules needed for the injection/withdrawal model, with 4 abstentions. At our last CARP meeting, there was significant discussion on whether MISO should focus its resources entirely on the injection/withdrawal model, or whether it should also spend resources evaluating an alternative to injection/withdrawal.

Links to the RECB Taskforce votes are available here:

Motion 1:

http://www.midwestiso.org/publish/Document/538398_1259d29a2bd_-7f010a48324a/RECBTF%20Motion%201%20Results%20Final%2020091222.pdf?action=download&_property=Attachment

Motion 2:

http://www.midwestiso.org/publish/Document/538398_1259d29a2bd_-7ee70a48324a/RECBTF%20Motion%202%20Results%20Final%2020091223.pdf?action=download&_property=Attachment

Specifically, CARP considered an alternative set forth by Ohio, which included using injection/withdrawal for the regional EHV system, refining the REBI and REBII for the non-regional EHV system, and creating a new generation interconnection formula. Six voted against MISO spending resources on this alternative, four in favor, with two abstaining. The RECB Task Force also looked at the Ohio proposal, which was presented by Duke and called “Injection/Withdrawal Lite”. The Task Force voted on which alternative method to continue investigating: Injection/Withdrawal Lite or the Highway/Byway model used by SPP. Highway/Byway received 55 votes, Injection/Withdrawal Lite received 19 votes, and 4 abstained.

The Injection/Withdrawal Lite proposal is described here:

http://www.midwestiso.org/publish/Document/538398_1259d29a2bd-7ffd0a48324a/I-W%20Lite%20proposal.pdf?action=download&_property=Attachment

The Highway/Byways proposal is further described here:

http://www.midwestiso.org/publish/Document/538398_1259d29a2bd-7ffd0a48324a/RES%20-%20Highway%20Byway%20Rate%20Design%20Cost%20Allocation.pdf?action=download&_property=Attachment

Given the results of the RECB Task Force, CARP must again address whether it supports MISO spending resources on an alternative, and if so, which one.

2:15 – 3:00 Additional Information on Highway/Byway Proposal

Steve Gaw, The Wind Coalition
Natalie McIntire, Wind on the Wires

3:00 – 3:10 Break

3:10 – 4:00 Continued Discussion on Plan B Options and Future CARP Activities

4:00 Adjourn