



**ORGANIZATION OF MISO STATES, INC.  
Board of Directors Meeting  
Conference Call Minutes  
November 8, 2012**

**Approved December 6, 2012**

Libby Jacobs, Secretary of the Organization of MISO States, Inc. (OMS), called the November 8, 2012 meeting of the OMS Board of Directors to order via conference call at approximately 1:00 p.m. (CST). The following board members or their proxies participated in the meeting:

Randy Rismiller, proxy for John Colgan, Illinois  
Beth Roads, proxy for Kari Bennett, Indiana  
Libby Jacobs, Iowa  
Regis Gosselin, Manitoba  
Orjiakor Isiogu, Michigan  
Burl Haar, proxy for David Boyd, Minnesota  
Josh Harden, proxy for Robert Kenney, Missouri  
Kim Moran, proxy for Brad Molnar, Montana  
Jerry Lein, proxy for Brian Kalk, North Dakota  
Greg Rislov, proxy for Gary Hanson, South Dakota  
Eric Callisto, Wisconsin

Absent  
Kentucky

Agency members participating

Linda Wagner – Illinois  
Angie Butcher, Bill Bokram – Michigan  
Randy Pilo, Don Neumeyer, Julie Urban – Wisconsin

Others on the call

Julie Mitchell, Bill Smith – OMS Staff

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

**Approval of Minutes from the October 11 Board meeting and October 16 Annual meeting**

Randy Rismiller requested the reference to “OMS” in business item 2, bullet 3 of the October 11<sup>th</sup> minutes be changed to “second.” Eric Callisto indicated that he represented that motion as an OMS motion. There was no second to the change.

The minutes of October 11<sup>th</sup> and October 16<sup>th</sup> were approved by unanimous voice vote.

## **Treasurer's Report of October 2012**

There were no questions regarding the October 2012 Treasurer's report. It was accepted as distributed.

## **Review of the October 25, 2012 Executive Committee Meeting**

Bill Smith indicated that there was discussion about the planning session that is also on the agenda for this meeting.

## **Administrative Report**

The Executive Director's written report was distributed prior to the meeting. Bill Smith highlighted the following:

- Outlined different aspects of the December planning meetings;
- MISO takes over for SPP with Entergy on December 1.

## **BUSINESS**

### **1. MISO Advisory Committee**

- There was no report for this meeting as it was cancelled.

### **2. Planning Advisory Committee**

- A written report was submitted;
- Eric Callisto offered to take questions. The only question was regarding the date of the next meeting, which is November 28 and 29.

### **3. MWDR1 – Should OMS resume the Midwest Demand Response Initiative?**

- There was a question about whether travel expenses for OMS participation would be reimbursed. Libby Jacobs indicated that question had been posed to MWDR1 and it may be a few weeks before those questions are answered.
- The issue was deferred to the next board meeting in the hope that outstanding questions to MWDR1 would be answered.

### **4. Response to Order 1000 Compliance Filing**

- Bill Smith discussed the work being done by the Joint Transmission Cost Allocation WG and Regional Planning WG on the filing, and when the comment is due to FERC.
- There was additional discussion on the timeline of crafting and reviewing the comments.

### **5. Possible Action Item: OMS Regional Planning Work Group Comments to MISO on MTEP 13 Futures**

- Julie Urban presented the background on the issue and a summary of the comments.

**Eric Callisto moved approval of the comments as an OMS Board position. Orjiakor Isiogu seconded. The motion passed by unanimous voice vote.**

### **6. Entergy Update**

- There was no additional update beyond what was discussed in the Executive Director's report.

### **7. Update: Eastern Interconnection Planning Process**

- There was no report

## **Updates and Work Group Status Reports**

### Demand Response WG

- No report;

### Transmission Cost Allocation WG

- No report;

### Markets and Tariffs WG

- Bill Bokram gave an oral update on the actions taken by the Markets and Tariffs Work Group this month;

### Resources WG

- Written report; Don Neumeyer highlighted two issues that were discussed in the SAWG meeting.

### Regional Planning WG

- No report;

### Governance and Budget

- No report;

### Modeling WG

- No report;

### States' Seams WG

- Written report; Chris Devon highlighted the seams issues survey the work group is working on.

## **ADJOURNMENT**

The OMS Board of Directors meeting adjourned at 1:40 pm CST.

# *OMS*

**Organization of MISO States  
Report of the Treasurer  
Dr. David C. Boyd, Minnesota Public Utilities Commission  
to the  
Board of Directors  
Report for October 2012**

## CASH ON HAND

The beginning balance as of October 1 for the Wells Fargo Business Performance Savings Account was \$33,664.17. Interest earned for this month was \$1.43. The October 31, 2012 ending balance was \$33,665.60.

The beginning book balance as of October 1 for the Chase Bank One Checking account was \$41,686.90. The total disbursements from the checking account for October 2012 were \$51,301.50. Deposits, interest and adjustments were \$0.28. As of October 31, 2012, the checking account bank balance was \$5,266.20 and the book balance was a negative \$9,614.32 (with 12 checks outstanding).

The total savings and checking account balances as of October 31, 2012 is \$24,051.28.



## OMS Treasurer Report for Month of October 2012

### Wells Fargo Business Performance Savings Account

Beginning Balance	33,664.17	
Interest Earned this Month	1.43	
Withdrawals/Disbursements	0.00	
	<hr/>	
Ending Balance		<u><u>33,665.60</u></u>

### Chase Bank One Checking Account

Beginning Balance	41,686.90	
Total Disbursements	(51,301.50)	
Deposits/Interest/Adjustments	0.28	
	<hr/>	
Ending Book Balance		<u><u>(9,614.32)</u></u>
Bank Balance	5,266.20	
Outstanding Deposits	0.00	
Outstanding Checks	(14,880.52)	
	<hr/>	
Book Balance	(9,614.32)	<u><u>(9,614.32)</u></u>

**Total Savings & Checking Balances as of October 31, 2012** 24,051.28

12 checks outstanding at 10/31/12

\* Note: \$50,000 was deposited on November 1.





## Organization of MISO States

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## **OMS Executive Director Report November 1, 2012**

### **FERC Filings**

1. On October 5, MISO filed a new Schedule 43 to allocate System Support Resource Costs associated with the Escanaba SSR Unit). An amendment was filed Oct 25. Docket No. ER13-37.
2. In a related filing, MISO submitted a SSR Agreement with the City of Escanaba. Docket No. ER13-38.
3. On October 11, MISO filed Amended Comments on the Joint Operating Agreement between MISO and SPP with a bearing on SPP's Integrated Marketplace proposal. Docket No. ER12-1179.
4. On October 11, MISO intervened in filings by eight entities (American Municipal Power, Inc., Illinois Municipal Electric Agency, Kentucky Municipal Power Agency, Southern Illinois Power Cooperative, Northern Illinois Municipal Power Agency, Missouri Joint Municipal Electric Utility Commission, Indiana Municipal Power Agency, and Prairie Power, Inc.), all concerning Revenue Requirements for Reactive Supply and Voltage Control from their interest in the Prairie State Energy Campus ("PSEC"), being constructed and operated by Prairie State Generating Company ("PSGC"). Docket Nos. EL13-1; EL13-2; EL13-3; EL13-4; EL13-5; EL13-6; EL13-7; EL13-8 (not consolidated).
5. On October 25, MISO and the TOs filed in compliance with Order 1000, proposing to modify the cost allocation methodology for Baseline Reliability Projects in order to preserve a right of first refusal for reliability projects. Docket No. ER13-186.
6. Also in its Order 1000 filing, MISO and the TOs filed other tariff revisions1000, including the OMS planning proposal. Docket No. ER13-187-000.
7. On October 25, MISO and the TOs filed revisions to the Transmission Owners Agreement in compliance with Order No. 1000. Docket No. ER13-187-001.

### **OMS / MISO Activity**

1. On October 24, the Texas PUC voted to give conditional approval to Entergy Texas's request for transfer of control to MISO. Docket No. 40346.
2. On October 25, the Arkansas PSC gave conditional approval of Entergy Arkansas's request for transfer of control to MISO. Docket No. 10-011-U.
3. MISO has formalized a new Electric and Natural Gas Coordination Task Force (ENGCTF).

### **Public Relations**

1. Presentations:
  - Commissioner Isiogu and Bill Smith attended the IPP/PM sectors' planning meeting October 23-24. Discussion focused on enhanced OMS participation in the MIOS planning process, Order 1000 implementation, and Midwest capacity markets.
2. Pending speaking/meeting invitations:
  - N/A

### **Upcoming dates:**

- Next regular OMS Board of Directors meeting: December 6, 2012, at 1:00 pm CDT
- Next OMS Executive Committee meeting: November 20 (Tuesday), 2012, at 1:00 pm CDT
- Future OMS Board meetings: January 10, February 14
- OMS Executive Committee meetings: December 20, January 31,



**Upcoming Midwest ISO FERC Filings**

<b>Filing Date</b>	<b>Docket No.</b>	<b>Description</b>	<b>Pursuant to Commission Action</b>	<b>Working Group or Committee where issue/change will be reviewed</b>
11/14/2012	ER12-1020-000 AC12-27-000	Report due to FERC for actual project costs as compared to the forecasted project cost related to Entergy's integration.	139 FERC ¶ 61,018 (2012)	N/A
11/19/2012	E12-668-000	MISO to submit its Extended LMP compliance filing that will include a status report and date when MISO proposes to implement the Extended LMP Tariff provisions.	140 FERC ¶ 61,067 (2012)	N/A

## 10/23/12 PAC Summary

- **Upcoming feedback deadlines:**
  - **November 2:**
    - System Support Resource (SSR) cost allocation method
    - Out of Cycle Review Process
  - **November 6:**
    - Market Participant Funded Upgrades
    - CIP-002\_4 Critical Cyber Asset Identification
  - **November 9:**
    - Top Down Regional Planning process
    - Order 1000 MISO-SPP IPSAC Process
    - MTEP 13 Futures and Assumptions
  - **November 26 (PSC Mtng):** Revisions to Project Status Update requirements
- **What to expect at upcoming Planning meetings:**
  - November 28<sup>th</sup> PAC meeting:
    - MTEP 13 futures and variables discussion, as well as futures weighting methodology recommendation. OOC Review Process BPM language. BPM updates for Top Down Regional Planning process. Discussion on operating limits for dispatchable intermittent resources
- **Order 1000 Update:**
  - As of 10/25/12 MISO filed their compliance filing. Note that they have two separate dockets (ER13-186 & ER13-187) and three separate documents (TOA language updates, Regional Planning and Cost Allocation changes to the Tariff, and changes to the BRP cost allocation method language).
  - MISO did mention that in light of Order 1000-B, there were no changes needed within MISO's compliance filing.
  - Update on Interregional Compliance issues:
    - SPP & MISO → Currently, the IPSAC structure is a topic for discussion. The SPP-MISO IPSAC will have representatives from both SPP and MISO and will be open to all stakeholders. Within the respective RTOs, discussions are currently underway to define the internal structure to make up each RTO's stakeholder representation at the IPSAC. SPP will be represented by the SPP Seams Steering Committee and MISO is considering using the PAC. Therefore, MISO is asking the PAC two questions:
      - *Would the PAC be the best forum to discuss issues destined for the IPSAC, or subcommittee, etc?*
      - *What form of representation would stakeholders like to have at the IPSAC (i.e., PAC's current nine sector model)?*
    - PJM & MISO → The first meeting was 10/24. MISO and PJM discussed the Order 1000 requirements and gave a high level overview of the current MISO-PJM JOA, as well as presenting potential areas that need improvement (1 – model and data exchange requirements, 2 – identifying transmission issues, 3 – updating existing cross-border economic project cost allocation provisions, 4 – enhancement of new service customer queue studies). They've asked stakeholders to provide feedback on what needs to be modified in the current JOA. Next meeting in December (TBD).
- **Top-Down Regional Planning process:**
  - MISO provided an update of their Top Down Regional Planning process discussion. Some highlights of previous feedback: suggestions of merging the overlay and portfolio processes (don't assign type of portfolio until investigate all regional transmission issues), consideration of interregional projects as alternatives to bottom-up projects, 3-year cycle is appropriate for

Prepared by J Govindan

regional portfolio. Please see materials for specific details. Next steps involve drafting BPM updates and presenting for another update in November. Feedback requested: November 9

- **System Support Resource Cost Allocation Method:**

- From the 9/26 PAC meeting presentation of four potential cost allocation methodologies (1- All LSEs in an LBA, 2- RECB LODF+V (pretty much same as for BRP projects), 3- Load Shift Factors (which LSEs would have had to shed load), and 4 - MVA & kV (by pricing zone)), MISO has narrowed down its preference to the Load Shift Factor method. At the 10/23/12 PAC meeting MISO presented stakeholder feedback leading up to this preferred method, acknowledging that some prefer allocation by pricing zone, instead of by LSE<sup>1</sup>. Many also supported retaining the tariff provision that specifically allocates costs in the ATC footprint pro rata to all LSEs in the ATC footprint (at the end of Section 38.2.7j). MISO presented an example of allocating costs by pricing zones. MISO then presented draft BPM language that uses an optimal load shed methodology to allocate costs to pricing zones, and then to impacted LSEs. MISO plans on discussing this again with the PAC, and then including its cost allocation proposal in its 12/20/12 compliance filing. Further discussion of System Support Resource (SSR) and Attachment Y issues will be housed under the PAC. (summary by Bill Bokram) Feedback requested: November 2<sup>nd</sup>; the OMS Markets and Tariff WG will be heading this discussion.

- **MTEP 13 Futures:**

- Goal for MTEP 13 is to have four futures that expand on the MTEP 12 futures<sup>2</sup>. Areas of expansion could include: RPS mandates, retirement updates, demand and energy rates, and natural gas related impacts. MISO has proposed narratives for each new future. Please see the [presentation](#) for more information.
- On a separate note, MISO will be sending around a survey on the weighting methodology for the futures in hopes of having a confirmed methodology by the December PAC meeting to use for MTEP 13 futures.

- **Out of Cycle Review Process Update:**

- MISO provided an overview of stakeholder feedback. In short, the key areas of recommendations included: project inclusion (distribution interconnections, policy driven, and imminent need projects) and exclusion (cost shared, and large/expensive projects) criteria; review time (30 days for interconnections to more time for significant projects); MISO BOD review schedule (as needed, no set schedule). MISO acknowledged that the Tariff allows for schedule changes. BPM language updates to be at the next PAC meeting.

- **Other Updates:**

- MISO provided the draft LOLE Planning Reserve Margin values and Wind Capacity Credit for 2013 planning year. Please see materials for more details.
- MISO proposes to update the PowerBase (used in EGEAS and PROMOD during MTEP analysis) databases only once, instead of twice which is current process.
- MISO presented proposed BPM language describing the process for review of Market Participant funded projects and gave an overview of what is/is not a Market Participant funded project.
- MISO also presented updates to the CIP-002-4 Critical Cyber Asses Identification standard.

For meeting materials, [click here](#).

Next PAC meeting 11/28

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<sup>1</sup> Note that MISO's tariff Sec 38.2.7j says, "The costs pursuant to the SSR Agreement shall be allocated to the LSE(s) which require(s) the operation of the SSR Unit for reliability purposes."

<sup>2</sup> Recall MTEP 12 futures: Business as Usual, Historical Growth, Limited Growth, Combined Policy.

## OMS Resources WG Report to OMS Board – Nov. 8, 2012

### SAWG

The Nov 1<sup>st</sup> SAWG meeting's major topics included:

- How to handle System Support Resources declarations as Zonal Resources and the Planning Resource Auction
- The Resource Adequacy provisions for integrating new entities
- A Resource Adequacy Data transparency discussion

MISO's Mike Robinson attempted to address the issue of the status of an Attachment Y (retirement) for the next Planning Resource Auction. It seems to still some confusion if the unit has been given an SSR status and will continue to run, but not qualified for the local zonal resource credit. There will be follow up to this issue for further clarification.

Our Independent Market Monitor presented comments on the Demand Curve in the new one year Resource Adequacy Construct. The IMM has filed and made comments in its State of the Market Reports to include a sloped demand curve. The slide set summarized with several points about the efficiency of pricing and making them more stable which should facilitate investment. The complete presentation can be found in the hyper link below. This concept was supported by the independent power producers. This topic is expected back again early next year at SAWG.

Kevin Larson presented MISO's proposal to address the deficiencies FERC identified in their Module E-2 for new entities with respect to resource deficiencies, establishing locational requirements, and developing a locational price signal. Basically the MISO proposal follows the accepted Module E-1 material when possible. MISO proposes prorated deficiency rates based on the transition period and any Grandmother agreement will have a 2 year transition. Stakeholder comments are due Nov. 15. MISO will review stakeholder feedback and address concerns at the December 6<sup>th</sup> SAWG. MISO will target filing the modified Module E-2 proposal by Dec. 31<sup>st</sup>.

The MISO LSE Coalition's David Sapper presented the first discussion/proposal on more levels of transparency in the Resource Adequacy processes. The categories include the Planning Resource Auction (PRA) clearing objective function, LOLE study data, Post-PRA data, Forecasted PRA parameter values and data flow into transmission planning. The presentation ended with a slide that concluded the process should include MISO, the IMM and the stakeholders to develop a list of data elements. The Data Transparency WG should be involved after input from the SAWG, LOLE WG, PAC, RSC, and MSC.

The Dec 6<sup>th</sup> SAWG meeting is cancelled and the next meeting is Jan. 16<sup>th</sup>.

The November 1<sup>st</sup> SAWG materials can be found at:

<https://www.midwestiso.org/Events/Pages/SAWG20121101.aspx>

## **LOLE WG**

The most recent LOLE WG meeting was November 7. The final 2013 LOLE Study was posted by November 1 per tariff requirements. A copy can be found at: <https://www.midwestiso.org/Library/Repository/Study/LOLE/2013%20LOLE%20Study%20Report.pdf>

The first draft of the 2013 Wind Capacity Credit study was presented. The capacity credit for wind in the Planning Year 2012 is 13.3%. This is the third year for determining the Effective Load Carry Capability (ELCC) now with 8 years of data. As of September 1, 2012 there was 11,774 MW of installed wind on the MISO system. The Zonal Resource Credits will be applied to 169 CPnodes. Individually the credits range from zero to 30.4%. The individual credit is proprietary.

The November 7<sup>th</sup> LOLE WG materials can be found at:

<https://www.midwestiso.org/Events/Pages/LOLEWG20121107.aspx>

Submitted by Don Neumeyer, Chair Resources Work Group

# State Seams Work Group

## Status Report to the OMS Board of Directors - 11/08/2012:

The recently convened OMS State Seams Work Group (SSWG) started meeting during the past month. The SSWG focus includes working on energy and capacity seams issues in parallel with the efforts of the MISO Seams Management Working Group (SMWG). Two of the key goals for the SSWG are removing administrative barriers and enhancing the efficient utilization of the MISO and PJM transmission systems while maintaining reliability.

### States Seams Issue Survey:

The MISO SMWG recently distributed an issue prioritization survey to rank the importance of the initiatives on the SMWG seams issues list. As part of the parallel effort with the MISO SMWG, the OMS SSWG convened a survey of the OMS member's views of the seams issues list. After a meeting of the co-chairs to review the initial results of the state survey responses, the SSWG held an informational meeting to ensure SSWG members had a good concept of the issue definitions. During this meeting, OMS staffers raised concerns about definition clarity, the technical complexity, and the sheer number of items on the Seams Issues list. Thus, the SSWG determined by general consensus that the leadership would need to meet with MISO staff to determine better definitions and understanding of the issues. These informational meetings with MISO are ongoing. Once the leadership has made sure that all SSWG members have a better understanding of all issue definitions, a more refined survey will be circulated to the SSWG to determine a final prioritization of issues.

### Joint and Common Market Initiative:

Wisconsin PSC Chairman Phil Montgomery, also Chair of the SSWG, has reached out to interface with MISO, PJM, and OPSI to study transfer related issues in an effort to help regulators better understand the processes that MISO and PJM use. Perhaps more importantly this regulatory outreach has the added benefit of being able to clearly demonstrate that regulators working together with both MISO and PJM can yield improved modeling results. Additionally, the process can be used as an example for the improvement of studies and modeling in the future. Chairman Montgomery has been providing updates on this regulatory outreach at each of the JCM meetings.

### Other Seams Issues:

Seams issues on the longer term time horizon that will be monitored by the SSWG:

- (1) Entergy's integration into MISO, (2) Order 1000 Interregional Compliance Filings, (3) MISO/SPP JOA changes and related SPP Day 2 Market implementation impacts, (4) IPSAC between MISO and SPP, plus, MISO and PJM, and lastly (5) the WAPA/SPP JOA interpretation and the implications to WAPA, SPP, and other MISO seams.