Organization of MISO States

ORGANIZATION OF MISO STATES, INC.
Board of Directors Meeting
Conference Call Minutes
August 15, 2013

Approved September 19, 2013

Kari Bennett, President of the Organization of MISO States, Inc. (OMS), called the August 15, 2013 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:

Collette Honorable, Arkansas
Bill VanderLaan, proxy for John Colgan, Illinois
Kari Bennett, Indiana
Janet McGurk, proxy for Libby Jacobs, Iowa
Linda Breathitt, Kentucky
Noel Darce, proxy for Eric Skrmetta, Louisiana
Sally Talberg, Michigan
David Boyd, Minnesota
Brandon Presley, Mississippi
Robert Kenney, Missouri
Kim Moran, proxy for Kirk Bushman, Montana
Phil Movish, proxy for Cynthia Hedge-Morrell, City of New Orleans
Jerry Lein, proxy for Brian Kalk, North Dakota
Greg Rislov, proxy for Gary Hanson, South Dakota
Ken Anderson, Texas
Eric Callisto, Wisconsin

Absent
Manitoba

Agency members participating
Pat Mosier – Arkansas
Beth Roads - Indiana
Chris Devon, Jessica Govindan – Michigan
Bill Booth – City of New Orleans
Richard Greffe – Texas
Phil Montgomery, Don Neumeyer – Wisconsin

Others on the call
Julie Mitchell, Bill Smith – OMS Staff
Bob Pauley - EISPC

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

Approval of Minutes from the July 18 Board Meetings

It was noted that Bill Bokram was not in attendance, but Chris Devon from Michigan was. The minutes were accepted as amended.

Treasurer's Report of July 2013

There were no questions regarding the July 2013 Treasurer's report. It was accepted as distributed.

Review of the August 1 Executive Committee Meeting:

Kari Bennett provided an update on the issues discussed during the August 1st Executive Committee meetings. She highlighted the following:

- Administrative planning on the OMS Annual meeting, committee work and budgeting;
- Filling of the at-large officer position with Colette Honorable of Arkansas;
- Filling of the OMS Personnel Committee opening with Libby Jacobs of Iowa;
- Discussion and distribution of a letter to the AC rep on the MISO Nominating Committee containing OMS thoughts on desired qualities in MISO Board members;

Executive Director's Report

A written report was distributed prior to the meeting. Bill Smith highlighted the following:

- The Work Group Chairs thought the Modeling work group could be retired at this time. There are no active projects and those individuals who were on the work group can still be utilized on an ad hoc basis if something comes up;
- Reminder of MISO meetings in St. Paul next week;
- OMS Annual meeting on October 22 in Carmel;

BUSINESS

1. MISO Advisory Committee

- Kari Bennett discussed the upcoming agenda item on Stakeholder sector discussion about MISO's commitment to add a 4th seat for the State Regulatory sector, dedicated to MISO's southern region. The purpose of the discussion is for all of the sectors to weigh in. OMS has developed a proposed comment that the Board reviewed and discussed.
- Eric Callisto reviewed the rest of the AC agenda and highlighted the upcoming Hot Topic discussion on the sector model presentation from the Public Consumer sector and the TO sector.

2. MISO Planning Advisory Committee

- Eric Callisto provided a brief update on the PAC call the previous day to review two out-of-cycle projects.
- Jessica Govindan updated directors on the last full PAC meeting. She highlighted two additional out-of-cycle projects that were approved, the MTEP '13 second draft will be posted on August 16, and MISO discussed an Eastern Interconnection planning cooperative update and that RTOs might contribute funding after the DOE grant runs out.

3. OMS Draft Budget for 2014

- Bill Smith presented the initial draft budget for 2014. He also explained the budget approval process, timeline and answered questions. Smith also provided an update on the Personnel Committee's process.

4. OMS Resource Assessment Survey

- Kari Bennett provided a progress report on the assessment survey.
- Don Neumeyer also provided an update on the draft survey and talked about the upcoming MISO workshop.

5. Update: Entergy Integration

- ERSC held its quarterly meeting on August 13 in New Orleans, which included officer elections and reporting on Entergy integration into MISO.

6. Update: FERC Technical Conference on Centralized Capacity Markets, September 25

- Kari Bennett reported on discussions that occurred between Bill Smith and the FERC staff and the decisions made during the August 1 Executive Committee meeting about OMS participation and attendance. OMS will not participate in the conference, but will attend as observers.

7. Update: Eastern Interconnection Planning Process

- Bob Pauley provided a written status update on EISPC. His report follows the minutes.

8. Action Items – Litigation items

It was agreed to discuss the following documents in closed session pursuant to the OMS By-Laws.

Response to MISO's Regional Order 1000 compliance filing

Kari Bennett moved to approve the document as amended, contingent on review of the final document. David Boyd seconded. The motion passed by voice vote, with voting by email being held open until no later than noon on Tuesday, August 20, 2013. Louisiana abstained.

In light of FERC's extension of the filing date on the draft comments below, the OMS work groups preparing the documents requested more time to prepare. It was decided that a Special OMS Board meeting would be held prior to the next OMS Executive Committee meeting on September 5 to consider the comments.

Response to Interregional Order 1000 Filing – MISO-PJM
Response to Interregional Order 1000 Filing – MISO-SPP
Response to Interregional Order 1000 Filing – MISO-SERTP

9. Briefing on Rehearing, FERC Docket ER11-4081

- Kari Bennett provided background on this docket and laid out the timeline for commenting. Bill Smith reported his conversations with other groups. There was then discussion about the docket among the Board members.

Kari Bennett moved that OMS submit to FERC a request for an extension of time of 30 days in addition to the 30 days that FERC has already provided for initial briefs. Eric Callisto seconded. The motion was passed by unanimous voice vote.

- There was discussion about asking for additional time for filing reply briefs. Following the discussion, there was no objection to asking for that additional time in the request for extension.

Updates and Work Group Status Reports

Demand Response WG
- No report;

Transmission Cost Allocation WG
- No report;

Markets and Tariffs WG
- Written report;

Resources WG
- Written report;

Regional Planning WG
- Written report; Jessica Govindan provided an update on RPWG and TCAWG joint call on FERC Order 1000 compliance filings on July 10.

Governance and Budget
- No report;

Seams WG
- Written report; Tia Elliott has left the IN-URC. Kari Bennett and Chris Devon highlighted the update on the MISO-PJM JCM process from the written report.

ADJOURNMENT

The open meeting of the OMS Board of Directors meeting adjourned at 2:33 pm CDT.

The closed meeting of the OMS Board of Directors meeting adjourned at 3:26 pm CDT.

OMS

Organization of MISO States
Report of the Treasurer
Dr. David C. Boyd, Minnesota Public Utilities Commission
to the
Board of Directors
Report for July 2013

CASH ON HAND

The beginning balance for the Wells Fargo Business Performance Savings Account on July 1 was $25,174.09. Interest earned for this month totaled $1.07 and there was no other account activity. The July 31, 2013 ending balance was $25,175.16.

The beginning book balance for the Chase Bank One Checking account on July 1 was $80,671.95. The total disbursements from the checking account for July 2013 amounted to $52,024.72. Deposits, interest and adjustments were $61,022.57. As of July 31, 2013, the checking account bank balance was $101,830.12 (with 18 check payments outstanding) and the book balance was $89,669.80.

The total savings and checking account (book) balances as of July 31, 2013 is $114,844.96.

TREASURER'S REPORT
Organization of MISO States
July 31, 2013

Wells Fargo Business Performance Savings Account

Book Balance as of 6/30/13				$ 25,174.09
7/31/2013	DEP	Interest on Savings		$ 1.07
Business Performance Savings Account Balance at 7/31/2013				$ 25,175.16

Chase Bank One Commercial Checking with Interest

Book Balance as of 6/30/13				$ 80,671.95
7/15/13	ACH	Midwest ISO	$ 60,000.00	
7/15/13	DEP	Chase Card Services - Rewards	$ 1,021.66	
7/31/13	DEP	Interest on checking	$ 0.91	
		Total Deposits		$ 61,022.57

Checks and Charges

Date	Check #	Descriptions		
7/10/13	EFT	Paychex Invoice (June P/R)	$ 106.55	
7/10/13	E-Pay	Chase Bank Card	$ 4,455.24	
7/2/13	4394	A. Freeman - Travel exp. 6/17-6/20	$ 520.23	
7/2/13	4395	A. Butcher - Travel exp. 6/16-6/19	$ 333.98	
7/2/13	4396	Arkansas PSC - C. Honorable - Travel exp. 6/17-6/20	$ 924.19	
7/2/13	4397	C. Allen - Travel exp. 6/13	$ 242.93	
7/2/13	4398	C. Devon - Travel exp. 6/20, 6/25-6/27	$ 1,391.81	
7/2/13	4399	C. Honorable - Travel exp. 6/17-6/20	$ 27.73	
7/2/13	4400	K. Bennett - Travel exp. 6/10-6/12, 6/19-6/20	$ 1,587.76	
7/2/13	4401	K. Simonsen - Travel exp. 6/16-6/19	$ 473.26	
7/2/13	4402	MN PUC - Heydinger travel exp. 6/13	$ 688.38	
7/2/13	4403	O. Isiogu - Travel exp. 6/17-6/20	$ 437.93	
7/2/13	4404	Minister of Finance - K. Simonsen - travel exp. 6/16-6/19	$ 740.26	
7/2/13	4405	WI PSC - D. Neumeyer - travel exp. 6/17-6/20	$ 695.85	
7/2/13	4406	WI PSC - E. Calisto - travel exp. 6/17-6/20	$ 1,172.04	
7/8/13	4407	B. Smith - WiFi May-June	$ 67.99	
7/8/13	4408	D. Johnston - Travel exp. 6/17-6/20	$ 1,065.28	
7/8/13	4409	State of Iowa - J. McGurk - travel exp. 6/17-6/20	$ 1,052.15	
7/8/13	4410	IUB - L. Jacobs - travel exp. 6/17-6/20	$ 947.76	
7/11/13	4411	100 Court Investors - Office Rent & Pkg, Op. exp chrg	$ 1,724.03	
7/11/13	4412	Diversified Management Systems (web updates)	$ 81.25	
7/11/13	4413	R. Rismiller - Travel exp. 6-17-6/20	$ 565.28	
7/11/13	4414	R. Mork - Travel exp. 6/17-6/20	$ 923.07	
7/11/13	4415	T. Elliott - Travel exp. 6/20	$ 119.00	
7/11/13	4416	WI PSC - P. Montgomery travel exp. 6/14-6/19, 6/19-6/20	$ 1,764.50	
7/24/13	4417	A. McKinnie -Travel exp. 6/18-6/20, 6/25-6/28	$ 1,354.42	
7/24/13	4418	B. Smith - WiFi Jun-Jul, travel exp. 7/11-7/12, 7/14-7/16	$ 501.69	
7/24/13	4419	C. Devon - Travel exp. 7/11-7/12	$ 274.13	
7/24/13	4420	Combined Systems Technology - printer drum	$ 153.70	
7/24/13	4421	Conference Suite - June. conf. calls (BofD, Exec., etc.)	$ 642.17	
7/24/13	4422	Customized Energy Solutions - June. subscription	$ 3,500.00	
7/24/13	4423	E. Stocking - Travel exp. 7/17-7/18	$ 177.98	
7/24/13	4424	G. Rislov - Travel exp. 6/16-6/20	$ 351.26	
7/24/13	4425	Indiana UCC - P. Sircar travel exp. 6/16-6/20	$ 768.06	
7/24/13	4426	L. Beck - travel exp. 6/16-6/20	$ 209.57	
7/24/13	4427	Midwest ISO - OMS meals 7/16	$ 515.00	
7/24/13	4428	N. Simpson - Travel exp. 6/16-6/20	$ 209.62	
7/24/13	4429	CenturyLink - office phone, fax, DSL, LD calls	$ 268.45	

7/24/13	4430	S. Whiton - Travel exp. 7/17-7/18	$	188.64
7/24/13	4431	State of S. Dakota - G. Rislov travel exp. 6/16-6/20	$	747.60
7/24/13	4432	State of Michigan - E. Stocking travel exp. 7/17-7/18	$	189.15
7/24/13	4433	VOID	$	-
7/24/13	4434	Triplett Office Essentials (paper, office supplies)	$	117.01
7/24/13	4435	W. Cecil - Travel exp. 7/17-7/18	$	503.40
7/24/13	4436	State of Michigan - N. Simpson travel exp. 6/16-6/20	$	209.79
7/30/13	EFT	Paychex Payroll net pay (ck.nos. 534-536)	$	10,132.84
7/31/13	EFT	Paychex Payroll Taxes	$	5,446.63
7/31/13	537	MG Trust (401(k))	$	1,013.34
7/31/13	538	MG Trust (401(k))	$	101.99
7/31/13	539	MG Trust (401(k))	$	2,339.83

Total Disbursements - Checks and Charges	$ 52,024.72	
CHECKING ACCOUNT BALANCE at 7/31/13		$ 89,669.80
TOTAL Certificates of Deposit, Savings and Checking Account Balances as of: 7/31/13		$ 114,844.96

CHASE CHECKING ACCOUNT RECONCILIATION

Bank Balance 7/31/13			**$**	**101,830.12**
Less Checks Outstanding				
	Check #			
6/17/13	**4375**	**InfoMax Office**	**$**	**49.40**
7/8/13	**4409**	**State of Iowa**	**$**	**1,052.15**
7/8/13	**4410**	**IUB**	**$**	**947.76**
7/11/13	**4416**	**WI PSC**	**$**	**1,764.50**
7/24/13	**4417**	**A. McKinnie**	**$**	**1,354.42**
7/24/13	**4419**	**C. Devon**	**$**	**274.13**
7/24/13	**4421**	**Conference Suite**	**$**	**642.17**
7/24/13	**4424**	**G. Rislov**	**$**	**351.26**
7/24/13	**4426**	**L. Beck**	**$**	**209.57**
7/24/13	**4427**	**Midwest ISO**	**$**	**515.00**
7/24/13	**4428**	**N. Simpson**	**$**	**209.62**
7/24/13	**4430**	**S. Whiton**	**$**	**188.64**
7/24/13	**4431**	**State of S. Dakota**	**$**	**747.60**
7/24/13	**4432**	**State of Michigan**	**$**	**189.15**
7/24/13	**4436**	**State of Michigan**	**$**	**209.79**
7/31/13	**537**	**MG Trust (401(k))**	**$**	**1,013.34**
7/31/13	**538**	**MG Trust (401(k))**	**$**	**101.99**
7/31/13	**539**	**MG Trust (401(k))**	**$**	**2,339.83**
Total Outstanding Checks			**$**	**12,160.32**
Book Balance 7/31/13			**$**	**89,669.80**

OMS Treasurer Report for Month of July 2013

Wells Fargo Business Performance Savings Account

Beginning Balance	25,174.09	
Interest Earned this Month	1.07	
Ending Balance		25,175.16

Chase Bank One Checking Account

Beginning Balance	80,671.95	
Total Disbursements	(52,024.72)	
Deposits/Interest/Adjustments	61,022.57	
Ending Book Balance		89,669.80
Bank Balance	101,830.12	
Outstanding Deposits	0.00	
Outstanding Checks	(12,160.32)	
Book Balance	89,669.80	

Total Savings & Checking Balances as of July 31, 2013 **114,844.96**

18 checks outstanding at 7/31/13

Organization of MISO States

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OMS Executive Director Report
August 5, 2013

FERC Orders and Filings

1. On July 18, the FERC issued two orders modifying application of MISO generator interconnections charges. *Interstate Power and Light Co. v. ITC Midwest, LLC*, Docket No. EL12-104, and *Jeffers South LLC v. Midwest Independent System Operator, Inc.,* Docket No. EL10-86.
2. On July 11, the Commission issued an order on rehearing and compliance relating to planning and cost allocation of MVP portfolios during the transition period of MISO South. OMS commented in this docket. Docket ER12-480, 144 FERC ¶61,020.
3. An initial decision was issued July 16, establishing exit charges for Duke Ohio/Kentucky and FirstEnergy's departure from MISO. The ALJ found FirstEnergy's charges are $136 million and Duke's charges are $514 million. Docket ER12-715; 144 FERC ¶ 63,007.
4. On July 19, FERC issued a further notice for the September 25, 2013, technical conference on Centralized Capacity Markets in RTOs/ISOs. The focus of the technical conference is on the existing capacity mechanisms in New England, New York, and PJM.
5. On July 2, a group of MISO load-serving entities filed a complaint against MISO alleging improper resettlement of market-to-market payments to PJM related ("Beaver Channel"). The OMS intervened on July 19. Docket EL13-75.
6. On July 5 and July 11, Ameren and MISO made filings to resolve the proper compensation for a generator to be operated as a System Support Resource ("SSR"). OMS intervened on July 19. Dockets EL13-76, ER13-1962 and -1063,
7. Regional Order 1000 filing:
    - MISO, Docket ER13-087
8. Interregional Order 1000 filings:
    - MISO – PJM, Dockets ER13-1943, 1944 and 1924.
    - MISO – SPP, Dockets ER13-1938, 1937 and 1939
    - MISO – SERTP, Dockets ER13-1923, 1940 and 1930

9. On July 19, MISO intervened and protested some elements of SPP's filing to establish a market-to-market Interregional Coordination Process between SPP and MISO, a condition FERC required before the startup of SPP's Integrated Marketplace. Docket ER13-1864.
10. On July 12, OMS co-signed a letter with dozens of other organizations urging the FERC to be cautious in any modifications of its methods for calculating rates of return on equity for transmission projects. Docket RM13-18.

OMS / MISO Activity

1. On July 10, the OMS Regional Planning and Transmission Cost Allocation Work Groups gave MISO feedback on the Order 1000 regional compliance filing.

Public Relations

1. Presentations:
   - N/A
2. Pending speaking/meeting invitations:
   - Bill Smith has been invited to speak at an EUCI conference on interregional Planning on September 25.
   - The Black Sea Regulatory Initiative will hold its next workshop Oct 1-4 in Kiev, addressing cross-border trading issues, energy efficiency, and market monitoring principles.

Upcoming MISO Filings

08/09/2013	N/A	MISO to submit Transmission Constraint Demand Curve – Establish a multi-step demand curve to price transmission constraints for non-market-to-market interfaces, to be implemented in a new Schedule 28 (Demand Curves for Operating Reserve, Regulating and Spinning Reserve, and Regulating Reserve).	N/A	Markets Subcommittee; Reliability Subcommittee
08/12/2013	ER12-480-003 ER12-480-004 ER12-480-005	MISO to make a compliance filing re: 7/11/2013 FERC Order on Entergy 5-year transition under Attachment FF (Transmission Expansion Planning Protocol)	144 FERC ¶61,020	

Upcoming dates:

- Next OMS Board of Directors meeting: August 15, 2013, at 1:00 pm CT
- Next OMS Executive Committee meeting: September 5, 2013, at 1:00 pm CT
- Future OMS Board meetings: September 19, October 16
- Future OMS Executive Committee meetings: October 3, October 31
- Next OMS meeting with IMM: October 22, during Annual Meeting
- OMS Annual Meeting, Carmel, October 22, 9:00 – 2:30

MISO Advisory Committee
Saint Paul Hotel, St. Paul, MN
August 21, 2013
10:00 am – 3:00 pm CPT
Dial-in and WebEx information available at www.misoenergy.org

Agenda

1.	Administrative Items a. Welcome/ Roll Call b. Review of Agenda c. Review of Meeting Minutes d. Review Action Items	Gary Mathis	10:00
2.	Hot Topic: Business Models 15 Minute presentations per Sector a. Public Consumer Advocates b. Transmission Owners		10:15
3.	AC Governance Discussion 5 minutes per sector a. Eligible End Users b. Environmental c. Power Marketers d. Munis/Coop/TDU e. IPP f. Public Consumer Advocates g. Transmission Owners* h. OMS i. Coordinating Members*		10:45
LUNCH			**12:00**
4.	IMM State of the Market Recommendations	Todd Ramey	1:00
5.	FERC Order 1000 Compliance Update	Jesse Moser	1:30
6.	Advisory Committee Items a. BOD Nominating Committee Update b. Review of AC Management Plan c. October/December Hot Topic Discussion* d. 2014 Hot Topics Request e. September Meeting Discussion*	Gary Mathis L. Jacobs/J. Keller	1:40
7.	Standing Committee/Other Stakeholder Committee Reports a. Steering Committee	Dennis Kramer	2:00

√ Denotes Potential Voting Item

* Denotes Report is Oral

b.	RECB Task Force	Dan Kline	2:05
c.	Reliability Subcommittee Update	Tony Jankowski	2:10
d.	Planning Advisory Committee Update	Julie Voeck	2:15
e.	Market Subcommittee Update	Bill SeDoris	2:25
f.	Stakeholder Governance Working Group	Bill SeDoris	2:35
g.	OMS Update	Bill Smith	2:40
h.	Transmission Owners Update*	Dennis Kramer	2:45

8.	New Business	All	2:50
9.	Recap – Issues/Assignments	Alison Lane	3:00

Rotating Agenda Team September: JoAnn Thompson
Eric Robertson
Libby Jacobs

√ Denotes Potential Voting Item

* Denotes Report is Oral

MISO Advisory Committee Hot Topic
Advisory Committee Composition
August 15, 2012

Response of the Organization of MISO States

On May 1, 2012, John Bear sent a letter to OMS and ERSC making several offers concerning enhancement of state/regulatory roles within the MISO governance structure; one of those offers was to "Expand the Advisory Committee to include an additional commissioner from Entergy states. This option would ensure regional diversity is added and maintained in the governance structure." In their orders permitting Entergy to join MISO, the Public Utility Commission of Texas and the New Orleans City Council both ordered that representation on the MISO Advisory Committee should include a retail regulator from the ERSC. More recently, on May 29, 2013, ERSC adopted a resolution calling on MISO to "expand the Advisory Committee by one position and dedicate the new position to a member of the regulatory sector from the MISO Southern Region." Following the July 2013 Advisory Committee call, in which questions were raised regarding whether the additional seat would come with its own vote, there was a letter exchange between Texas Commissioner Ken Anderson and John Bear, in which Mr. Bear made clear MISO's position that the additional seat will be a voting seat. We have included copies of all of the documents referenced above.

OMS values the MISO stakeholder process, and looks forward to hearing other sectors' views regarding MISO's commitment to add a seat for a member of the regulatory sector for the MISO southern region. OMS has no comments to offer regarding questions 2 and 3.

OMS
Organization of MISO States

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August 9, 2013

Chair Libby Jacobs
Iowa Utilities Board
1375 E. Court Avenue, Room 69
Des Moines, Iowa 50319-0069

Mr. Jim Keller
We Energies
PO Box 2046
Milwaukee, Wisconsin 53201-2046

Dear Chair Jacobs and Mr. Keller:

The Organization of MISO States (OMS) offers these brief comments as the Nominating Committee prepares to develop a recommendation for the MISO Board of Directors' (Board) October meeting.

The OMS endorses the director qualification standards set forth in the Principles of Corporate Governance (Principles) which the Board adopted in 2012. Having Board members with the highest personal and professional ethics, integrity and values; an inquisitive and objective perspective, practical wisdom and mature judgment; a commitment to representing the long-term interests of MISO and its stakeholders; and no conflicts of interests, is critical. In addition, the areas of expertise and experience set forth in the Transmission Owners Agreement, the MISO Bylaws, and the Principles are properly focused on important business responsibilities of the MISO Board and have served MISO's interests well. The OMS offers a suggestion for the Nominating Committee's consideration that is not expressly defined in the Principles.

The OMS has consistently held that a major objective of MISO must be to conduct its operations in a way that enhances the public interest. Indeed, as a 501(c)(4) organization, MISO is tax exempt on the basis

that it exists to provide a public or societal benefit, and section 2.1 of the MISO Bylaws requires that MISO be "operated exclusively for the promotion of social welfare." Consequently, seeking out Board members with particular expertise and experience that enable them to bring the public interest dimension to Board discussions and decision-making is very important for the OMS. The work of a Board in any organization inherently involves balancing the interests of, often, a diverse group of stakeholders. This is certainly the case with the MISO Board. However, a unique characteristic of MISO's work is that it must be able to serve the broad public interest through the provision of critical electrical services, while also managing a process that allows it to function as a viable organization. The OMS asks that the Nominating Committee consider candidates with such qualifications who can successfully guide the organization in its public interest mandate. The OMS also asks that the Nominating Committee consider recommending to the MISO Board any necessary amendments to its governing documents to clarify the importance of this qualification.

The OMS very much appreciates the opportunity to offer these comments.

Regards,

William H. Smith Jr.

William H. Smith Jr.
Executive Director
On behalf of the OMS Executive Committee

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Organization of MISO States

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OMS Report to the Advisory Committee
August 2013

OMS Assessment:

- The OMS has worked with MISO staff to develop a survey of load-serving entities to assess the resource picture in future years.

OMS FERC Filings:

- The OMS Board authorized a request for extension of the briefing schedule on the minimum offer price rule, Docket ER11-4081.
- The OMS Board approved a response to MISO's regional Order 1000 compliance filing.

ERSC Activity:

- ERSC held a regular meeting on August 13. It elected new officers for the coming year:
  - Chairman Presley will serve as President
  - Chair Honorable will serve as Vice-President
  - Councilmember Hedge-Morrell will serve as Secretary
- The region is heavily focused on market integration scheduled for December 2013.

Advisory Committee Representation:

- The OMS approved a brief comment for the August Hot Topic of Advisory Committee composition.

Upcoming dates:

- Next OMS Board of Directors meeting: September 19, 2013, at 1:00 pm CT
- Next OMS Executive Committee meeting: September 5, 2013, at 1:00 pm CT
- Future OMS Board meetings: October 17, November 14.
- Future OMS Executive Committee meetings: October 3 and 31.
- OMS Annual Meeting October 22, 9:00 – 2:30 ET, in Carmel.

7/31/13 PAC Summary

- **What to expect at upcoming Planning meetings:**
  - August 14th Special PAC Call:
    - Motion for Nelson-Dewey SSR OOC project
  - August 28th PAC:
    - MTEP 13 Report feedback discussion
    - EIPC stakeholder process and scenario discussion
    - Continued discussion on various ongoing studies.

For meeting materials, click here. **Special PAC call 8/14. Next full PAC meeting 8/28 in St Paul.**

- **Motions:**
  - Approval of two Michigan Out of Cycle Projects
    - METC Donaldson Creek substation expansion: motion passed 5 in favor with 2 abstentions (OMS being one). There was no discussion.
    - ITCt Alfred St Bridge line relocation: motion passed 5 in favor with 2 abstentions (OMS being one). There was no discussion.

- **Order 1000 Regional and Interregional Planning Update:**
  - No update was given. MISO filed their Interregional Compliance Filings on July 10th and their Regional Compliance Filing on July 22nd.

- **MTEP 13 Update:**
  - A brief timeline was presented for the MTEP 13 Draft Report. The first draft will be posted on August 2nd, with a 10 day feedback timeline for comments. August 16th the second draft will be posted and likely discussed at the August 28th PAC meeting, followed by another round of feedback.

- **EIPC Update and Next Steps:**
  - MISO presented an EIPC update, mentioning that next non-grant phase of EIPC will involve a transition to more regional level of stakeholder involvement (i.e., working through MISO stakeholder processes) for EIPC input, compared to the Eastern Interconnect-wide level of involvement of the past few years. Therefore, MISO mentioned that going forward they will be looking for more stakeholder involvement and input than in the past. MISO also gave an overview of the proposed next steps at EIPC. They are requesting PAC feedback on this new stakeholder roles and expectations. At the August PAC meeting MISO will discuss the feedback in greater detail, as well as preliminary ideas about possible EIPC scenarios for the next planning cycle.
    - Feedback due date: TBD

- **Planning Reserve Margin/Transfer Study Method Update to BPM language:**
  - MISO is documenting and modifying the process to determine Capacity Import and Export limits for the annual LOLE Study. They propose updated BPM language and presented to the LOLE WG, Supply Adequacy WG, and now the PAC for approval. This is the first time discussed at the PAC, so no votes were taken. However, MISO will come back to September or October PAC meetings to seek approval of these updates. Please see presentation for more details about proposed updates.

Prepared by J Govindan

- **Manitoba Hydro Wind Synergy Study Update:**
  - This study has been completed with only report writing and stakeholder comment remaining. Resulting projects from this study are recommended for inclusion into **MTEP 13 Appendix B.** MISO noted that this was an exploratory study only and the resulting solutions cannot be justifiable as a MEP until they proceed through MISO's MEP Study.[1] Notable conclusions; 1) Synergy between MISO's wind and Manitoba's hydro can be seen in wind curtailment reduction in MISO, better utilization of both wind and hydro, & inverse correlations between imports from Manitoba and MISO wind; 2) Two resulting transmission solutions showed economic benefits for 2027 (annual modified production cost savings $227 - $455 M, annual load cost savings $183-$1302 M, & B/C ratios from 1.69 – 3.84).

[1] MISO's rationale: There were different study assumptions; MH Study included new hydro and transmission, while the MEP Study only included transmission. Also, under the MH Study Manitoba Hydro price imports were based on production costs, while in the MEP Study they were based on MISO LMP.

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OMS Budget 2014 with actuals through June 2013

C-1 = Enhanced Governance and Entergy State membership

C-2 = Two FTEs: Engr and Econ

Organization of MISO States

2014 OMS Budget - draft

with contingency options: C-1 and C-2

		Budget 2011	Actual 2011	Budget 2012	Actual 2012	Budget 2013	C-1 add to budget 2013	C-2 add to budget 2013	Actuals 2013 through June	Comments	(Draft) Budget 2014
1	Ordinary Income/Expense										
2	Income										
3	Refund - Insurance				815						
4	MISO Grant	600,000	**375,000**	600,000	430,000	700,000	0	250,000	385,173	includes savings	840,000
5	Interest - Checking Acct and Savings		**32**		22				10	includes savings	
6	Miscellaneous revenue	1,500	**962**		2,834				828		
7	Total Income	601,500	**375,978**	600,000	433,671	700,000		250,000	386,011		840,000
	Cash carried forward from prior year	98,255	**171,312**	120,000	129,461	0			42,941	balance 12/2012	43,000
	Total funds available	699,755	**547,290**	720,000	563,132	700,000		250,000	428,952		883,000
8	Expense										
9	Personnel Compensation and Benefits										
10	OMS payroll and retirement matching funds										
11	Compensation - Exec Director	147,000	**136,968**	153,000	142,877	161,000			71,232		161,000
12	Compensation - Admin Asst	79,000	**62,185**	83,000	68,473	88,000			32,465		88,000
13	Compensation - additional personnel	135,000	**14,008**	135,000	15,311	15,000		220,000	7,268		145,000
14	Other Personnel Expenses										
15	Staff Training	2,000	0	2,000	0	2,000		6,000	0		8,000
16	Paychex Accounting Fees	1,600	**1,512**	1,600	1,667	1,800		1,000	649		2,000
17	Total Personnel Expenses	364,600	**214,673**	374,600	228,328	267,800		227,000	111,614		404,000
18	Office Expenses (non-personnel)										
19	Computers	6,000	**1,215**	6,000	4,217	8,000		5,000	2,356		13,000
20	Computer support	10,000	**4,828**	8,000	4,679	10,000			5,357		11,000
21	Web Development & Site Hosting	10,000	**6,764**	1,000	1,786	2,000			463		2,000
22	Furniture/Office Equipment	1,500	**42**	1,500	0	1,500		3,000	0		4,500

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OMS Budget 2014 with actuals through June 2013

23	Rent, parking, other occupancy	20,500	**20,477**	20,500	20,745	21,000		10,000	10,375		28,000
24	Books, subscriptions, reference	3,000	**2,225**	3,000	30,315	46,000			40,250	Platts, CES, Cruthirds	46,000
25	Equip rental & maintenance										
26	Printer/Copier/Fax Rental	1,200	**500**	2,500	0	2,500			0		2,500
27	Postage, shipping, delivery	1,000	**715**	1,000	676	1,000			220		1,000
28	Printing & copying	1,000	**720**	1,000	374	1,000			142		1,000
29	Supplies	2,000	**1,243**	2,000	2,558	2,000		1,000	639		2,500
30	Phone, Fax, DSL	3,500	**3,446**	3,500	5,061	4,500		2,500	2,064		6,000
31	Miscellaneous Operating Expense		0		943	0			0		0
32	Total Office Expenses (non-personnel)	59,700	**42,175**	50,000	71,354	99,500		21,500	61,866		117,500
33	Organizational (corp) and Insurance Expenses										
34	Professional, Audit, Other	5,000	**5,753**	5,500	5,577	5,500	1,000		5,113	Audit, Corporate, 401k Fees	6,500
35	General Office Insurance	2,600	**2,404**	2,600	2,876	2,600	1,000		25		3,000
`	Workers' Comp	600	**2,330**	0	0	1,000		1,000	38		2,000
37	Directors & Officers Insurance	3,500	**3,324**	3,500	3,567	3,500	1,000	1,000	0		4,000
38	Total Organization and Insurance Expense	11,700	**13,811**	11,600	12,020	12,600	3,000	2,000	5,176		15,500
39	Consultants / DC Counsel	80,000	**9,062**	60,000	0	60,000		-40,000	9,225	Avancos	20,000
40	OMS - meetings and training										
41	Officers	4,000	**3,345**	4,000	4,440	5,000			0		5,000
42	Exec Dir	13,000	**17,002**	21,000	15,352	21,000	5,000		0		26,000
43	Other Staff	2,000	**275**	2,000	120	2,000		10,000	0		12,000
44	Total OMS Officer and Staff Expenses	19,000	20,622	27,000	19,912	28,000	5,000	10,000	-		43,000
45	MISO Meeting Expenses										
46	MISO work groups and committees	30,000	**16,723**	30,000	29,241	30,000	10,000		16,117		35,000
47	MISO BOD, AC	18,000	**35,335**	25,000	60,908	40,000	15,000		18,581		55,000
48	Consumer Advocate Travel	30,000	**7,344**	30,000	11,947	30,000			4,490		30,000
49	Exec Dir (MISO AC,BOD)	8,000	**7,107**	10,000	10,683	15,000		6,000	14,871	Inc all ED travel	30,000
50	Total MISO Meeting Expenses	86,000	**66,509**	95,000	112,779	115,000	25,000	6,000	54,059		150,000
51	OMS Meetings										
52	OMS Annual Meeting										

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OMS Budget 2014 with actuals through June 2013

53	Director attendance expense	25,000	**19,562**	30,000	22,673	30,000	8,000	2,000	0		30,000
54	Annual Meeting Location Costs	2,500	**3,728**	2,500	2,443	3,000			0		3,000
55	Total OMS Annual Meeting	27,500	**23,290**	32,500	25,116	33,000	8,000	2,000	0		33,000
56	Regular OMS BOD Meeting										
57	Regular BOD Mtg Location Costs	4,000	**2,723**	4,000	4,464	4,000			0		4,500
58	Regular BOD Meeting attendance expe	20,000	**2,920**	20,000	6,157	20,000	5,000		1,760		10,000
59	Total Regular OMS BOD Meeting	24,000	**5,643**	24,000	10,621	24,000	5,000		1,760		14,500
60	OMS Executive Committee Meeting										
61	OMS Exec Com Mtg attendance expens	8,000	**415**	8,000	6,354	8,000			2,910	mtg	8,000
62	OMS Exec Comm - Meeting Location	3,000	0	3,000	4,467	4,000			0		4,000
63	Total OMS Executive Committee Meeting	11,000	**415**	11,000	10,821	12,000			2,910		12,000
64	Conference Calls	12,000	**6,980**	7,000	10,176	9,000	4,000		6,387		14,000
65	OMS Work Group Meetings - attendance ex	12,000	0	5,000	0	5,000	1,000		0		6,000
66	OMS Work Group meeting - location costs	-	0	0	0	0			0		0
67	MWDRI meetings - attendance exp	-	0	0	0	0			0		0
68	MWDRI meetings - location/call costs	-	0	0	0	0			0		0
69	FERC/DOE Tech Conference - attendance e	10,000	0	8,000	1,465	8,000		2,000	0		6,000
70	OMS Technical Training	25,000	**18,639**	30,000	16,335	30,000	12,500	4,000	44,928	Grid school	50,000
71	Technical training location costs	10,000	0	10,000	0	10,000			0		4,000
72	Total OMS Meeting and Training Expenses	236,500	142,098	249,500	207,225	274,000	60,500	24,000	110,044		332,500
73	Total Expenses	752,500	**421,819**	745,700	518,927	713,900	63,500	234,500	297,925		889,500
74	Operating surplus of funds available over expenses	(52,745)	**125,471**	-25,700	**44,205**	-13,900	-63,500	15,500	131,027		-6,500
75	Depreciation allowance										

Report to the Organization of MISO States
from the Eastern Interconnection States' Planning Council
August 15, 2013

1. **Final preparations for the EISPC meeting in Chicago at the Ritz Carlton (Four Seasons Hotel) on August 26 and 27,**

The primary focus is on the first in-person meeting of the *Collaborative Long-Term Electric and Natural Gas Infrastructure Requirements* Study and Whitepaper. Commissioner Boyd from the Minnesota Commission will introduce Commissioner Phil Moeller and Assistant DOE Secretary Hoffman.

John Lawhorn from MISO will be on the first panel discussing their work on this topic. We will also have representatives from the Interstate Natural Gas Association of America, American Natural Gas Association, the North American Electric Reliability Corporation, PJM, and NYISO. Ms. Rae McQuade, President of the North American Energy Standards Board will be the moderator.

The second panel includes the American Public Power Association, Edison Electric Institute, American Gas Association, Vectren, and the Tennessee Valley Authority. Chairman Volz from the Vermont Public Service Board will be the moderator.

The third panel will consist of Mason Emnett from FERC to discuss their Notice of Proposed Rulemaking regarding the ability of the natural gas and electric industry to engage in long-term planning. John Moura from NERC will also be on the panel to discuss NERC's interest in this topic. Dr. David Patton and Dr. Joe Bowring have been invited to participate.

The fourth panel will be EISPC's consultants (ICF, the Illinois Institute of Technology, and the Massachusetts Institute of Technology) discussing their approach to the Study and Whitepaper. David Whiteley from the Eastern Interconnection Planning Collaborative (EIPC) will be discussing their work.

Dr. Ben Hobbs (Johns Hopkins), Dr. Jim McCalley (Iowa State), Dr. Andrew Liu (Purdue), and Dr. Mohammad Shahidepour (Illinois Institute of Technology) will be discussing their Co-Optimization Whitepaper. This may provide an opportunity for collaboration with the OMS, MISO, and others. Representatives of Pacific Northwest National Laboratory, Argonne National Laboratory, Lawrence Berkeley National Laboratory, and Oak Ridge National Laboratory will also participate. Our counterparts from the Western Interconnection and ERCOT will also attend.

EISPC would welcome participation in this Collaborative and we are also forming Work Groups to foster collaboration with the states, planning coordinators, and others. The first meeting will be in Chicago.

2. **Initial preparations for the EISPC meeting in DC October 28-30.**

Monday's primary focus will be on how states can incorporate risk analysis into their resource planning. Tuesday will be the second in-person meeting of the EISPC electric and natural gas collaborative and the first in-person meeting of the EIPC natural gas and electric study. Wednesday will be the second day of the EIPC study.

3. **The Coal Study and Whitepaper have been approved and will be posted on EISPC's website soon.**

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Midcontinent Independent System Operator, Inc. and MISO Transmission Owners	)))	Docket Nos. ER13-187-003 ER13-187-004

COMMENTS OF THE ORGANIZATION OF MISO STATES

Pursuant to Rule 211 of the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure, 18 C.F.R. §§ 385.211, and the Notice issued by the Commission on July 22, 2013, establishing August 21, 2013, as the deadline for intervention and comment in these proceedings, the Organization of MISO States ("OMS") respectfully submits the following comments in the above-captioned docket regarding the regional Order 1000 compliance filings submitted to the Commission by the Midcontinent Independent System Operator, Inc. ("MISO") and the MISO Transmission Owners ("MISO TOs") on July 22, 2013, ("July 22 Filing") pursuant to the Commission's March 22 Order in this proceeding.[1]

On December 10, 2012, the OMS filed a Notice of Intervention and Comments in this docket and therefore is a party to this proceeding.

I. BACKGROUND

In accordance with Order 1000,[2] MISO made a compliance filing on October 25, 2012. On December 10, 2012, OMS submitted a Notice of Intervention and Comments in response to MISO's October 25 filing. Issues addressed in the OMS's comments include *Mobile-Sierra* arguments raised by MISO and its Transmission Owners ("TOs"), the unique role of state

[1] *Midwest Independent Transmission System Operator, Inc.*, 142 FERC ¶ 61,215 (2013) ("March 22 Order").
[2] *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, ("Order 1000"), FERC Stats. & Regs. ¶ 31,323 (2011), *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh'g*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012).

commissions and the enhanced authority proposed by MISO, the scrutiny of costs, the reevaluation process, the interaction of Commission-approved returns on equity on the competitive bidding process, certain issues regarding affiliate utilities, multi-transmission owner zones and upgrades to existing facilities.[3]

In its March 22 Order, the Commission approved MISO's compliance filing, but conditioned its approval on further revisions and an additional compliance filing.[4] On April 22, 2013, OMS filed a Request for Clarification and Rehearing, specifically challenging the Commission's requirement that MISO remove certain language regarding state statutes on an incumbent transmission owner's right of first refusal, as well as the lack of clarity regarding the terms and conditions for transference of selected developer bids to successors.[5] The OMS Request for Clarification and Rehearing is still pending before the Commission.[6]

MISO's July 22 Filing is in response to the Commission's directives in the March 22 Order and contains proposed revisions to MISO's Module A (Common Tariff Provisions), Attachment FF (Transmission Expansion Planning Protocol) of MISO's Open Access Transmission Tariff ("Tariff") and proposed revisions to the MISO Transmission Owners Agreement. MISO and the MISO TOs requested that the proposed Tariff revisions be made effective on June 1, 2013.

II. COMMENTS

The following Comments do not address all the issues raised in the March 22 Order or MISO's July 22 Filing.

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[3] *Comments of the Organization of MISO States under ER13-187*, FERC Accession Number 20121210-5151 (Dec. 10, 2012).
[4] March 22 Order, at P 222.
[5] *Request for Clarification and Rehearing of Organization of MISO States under ER13-187*, FERC Accession Number 20130422-5108 (Apr. 22, 2013).
[6] In making these Comments, the OMS does not relinquish any of the issues preserved in its Request for Rehearing.

A. Acknowledgment of Applicable Laws and Regulations Effect on Eligibility[7]

In its March 22 Order, the Commission rejected proposed tariff revisions that used state right of first refusal statutes to determine whether a transmission owner could be designated by MISO to construct, own, and operate a new transmission project. The Commission noted, however, that "[w]hile state laws and regulations may not be used to automatically exclude bids to develop more efficient or cost-effective transmission solutions to regional transmission needs, it is not necessarily impermissible to consider the effect of the state regulatory process at appropriate points in the regional transmission planning process."[8]

In its compliance filing in Commission Docket No. ER13-187-003, MISO deletes language that has been interpreted by the Commission as creating a federal right of first refusal and proposes new language that not only assures the inclusion of "Applicable Laws and Regulations" in the transmission planning process, but also recognizes the effect of "Applicable Laws and Regulations" in the eligibility of a particular project in the competitive bidding process. This new proposed language properly acknowledges both the concern to open the development of new transmission projects to competition and the recognition of state and local jurisdictional authority. OMS encourages the Commission to approve this language.

B. MISO's Proposed Qualification Standards Could Potentially Foreclose Competition.

1. The July 22 Filing Is Unclear about Who Is Responsible for Ensuring the Reasonableness of the Interconnection Requirements and Standards of the Transmission Owning Incumbent.

Section VIII.B.3(g) of the July 22 Filing states:

> g) The Qualified Transmission Developer Applicant must make a written commitment, signed by an authorized representative of the Qualified

[7] The Illinois Commerce Commission does not agree with the OMS position on this issue and intends to file separate comments detailing the ICC's position on this issue.
[8] March 22 Order, at P 206.

> Transmission Developer Applicant, that, if it is selected as a Selected Transmission Developer, it shall comply with current requirements and standards regarding the interconnection of transmission facilities published by each Transmission Owner to which New Transmission Line Facilities and/or New Substation Facilities will interconnect including, but not limited to, those standards and requirements required for compliance with the applicable NERC Facilities Design, Connections, and Maintenance ("FAC") Reliability Standards.

The proposed subsection (g) appears to place a significant burden on potential non-incumbent transmission developers that could potentially be used by incumbent transmission owners to foreclose competition from non-incumbent transmission developers. In particular, it is unclear who is responsible for ensuring the reasonableness of the interconnection requirements and standards of the transmission owning incumbent. Interconnection requirements and standards that are overly-difficult (or impossible) to comply with will likely reduce the number of potential competitive transmission developers. Accordingly, the OMS believes that such responsibility appropriately belongs in the hands of MISO. However, if the Commission believes otherwise, the OMS would urge the Commission to ensure that the interconnection requirements and standards of incumbent transmission owners are not used to foreclose competition from non-incumbent transmission developers.

2. Placing Project Implementation Requirements and O&M Requirements as Part of the Applicant Qualification Process Is Premature.

In general, the "Project Implementation Requirements" for Qualification Applicants in Section VIII.B.4 and the O&M Requirements for Qualification Applicants in Section VIII.B.5 of Tab A in the July 22 Filing appear to be more appropriately required as part of a developer's bid proposal on an actual project, rather than at the developer qualification stage. For example, Section VIII.B.3 requires the Qualification Applicant to submit written commitments addressing general developer requirements. While, in many cases, requiring these commitments seems overly onerous, at least MISO can check the box on whether the Applicant satisfied the

requirement or not. In contrast, the paragraphs in Section VIII.B.4 and Section VIII.B.5 require the Applicant to submit voluminous documentations regarding the ability of the Applicant to develop and maintain transmission projects. At some point, MISO will have to perform an evaluation of a potential developer's ability to develop and maintain transmission projects. While such an evaluation could occur either during the Applicant qualification process or as part of the project evaluation process, the scope and scale of a proposed transmission project should be one of the main factors on which MISO's assessment of a potential developer's ability to develop and maintain that transmission project should be based. As such, it appears to be premature for MISO to assess an Applicant's ability to develop and maintain transmission projects at the Applicant Qualification stage. Accordingly, the requirements in Section B.4 are more appropriately placed in the Bid Evaluation Section.

C. Transmission Proposal Deposits

1. MISO Should Eliminate as Much Uncertainty as Possible Regarding Costs Associated with Bid Submission.

Section VII.C.2.b of Tab A in the July 22 Filing addresses the issue of "Transmission Proposal Deposits" which requires a $100,000 deposit for each proposal submitted. The section provides that, if MISO's cost for evaluating the proposals exceeds the sum of the deposits, then MISO will surcharge the shortfall on a pro rata basis to all of the project applicants. The OMS acknowledges that any surcharge not allocated to project applicants is likely to be recovered through MISO's uplift charge. However, the OMS is concerned that this surcharge proposal creates an unnecessary uncertainty for prospective bidders who will not know beforehand the costs for which they might be liable for when submitting a bid. Such uncertainty will likely have a detrimental impact on the willingness and ability of developers to submit transmission projects to MISO for evaluation. While it is unrealistic to expect MISO to know the exact cost of

evaluating the transmission proposals that it receives, MISO nevertheless should have a reasonable estimate of what the cost for evaluating potential transmission projects will be.

Accordingly, the OMS would expect that MISO should be able to provide potential developers with a relatively accurate estimate of their share of the total project evaluation costs and any potential surcharge. Requiring MISO to provide such an estimate should help to reduce any uncertainty faced by prospective bidders regarding the cost of having their project(s) evaluated by MISO.

2. MISO Should Clarify its Refund Process Under Proposed Section VII.C.2.b.

Section VII.C.2.b addresses refunds if MISO's evaluation cost is less than the sum of the deposits. Specifically, the section states,

> Any funds remaining after the evaluation of all New Transmission Proposals submitted in response to a Transmission Proposal Request, <u>including refunds to New Transmission Proposal Applicants who are judged unqualified by the Transmission Provider</u>, shall be refunded on a pro rata basis to each New Transmission Proposal Applicant within thirty (30) days following the designation of the Selected Transmission Developer. (Underlining added)

The OMS notes that the July 22 Filing defines the term "New Transmission Proposal Applicants as:

> **1.455d New Transmission Proposal Applicant Version: 1.0.0 Effective: 6/1/2013**
>
> A Qualified Transmission Developer or Transmission Owner qualified under Section VIII.B.2.b of Attachment FF that submits a New Transmission Proposal in response to a Transmission Proposal Request.

The OMS also notes that the July 22 Filing defines "Qualified Transmission Developer" as:

> **1.528a Qualified Transmission Developer Version: 1.0.0 Effective: 6/1/2013**

> A Transmission Owner, ITC, or Non-owner Member that submits a Transmission Developer Application and is subsequently found by the Transmission Provider to meet the minimum requirements for a Qualified Transmission Developer as outlined in Section VIII.B of Attachment FF of the Tariff.

MISO's reference here to New Transmission Proposal Applicants who are judged unqualified is misplaced. Section VII.C.2.b is about proposal deposits and refunds, not Applicant qualifications. Instead, MISO should address issues associated with the qualification of potential transmission developers in Section VIII.B of Attachment FF, which deals specifically with the qualification of potential transmission developers.

MISO needs to clarify its proposal in this instance. If it is MISO's intent to allow unqualified transmission developers to submit transmission proposals, MISO should clarify how such a provision will work within its proposed construct. The OMS acknowledges that the developer qualification process under Section VIII.B requires a non-refundable deposit of $20,000 and that Section VII.C.2.b requires a $100,000 deposit for each New Transmission Proposal. If under such an arrangement, a Transmission Developer Applicant submits a New Transmission Proposal and is later determined to be unqualified, that applicant should not have to wait up to 30 days after the designation of the Selected Transmission Developer by MISO to receive its refunded deposit. Indeed, the project evaluation and developer selection process could take as long as six months, which appears to be an unreasonable amount of time for a potential developer that was disqualified prior to the transmission proposal evaluation process to wait for its refund.

D. The OMS's Concerns Regarding MISO's Proposed 20-mile Contiguous Threshold for Upgrades Remain Unaddressed.

Section VIII.C.1.1.1 of MISO's October 25 Filing states:

> **Combination of Upgrades and New Facilities.** If a proposed transmission project includes a combination of new transmission line sections and upgrades to

> existing transmission line sections, and the new transmission **line sections are less than twenty (20) contiguous miles in total length, construction of the new transmission line sections will be considered a transmission upgrade** for the purpose of retaining a right of first refusal. In either event, upgrades made to the existing transmission line sections will be considered transmission upgrades for the purpose of retaining a right of first refusal. (Underlining added)

In its comments regarding the October 25 Filing, the OMS, expressed concern regarding the use of the word "contiguous"[9] in the definition above. The Commission's March 22 Order agreed with the OMS, stating:

> …However, we agree with protestors that MISO has not provided sufficient support to demonstrate that the proposed threshold of 20 contiguous miles is appropriate. For instance, we agree with Organization of MISO States that **MISO's proposal could allow a large new transmission project that is almost entirely made up of new transmission segments to be categorized as an upgrade so long as no new segment of the project is more than 20 contiguous miles**. In addition, we are concerned that certain projects under the 20 contiguous mile threshold could potentially qualify as an MVP or MEP...[10] (underlining added)

In response to the March 22 Order, MISO makes the following statements:

> "The contiguity requirement is also reasonable because non-contiguous small new transmission line segments on a Transmission Owner's existing transmission line would be significantly inefficient to implement by collectively considering each segment to be a separate new transmission line project to be owned by a different entity or entities."[11]

> "The Commission expressed concern that the 20-contiguous-mile threshold could result in treating as an upgrade a large project composed mostly of segments of less than 20 miles…"[12]

MISO's explanation for retaining the contiguity aspect of the threshold still does not address the OMS's concern. OMS agrees with MISO that small, non-contiguous new line segments on existing Transmission Owners lines should not be opened for competitive bid. To do so would seem unreasonable and inefficient. However, that does not mean that segments

[9] OMS Comments in Docket No. ER13-187, at 32.
[10] March 22 Order, at P 216.
[11] July 22 Filing, at 10.
[12] *Id.*

need to only be contiguous to be effective in this case. OMS believes that if MISO were to establish a total mileage threshold of 20-miles for an entire project, then that would be a reasonable approach. Including the term "contiguous" opens up the possibility that a large project could have multiple contiguous sections that are less than 20-miles in length. Unless MISO specifies that there can only be a certain number of those contiguous segments in a single project, then the OMS's concern could become a reality.

OMS would therefore request that the Commission direct MISO to either revisit this concern, or if MISO still wishes to retain the word "contiguous," add language that further limits how many "20-contiguous mile" segments would be allowed for one project to still be considered an upgrade.

E. The OMS Supports MISO's Proposed Revisions to its Tariff and Transmission Owner's Agreement Regarding the OMS.

As required by the March 22 Order, MISO has proposed the following revisions to Section 1.474a of Module A of the Tariff and Article II, Section VI.C and Section I.H of Appendix K of the Transmission Owners Agreement: (1) that the OMS Committee shall be "an autonomous and self-governing body;" and (2) that the OMS Committee shall be funded "with the costs recovered from Transmission Customers under Schedule 10 of the Tariff." OMS supports these revisions as being compliant with the prior OMS Comments and the March 22 Order. Consequently, the Commission should approve these changes.

III. CONCLUSION

Wherefore, for all of the reasons explained above, the OMS urges the Commission to consider the above comments. The OMS submits these comments because a majority of the members have agreed to generally support them. Individual OMS members reserve the right to

file separate pleadings regarding the issues discussed herein. The following members generally support these comments:

Arkansas Public Service Commission
Illinois Commerce Commission
Indiana Utility Regulatory Commission
Iowa Utilities Board
Kentucky Public Service Commission
Louisiana Public Service Commission
Michigan Public Service Commission
Minnesota Public Utilities Commission
Mississippi Public Service Commission
Missouri Public Service Commission
Montana Public Service Commission
City of New Orleans
North Dakota Public Service Commission
South Dakota Public Utilities Commission
Public Utility Commission of Texas
Wisconsin Public Service Commission

The Manitoba Public Utilities Board did not participate in these comments.

The Minnesota Department of Commerce, as an associate member of the OMS, participated in these comments and generally supports these comments,

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: August 21, 2013

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 St. Paul, Minnesota, this 21st day of August, 2013.

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

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Midwest Independent Transmission System Operator, Inc.	**)**	**Docket No: ER11-4081-001**

MOTION OF THE ORGANIZATION OF MISO STATES FOR EXTENSION OF BRIEFING SCHEDULE

I. BACKGROUND

On August 12, 2013, the Commission issued an "Order Initiating Briefing Procedures ("August 12 Order") in this docket.[1] Ordering Paragraph B of the August 12 Order invites parties to submit "additional information with respect to the Commission's rejection of MISO's proposed minimum offer price rule." Initial briefs are due within 30 days, or September 11, 2013. Reply briefs are due within 21 days thereafter, or October 2, 2013.

As explained below, the Organization of MISO States ("OMS") requests the Commission to extend the briefing schedule to provide 60 days for initial briefs and 45 days for reply briefs. The modified schedule would this have initial briefs filed by October 11, 2013, and reply briefs filed by November 25, 2013.

II. SUPPORT FOR EXTENSION OF BRIEFING SCHEDULE

While the August 12 Order is cast in the terminology of a legal briefing procedure, its references to evidence presented by the Market Monitor and Capacity Suppliers, along with the phrasing of Ordering Paragraph B, make it clear that the Commission contemplates evidentiary

[1] 144 FERC ¶ 61,125.

kinds of submissions and analytic responses to the submissions of other parties. The proposed schedule does not allow sufficient time for the kind of factual presentations and technical analysis called for by the Commission's August 12 Order.

Additionally, the Commission should be aware that responses on Interregional Order 1000 filings are due September 9, 2013, just two days before the initial briefing date set in the August 12 Order. In the MISO region, the staff of OMS member states are fully engaged in preparing responses to three Interregional filings.2 This workload stretches the limited resources of State Commission staff available for work on MISO issues. That is also true for other parties to this docket with limited resources.

The Commission should also be aware of another work conflict for OMS and many load-serving entities in this region. For several weeks, the OMS has been coordinating with MISO to develop and conduct a survey of generation and load-serving resources. That survey was sent out early this week and responses were requested by September 13, 2013. The purpose of the survey is to support the state jurisdictional role in generation planning and Integrated Resource Planning, as well as increasing forward transparency in a confidential manner on a system-wide basis, providing a more accurate look two to ten years out in anticipation of resource changes for environmental and economic reasons. The survey deals with resource issues that may involve the same staff resources needed to respond to the Commission's briefing procedure.

The undersigned has been authorized to state that the following parties concur in this request for extension of the briefing schedule:

American Public Power Association
Midwest TDUs[3]

[2] Docket No. ER13-1923 (MISO-SERTP), Docket No. ER13-1938 (MISO-SPP), and Docket No. ER13-1943 (MISO-PJM).

[3] For purposes of this docket, "Midwest TDUs" consists of Great Lakes Utilities ("GLU"), Indiana Municipal Power Agency ("IMPA"), Madison Gas & Electric Company ("MGE"), Midwest Municipal Transmission Group

DTE Electric Company
Indianapolis Power & Light Company
Xcel Energy

III. CONCLUSION

For the reasons explained above, the OMS requests that the Commission establish a revised briefing schedule 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: August 23, 2013

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 23rd day of August, 2013.

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

("MMTG"), Missouri Joint Municipal Electric Utility Commission ("MJMEUC"), Missouri River Energy Services ("MRES"), Southern Minnesota Municipal Power Agency ("SMMPA"), and WPPI Energy ("WPPI")

OMS Seams Work Group
August 2013 Report to OMS Board of Directors

Co-Chairs: Adam Mckinnie and Chris Devon

MISO PJM Joint and Common Market (JCM) Initiative Update

The most recent OMS and OPSI efforts in the JCM initiative have been focused specifically on the currently developing JCM work plan and the upcoming Capacity Deliverability fact finding effort.

Last Tuesday afternoon, 8/6, MISO and PJM representatives joined Commissioner Kari Bennett of OMS and Commissioner Greg White of OPSI for a conference call on these subjects. The intent of the call was for OMS and OPSI to hear what each RTO believes should be done for this effort to develop a JCM work plan and an effective, meaningful, fact finding effort for the Capacity Deliverability issue.

Some of the highlights and next steps from the 8/6 conference call were as follows:

1. MISO and PJM have been reaching out to work with each other already and will continue to do so in the upcoming weeks to further develop near-term work plans and establish related meeting schedules.

2. **MISO and PJM will be holding a special JCM conference call for stakeholder discussion and input into the JCM work plan on August 23rd from 1-3pm EST.** Materials for the meeting are still being developed but will be available for stakeholder review prior to this scheduled meeting on the 23rd. Registration and meeting information can be accessed at: MISO's website.

3. MISO and PJM agreed that they would work together to establish a work plan schedule on Capacity Deliverability that extends beyond the first quarter of next year when the fact finding effort is targeted to wrap up. This item's work plan would be contingent on the outcome of the fact finding effort, if it results in a showing for additional work to commence, and would likely show potential plans through any necessary implementations.

4. The RTOs will make a filing to FERC providing an issues list and timeline for each JCM issue. This filing will be made shortly after the September 20 JCM meeting.

5. MISO and PJM will have another call with Commissioners Bennett and White in 2-3 weeks to report on progress in developing the work plan and fact finding effort.

On the Capacity Deliverability issue; the RTOs have already formed their own respective work teams and both sides have already begun work together discussing the best approaches to conducting a realistic and effective fact finding.

OMS and OPSI plan to work alongside other stakeholders to provide feedback and input to assist in the RTOs development of the fact finding and answers to the public interest questions that OMS and OPSI presented to FERC on June 20th in Docket No. AD12-16.

Seams WG members and other interested OMS members are strongly encouraged to participate in the special conference call on August 23rd to discuss the JCM work plan and also in the normal bi-monthly JCM meetings. The next regular JCM meeting is scheduled for September 20th. Registration and meeting information can be accessed at: MISO's website.

MISO SPP Seam: Reminders from July's WG Update

The next SPP-MISO Joint Operating Agreement Stakeholder Meeting to be held on September 12th in Carmel, IN at the MISO headquarters from 9:30am to 3:00pm EST to continue discussions related to the MISO-SPP Joint Operating Agreement (JOA). Registration is required by September 6, 2013 for those planning to attend the meeting in person. Registration and meeting information can be accessed at: MISO's website. Agenda and materials will be posted closer to the meeting date.

MISO will be required to submit a status report detailing the status of the negotiations regarding revisions to existing JOAs or the development of new JOAs to address the loop flow concerns with SPP, TVA, and Associated Electric Cooperative in Docket No. ER13-1864 by November 1st.

1. MISO Market Enhancement Development Project

Status: Next meeting September 6, where MISO expects to seek further stakeholder input on market enhancement "focus areas."

The September 6 workshop will review and discuss milestones and timeline for the Market Vision development effort, the stakeholder feedback, an update on the development of the Foundational Report, Solicit further stakeholder input into the development of the Foundational Report and Market Vision.

2. OMS August 1 Bi-monthly call with IMM

Status: Provided summary of August 1 meeting to WG. We are looking for volunteer to gather questions and lead next call.

During the call, we discussed FERC settlement with JP Morgan market conduct. IMM told us he is looking at summary of its investigation on market conduct being included as part of quarterly report going forward.

3. MISO August 6 MSC Meeting

Status: The OMS M&TWG is monitoring.

Items covered include review of Fifteen Minute Dispatch and Settlement, Real Time Hedge Product Task Force Proposal, Process Improvement Post Beaver Channel Resettlement and Look-Ahead Capability Enhancement Update.

Real Time Hedge Product Task Force will be created to provide stakeholders a forum to discuss the logistics of implementing a Real Time Hedge product. The meeting schedule will be announced in the future. The Real Time Hedge Product Task Force reports to the Market Subcommittee.

4. MISO July 10 FTRWG Meeting

Status: The OMS M&TWG is monitoring.

Items covered include review of FTR Projects and Prioritization and ARR Service Request proposal.

MISO is proposing a new process namely ARR Service Request (ASR) to facilitate the expressed interest to fund transmission upgrades to acquire the paths. MISO will continue discussions and add details at the September and following FTRWGs.

For those interested, please note the following MISO meetings:

MISO Board of Dirs Markets Committee – bi-monthly meetings (8/21 next mtg)
MISO Market Subcommittee - monthly meetings (9/3 next mtg)
MISO FTR Working Group – monthly meetings (9/4 next mtg)
Market Vision Workshop – Next meeting (9/6)

The **OMS Markets and Tariffs Work Group** covers: Energy and Operating Reserve markets, Market Monitoring and Mitigation. See
http://www.misostates.org/index.php/work-groups-2/workscopereference/63-markets-a-tariffs-workscopereference
http://www.misostates.org//images/stories/work_groups/2013OMSworkgroupOvervie_28_February2013.pdf
Bill Bokram and Hwikwon Ham, Markets and Tariffs Work Group co-chairs

OMS Resources WG Report to OMS Board – August 15, 2013

MISO/OMS LSE Long Term Resource Adequacy Survey

MISO developed a draft survey instrument in July and sent out for comments. Several LSE provided detail comments which were considered and incorporated to the extent possible. The survey is expected to go out the week of August 12. The due date is September 13. A workshop is being planned for August 22 in conjunction with a Load Forecasting Workshop. Many of the same participants will be present. Don Neumeyer will help coordinate the information flow of LSE recipients with the individual OMS state staffs.

MISO Resource Adequacy Order and MOPR

On August 12, FERC issued an Order Initiating Briefing Procedures (Docket No. ER11-4081-001)which concerns the Minimum Offer Price Rule. The Market Monitor and the Capacity Suppliers raised concerns about the incentive of LSE's to depress capacity prices. Initial briefs are to be within 30 days and Reply briefs filed 21 days thereafter.

By: Don Neumeyer, Co-Chair Resources Work Group.

OMS Regional Planning Work Group
Report to OMS Board of Directors – August 15, 2013
(Co-Chairs Jessica Govindan and Julie Urban)

PAC Update

There was a special PAC call yesterday (August 14, 2013) to discuss an Out of Cycle (OOC) project. The project is required to mitigate reliability issues associated with the retirement of Nelson-Dewey units 1 and 2 in southwestern Wisconsin. The entire project cost is estimated at $40 M. There was spirited debate among the 3 affected TOs (ATC, ITC, and Dairyland Power) and MISO. Dairyland said their evaluation did not support the suggested upgrade for a portion of the OOC request, and that the existing system could be operated to address the reliability concern. A motion was passed to postpone the vote on the project for 2 weeks until the next PAC meeting on 8/28.

At the July PAC meeting, motions to approve two OOC projects passed. The two projects are located in Michigan and have a total estimated cost of $6.2M.

The first draft of the MTEP 13 Report was supposed to be posted on August 2nd, with a 10 day feedback timeline for comments. The second draft will be posted August 16 and likely discussed at the August 28th PAC meeting, followed by another round of feedback.

MISO is documenting and modifying the process to determine Capacity Import and Export limits for the annual LOLE Study. MISO will come back to the September or October PAC meetings to seek approval of these updates.

The Manitoba Hydro Wind Synergy Study has been completed. Resulting projects from this study are recommended for inclusion into **MTEP 13 Appendix B.** MISO noted that this was an exploratory study only and the resulting solutions cannot be justifiable as a MEP until they proceed through MISO's MEP Study process.

FERC Order 1000 Update

MISO filed their Interregional Compliance Filings on July 10th and their Regional Compliance Filing on July 22nd. Comments on the regional filing are due August 21 and will be discussed at today's board meeting. Comments on the regional filing are due September 9. Drafting by the RPWG and the TCAWG continue and main points will be discussed at today's board meeting.