



**ORGANIZATION OF MISO STATES, INC.  
Board of Directors Meeting  
Conference Call Minutes  
November 12, 2015**

Approved December 3, 2015

Angela Weber, Executive Committee Member at Large of the Organization of MISO States, Inc. (OMS), called October 15, 2015 meeting of the OMS Board of Directors to order via conference call at approximately 1:00 pm CDT. The following board members or their proxies participated in the meeting:

Angela Weber, Indiana  
Venkata Bujimalla, proxy for Libby Jacobs, Iowa  
Jim Gardner, Kentucky  
Melissa Watson, proxy for Eric Skrmetta, Louisiana  
Sally Talberg, Michigan  
David Carr, proxy for Brandon Presley, Mississippi  
Walt Cecil, proxy for Daniel Hall, Missouri  
Kirk Bushman, Montana  
Phil Movish, proxy for Jason Williams, City of New Orleans  
Richard Greffe, proxy for Ken Anderson, Texas  
Janet Wheeler, proxy for Mike Huebsch, Wisconsin

Absent

Arkansas  
Illinois  
Manitoba  
Minnesota  
North Dakota  
South Dakota

Agency members participating

Angie Butcher, Bonnie Janssen – Michigan  
Hwikwon Ham – Minnesota  
Marcus Hawkins, Andrew Kell, Don Neumeyer, Lori Sakk – Wisconsin

Others on the call

Chris Miller – FERC  
Jan Brinch - EISPC  
Tanya Paslawski, Talina Mathews, Colleen Dougherty – OMS Staff

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 October 15, 2015 Board Meeting and the October 19, 2015 Annual Meeting.**

The minutes were accepted as submitted.

## **Treasurer's Report**

The November 2015 treasurer's report was accepted as submitted.

## **Review of the October 29, 2015 Executive Committee Meeting:**

The October 29, 2015 Executive Committee Meeting was cancelled.

## **Executive Director's Report**

A written report was distributed prior to the meeting. Tanya Paslawski highlighted the following items:

- The upcoming Fall Seminar with MISO.

## **Report from the Director, Member Services & Advocacy**

Talina Mathews highlighted the following items:

- Work Group Chair nominations for Governance & Budgets work group were requested.

## **BUSINESS**

### **1. FERC Update**

- Chris Miller provided the FERC update for November.

### **2. EISPC Update**

- Jan Brinch provided the EISPC update for November.

### **3. MISO Advisory Committee**

- Sally Talberg gave the AC update. There is no November meeting and the Hot Topic for December's meeting will be 111d. Additional December voting items include: voting for reps to the Alternative Resolution Committee and the Stakeholder Process recommendations.

### **4. MISO Planning Advisory Committee**

- Angela Weber provided this update and highlighted the following: MISO analysis regarding Clean Power Plan modeling and MTEP market congestion studies.

### **5. Update: MISO Stakeholder Process**

- Tanya Paslawski provided an update on the process and the recommendations that were made at the last workshop.

### **6. Action Item: December Hot Topic – Clean Power Plan**

- Angela Weber introduced the hot topic and requested suggestions or feedback. Janet Wheeler indicated that Wisconsin had emailed an introductory paragraph for inclusion. After discussion and additional revisions, it was agreed to allow time for additional review and voting via email.

### **7. Open Mic**

There was no new business or comments

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

### Demand Response WG

- Andrew Kell provided a verbal update;

#### Transmission Cost Allocation WG

- David Carr provided a verbal update;

#### Markets and Tariffs WG

- Hwikwon Ham provided a verbal update;

#### Resources WG

- Marcus Hawkins provided a verbal update;

#### Transmission Planning WG

- Don Neumeyer provided a verbal update;

#### Governance and Budget

- Venkata Bujimalla provided a verbal update;

#### Seams WG

- Lori Sakk provided a verbal update;

#### ROE Ad Hoc WG

- Tanya Paslawski provided a verbal update;

#### 111d Ad Hoc WG

- Talina Mathews provided a verbal update;

### **ADJOURNMENT**

The meeting of the OMS Board of Directors meeting adjourned at approximately 1:40 pm CDT.

*3rd Revision November 12, 2015 @ 11:50am*

The Organization of MISO States Board of Directors will hold its monthly meeting via conference call **Thursday, November 12, 2015 at 1:00 pm (Central)**.

- Call-in number is **866-848-2216**. The conference code is **7422895954** followed by the # sign.
- Board members who cannot attend the call should notify Kirk Bushman at [kbushman@mt.gov](mailto:kbushman@mt.gov) with a copy to Colleen at ([colleen@misostates.org](mailto:colleen@misostates.org)) to designate a proxy for this meeting.

### Agenda

Call Meeting to Order – Commissioner Angela Weber 1:00  
Attendance, Recognition of Proxies, Declaration of a Quorum  
Approval of Minutes from the October 15, 2015 Board meeting and October 19, 2015 Annual Meeting  
Treasurer’s Report/OMS Budget to Actuals – October 2015 – Ken Anderson  
Review of Executive Committee meeting – October 29, 2015 – Cancelled

### Administrative Update

1. Report from the Executive Director – Tanya Paslawski 1:05
  - FERC dockets
  - Fall Seminar
2. Report from the Director, Member Services & Advocacy – Talina Mathews 1:10

### Business

1. FERC Update – Patrick Clarey or Chris Miller 1:15
2. EISPC Update – Jan Brinch 1:20
3. MISO Advisory Committee – Sally Talberg 1:25
4. Planning Advisory Committee – Angela Weber 1:30
5. **Update: Action Item:** MISO Stakeholder Process – Tanya Paslawski 1:35
6. Action Item: December Hot Topic Clean Power Plan – Angela Weber or Sally Talberg 1:40
7. ~~Action Item: Doc less intervention ER16-209 – Seams WG revised 11/9/2015~~ 1:45
8. Open Mic – membership comment opportunity 1:45

### OMS Work Group Status Reports

- a. Demand Response WG
- b. Transmission Cost Allocation WG
- c. Markets and Tariffs WG
- d. Resources WG
- e. Transmission Planning WG
- f. Governance and Budget WG
- g. Seams WG
- h. ROE Ad Hoc WG
- i. 111(d) Ad Hoc WG

### Announcements

- Next OMS Executive Committee meeting: **Tuesday**, November 24, 2015 at 1:00 pm CT
- Next regular OMS Board of Directors meeting: **Thursday**, December 3, 2015 at 1:00 pm CT

### Adjourn

2:00



**Organization of MISO States**  
**Report of the Treasurer**  
**Commissioner Ken Anderson, Public Utility Commission of Texas**  
**to the Board of Directors**  
*Report for October 2015*

**CASH ON HAND**

The beginning balance for the Wells Fargo Business Performance Savings Account on October 1 was \$20,342.39. Interest earned for this month totaled \$0.52 and there was no other activity. The October 31, 2015, ending balance was \$20,342.91.

The beginning book balance for the Chase Bank One Checking account on October 1 was \$84,723.90. The total disbursements from the checking account for October 2015 amounted to \$133,934.02. Deposits, interest and adjustments were \$78,750.94 which includes MISO funding of \$78,750.00. As of October 31, 2015, the checking account bank balance was \$62,017.26 (with 27 check payments outstanding) and the book balance was \$29,090.82.

The total savings plus checking account balance as of October 31, 2015, is \$49,433.73.



TREASURER'S REPORT  
Organization of MISO States  
October 31, 2015

Wells Fargo Business Performance Savings Account

Book Balance as of 09/30/2015			\$	20,342.39
10/31/2015	DEP	Interest on Savings	\$	0.52
				<hr/>
Business Performance Savings Account Balance at 10/31/2015			\$	<u>20,342.91</u>

Chase Bank One Commercial Checking with Interest

*Book Balance as of 09/30/2015			\$	84,273.90
10/9/15	ACH	Midcontinent ISO	\$	78,750.00
10/30/15	DEP	Interest on checking	\$	0.94
				<hr/>
Total Deposits			\$	78,750.94

Checks and Charges

Date	Check #	Descriptions		
10/7/2015	5412	Jennings Strouss	\$	53,034.66
10/7/2015	5408	Customized Energy Solutions	\$	3,500.00
10/7/2015	5401	Combined Systems Technology (CST)	\$	2,438.00
10/7/2015	5403	100 Court Investors LLC	\$	1,849.00
10/7/2015	5404	Ascensus	\$	742.25
10/7/2015	5406	Clever Promotions	\$	629.08
10/7/2015	5411	Clever Promotions	\$	604.00
10/7/2015	5410	Energy Data LLC	\$	150.00
10/7/2015	5405	Cisco WebEx	\$	49.29
10/7/2015	5402	Combined Systems Technology (CST)	\$	39.75
10/7/2015	5407	Crystal Clear Water	\$	25.07
10/7/2015	5409	Diversified Management Services (DMS)	\$	19.50
10/14/2015	w/d	VISA (Chase Bank One)	\$	8,185.69
10/14/2015	5420	David Johnston (IN)	\$	1,102.89
10/14/2015	5422	State of Iowa (V. Bujimalla)	\$	829.57
10/14/2015	5424	North Dakota PSC (J. Lein)	\$	728.20
10/14/2015	5423	Walt Cecil (MO)	\$	556.22
10/14/2015	5426	Wisconsin PSC (J. Wheeler)	\$	527.10
10/14/2015	5427	Wisconsin PSC (M. Hawkins)	\$	475.86
10/14/2015	5417	Intercall	\$	459.54
10/14/2015	5425	Wisconsin PSC (A. Bohage)	\$	451.40
10/14/2015	5428	John Liskey	\$	429.62
10/14/2015	5416	Enventis dba Consolidated Communications	\$	394.43
10/14/2015	5414	Awards Program Services, Inc	\$	285.85
10/14/2015	5413	Combined Systems Technology (CST)	\$	201.40
10/14/2015	5415	Combined Systems Technology (CST)	\$	55.65
10/14/2015	5418	Premier Copiers	\$	54.35
10/15/2015	w/d	Payroll	\$	5,869.06
10/15/2015	w/d 2	Payroll Taxes	\$	2,688.16
10/15/2015	EFT	Expert Plan - MG Trust Co.	\$	1,281.63
10/15/2015	w/d 3	Payroll Processing	\$	71.90
10/30/2015	w/d	Payroll	\$	10,523.34
10/30/2015	w/d 2	Payroll Taxes	\$	5,393.10
10/30/2015	w/d 3	Payroll Processing	\$	61.90
10/14/2015	5419	Adam McKinnie (Missouri)	\$	1,011.08
10/14/2015	5421	Jerry Lein (North Dakota)	\$	376.78
10/28/2015	5431	Capital Hotel	\$	6,589.33
10/28/2015	5432	NG Planning LLC - EGEAS Software	\$	3,500.00
10/28/2015	5429	Combined Systems Technology (CST)	\$	2,687.71
10/28/2015	5441	Minnesota PUC (H. Ham)	\$	1,579.24
10/28/2015	5439	Minnesota PUC (H. Ham)	\$	1,289.10
10/28/2015	5437	Minnesota PUC (H. Ham)	\$	1,153.31
10/28/2015	5446	Talina Mathews	\$	1,070.45
10/28/2015	5443	Richard Greffe (TX)	\$	948.84
10/28/2015	5438	Minnesota PUC (H. Ham)	\$	940.13
10/28/2015	5448	Tom Stratton (NOCC)	\$	915.47
10/28/2015	5440	Minnesota PUC (H. Ham)	\$	888.75
10/28/2015	5434	Brian Ballinger (MI)	\$	869.17
10/28/2015	5436	Manitoba Minister of Finance(K. Simonsen)	\$	833.00
10/28/2015	5433	Anne McKeon (IL)	\$	807.65
10/28/2015	5444	Werner Roth (TX)	\$	802.82
10/28/2015	5435	Kurt Simonsen (MB)	\$	731.17

10/28/2015	5447	Amy Schmelzer (OMS)	\$	714.00
10/28/2015	5430	Combined Systems Technology (CST)	\$	106.00
10/28/2015	5445	Colleen Dougherty (OMS)	\$	67.00
10/30/2015	EFT	Expert Plan - MG Trust Co.	\$	2,345.56

Total Disbursements - Checks and Charges

\$ 133,934.02

CHECKING ACCOUNT BALANCE at 10/31/2015

\$ 29,090.82

TOTAL Certificates of Deposit, Savings and Checking Account Balances as of: 10/31/2015

\$ 49,433.73

CHASE CHECKING ACCOUNT RECONCILIATION

Bank Balance 10/31/2015 \$ 62,017.26

Less Checks Outstanding

7/8/2015	5263	Jerry Lein (North Dakota)	\$	398.12
7/19/2015	5283	Bill Smith	\$	32.00
9/30/2015	5383	Kirk Bushman (MT)	\$	1,699.37
9/30/2015	5380	Sally Talberg (Michigan)	\$	415.14
9/30/2015	5399	Colleen Dougherty (OMS)	\$	155.25
10/14/2015	5419	Adam McKinnie (Missouri)	\$	1,011.08
10/14/2015	5421	Jerry Lein (North Dakota)	\$	376.78
10/28/2015	5431	Capital Hotel	\$	6,589.33
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10/30/2015	EFT	Expert Plan - MG Trust Co.	\$	2,345.56

Total Outstanding Checks

\$ 32,926.44

Book Balance 10/31/2015

\$ 29,090.82

\* Two voided checks from July 2015 (#5298 and #5312) were inadvertently included in Total Checks outstanding in October 2015. A further adjustment of (\$1.36) was needed to correct the 401K contributions in October 2015. This results in a corrected book balance of \$84,273.90 as of 9/30/2015.

# OMS

## OMS Treasurer Report for Month of October 2015

### Wells Fargo Business Performance Savings Account

Beginning Balance	20,342.39	
Interest Earned this Month	0.52	
Ending Balance		<u><u>20,342.91</u></u>

### Chase Bank One Checking Account

Beginning Balance	84,273.90	
Total Disbursements	(133,934.02)	
Deposits/Interest/Adjustments	<u>78,750.94</u>	
Ending Balance		<u><u>29,090.82</u></u>
Ending Bank Balance	62,017.26	
Outstanding Checks and Deposits	<u>(32,926.44)</u>	
Book Balance	<u><u>29,090.82</u></u>	

**Total Savings & Checking Balances as of October 31, 2015** 49,433.73

27 checks outstanding at 10/31/2015



		2015 Budget	2015 YTD Actuals	% of YTD	
<b>INCOME</b>					
1	MISO Grant	\$ 945,000.00	\$ 866,250.00	92%	<i>Monthly remittance from MISO</i>
2	Interest - Checking Account and Savings	\$ -	\$ 6.78		<i>Interest paid on Chase Checking Account and Wells Fargo Savings</i>
4	Miscellaneous Revenue	\$ 75,000.00	\$ -		<i>Misc. revenue (VISA Rebates, EGEAS Grant, Travel Refunds)</i>
<b>TOTAL INCOME</b>		\$ 1,020,000.00	\$ 866,256.78	85%	
<b>Monthly Allotment</b>		\$ 78,750.00			

**Budget Category Explanations**

*Monthly remittance from MISO*  
*Interest paid on Chase Checking Account and Wells Fargo Savings*  
*Misc. revenue (VISA Rebates, EGEAS Grant, Travel Refunds)*

**EXPENSES**

		2015 Budget	2015 YTD Actuals	% of YTD	
<b>Personnel Compensation &amp; Benefits</b>					
<i>Includes: salary &amp; taxes, 401(k) match, bar dues, etc...</i>					
5	Compensation - Executive Director/Director Emeritus/Bill	\$ 161,000.00	\$ 91,867.36	57%	<i>Bill Smith 2015+ Retirement Bonus</i>
5b	Compensation - Executive Director Tanya	\$ -	\$ 58,151.03		<i>Tanya Paslawski 2015</i>
5c	Compensation - Deputy Executive Director	\$ 144,000.00	\$ 58,118.43	40%	<i>Tanya Paslawski 2015</i>
6	Compensation - Director Member Svcs	\$ -	\$ 5,913.06		<i>Talina Mathews 2015</i>
7	Compensation - Office Manager	\$ 136,000.00	\$ 100,404.79	74%	<i>Colleen Dougherty only in 2015</i>
8	Compensation - PT Office Assistant	\$ 18,000.00	\$ 15,580.42	87%	<i>Amy Schmelzer 2015</i>
9	Compensation - Health Benefits	\$ -	\$ -		<i>Cost under investigation; Personnel Cmte approval needed</i>
<b>Total Personnel Compensation &amp; Benefits</b>		\$ 459,000.00	\$ 330,035.09	72%	

*Includes: salary & taxes, 401(k) match, bar dues, etc...*

*Bill Smith 2015+ Retirement Bonus*  
*Tanya Paslawski 2015*  
*Tanya Paslawski 2015*  
*Talina Mathews 2015*  
*Colleen Dougherty only in 2015*  
*Amy Schmelzer 2015*  
*Cost under investigation; Personnel Cmte approval needed*

		2015 Budget	2015 YTD Actuals	% of YTD	
<b>Other Personnel Expenses</b>					
10	Staff Training	\$ 20,000.00	\$ 2,029.00	10%	<i>Training materials &amp; seminars. Vendors include: New Horizon, Fred</i>
11	Monthly Payroll & 401(K) Fees	\$ 1,000.00	\$ 1,877.21	188%	<i>Payroll &amp; 401(k) processing. Vendors: Paychex Online &amp; Ascensus</i>
<b>Total Other Personnel Expenses</b>		\$ 21,000.00	\$ 3,906.21	19%	

*Training materials & seminars. Vendors include: New Horizon, Fred*  
*Payroll & 401(k) processing. Vendors: Paychex Online & Ascensus*

		2015 Budget	2015 YTD Actuals	% of YTD	
<b>Office Expenses</b>					
12	Computers <i>Hardware, software &amp; peripherals</i>	\$ 10,000.00	\$ 4,836.17	48%	<i>OMS Computers, software (programs, licenses &amp; upgrades), monitors, firewall, desktop printers, etc. Vendor: CST</i>
13	Computer Support <i>outside maintenance, spam filtering, anti-virus updates, etc</i>	\$ 11,000.00	\$ 7,047.72	64%	<i>Outside computer support (block time), spam filtering &amp; anti-virus subscriptions, etc. Vendor: CST</i>

**Budget Category Explanations**

*OMS Computers, software (programs, licenses & upgrades), monitors, firewall, desktop printers, etc. Vendor: CST*  
*Outside computer support (block time), spam filtering & anti-virus subscriptions, etc. Vendor: CST*

		2015 Budget	2015 YTD Actuals	% of YTD	
14	Websites <i>misostates.org &amp; OMS Sharepoint site hosting, support, licenses, &amp; domain fees</i>	\$ 2,000.00	\$ 10,659.56	533%	<i>Website domain fees &amp; hosting costs. Outside support for misostates.org &amp; OMS Sharepoint site. Vendors: DSM, Thor Projects, Microsoft, GoDaddy</i>
15	EGEAS software & licenses	\$ 30,685.00	\$ 34,135.00	111%	<i>EGEAS software costs. Vendors: Ventyx &amp; ABB Software. These costs were previously covered by MISO but, at their request, OMS has assumed the costs in its budget starting in 2016.</i>
16	Employee Cell Phone Reimbursement	\$ -	\$ 2,110.91		<i>\$50/month reimbursements to ED, DED &amp; OM &amp; \$68.99/month for ED laptop wifi</i>
17	Furniture/Office Equipment	\$ 4,500.00	\$ 708.87	16%	<i>Deprecable office furniture &amp; equipment. Vendors: Triplett &amp; Premier Copiers</i>
18	Rent, Parking & Office Operating Expenses	\$ 24,000.00	\$ 18,746.42	78%	<i>Office rent, parking &amp; operating expenses. Vendor: 100 Court (Terrus)</i>
19	Postage, shipping & delivery	\$ 500.00	\$ 417.19	83%	<i>Vendors: USPS, FedEx, King Delivery</i>
20	Printing & copying	\$ 1,500.00	\$ 1,113.20	74%	<i>Includes: monthly copier contract &amp; toner for desktop copier/printer.</i>
21	Supplies	\$ 2,500.00	\$ 1,874.08	75%	<i>Consumable office supplies. Vendor: Triplett &amp; Crystal Clear Water</i>

*Website domain fees & hosting costs. Outside support for misostates.org & OMS Sharepoint site. Vendors: DSM, Thor Projects, Microsoft, GoDaddy*  
*EGEAS software costs. Vendors: Ventyx & ABB Software. These costs were previously covered by MISO but, at their request, OMS has assumed the costs in its budget starting in 2016.*  
*\$50/month reimbursements to ED, DED & OM & \$68.99/month for ED laptop wifi*  
*Deprecable office furniture & equipment. Vendors: Triplett & Premier Copiers*  
*Office rent, parking & operating expenses. Vendor: 100 Court (Terrus)*  
*Vendors: USPS, FedEx, King Delivery*  
*Includes: monthly copier contract & toner for desktop copier/printer.*  
*Consumable office supplies. Vendor: Triplett & Crystal Clear Water*

22	Phone, Fax & Internet	\$ 5,000.00	\$ 7,217.95	144%	Office phone & internet & ipad wifi. Vendors: Enventis, American Business Phones, Verizon
23	Miscellaneous Office Expenses	\$ -	\$ 738.11		Any other office expenses
<b>Total Office Expenses</b>		\$ 91,685.00	\$ 89,605.18	98%	
<b>Membership/Program Support Expenses</b>					
24	Teleconferencing	\$ 12,000.00	\$ 5,428.68	45%	Telephone & web conference costs. Vendors: Intercall, WebEx
25	Membership Subscriptions	\$ 50,000.00	\$ 61,462.50	123%	Publication subscriptions for OMS members. Vendors: RTO Insider, CES, Energy Data
26	Program Legal	\$ 20,000.00	\$ 112,820.70	564%	Legal expenses <i>on behalf of OMS membership</i> . Example: counsel for ROE litigation. Vendor: Jennings Strouss
27	Program Professional	\$ -	\$ -		Other professional (consulting) expenses incurred <i>on behalf of OMS membership</i>
<b>Total Membership/Program Support Expenses</b>		\$ 82,000.00	\$ 179,711.88	219%	
<b>Organizational (Corp) Expenses</b>					
28	Accounting, Audit & Tax	\$ 6,000.00	\$ 7,855.10	131%	Vendor: Ryun, Givens
29	Corporation	\$ 500.00	\$ 157.14	31%	Costs associated with the business existence of OMS. Vendors: The Company Corporation, Indiana Secretary of State
30	OMS Legal	\$ -	\$ -		Potential legal expenses incurred <i>on behalf of the management of</i>
31	OMS Professional	\$ -	\$ -		Other professional (consulting) expenses incurred <i>on behalf of the</i>
<b>Total Organizational (Corp) Expenses</b>		\$ 6,500.00	\$ 8,012.24	123%	
<b>Insurance Expenses</b>					
32	Directors & Officers	\$ 4,000.00	\$ 1,338.00	33%	Vendor: The Novick Group
33	General Office + other	\$ 3,000.00	\$ 936.00	31%	Includes: General office, auto, crime & umbrella liability policies, aslo
34	Workers Comp	\$ 3,000.00	\$ 1,661.00	55%	Vendor: Liberty Mutual
<b>Total Insurance Expenses</b>		\$ 10,000.00	\$ 3,935.00	39%	
<b>Travel Expenses</b>					
35	Consumer Advocate	\$ 30,000.00	\$ 19,175.99	64%	Travel expenses are regardless of meeting type or traveler. Including All travel expenses related to Consumer Advcoates
36	Member	\$ 215,000.00	\$ 150,947.50	70%	All travel expenses related to OMS member travel
37	OMS Staff	\$ 89,000.00	\$ 57,650.76	65%	All travel expenses related to OMS staff travel
<b>Total Travel Expenses</b>		\$ 334,000.00	\$ 227,774.25	68%	
<b>Meeting Expenses</b>					
38	Annual Meeting	\$ 6,000.00	\$ 22,513.87	375%	Expenses related to the OMS Annual Meeting. Includes: location costs, awards, group meals, recognition dinners, and speaker costs (including travel)
39	Other Meetings (includes Grid School Tuition/Travel)	\$ 12,500.00	\$ 35,368.30	283%	Expenses related to any other OMS meeting. Includes: commission visits, training, on-site meetings of the EC or Board, group meals, supplies, and speaker costs (including travel)
<b>Total Meeting Expenses</b>		\$ 18,500.00	\$ 57,882.17	313%	
<b>TOTAL INCOME</b>		\$ 1,020,000.00	\$ 866,256.78	85%	

40 TOTAL EXPENSES  
41 INCOME-EXPENSES

\$ 1,022,685.00	\$ 900,862.02	88%
\$ (2,685.00)	\$ (34,605.24)	



## Organization of MISO States

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### **OMS Executive Director Report November 12, 2015**

#### **FERC**

- Oral arguments took place before the Administrative Law Judge in the MISO Transmission Owner ROE case (EL14-12) on October 26<sup>th</sup>. The ALJs decision is due November 30<sup>th</sup>.
- OMS filed post-technical conference comments November 11<sup>th</sup> on the October 20<sup>th</sup> technical conference related to the MISO Zone 4 PRA Complaint (EL15-70, et. al.).
- A doc-less intervention was filed in the docket to eliminate the hurdle rate, a companion filing to the SPP settlement (ER16-56).

#### **MISO**

- Commissioner Jacobs and Tanya participated in the MISO stakeholder process review workshop in Carmel on November 3<sup>rd</sup>.
- OMS and MISO will be holding a Fall Seminar November 18<sup>th</sup> and 19<sup>th</sup> in Carmel to provide an opportunity for in-depth discussion on current issues within MISO.

#### **Public Relations and Other Meetings**

- The OMS Annual Meeting was held in Little Rock on October 19<sup>th</sup>.
- Bill and Tanya attended the NARUC meeting in Austin November 6<sup>th</sup> - 11<sup>th</sup>.
- Bill participated in a NARUC trip to Cambodia November 1<sup>st</sup> – 5<sup>th</sup>.

<b>Docket</b>	<b>Topic</b>	<b>Description</b>	<b>WG</b>	<b>Most Recent Activity</b>	<b>Next Activity</b>
ER14-2445	MISO-SPP	Hurdle rate filing	SWG	Rehearing requests filed by a number of parties	Filing under separate docket made to eliminate hurdle rate
EL11-34 * consolidated with EL14-21. EL14-30, ER14- 1174	MISO-SPP Dispute	Declaratory Order on applicability of JOA Section 5.2	SWG	Settlement filed Oct 13	Awaiting FERC action
ER16-56	MISO-SPP	Hurdle rate filing elimination	SWG		Doc-less intervention filed Nov 3
ER14-1736	MISO-SPP Dispute	MISO filed to allocate costs pro rata to market participants on load ratio share	TCAWG	Settlement negotiations continue	Next settlement conference Dec 2
EL15-70	Zone 4 PRA Complaint	Public Citizen		Staff technical conference scheduled 10/20	Post technical conference comments filed Nov 4
EL15-71	Zone 4 PRA Complaint	Illinois Attorney General		Staff technical conference scheduled 10/21	Post technical conference comments filed Nov 5
EL15-72	Zone 4 PRA Complaint	Southwestern Electric Power Cooperative		Staff technical conference scheduled 10/22	Post technical conference comments filed Nov 6
RM10-17	Order 745 Compliance	Compensation for demand response	DRTWG	DC circuit granted a stay in order for FERC to file for writ with the USSC	USSC argument October 14: 14-840 FERC V. ELECTRIC POWER SUPPLY and 14-841
ER12-1265	Order 719 Compliance	Demand response resources in wholesale markets	DRTWG	Latest compliance filing 9/30/13	Waiting for FERC Order
RM15-24	Price Formation	Aligns time intervals for dispatch and settlement of real-time and operating reserves and shortage pricing intervals	MTWG	NOPR issued Sep 17	Comments due Nov 30

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ER12-1194	MVP ARRs		MTWG	First Energy rehearing request pending; MISO filed an answer to the rehearing request on	Awaiting FERC action
AD14-14	Price Formation Technical Conference	Exploration of price issues related to ensure adequate supplies of electricity	MTWG	OMS comments filed 3/2/15	Waiting for FERC policy response
EL14-12	Return on Equity	Complaint against MISO TO ROE	ROE	Oral arguments held Oct 26	ALJ decision expected Nov 30
EL15-45	Return on Equity	Complaint (2nd) against MISO TO ROE	ROE	Direct testimony filed Sep 2	TO testimony due Oct 20 Staff testimony due Nov 23 Hearing begins Feb 16
AD14-8	Fuel Assurance	Report to FERC on fuel assurance measures by RTOs	RWG	OMS comments submitted 4/21/15	Awaiting FERC action
RM14-2	Gas-Electric Coordination	Notice of Proposed Rulemaking	RWG	Rehearing Order issued Sep 17, 2015	NAESB report on computerized gas scheduling due Oct 17
ER11-4081	Module E	Revisions to adopt a voluntary capacity market and MOPR	RWG	OMS filed objection to motion by suppliers to require implementation of a 3 year capacity market	Waiting for FERC Order on rehearing of June 11, 2012 order
AD14-3	MISO-PJM	JCM Issues	SWG	Reply comments filed 6/15/15	FERC decision in the fullness of time
EL13-88	MISO-PJM	NIPSCO complaint	SWG	Technical conference 6/15/15; Reply comments filed 8/31/15	Awaiting FERC action
ER13-1937	Order 1000 Compliance	MISO-SPP Interregional Compliance	SWG	Compliance filing Aug18, 2015; protests filed Sep 8; answers filed Sep 23	Awaiting FERC action

Docket	Topic	Description	WG	Most Recent Activity	Next Activity
EL14-19 # consolidated with ER13-948, ER14-649 and EER14-1645	Entergy Integration	206 proceeding to determine the reasonableness of Entergy switching to MISO RTOR	SWG	Partial settlement filed July 31. Comments / reply comments filed Sep 9 and 21. Settlement does not include RTOR.	RTOT issues: Track II procedural schedule resumes - prehearing conference Oct 6
EL14-21 *	MISO-SPP Dispute	SPP complaint for violation of the JOA	SWG	Settlement filed Oct 14	Awaiting FERC action
EL14-30 *	MISO-SPP Dispute	MISO complaint	SWG	Settlement filed Oct 15	Awaiting FERC action
ER14-1174 *	MISO-SPP Dispute	Service agreement	SWG	Settlement filed Oct 16	Awaiting FERC action
ER14-2850	WAPA Integration into SPP	Concerns about impact of cost allocation to MISO under the SPP system agreement	SWG	Settlement conf Sep 9	ALJ Order Sep 28 sets next Settlement conference Oct 23
ER10-1791-003	MVP Cost Allocation	7th Circuit remand to FERC on cost allocation to PJM	TCAWG	Reply comments filed 6/22/15	Awaiting FERC action
ER12-715	Exit Fees	Departing members responsibility for MVP costs	TCAWG	Initial ALJ decision issued 7/16/13, briefs filed Sep 2013	Waiting for FERC order
EL15-86	Competitive Development bids	Request for Declaratory Oder that binding revenue requirement bids are just and reasonable when selected	TPWG	Complaint filed July 28; motion to dismiss etc Aug 21	Awaiting FERC action
ER13-1943	Order 1000 Compliance	MISO-PJM interregional compliance	TPWG	Compliance filing Aug 1	Awaiting FERC action
ER15-2657	TDQS Requirements	Rules applicable to competitively bid transmission projects	TPWG	OMS filed doc-less intervention 10/7/15	
EL15-99	Internal MISO generation	External generators are not required to pay the M2 Milestone payment in generator study queue		Complaint Sep 4, 2015 MISO answer Sep 24	Awaiting FERC action
EL13-76	SSR	Ameren requests addition of fixed costs (depreciation, return, taxes) to SSR payments		FERC order of March 31, 2015 consolidates dockets and settlement procedures	Order on rehearing issued Oct 15

<b>Docket</b>	<b>Topic</b>	<b>Description</b>	<b>WG</b>	<b>Most Recent Activity</b>	<b>Next Activity</b>
ER12-2302-001	SSR	Enhancements to SSR provisions to clarify intent of Attach Y filings, calculation of costs, etc.		MISO compliance filing submitted 9/19/14	Waiting for FERC Order
ER13-1962	SSR	Ameren SSR rate		FERC order of March 31, 2015 consolidates dockets and settlement procedures	Settlement negotiations continue
ER14-1210	SSR	Ameren non-rate terms and conditions		FERC order of March 31, 2015 consolidates dockets and settlement procedures	Order on rehearing issued Oct 15
ER14-2605	SSR	Ameren		MISO compliance filing submitted 9/2/14	Order on rehearing issued Oct 15
ER15-346	SSR	Ameren SSR agreement compliance		FERC order of March 31, 2015 consolidates dockets and settlement procedures	Settlement negotiations continue



MISO Advisory Committee  
December 9, 2015  
Hot Topic: Clean Power Plan  
Organization of MISO States (OMS) Response  
For the State Regulatory Sector

**Introduction:**

The Organization of MISO States (OMS) appreciates this opportunity to provide the MISO Board of Directors, MISO Staff and other stakeholders with the State Regulatory Authorities' sector perspective on the questions presented on the Clean Power Plan<sup>1</sup>. The OMS Hot Topic Comments are to facilitate further discussion at MISO and expand the knowledge base among MISO stakeholders. There are twenty-seven states<sup>2</sup> suing the US EPA over the Clean Power Plan in the U.S. Court of Appeals for the District of Columbia, with a majority of OMS members, twelve, litigating this federal issue, and expressing that harm may be imposed on these OMS member states with implementation of the final rule of the Clean Power Plan. The twelve states<sup>3</sup> include; Arkansas, Indiana, Kentucky, Louisiana, Michigan, Mississippi, Missouri, Montana, North Dakota, South Dakota, Texas and Wisconsin. OMS draws no conclusion from the fact that its members are engaged in litigation, but does look forward to the opportunity to provide feedback on the Hot Topic and responding to any questions or follow up on these responses<sup>4</sup>.

**1. What roles should MISO have regarding the Clean Power Plan rule beyond the stakeholder-vetted analysis MISO is already conducting and other stakeholder requested studies that align with MISO's ongoing analysis?**

MISO is not the entity responsible for compliance plans regarding the CPP; the states are responsible for both filing a compliance plan and ensuring its implementation, either with or instead of, its affected generating entities. However, because of its geographical size, its resources, and its expertise, MISO is uniquely situated to help inform the states' decision makers. MISO's role initially should be limited to analysis, providing information to the states and asset owners. This modeling should be undertaken with the goal of informing/educating states regarding the likely impact of various compliance options on system reliability and the

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<sup>1</sup> The Manitoba Public Utilities Board and the North Dakota Public Service Commission abstain from these comments.

<sup>2</sup> The use of the term "states" here is used to identify states which through various authorities or elected officials acting on their own behalf have filed action with the court.

<sup>3</sup> *Id.*

<sup>4</sup> Texas, Kentucky, Arkansas and Montana participate in these comments as members of the OMS Committee, but believe that the Clean Power Plan is unjustified and without a legal basis on a number of grounds. Consequently, these states have joined with other plaintiffs in a multistate litigation to overturn the plan.

efficiency of the wholesale energy market. This should take the form of scenario modeling and sensitivity analyses.

Ultimately, MISO will be charged with incorporating the states' decisions on CPP compliance into its markets, planning and operations. If those decisions result in some states choosing to "go it alone", some choosing to be trading ready, some choosing rate-based or mass-based compliance, or taking legal action against the EPA, such decisions are the states'. MISO should focus on how to best operate a reliable system in these conditions.

The EPA identifies a role for the reliability coordinator in an individual state's CPP compliance plan development. States, at a minimum, have to document that their plan considered reliability; this may be in the form of consultation with reliability and planning agencies. MISO should currently be working with stakeholders in developing the processes to be in place prior to the deadlines for state submittals set forth by the EPA. Such process development should include the identification of the timeframe necessary for MISO's evaluation as well as the development of the appropriate documentation.

MISO should work with the other RTOs to ensure that the centralized markets accommodate, and do not constrain, participation by LSEs and generators that may need to manage renewable energy credits or CO<sub>2</sub> allowances across state and RTO boundaries. MISO should not engage in holding or managing renewable energy credits or CO<sub>2</sub> allowances for market participants and, absent the concurrence of member states, should not itself pursue development of a credit or allowance market.

**2. How should MISO use its regional planning and analytical capabilities to help you identify and develop Clean Power Plan implementation strategies that meet your policy and operational objectives and the interests of your end-use customers?**

MISO modeling that provides state by state and regional economic and reliability impacts of different approaches under a variety of scenarios that help the economic and environmental regulators make informed decision should be the focus. This modeling should be undertaken with the additional goal of informing/educating states regarding the likely impact of various compliance options on the reliability impacts to daily operations, as well as the impact on the wholesale market. Especially helpful would be modeling to help states see where retirement of units due to CPP compliance could potentially cause a MISO reliability or a state resource adequacy issue, for example units that must continue to run yet would face CPP-imposed penalties.

Stakeholders, including the OMS, need to understand what market dispatch options are available to optimize the economics of compliance without reliability issues so they can provide feedback. The stakeholders developing and impacted by the CPP include parties not usually involved in MISO stakeholder processes, such as the environmental regulators and the governors' offices in the 15 states in the footprint. The objectives of these parties may differ from the objectives of the stakeholder groups that MISO is accustomed to dealing with. MISO should be aware of and sensitive to this. When asked, MISO should share information with other external groups in the footprint, including but not limited to Midcontinent States Energy and Environmental Regulators (MSEER), the Midwest Governors Association, the Southern Governors Association, and

neighboring Regional State Committees. This information sharing should be transparent, with all parties afforded the same opportunity.

MISO should facilitate multiple RTO and non-RTO regional modeling efforts by information sharing, or engaging in joint modeling exercises in the Eastern Interconnection. MISO's engagement may include participation in interregional groups. Only one of the states in MISO has RTO membership solely and completely within MISO -- Wisconsin. It is imperative that RTOs and entities in non-RTO regions work together to allow individual states and RTOs' actions to be considered across all seams as "seamlessly" as possible, in full recognition that there are seams issues among and between states, and RTO regions, absent the CPP. The US EPA set the CPP goals for the individual states based in part on the resources available in the entire Eastern Interconnection assuming no boundaries. MISO, along with the other regional entities, should analyze the adequacy of the bulk electric system in this context. The analysis should take into account and inform decision makers on the lead time necessary to have transmission and non-transmission solutions in place by compliance deadlines. None of this is to say that transmission planning including non-transmission solutions be driven by the CPP, but that the planning be informed by the modeling done in relation to the CPP in the Eastern Interconnection.

While OMS is aware that many stakeholders will be requesting that MISO provide information on the impact of the CPP on electricity rates in the MISO footprint, any modeling that attempts to estimate rate impacts should be kept at a high level because of all the uncertainties around the actions of individual states in the footprint. However, MISO should provide states in the footprint the result of any analysis on the impacts of the CPP on the efficiency of the wholesale market, just as it should with regard to the reliability of the system. MISO should continue to hold high level briefings with the regular stakeholder committees in a manner adapted to the redesign process. MISO should further continue to work with states and their commission modeling efforts and review, especially when it comes to transparency and use of demand response, energy efficiency, and distributed generation inputs. Modeling with a range of input values for these variables could ensure that no one compliance option is favored in the model outputs.

### **3. What should MISO do to help you to better understand the rate-based and the mass-based compliance options that states can choose between under the final Clean Power Plan?**

As states develop their response to the CPP, they may explore whether trading in a mass-based or rate-based system is appropriate for their state. MISO's scenario modeling can inform the states' decisions regarding the compliance pathway appropriate for their state. This modeling should also help states and others understand the impact of individual decisions on the operation of a regional wholesale energy market.

Initially, MISO should analyze the system with the following simplifying assumptions: 1) all states choosing rate-based plans with and without trading; 2) with all states choosing mass-based plans with and without trading, and 3) one variation of a split between rate- and mass-based plans within the footprint. Variations on participation in trading within the footprint, should follow. The modeling should be representative of general impacts on the system, as the

practicality of running scenarios with all the combinations across the footprint would be time and cost prohibitive. Consultation with a varied range of stakeholders may help MISO narrow down the universe of possible combinations prior to modeling.

**4. The final Clean Power Plan allows and even encourages states and affected electricity generators to trade mass-based emissions allowances or rate-based emissions credits as a means of compliance. Do you have any thoughts on what a multi-state or regional allowance/credit trading program would look like?**

As states develop their responses to the CPP, they may explore whether trading in a mass-based or rate-based system is appropriate for their state. MISO's scenario modeling can help inform the states' decision makers regarding the impact of various trading schemes and combinations of state participation on the reliability of the bulk electric system. This modeling should also help states and others understand the impact of trading allowances or emissions credits on the operation of a regional wholesale energy market.

Unlike in the proposed Clean Power Plan, states are not required to join multistate groups in order to participate in trading. Any group of states choosing to trade together may not be formal, and participation may differ across time. States may or may not participate in trading, or they may participate in trading programs in multiple regions. It would be difficult to accurately predict what a program would look like in the MISO footprint.

**5. How should MISO seek to ensure that the cost savings and operational efficiencies associated with the current regional economic dispatch model are not lost due to Clean Power Plan implementation strategies that could foster state-by-state “environmental” dispatch of energy and a “re-Balkanization” of the regional grid system?**

MISO's role is to ensure the reliability of the bulk power system and the efficient use of the transmission system, subject to given states' energy policies. “Trading ready” states may only be part of the MISO footprint, and other states may choose to go it alone. MISO must be able to implement all states' policy decisions. MISO should not characterize unknown futures with positive or negative terms. MISO's role, as mentioned in the answer to question #1 should be to provide modeling based information to inform policy makers, not advocate a particular compliance plan strategy. Instead, MISO should let the information it provides, including its assumptions, be open, transparent and speak for itself. This information should include the impact of state plans on the efficiency of the regionally co-optimized constrained economic dispatch, as well as the impact on system reliability.

**6. EPA has proposed a “federal” implementation plan that it intends impose on states that either elect or refuse to submit CPP implementation plans of their own.**

*(A) Do you plan to file public comments on EPA's proposed federal implementation plan? If so, what aspects of the draft rule will you focus on, and how could MISO use its planning and analytical capabilities to assist you in that effort?*

OMS is not likely to file comments on the proposed federal implementation plan.

***(B) Do you see any benefits or drawbacks to MISO filing comments on EPA's proposed federal implementation plan? If MISO were to file comments, what should we focus on?***

If MISO has information to share with the US EPA on potential pros and cons of the federal implementation plan, it might be appropriate to file comments, with stakeholder review.