**ORGANIZATION OF MISO STATES, INC.**
**Board of Directors Meeting**
**Conference Call Minutes**
**May 19, 2016**

**Approved June 16, 2016**

Sally Talberg, President of the Organization of MISO States, Inc. (OMS), called the May 19, 2016 meeting of the OMS Board of Directors to order via conference call at approximately 1:00 p.m. (CST). The following board members or their proxies participated in the meeting:

Ted Thomas, Arkansas
Sherina Maye Edwards, Illinois
Angela Weber, Indiana
Libby Jacobs, Iowa
Melissa Watson, proxy for Eric Skrmetta, Louisiana
Regis Gosselin, Manitoba
Sally Talberg, Michigan
Hwikwon Ham, proxy for Matt Schuerger, Minnesota
Sam Mabry, proxy for Brandon Presley, Mississippi
Daniel Hall, Missouri
Phil Movish, proxy for Jason R. Williams, City of New Orleans
Jerry Lein, proxy for Brian Kalk, North Dakota
Greg Rislov, proxy for Gary Hanson, South Dakota
Werner Roth, proxy for Ken Anderson, Texas

Absent
Kentucky
Montana
Wisconsin

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

Others on the call
Chris Miller – FERC
Jan Brinch - EISPC
OMS staff and various staff participants from individual state commissions

**Approval of Minutes from the April 21, 2016 Board Minutes**

The minutes were accepted as submitted.

**Treasurer's Report**

The April 2016 treasurer's report was accepted as submitted.

**Review of the May 5, 2016 Executive Committee Meeting:**

This meeting was cancelled.

**Executive Director's Report**

Tanya Paslawski provided a written report and highlighted the following:

- Update on the 2015 financials and Form 990 preparation and filing;
- Requested input for the 2017 budgeting process;
- Announced the resignations of Talina Mathews and Amy Schmelzer.

## BUSINESS

**1. FERC Update**

Chris Miller provided the FERC update for May. He highlighted the following:

- FERC had an open meeting via webcast only that included the following actions:
  - Received the Summer 2016 Energy Market & Reliability Assessment;
  - Discussion regarding the Aliso Canyon gas leak in California;
  - Joe McClelland testified before the House Committee on Homeland Security regarding GMD & EMT;
- There are a number of upcoming technical conferences in June. Topics include: increasing the day ahead real-time market efficiency and competitive transmission. Both conferences will be available via webcast;
- FERC staff will be at the MARC conference in Bismarck and at the MISO Stakeholders Meeting in Detroit.

**2. EISPC Update**

Jan Brinch provided a written report that was distributed prior to the meeting.

**3. MISO Advisory Committee**

Commissioner Angela Weber provided this report on the Advisory Committee Meeting.

- The next AC meeting is May 25, 2016 and topics will include finalizing the AC priorities.
- The June Hot Topic was supposed to be resource adequacy, but that discussion was moved to September.

**4. MISO Planning Advisory Committee**

Bert Finzer gave the report on the PAC and discussed the following:

- MISO presented its final draft report on its analysis of the EPA's Clean Power Plan and its analysis of the EPA's proposed CSAPR update;
- Update on MTEP '17 futures development;
- MISO also went over the SPP coordination IPSAC study. There was a motion to expand the study, which was not approved. An email vote will distributed to decide whether to do the IPSAC plan with SPP. The motion and recommendation will be distributed to the Board members for consideration.

**5. Update: OMS Seams Policy**

Sally Talberg provided an overview of the discussion that took place adjacent to the OMS/MISO Spring Seminar. The group walked through a set of policy statements to see where the members stood on various seams issues. The next discussion will take place at a Special Board meeting in Detroit on Monday, June 20, 2016 during the MISO Stakeholders Week.

**6. Update: OMS Communications Plan**

Tanya Paslawski reviewed the background for the strategic communications plan. A draft proposal was included in the Board packet for review and input. Reg Gosselin from Manitoba offered to share what they had done in regards to implementing social media. Sally Talberg

suggested further development of the internal communications piece. Chancy Bittner pointed out that the communications plan should align with the process document that is under development.

**7. Update: OMS Process Document**

Janet Wheeler provided an update on how the process of revising the document was proceeding. There have been several scheduling issues in bringing the group together.

**8. Open Mic**

Sally Talberg encouraged everyone to attend the MISO Annual Stakeholders Meeting in Detroit.

**9. Closed Session**

Following the open meeting, the OMS Board moved to closed session to discuss the next two items. The following board members or their proxies participated in the meeting:

Ted Thomas, Arkansas
Sherina Maye Edwards, Illinois
Angela Weber, Indiana
Libby Jacobs, Iowa
Melissa Watson, proxy for Eric Skrmetta, Louisiana
Regis Gosselin, Manitoba
Sally Talberg, Michigan
Hwikwon Ham, proxy for Matt Schuerger, Minnesota
Sam Mabry, proxy for Brandon Presley, Mississippi
Daniel Hall, Missouri
Phil Movish, proxy for Jason R. Williams, City of New Orleans
Jerry Lein, proxy for Brian Kalk, North Dakota
Greg Rislov, proxy for Gary Hanson, South Dakota
Ken Anderson, Texas

Absent
Kentucky
Montana
Wisconsin

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

**Discussion of OMS Comments on Competitive Retail Solution Opt-In Provision**

Pursuant to OMS By-Laws, this item was discussed in closed session. No action was taken during the meeting but a document was circulated for final approval following the meeting.

**Action on OMS Request for Clarification in the NIPSCO Docket EL13-88**

Pursuant to OMS By-Laws, this item was discussed in closed session. No action was taken during the meeting, but a document was circulated for an email vote following the meeting.

**MISO SPP Settlement Update**

Pursuant to OMS By-Laws, this item was discussed in closed session. A proposal was made during the meeting and language was circulated after the meeting to address any concerns by members.

**ADJOURNMENT**

The meeting of the OMS Board of Directors meeting adjourned at approximately 2:43 p.m. (CST).

100 Court Avenue
Suite 315
Des Moines, IA 50309

OMS

Organization of MISO States

The Organization of MISO States Board of Directors will hold its monthly meeting via conference call Thursday, May 19, 2016 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 with a copy to Colleen at colleen@misostates.org to designate a proxy for this meeting.
- At the conclusion of the open session of this meeting, there will be a closed session for OMS members only. The call-in number and conference code will be sent in an email message on the morning of the meeting.

## Agenda

- Call Meeting to Order – Chairman Sally Talberg 1:00
- Attendance, Recognition of Proxies, Declaration of a Quorum – Commissioner Kirk Bushman
- Approval of Minutes from the April 21, 2016 Board meeting – Sally Talberg
- Treasurer's Report/OMS Budget to Actuals for April 2016 – Commissioner Ken Anderson
- Review of Executive Committee meeting on May 5, 2016 – meeting cancelled

## Administrative Update

1. Report from the Executive Director – Tanya Paslawski document 1:05
   - FERC Dockets List document
   - Budget process to start soon
   - OMS Audit and Form 990

## Business

1. FERC Update – Patrick Clarey or Chris Miller 1:10
2. EISPC Update – Jan Brinch 1:15
3. MISO Advisory Committee – Angela Weber 1:20
4. Planning Advisory Committee – Ted Thomas 1:25
5. Update: OMS Seams Policy – Sally Talberg 1:30
6. Update: OMS Communications Plan – Tanya Paslawski document 1:35
7. Update: OMS Process document – Janet Wheeler 1:40
8. Open Mic – membership comment opportunity 1:45
9. Closed Session: 1:50
   - Discussion: OMS Comments on Competitive Retail Solution Opt-in provision document
   - Action Item: OMS Request for Clarification in the NIPSCO case EL13-88 document
   - MISO SPP Settlement Update confidential document

## Announcements

- Work Group updates can be found on the WG Chairs Project List document on SharePoint at https://misostates.sharepoint.com/sites/Workgroups/_layouts/15/start.aspx#/
- Next OMS Executive Committee meeting: Thursday, June 2, 2016 at 1:00 pm CT
- Next regular OMS Board of Directors meeting: Thursday, June 16, 2016 at 1:00 pm CT

## Adjourn 2:00

# OMS

## Organization of MISO States
**Report of the Treasurer**
**Commissioner Ken Anderson, Public Utility Commission of Texas**
**to the Board of Directors**
*Report for April 2016*

## CASH ON HAND

The beginning book balance for the Chase Bank One Checking account on April 1 was $52,731.91. The total disbursements from the checking account for April 2016 amounted to $80,063.28. Deposits, interest and adjustments were $96,624.94 which includes MISO funding of $96,624.05.

As of April 30, 2016, the Chase Bank One checking account balance was $80,595.47 (with 12 check payments outstanding) and the book balance was $69,293.57.

# OMS

**TREASURER'S REPORT**
**Organization of MISO States**
**April 30, 2016**

## Chase Bank One Commercial Checking with Interest

| | | | | | |
|---|---|---|---|---|---|
| **Book Balance as of 3/31/2016** | | | | | **$ 52,731.91** |
| 4/7/2016 | ACH | Midcontinent ISO | $ | 96,624.05 | |
| 4/29/2016 | DEP | Interest on checking | $ | 0.89 | |
| | | **Total Deposits** | | | **$ 96,624.94** |

### Checks and Charges

| Date | Check # | Descriptions | | | |
|---|---|---|---|---|---|
| 04/07/2016 | 5669 | NG Planning LLC - EGEAS Software | $ | 5,600.00 | |
| 04/07/2016 | 5663 | Combined Systems Technology (CST) | $ | 2,348.00 | |
| 04/07/2016 | 5668 | West/Intercall | $ | 826.04 | |
| 04/07/2016 | 5666 | Consolidated Communications | $ | 794.78 | |
| 04/07/2016 | 5664 | Combined Systems Technology (CST) | $ | 201.40 | |
| 04/07/2016 | 5667 | Energy Data LLC | $ | 175.00 | |
| 04/07/2016 | 5665 | 100 Court Investors LLC | $ | 58.60 | |
| 04/07/2016 | 5670 | Crystal Clear Water | $ | 17.57 | |
| 04/12/2016 | 5681 | Minnesota PUC (C. Panait) | $ | 1,561.24 | |
| 04/12/2016 | 5676 | Pradeep Sircar (IN-OUCC) | $ | 1,560.36 | |
| 04/12/2016 | 5683 | Kirk Bushman (MT) | $ | 1,539.60 | |
| 04/12/2016 | 5671 | Christine Ericson (Illinois) | $ | 1,502.57 | |
| 04/12/2016 | 5686 | Wisconsin PSC (M. Huebsch) | $ | 1,383.22 | |
| 04/12/2016 | 5675 | David Johnston (IN) | $ | 1,328.14 | |
| 04/12/2016 | 5684 | Diane Hopingardner (TX) | $ | 1,296.53 | |
| 04/12/2016 | 5682 | Adam McKinnie (Missouri) | $ | 1,246.31 | |
| 04/12/2016 | 5673 | Angela Weber (IN) | $ | 1,240.18 | |
| 04/12/2016 | 5677 | Bonnie Janssen (MI) | $ | 1,209.05 | |
| 04/12/2016 | 5674 | Brad Pope (IN) | $ | 1,135.95 | |
| 04/12/2016 | 5687 | Wisconsin PSC (T. Hatchell) | $ | 1,066.41 | |
| 04/12/2016 | 5678 | Erik Hanser (MI) | $ | 928.06 | |
| 04/12/2016 | 5672 | Sherina Maye Edwards (IL) | $ | 927.75 | |
| 04/12/2016 | 5679 | Sally Talberg (Michigan) | $ | 529.04 | |
| 04/12/2016 | 5685 | Wisconsin PSC (Don Neumeyer) | $ | 312.98 | |
| 04/15/2016 | Payroll 1 | Payroll | $ | 14,537.20 | |
| 04/18/2016 | 5692 | Minnesota PUC (H. Ham) | $ | 1,489.02 | |
| 04/18/2016 | 5693 | Wisconsin PSC (Don Neumeyer) | $ | 1,039.90 | |
| 04/18/2016 | 5695 | Wisconsin PSC (J. Wheeler) | $ | 790.02 | |
| 04/18/2016 | 5696 | Wisconsin PSC (Lori Sakk) | $ | 785.93 | |
| 04/18/2016 | 5694 | Wisconsin PSC (Don Neumeyer) | $ | 723.97 | |
| 04/18/2016 | 5697 | Wisconsin PSC (M. Hawkins) | $ | 673.13 | |
| 04/18/2016 | 5688 | Combined Systems Technology (CST) | $ | 90.00 | |
| 04/27/2016 | w/d | VISA (Chase Bank One) | $ | 5,401.63 | |
| 04/27/2016 | 5700 | Combined Systems Technology (CST) | $ | 47.70 | |
| 04/27/2016 | 5699 | Combined Systems Technology (CST) | $ | 31.80 | |
| 04/29/2016 | Payroll 1 | Payroll | $ | 14,829.75 | |
| 04/12/2016 | 5680 | State of Michigan (Sally Talberg) | $ | 209.92 | |
| 04/18/2016 | 5690 | State of Iowa (S. Bents) | $ | 1,315.74 | |
| 04/18/2016 | 5689 | State of Iowa (Chancy Bittner) | $ | 982.72 | |
| 04/18/2016 | 5691 | State of Iowa (V. Bujimalla) | $ | 925.40 | |
| 04/25/2016 | 5698 | Adam McKinnie (Missouri) | $ | 161.84 | |
| 04/27/2016 | 5702 | Customized Energy Solutions | $ | 3,500.00 | |
| 04/27/2016 | 5701 | 100 Court Investors LLC | $ | 1,758.98 | |
| 04/27/2016 | 5703 | Premier Copiers | $ | 59.78 | |
| 04/28/2016 | 5707 | Talina Mathews | $ | 970.70 | |
| 04/28/2016 | 5705 | Ted Thomas (AR) | $ | 703.18 | |
| 04/28/2016 | 5706 | Talina Mathews | $ | 488.12 | |
| 04/28/2016 | 5704 | Bonnie Janssen (MI) | $ | 225.52 | |
| 02/04/2016 | 5604 | Adam McKinnie (Missouri) | $ | (161.84) | voided check |
| 12/23/2015 | 5586 | Sally Talberg (Michigan) | $ | (305.61) | voided check |

| | | |
|---|---|---|
| **Total Disbursements - Checks and Charges** | | **$ 80,063.28** |
| **CHECKING ACCOUNT BOOK BALANCE at 4/30/2016** | | **$ 69,293.57** |

## CHASE CHECKING ACCOUNT RECONCILIATION

| | | | | | |
|---|---|---|---|---|---|
| **Bank Balance 4/30/2016** | | | | $ 80,595.47 | |
| **Less Checks Outstanding** | | | | | |
| 04/12/2016 | 5680 | State of Michigan (Sally Talberg) | $ 209.92 | | |
| 04/18/2016 | 5690 | State of Iowa (S. Bents) | $ 1,315.74 | | |
| 04/18/2016 | 5689 | State of Iowa (Chancy Bittner) | $ 982.72 | | |
| 04/18/2016 | 5691 | State of Iowa (V. Bujimalla) | $ 925.40 | | |
| 04/25/2016 | 5698 | Adam McKinnie (Missouri) | $ 161.84 | | |
| 04/27/2016 | 5702 | Customized Energy Solutions | $ 3,500.00 | | |
| 04/27/2016 | 5701 | 100 Court Investors LLC | $ 1,758.98 | | |
| 04/27/2016 | 5703 | Premier Copiers | $ 59.78 | | |
| 04/28/2016 | 5707 | Talina Mathews | $ 970.70 | | |
| 04/28/2016 | 5705 | Ted Thomas (AR) | $ 703.18 | | |
| 04/28/2016 | 5706 | Talina Mathews | $ 488.12 | | |
| 04/28/2016 | 5704 | Bonnie Janssen (MI) | $ 225.52 | | |
| **Total Outstanding Checks** | | | | $ 11,301.90 | |
| **Book Balance 4/30/2016** | | | | | $ 69,293.57 |

# OMS

## OMS Treasurer Report for Month of April 2016

**Chase Bank One Checking Account**

| | | |
|---|---|---|
| Beginning Book Balance | 52,731.91 | |
| Total Disbursements | (80,063.28) | |
| Deposits/Interest/Adjustments | 96,624.94 | |
| Ending Book Balance | | **69,293.57** |
| Ending Bank Balance | 80,595.47 | |
| Outstanding Checks and Deposits | (11,301.90) | |
| **Checking Account Book Balance as of April 30, 2016** | | **69,293.57** |

12 checks outstanding at 4/30/2016

| | | Budget | 2016 YTD Actuals | % of Budget YTD |
|---|---|---|---|---|
| | **INCOME** | | | |
| 1 | MISO Grant | $ 1,155,888.61 | $ 483,120.25 | 42% |
| 2 | Interest - Checking Account and Savings | $ - | $ 3.75 | |
| 4 | Miscellaneous Revenue | $ - | $ 1,655.32 | |
| | **TOTAL INCOME** | $ 1,155,888.61 | $ 484,779.32 | 42% |
| | **Monthly Allotment** | $ 96,324.05 | | |
| | **EXPENSES** | | | |
| | **Personnel Compensation & Benefits** | | | |
| 5 | Compensation - Director Emeritus | $ 15,000.00 | $ 6,418.23 | 43% |
| 5b | Compensation - Executive Director | $ 140,079.24 | $ 47,331.31 | 34% |
| 6 | Compensation - Director Member Svcs | $ 103,287.00 | $ 34,420.97 | 33% |
| 7 | Compensation - Office Manager | $ 81,242.52 | $ 27,119.20 | 33% |
| 8 | Compensation - PT Office Assistant | $ 21,154.85 | $ 4,689.07 | 22% |
| 9 | Compensation - Health Benefits | $ 36,000.00 | $ 3,454.50 | 10% |
| | **Total Personnel Compensation & Benefits** | $ 360,763.61 | $ 123,433.28 | 34% |
| | **Other Personnel Expenses** | | | |
| 10 | Staff Training | $ 2,000.00 | $ 5,020.00 | 251% |
| 11 | Monthly Payroll & 401(K) Fees *Includes WC Insurance | $ 8,525.00 | $ 2,618.59 | 31% |
| | **Total Other Personnel Expenses** | $ 10,525.00 | $ 7,638.59 | 73% |
| | **Office Expenses** | | | |
| 12 | Computers | $ 5,000.00 | $ - | 0% |
| | *Hardware, software & peripharies* | | | |
| 13 | Computer Support | $ 8,000.00 | $ 3,450.30 | 43% |
| | *outside maintenance, spam filtering, anti-virus updates, etc* | | | |
| 14 | Websites | $ 8,520.00 | $ 533.99 | 6% |
| | *misostates.org & OMS Sharepoint site hosting, support, licenses, & domain fees* | | | |

| | | | | |
|---|---|---|---|---|
| 15 | EGEAS software & licenses | $ 225,000.00 | $ 65,600.00 | 29% |
| 16 | Employee Cell Phone Reimbursement | $ 1,800.00 | $ 600.00 | 33% |
| 17 | Furniture/Office Equipment | $ 2,000.00 | $ - | 0% |
| 18 | Rent, Parking & Office Operating Expenses | $ 24,000.00 | $ 10,612.48 | 44% |
| 19 | Postage, shipping & delivery | $ 500.00 | $ 225.42 | 45% |
| 20 | Printing & copying | $ 1,500.00 | $ 239.12 | 16% |
| 21 | Supplies | $ 3,600.00 | $ 512.42 | 14% |
| 22 | Phone, Fax & Internet | $ 7,200.00 | $ 2,161.18 | 30% |
| 23 | Miscellaneous Office Expenses | $ 1,500.00 | $ 78.63 | 5% |
| | **Total Office Expenses** | $ 288,620.00 | $ 84,013.54 | 29% |
| | **Membership/Program Support Expenses** | | | |
| 24 | Teleconferencing | $ 7,700.00 | $ 2,727.62 | 35% |
| 25 | Membership Subscriptions | $ 75,980.00 | $ 14,700.00 | 19% |
| 26 | Program Legal | $ 100,000.00 | $ 89,999.60 | 90% |
| 27 | Program Professional | $ - | $ - | |
| | **Total Membership/Program Support Expenses** | $ 183,680.00 | $ 107,427.22 | 58% |
| | **Organizational (Corp) Expenses** | | | |
| 28 | Accounting, Audit & Tax | $ 6,000.00 | $ 1,456.25 | 24% |
| 29 | Corporation | $ 200.00 | $ 157.14 | 79% |
| | *registered agent, secretary of state, etc* | | | |
| 30 | OMS Legal | $ - | | |
| 31 | OMS Professional | $ - | | |
| | **Total Organizational (Corp) Expenses** | $ 6,200.00 | $ 1,613.39 | 26% |
| | **Insurance Expenses** | | | |
| 32 | Directors & Officers | $ 2,500.00 | $ 4,155.00 | 166% |
| 33 | General Office + Umbrella | $ 1,800.00 | $ 1,745.00 | 97% |
| 34 | Workers Comp | $ 1,800.00 | | 0% |
| | **Total Insurance Expenses** | $ 6,100.00 | $ 5,900.00 | 97% |
| | **Travel Expenses** | | | |
| 35 | Consumer Advocate | $ 30,000.00 | $ 5,853.03 | 20% |

| | | | | | | |
|---|---|---|---|---|---|---|
| 36 | Member | $ | 150,000.00 | $ | 49,674.74 | 33% |
| 37 | OMS Staff | $ | 75,000.00 | $ | 12,047.81 | 16% |
| | **Total Travel Expenses** | $ | 255,000.00 | $ | 67,575.58 | 27% |
| | **Meeting Expenses** | | | | | |
| 38 | Annual Meeting | $ | 20,000.00 | $ | 1,500.00 | 8% |
| 39 | Other Meetings (includes Grid School Tuition/Travel) | $ | 25,000.00 | $ | 3,475.44 | 14% |
| | **Total Meeting Expenses** | $ | 45,000.00 | $ | 4,975.44 | 11% |
| | **TOTAL INCOME** | **$** | **1,155,888.61** | **$** | **484,779.32** | |
| 40 | **TOTAL EXPENSES** | **$** | **1,155,888.61** | **$** | **402,577.04** | |
| 41 | **INCOME-EXPENSES** | **$** | **-** | **$** | **82,202.28** | |
| 42 | **CASH FLOW RESERVE SAVINGS** | | | | | |
| 43 | **RESERVE SAVINGS** | | | | | |

# OMS Executive Director Report to the Board

**May 19, 2016**

Filings and Related Items

- EL14-12-002 – Participated in joint Motion for Prompt Action on Motion for Partial Summary Disposition and Interim Relief in the MISO TO ROE docket to urge FERC to act on a prior request to institute the ALJs recommendation of a 10.32% ROE at the end of the refund period, which is May 16th. Filed May 6th.
- EL15-45- Oral arguments held in the second MISO TO ROE complaint docket May 4th.

Activities of Note

- Tanya held monthly call with OPSI executive director to discuss current issues in PJM and MISO on May 3rd.
- Tanya attended the Electricity Dialog at Northwestern University School of Law in Chicago April 25th and 26th.
- The ERSC meeting was held on May 9th in Metairie, LA.
- The Spring Summit was held May 10th and 11th in Metairie, LA.
- OMS now has a Twitter handle: @OrgOfMISOStates. Follow us!

SPP Cost Allocation Settlement

The settlement of the SPP cost allocation issues is just about complete. The last settlement conference was held on May 12th and agreement in principle was reached. The term sheet is included in the board packet for discussion. The settlement agreement expected to be filed at FERC June 10th.

Seams Policy

The OMS Board of Directors will meet for a special board meeting on June 20th in Detroit before the start of the MISO Annual Meeting. Members who attended the Spring Summit did some great foundational work to jump start the discussion. This will be an important forum to establish OMS seams policy.

Year End Financial Updates

The audit and year-end financial statements have been prepared and are under review by the Treasurer. They will be presented to the board for review and approval at the next board meeting.

**OMS Feedback on MISO-proposed Competitive Retail Solution**

The Organization of MISO States (OMS)[1] appreciates that MISO continues to refine the Competitive Retail Solution (CRS) proposal to address some of the concerns raised by stakeholders. The OMS members share significant concerns about the opt-in provision for LSE demand in non-retail choice jurisdictions from the prior proposal and are pleased to see that it was removed from the most recent revision. Allowing such LSEs in noncompetitive retail areas to opt-in to the competitive process designed specifically to address issues in retail choice jurisdictions would put at risk long-term state and local resource adequacy plans and pose a direct challenge to the resource adequacy authority of retail regulators.

Though removal of the opt-in provision is an important change in the CRS proposal, MISO should go further and include prohibitory language to make it clear that the demand of LSEs in non-retail choice jurisdictions cannot participate. Otherwise, ambiguity may remain in the process that poses the same concerns stated above. Further, there would be value to additional study and discussion about the rules and impacts of generators in non-retail choice jurisdictions continuing to have the ability to opt-in.

Finally, there is one additional change that would address the unique situation in Michigan.[2] Notwithstanding the OMS's support to remove the opt-in language, the OMS believes it would be appropriate for LSEs in a retail choice jurisdiction that are not otherwise required to participate in the CRS to be able to opt-in to the CRS if so authorized by the state regulator. This circumstance could arise in the event that Michigan passes legislation to provide a state solution to ensure resource adequacy for all energy providers, including alternative energy suppliers that are not regulated by the MPSC. Thus, the state would not be required to participate in MISO's CRS but it may be appropriate to

[1] Minnesota and Manitoba abstain from these comments.
[2] Michigan has retail choice available to ten percent (10%) of the load in each utility service territory.

allow providers to opt-in to MISO's CRS as a way for providers to meet the state requirements. This should only be permitted, however, with state commission approval.

OMS will continue to remain engaged in these important discussions and look forward to providing further feedback as the CRS proposal evolves. It is important that the outcome of this effort results in a process that best serves the needs of the customers across the MISO footprint while maintaining state prerogatives as to regulatory methods to ensure resource adequacy.

**UNITED STATES OF AMERICA**
**BEFORE THE**
**FEDERAL ENERGY REGULATORY COMMISSION**

| | |
|---|---|
| **Northern Indiana Public Service Company** | **Docket No. EL13-88-000** |
| **v.** | |
| **Midcontinent Independent System Operator, Inc. and PJM Interconnection, L.L.C.** | |

# ANSWER TO INTERNATIONAL TRANSMISSION COMPANY'S MOTION FOR CLARIFICATION AND MOTION FOR LEAVE TO INTERVENE OUT-OF-TIME OF THE STATE REGULATORS

The State Regulators[1] respectfully request that the Federal Energy Regulatory Commission (Commission) deny ITC's[2] motion for clarification[3] that the holdings in the NIPSCO Order,[4] related to certain cost and voltage thresholds for interregional economic transmission projects, which unequivocally apply only to the MISO-PJM seam, be expanded to include the MISO-SPP seam.[5] The State Regulators support interregional economic transmission projects that satisfy MISO's established benefits and cost allocation criteria and metrics. ITC, however, offers no support in its motion other than the conjecture that "these [voltage and cost] thresholds serve equally well to prevent the identification and approval of more efficient or cost effective transmission projects along the SPP seam."[6] ITC cites nothing in the proceeding - - no pleading, no testimony, no transcript from the technical conference, no

[1] The State Regulators include the Mississippi Public Service Commission, Arkansas Public Service Commission, Louisiana Public Service Commission, and Council for the City of New Orleans (all of which are members of the Entergy Regional State Committee (ERSC) and the Organization of MISO States (OMS)).
[2] International Transmission Company d/b/a ITC Transmission, Michigan Electric Company, LLC, and ITC Midwest LLC are referred to collectively as ITC.
[3] *Northern Indiana Pub. Serv. Co. v. Midcontinent Indep. Sys. Operator, Inc. and PJM Interconnection, L.L.C.*, "Request for Clarification of the ITC Companies," filed in Docket No. EL13-88-000 (May 23, 2016) (ITC Motion).
[4] *Northern Indiana Pub. Serv. Co. v. Midcontinent Indep. Sys. Operator, Inc. and PJM Interconnection, L.L.C.*, 155 FERC ¶ 61,058 (2016) (NIPSCO Order).
[5] ITC Motion, at 1.
[6] ITC Motion, at 4.

provision in the NIPSCO Order, no record evidence at all - - to support broadening the application of the Commission's decision beyond the MISO-PJM border.

ITC's argument suggesting that MISO is unable to craft tariff language to apply the NIPSCO Order solely to the MISO-PJM seam,[7] as is intended in the NIPSCO Order, is misplaced and provides no justification for expanding the Commission's determinations in the NIPSCO Order beyond the scope of this complaint proceeding.

A decision granting ITC's broad, sweeping and unsupported motion would be arbitrary and capricious and not based on substantial evidence.[8]

The State Regulators respectfully request that the Commission grant late intervention to permit an answer to ITC's unsupported and unprecedented request that is raised for the first time in this proceeding on clarification.[9]

## I. BACKGROUND

On September 11, 2013, Northern Indiana Public Service Company (NIPSCO) filed a complaint pursuant to Sections 206, 306 and 309 of the Federal Power Act (FPA)[10] and Rule 206 of the Commission's Rules of Practice and Procedure[11] against MISO and PJM.[12] NIPSCO requested that the Commission order MISO and PJM to reform the interregional transmission planning process of the Joint Operating Agreement between MISO and PJM (MISO-PJM JOA).[13]

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[7] ITC Motion, at 3-4.
[8] *See Motor Vehicle Mfrs. Ass'n of the U.S., Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 48 (1983).
[9] Rule 213 of the Commission's Rules of Practice and Procedure permits an answer to a motion for clarification. *See* 18 C.F.R. § 385.213(a)(3) (2016).
[10] 16 U.S.C. §§ 824e, 825e, 825h (2012).
[11] 18 C.F.R. § 385.206 (2016).
[12] *Northern Indiana Pub. Serv. Co. v. Midcontinent Indep. Sys. Operator, Inc. and PJM Interconnection, L.L.C.*, "Complaint of Northern Indiana Public Service Company," Docket No. EL13-88-000 (filed September 11, 2013) (hereinafter Complaint).
[13] The existing MISO-PJM JOA was executed December 31, 2003, and originally accepted by the Commission in an order issued March 19, 2004. *See Midwest Indep. Transmission Sys. Operator, Inc. and PJM Interconnection,*

NIPSCO filed the Complaint to remedy flaws in the interregional transmission planning provisions of the MISO-PJM JOA.[14] NIPSCO argued that the Order No. 1000 interregional compliance filings by MISO and PJM do not comply with Order No. 1000.[15] NIPSCO argued that the specific facts and circumstances surrounding the state of affairs along the MISO-PJM seam require the Commission to take action to ensure just and reasonable rates.[16]

NIPSCO argued that to date no transmission project has been approved under the MISO-PJM JOA, and that the transmission planning process MISO and PJM rely on to meet their interregional transmission planning responsibilities is unreasonably flawed.[17] NIPSCO proposed six reforms that it argued should be made to the MISO-PJM JOA to improve the MISO-PJM interregional planning process.[18]

On December 19, 2013,[19] the Commission ordered the Complaint be held in abeyance pending further Commission action in the MISO and PJM Order No. 1000 compliance filing

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*L.L.C.*, 106 FERC ¶ 61,251, at PP 56-57 (2004). The currently-effective form of the MISO-PJM JOA, including recent revisions to Article IX provisions on Coordinated Regional Transmission Expansion Planning, was conditionally approved in Docket No. ER13-1924-000, *et al.*, on December 18, 2014, and remains pending further compliance filings. *See PJM Interconnection, L.L.C. and Midcontinent Indep. Sys. Operator, Inc.*, 149 FERC ¶ 61,250 (2014), *order on reh'g and compliance*, 155 FERC ¶ 61,008 (2016).

[14] NIPSCO Order, at P 6.

[15] *Id.*

[16] *Id.*

[17] *Id.* at P 7.

[18] NIPSCO's requested reforms were as follows: (1) Require the MISO-PJM cross-border planning process to run concurrently with the MISO Transmission Expansion Plan (MTEP) and the PJM Regional Transmission Expansion Plan (RTEP) processes; (2) Require MISO and PJM to develop and use a single combined MTEP/RTEP model using the same modeling assumptions for annual reliability and economic transmission planning related to seams-related transmission issues; (3) Require MISO and PJM to develop and jointly agree upon a single common set of criteria for the approval of interregional economic transmission projects; (4) Require MISO and PJM to amend the criteria for approval of an interregional economic transmission project so that it addresses all known benefits including avoidance of future market-to-market payments made to reallocate short-term transmission capacity in the real-time operation of the system; (5) Require MISO and PJM to have a process for joint planning and cost allocation of lower-voltage and lower-cost transmission upgrades; and, (6) MISO and PJM must improve the process within the MISO-PJM JOA with respect to new generator interconnections and generator retirements. NIPSCO Order, at PP 8-14.

[19] *Northern Indiana Pub. Serv. Co. v. Midcontinent Indep. Sys. Operator, Inc. and PJM Interconnection, L.L.C.*, 145 FERC ¶ 61,256, at P 21 (2013).

proceedings.[20] On December 18, 2014, the Commission established a technical conference to explore issues raised in the Complaint related to the MISO-PJM JOA and seam.[21] Pre-technical conference comments were requested by the Commission's staff, and several parties filed comments and/or reply comments.[22] The technical conference was held June 15, 2015; post-technical conference comments and reply comments were submitted.[23]

On April 21, 2016, the Commission found that NIPSCO met, in part, its burden under FPA Section 206 to show that the MISO-PJM JOA is unjust, unreasonable, and unduly discriminatory or preferential. The Commission granted in part and denied in part NIPSCO's Complaint, and directed MISO and PJM to submit revisions to the MISO-PJM JOA and the MISO Tariff.[24]

On May 23, 2016, ITC filed its motion for clarification asking the Commission to expand its directive to eliminate certain voltage and cost thresholds for interregional economic projects on the MISO-PJM seam to MISO's seam with SPP.[25]

## II. ANSWER

The Commission should reject ITC's proposed clarification because the NIPSCO Order unambiguously applies only to the interregional planning process between MISO and PJM. The record contains no evidence that the Commission intended MISO to modify the MISO MTEP Tariff provisions to be broadly applied to any other region, seam, or ISO/RTO that borders MISO other than PJM.

[20] *See PJM Interconnection, L.L.C.*, 149 FERC ¶ 61,250 (2014).
[21] *Northern Indiana Pub. Serv. Co. v. Midcontinent Indep. Sys. Operator, Inc. and PJM Interconnection, L.L.C.*, 149 FERC ¶ 61,248 (2014).
[22] NIPSCO Order, at P 18.
[23] *Id.* at PP 19-24.
[24] *Id*. at P 28.
[25] ITC Motion, at 1.

### A. The Commission Should Reject ITC's Motion for Clarification Because the NIPSCO Order Unambiguously Applies Only to the MISO-PJM Seam.

Nothing in the NIPSCO Order or in the record refers to, much less suggests that, the NIPSCO Order applies to a seam other than MISO-PJM. The Commission ordered MISO and PJM to (1) modify the terms of the MISO-PJM JOA to describe which and how specific steps and planning cycle deadlines in the Coordinated System Plan Study process interact and coordinate with specific steps in the MTEP and RTEP processes;[26] (2) modify the MISO-PJM JOA to include specific deadlines for various steps in the Coordinated System Plan;[27] (3) revise MISO-PJM JOA section 9.4.4.1.2.1 (Determination of Benefits to Each RTO from an Interregional Market Efficiency Project) to remove the requirement that an interregional economic transmission project meet a 1.25-to-1 benefit-to-cost ratio for the combined MISO-PJM regions in addition to having to meet a 1.25-to-1 benefit-to-cost ratio for both MISO and PJM separately;[28] (4) revise MISO-PJM JOA section 9.4.4.2.2 (Cost Allocation for an Interregional Market Efficiency Project) to reference "each RTO's respective tariff" as the source of calculation of the dollar value of the benefits for a potential interregional economic transmission project;[29] and, (5) describe in the MISO-PJM JOA the interconnection coordination procedures that are currently in the MISO and PJM business practice manuals.[30] The Commission directed MISO and PJM to work on certain other issues through their stakeholder processes, and to report back to the Commission on how they propose to handle those issues,

[26] NIPSCO Order, at P 54.
[27] *Id.* at P 57.
[28] *Id.* at P 132.
[29] *Id.* at P 133. The Commission noted that "with this change, MISO will calculate the dollar value of the benefits for a potential interregional economic transmission project using its MTEP analysis (i.e., 100 percent based on adjusted production costs) and PJM will calculate the dollar value of the benefits using its RTEP analysis (i.e., 50 percent based on adjusted production costs and 50 percent based on net load payments)" and that "[e]ach RTO will then determine whether the potential interregional economic transmission project meets its individual 1.25-to-1 benefit-to-cost threshold using the RTO's pro rata share of the total cost based on its share of the total dollar value of the benefits." *Id.* (footnote omitted).
[30] NIPSCO Order, at P 185.

including conducting the Coordinated System Plan on a single, common timeline with the MTEP and RTEP,[31] implementing a joint model with the same assumptions and criteria in their respective regional transmission planning processes,[32] and coordination of generator interconnection and generator retirement studies.[33]

The Commission directed MISO to modify the voltage and cost thresholds applicable to interregional projects selected in the MISO-PJM interregional planning process and then evaluated under the regional planning process of the MTEP provisions of the MISO Tariff. The Commission directed MISO to revise its Tariff

> to remove the requirement that an interregional economic transmission project must be at least 345 kV and cost at least $5 million. Specifically MISO must revise its tariff to revise the Market Efficiency Project Thresholds that apply to qualify as an interregional economic transmission project by (1) lowering the minimum voltage threshold to 100 kV and (2) removing the $5 million minimum cost requirement.[34]

The Commission stated that these changes "will allow an interregional economic transmission project above 100 kV to qualify as a Market Efficiency Project regardless of its cost so long as it meets the other requirements, including MISO's regional cost benefit threshold."[35] The Commission specified in a footnote, however, that it is

> ***not requiring*** MISO to change the Market Efficiency Project 345 kV and $5 million dollar minimum thresholds for MISO ***regional*** transmission projects (i.e., regional transmission projects that are not interregional economic transmission

[31] *Id.* at P 54, ordering P (C).
[32] *Id.* at P 92, ordering P (D).
[33] *Id.* at P 186, ordering P (E). The Commission also noted that MISO and PJM could address interregional transmission planning and coordination issues at the Technical Conference in Docket No. AD16-18-000, scheduled for June 27-28, 2016, including such issues as competitive transmission development, cost containment and rate incentives, and other ratemaking issues. NIPSCO Order, at P 54. *See also Competitive Transmission Development Technical Conference*, Docket No. AD16-18-000, Notice of Technical Conference (March 17, 2016) and Supplemental Notice of Technical Conference and Request for Speakers (May 10, 2016).
[34] NIPSCO Order, at PP 129-131.
[35] *Id.* at P 131 (footnote omitted).

> projects under the [MISO-PJM] JOA must still meet those thresholds to qualify as Market Efficiency Projects).[36]

The Commission directed MISO to submit these Tariff changes as they apply to MISO-PJM interregional projects in a compliance filing within 60 days of the date of the April 21 Order.[37]

In short, nothing in this proceeding or the NIPSCO Order applies to the MISO interregional transmission planning processes with any bordering ISO or RTO other than PJM. Nothing supports ITC's conjecture that the directives to reduce the MISO-PJM interregional project threshold voltage level (from 345 kV to 100 kV) and eliminate the minimum cost screen would "serve equally well to prevent the identification and approval of more efficient or cost effective transmission projects along the SPP seam."[38] ITC can cite to no directive in the NIPSCO Order or statement in the record in this proceeding that would support ITC's unprecedented proposal to expand the NIPSCO Order's holding beyond the MISO-PJM interregional planning process.

### B. ITC's Suggestion That MISO is Unable to Revise its Tariff to Apply the Commission's Directives, as Intended, Solely to MISO-PJM Interregional Projects is Misplaced and Should Be Rejected.

While acknowledging that the Complaint focused on the MISO-PJM interregional planning process and MISO-PJM JOA,[39] ITC nonetheless argues that MISO is unable to craft language that would apply specifically to the MISO-PJM border and the Commission's directives therefore should apply broadly to other seams; an argument that is unsupported and without merit. According to ITC:

> [T]he MISO Tariff itself specifies these thresholds only for regional projects – it is only when these provisions of the MISO Tariff are read in concert with the MISO-PJM JOA and the

[36] *Id.* at n. 238 (emphasis added).
[37] *Id.* at P 131.
[38] ITC Motion, at 4.
[39] ITC Motion, at 1-2.

> separate MISO-SPP JOA which govern interregional planning between the two respective pairs of Regional Transmission Organizations that the voltage and cost thresholds in the MISO Tariff become applicable to interregional projects. **In other words, there is presently no language in the MISO Tariff which specifically applies these thresholds to interregional economic projects. The plain language of the Commission's directive requires MISO to eliminate these thresholds with respect to "interregional economic transmission projects" generally, and not to interregional economic transmission projects on the MISO-PJM seam specifically.**[40]

It is beyond question that MISO is able to draft specific language in its Tariff to ensure that the NIPSCO Order directives are applied, as the Commission intended, solely to the MISO-PJM interregional projects. The Commission should reject ITC's argument.

### C. Granting ITC's Proposed Clarification Would be Arbitrary and Capricious and Not the Result of Reasoned Decision Making.

The Courts consistently have remanded or vacated Commission orders that apply broadly without substantial evidence, as would be the case here.[41] For example, the D.C. Circuit vacated and remanded Commission orders because it found, among other things, that the Commission had failed to articulate the actual reasons for its decision, and the reasons it did cite were found

[40] ITC Motion, Section II (emphasis added, footnotes omitted).

[41] *See, e.g., Allentown Mack Sales & Serv., Inc. v. NLRB*, 522 U.S. 359, 374 (1998) (agency decision failed to reflect "logical and rational" decision-making); *Motor Vehicle Mfrs. Ass'n of the U.S., Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983) (agencies must explain its decision based on the record evidence); *Baltimore Gas & Elec. Co. v. Natural Res. Def. Council, Inc.*, 462 U.S. 87, 105 (1983) (agency must have "considered the relevant factors and articulated a rational connection between the facts found and the choice made" (citations omitted)); *PSEG Energy Res. & Trade LLC v. FERC*, 665 F.3d 203, 208 (D.C. Cir. 2011); *Illinois Commerce Comm'n v. FERC*, 576 F.3d 470, 477 (7th Cir. 2009) (explaining that a reviewing court cannot "uphold a regulatory decision that is not supported by substantial evidence on the record as a whole"); *PPL Wallingford Energy LLC v. FERC*, 419 F.3d 1194, 1198 (D.C. Cir. 2005); *Pacific Gas & Elec. Co. v. FERC*, 373 F.3d 1315, 1319 (D.C. Cir. 2004) (agency decision must be based on "substantial evidence in the record"); *Canadian Ass'n of Petroleum Producers v. FERC*, 254 F.3d 289, 299 (D.C. Cir. 2001); *Koch Gateway Pipeline Co. v. FERC*, 136 F.3d 810, 814-16 (D.C. Cir. 1998); *Office of Consumers' Counsel v. FERC*, 783 F.2d 206, 228 (D.C. Cir. 1986).

to be "speculative," unsupported by record evidence, and did not support its decision.[42] The U.S. Supreme Court has "frequently reiterated that an agency must cogently explain why it has exercised its discretion in a given manner."[43]

Granting the ITC Motion would violate this judicial precedent. ITC has presented no evidence or arguments that similar circumstances exist on MISO seams with other neighboring regions or utilities. ITC cannot demonstrate that the Complaint or the NIPSCO Order intended to effectuate changes to the interregional planning process for any seam other than that between MISO and PJM. No other party complained or raised in its pleading that the Commission's ultimate ruling in this proceeding should apply beyond the MISO-PJM seam. No evidence was presented regarding any other MISO interregional planning processes, including whether those processes were similar to the MISO-PJM process or suffered from similar problems. Therefore, there is no basis upon which the Commission could rationally extend the voltage and cost threshold changes for interregional economic transmission projects beyond the MISO-PJM JOA. The Commission must reject ITC's misplaced motion for clarification.

## III. MOTION FOR LEAVE TO INTERVENE OUT OF TIME AND RESPOND TO ITC'S MOTION

Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, the State Regulators[44] move for leave to intervene out-of-time individually and collectively. To be clear, the State Regulators request out-of-time intervention only to respond to ITC's unprecedented motion for clarification (*i.e.,* the State Regulators do not request rehearing).

[42] *See Missouri Pub. Serv. Comm'n v. FERC*, 337 F.3d 1066, 1072-75 (D.C. Cir. 2003).
[43] *Motor Vehicle Mfrs. Ass'n of the U.S., Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 48 (1983) (further citations omitted).
[44] Each of the State Regulators are or have been treated as state commissions within the meaning of Rule 214 (a)(2).

### A. Each Movant Qualifies as a State Commission Pursuant to Commission Rule 214(a)(2).

The Mississippi Public Service Commission (Mississippi Commission) is the state regulatory agency empowered pursuant to Miss. Code Ann., §77-3-1, et seq. to regulate utilities operating within Mississippi, including utilities which are members of MISO. The retail rates and services of the utilities regulated by the Mississippi Commission will be affected by the decision in this proceeding.

The Arkansas Public Service Commission (Arkansas Commission) is a State regulatory commission with jurisdiction to regulate the activities of electric public utilities at retail. In particular, the Arkansas Commission regulates the intrastate activities of certain utilities which are members of MISO.

The Louisiana Public Service Commission (Louisiana Commission) is the retail regulator of Entergy Louisiana LLC and Cleco Power, LLC, which are transmission owning utilities and MISO members. The retail rates of these utilities, which are regulated by the Louisiana Commission, pursuant to Article IV, Section 21 of the Louisiana Constitution of 1974, may be affected by the Commission's decision in this proceeding.

Pursuant to the Home Rule Charter of the City of New Orleans, the Council regulates the rates, terms and conditions for retail utility service provided in New Orleans by Entergy New Orleans, Inc., an Entergy Operating Company, which is a transmission owning utility and MISO member. The retail rates of ENO may be affected by the Commission's decision in this proceeding. The Commission has routinely treated the Council as a State Commission for the purposes of Rule 214(a)(2).[45]

[45] *See, e.g., Entergy-Koch Trading, L.P.*, 99 FERC ¶ 61,027, at 61,107 (2002); *Entergy Nuclear Generation Co.*, 88 FERC ¶ 62,026, at 64,051 (1999); *Southern Natural Gas Co.*, 51 FERC ¶ 61,186, at 61,505 (1990).

Each of the State Regulators is also a member of the OMS, which is a party to this proceeding.

### B. Commission Precedent Justifies Granting the State Regulators' Motion to Intervene

Each of the State Regulators has a substantial, direct interest that may be affected by the outcome of this proceeding that cannot be adequately represented by any other party. Their intervention at this stage of the proceeding will not prejudice or otherwise delay the proceeding, nor will granting their late intervention place a substantial burden upon the Commission or any party to this proceeding. As shown below, the State Regulators submit that there is good cause for granting their requested late intervention.

Consistent with Commission precedent, the current circumstances justify granting this motion for late intervention. First, none could reasonably have anticipated that ITC would take the unjustified step of asking that the Commission apply the resolution of the MISO-PJM-centric seams Complaint to other seams, including SPP. Prior to this last-minute proposal by ITC, State Regulators were content to participate through OMS because the Complaint was filed against MISO and PJM and focused entirely on "reform[ing] the interregional transmission process of the Joint Operating Agreement between MISO and PJM."[46]

Second, as to the State Regulators, the utilities that they regulate (i) were not MISO members when this Complaint was filed; those utilities joined in December 2013 (three months after the Complaint was filed), and (ii) are not on the MISO-PJM border. Therefore, the State Regulators had no reason to anticipate that the Commission order addressing the Complaint could affect State Regulators' retail customers.

[46] NIPSCO Order, at P 1.

That said, the State Regulators monitored the proceedings and found nothing in the Complaint, the answers of PJM or MISO, the pleadings of any other party, the technical conference, and the NIPSCO Order that could reasonably be construed as putting the State Regulators on notice that a resolution of the Complaint could apply to any seam in the MISO south region and affect MISO south ratepayers; that is, until ITC filed its motion for clarification.

In other words, the State Regulators had no reason to expect that this proceeding would have any effect, economic or otherwise, on the utilities or retail customers under their jurisdiction. The State Regulators have not taken a "wait and see" attitude about the possible outcome of this proceeding. Based on the record of this proceeding, the State Regulators had no reason to believe that the Commission's action, should it take any, would be extended beyond the MISO-PJM seam and interregional transmission planning process.

In summary, the State Regulators have shown good cause for their late intervention and respectfully request that the Commission grant their intervention and reject ITC's Motion.[47] Granting this intervention will also permit State Regulator's participation as parties in the subsequent compliance filing sub-docket(s).

[47] As parties to the proceeding, the State Regulators have the right pursuant to Rule 213 to respond to a motion for clarification.

## IV. CONCLUSION

The State Regulators respectfully request that the Commission (i) grant out-of-time intervention, (ii) reject ITC's motion for clarification, and (iii) confirm that the Commission's direction to MISO in the NIPSCO Order applies only to the interregional transmission planning process between MISO and PJM, and does not extend to any other MISO-bordering RTO, ISO or individual utility or public power agency.

Respectfully submitted,

*/s/William D. Booth*

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## CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing document upon each person listed on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 6th day of June, 2016.

/s/Tina M. Seawright
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**UNITED STATES OF AMERICA**
**BEFORE THE**
**FEDERAL ENERGY REGULATORY COMMISSION**

| | | |
|---|---|---|
| Northern Indiana Public Service Co. | ) | |
| v. | ) | Docket No. EL13-88-001 |
| Midcontinent Independent System Operator, Inc. | ) | |

**ANSWER OF THE MISO TRANSMISSION OWNERS TO REQUESTS FOR CLARIFICATION**

Pursuant to Rule 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("FERC" or "Commission"),[1] the MISO Transmission Owners[2] hereby submit their answer to the Requests for Clarification ("Requests for Clarification") filed by the ITC Companies ("ITC")[3] and the Organization of MISO States ("OMS")[4] in the captioned docket.

The Commission should deny ITC's Request for Clarification. ITC asks the Commission to clarify that the directive in its April 21, 2016 order ("April 21

[1] 18 C.F.R. § 385.213 (2015).

[2] The MISO Transmission Owners for this filing consist of: Ameren Services Company, as agent for Union Electric Company d/b/a Ameren Missouri, Ameren Illinois Company d/b/a Ameren Illinois and Ameren Transmission Company of Illinois; Big Rivers Electric Corporation; Central Minnesota Municipal Power Agency; City Water, Light & Power; Cleco Power, LLC; Dairyland Power Cooperative; Entergy Arkansas, Inc.; Entergy Louisiana, LLC; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; Entergy Texas, Inc.; Great River Energy; Hoosier Energy Rural Electric Cooperative, Inc.; Indiana Municipal Power Agency; Minnesota Power (and its subsidiary Superior Water, L&P); Missouri River Energy Services; Montana-Dakota Utilities Co.; Northern States Power Company, a Minnesota corporation, and Northern States Power Company, a Wisconsin corporation, subsidiaries of Xcel Energy Inc.; Northwestern Wisconsin Electric Company; Otter Tail Power Company; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company (d/b/a Vectren Energy Delivery of Indiana); Southern Minnesota Municipal Power Agency; Wabash Valley Power Association; and Wolverine Power Supply Cooperative, Inc.

[3] Request for Clarification of the ITC Companies, Docket No. EL13-88-001 (filed May 23, 2016).

[4] Request for Clarification, or, in the Alternative, Rehearing of the Organization of MISO States, Docket No. EL13-88-001 (filed May 23, 2016).

Order")[5] requiring the Midcontinent Independent System Operator, Inc. ("MISO") to eliminate the cost threshold and lower the voltage threshold for interregional projects applies not only to MISO's seam with PJM Interconnection, LLC ("PJM"), but also to MISO's seam with the Southwest Power Pool, Inc. ("SPP"). The Commission has confined the scope of this proceeding to the issues raised in the Complaint filed by Northern Indiana Public Service Company ("NIPSCO"). Those issues relate solely to the interregional planning process of the MISO-PJM Joint Operating Agreement ("JOA"). ITC cites no record evidence or FERC precedent that supports expanding the Commission's holding to MISO's seam with SPP. ITC's primary argument in support of its request—that it is impossible to revise the thresholds on the MISO-PJM seam without also revising the thresholds on the MISO-SPP seam—is both irrelevant and incorrect. Thus, the Commission should reject ITC's request for clarification.

The MISO Transmission Owners also file this Answer to support OMS' request that the Commission clarify that its order directing MISO to lower the voltage threshold for interregional economic projects on the MISO-PJM seam does not require the costs associated with projects below 345 kV to be allocated on a postage stamp basis. The April 21 Order does not direct MISO to allocate the costs of economic projects below 345 kV in the same way that costs of economic projects with voltage of 345 kV and above are allocated. Because the April 21 Order is silent on this issue, however, it could be read to suggest that the Commission intended that costs associated with these projects should be allocated in the same way. As OMS notes, however, no demonstration has been made to support any particular allocation of costs for economic projects under

[5] *N. Ind. Pub. Serv. Co. v. Midcontinent Indep. Sys. Operator*, 155 FERC ¶ 61,058 (2016).

345 kV, so such a result could violate the principle that there must be reasonable alignment between beneficiaries and costs. To avoid confusion, the Commission should grant OMS' requested clarification, and clarify that the April 21 Order does not, and indeed could not, make any specific findings with regard to acceptable allocation of costs for economic projects below 345 kV on the MISO-PJM seam.

## I. ANSWER

Commission rules provide that answers may be made to any pleadings, such as requests for clarification, for which answers are not otherwise prohibited.[6] As the MISO Transmission Owners respond only to the Requests for Clarification, and not to OMS' alternative request for rehearing, acceptance of this Answer is consistent with Commission precedent.[7] Thus, the MISO Transmission Owners respectfully submit the following Answer to the identified Requests for Clarification.

### A. Answer in Opposition to ITC

The Commission should reject ITC's requested clarification. The scope of this proceeding is clearly limited to the justness and reasonableness of the interregional planning process in the MISO-PJM JOA. Moreover, the plain language of the April 21 Order unambiguously applies only to the MISO-PJM seam. No record evidence or Commission precedent supports expanding the scope of this proceeding or the Commission's holding to any other seam.[8] ITC's principal argument in support of its

[6] *See* 18 C.F.R. §§ 385.213(a)(2)-(3).

[7] *See, e.g.*, *Tres Palacios Gas Storage LLC*, 154 FERC ¶ 61,105, at P 4 & n.3 (2016) (accepting answer to request for clarification as not prohibited by Commission rules because the answer responded only to the requests for consideration and not to the alternative request for rehearing).

[8] The MISO Transmission Owners continue to maintain that the Commission lacks record evidence to support eliminating the cost threshold and lowering the voltage threshold. *See* Request for

request—that it is impossible to revise the thresholds on the MISO-PJM seam without also revising the thresholds on the MISO-SPP seam—is both incorrect and irrelevant.

The Commission limited the scope of this proceeding to the issues involving the interregional planning process for the MISO-PJM seam which were raised in NIPSCO's original Complaint.[9] When the Commission directed that Commission staff convene a technical conference, the purpose of the technical conference was "to explore issues related to the MISO-PJM seam and the MISO-PJM JOA . . ."[10] When parties submitted responses to NIPSCO's Complaint and supplemental comments, they all focused on issues relating to the MISO-PJM seam. MISO's seams with SPP and the Southeastern Regional Transmission Planning Process ("SERTP") were never at issue here. The April 21 Order therefore appropriately rejected attempts to raise issues that were not raised in NIPSCO's original Complaint, finding that they go "beyond the scope of the Complaint, which solely addresses MISO-PJM studies and coordination."[11]

Because the scope of this proceeding has been limited to issues relating to the MISO-PJM seam, there is simply no evidence in the record addressing the appropriateness of extending this directive to any other seam. ITC would have the Commission overlook this lack of evidence, asserting that the Commission can extend its holding to the MISO-SPP seam because the "rationale for eliminating these two

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Rehearing and Clarification of the MISO Transmission Owners, Docket No. EL13-88-001, at 6-9 (filed May 23, 2016).

[9] *See, e.g., N. Ind. Pub. Serv. Co. v. Midcontinent Indep. Sys. Operator*, 149 FERC ¶ 61,248, at P 35 (2014) (concluding that "NIPSCO and other commenters raise a number of issues related to the MISO-PJM seam and the MISO-PJM JOA that warrant further examination.").

[10] *Id.* at Ordering Para A.

[11] April 21 Order at P 187.

thresholds applies with equal force to potential projects along the SPP seam as it does to the PJM seam . . ."[12] But given that the Commission's decisions must be based on "substantial evidence" in the record,[13] the Commission cannot overlook such a fundamental defect. Moreover, in light of the Commission's decision to limit this proceeding to issues relating to the MISO-PJM seam, granting ITC's requested clarification would unfairly prejudice participants in the SPP and SERTP markets whose interests would be impacted by such a directive, but had no reason to believe they needed to participate in this proceeding and, therefore, have not.

Considering the Commission's repeated affirmations that this proceeding is limited to issues relating to the MISO-PJM seam, it should be unsurprising that the plain language of the April 21 Order limits the directive to eliminate the cost threshold and lower the voltage threshold to economic projects on the MISO-PJM seam. Yet ITC inappropriately attempts to portray the April 21 Order as ambiguous, suggesting that the "Commission's directive requires MISO to eliminate these thresholds with respect to 'interregional economic transmission projects' generally," not specifically on the MISO-PJM seam.[14] One could only reach such a conclusion by ignoring the entire surrounding paragraph (which states that "MISO and PJM" must remove the thresholds preventing them from selecting identified projects) and the remainder of the April 21 Order (which

[12] ITC Request for Clarification at 4.

[13] *See City of Kaukauna, Wis. v. FERC*, 214 F.3d 888, 894-95 (7th Cir. 2000) (a FERC order will be set aside if any of the "essential element[s]" of the order are not "supported by substantial evidence."); *Cent. Hudson Gas & Elec. Corp. v. FERC*, 783 F.3d 92, 108 (2nd Cir. 2015) ("FERC's decisions must also be supported by substantial evidence.").

[14] ITC Request for Clarification at 4.

repeatedly emphasizes that the proceeding is limited to issues involving the MISO-PJM seam).

ITC further argues that because the interregional voltage and cost thresholds rely on the regional voltage and cost thresholds, "the Commission's directive requires MISO to eliminate these thresholds with respect to 'interregional economic transmission projects' generally, and not to interregional economic transmission projects on the MISO-PJM seam specifically."[15] This argument is unavailing. Although the interregional voltage and cost thresholds currently integrate the regional voltage and cost thresholds, the April 21 Order essentially ordered MISO to decouple the regional and interregional thresholds. Indeed, the Commission explicitly clarified that even though it was requiring MISO to change the cost and voltage thresholds for interregional economic efficiency projects, it was "not requiring MISO to change thresholds for MISO regional transmission projects . . ."[16] The Commission clearly understood that MISO could draft tariff language that would decouple the regional and interregional cost and voltage thresholds. And considering that MISO did not seek rehearing of this directive, it seems that MISO, too, believes that it capable of making the necessary revisions. Accordingly, the Commission should deny ITC's Request for Clarification.

**B. Answer in Support of OMS**

The MISO Transmission Owners support OMS' request for clarification that the Commission's directive requiring MISO to lower the voltage threshold for interregional economic efficiency projects on the MISO-PJM seam does not require

[15] *Id.*

[16] April 21 Order at P 131 n.238.

MISO to allocate the costs associated with projects below 345 kV on a twenty percent postage stamp basis. The April 21 Order does not direct MISO to allocate the costs of these projects in the same way as projects 345 kV and above. Nonetheless, because the April 21 Order is silent on this issue, it could be read to suggest that the Commission intended to require MISO to do just that. Such a result has not been demonstrated to be consistent with the principle that there must be reasonable alignment between beneficiaries and costs and would not be appropriate as an outcome of the April 21 Order.

The Commission's cost allocation precedent requires that "all approved rates reflect to some degree the costs actually caused by the customer who must pay them."[17] MISO has demonstrated that it is appropriate to allocate some of the costs of high voltage economic facilities on a postage stamp basis because these projects provide broad system benefits.[18] In contrast, there has not been any demonstration that the lower voltage projects on the MISO-PJM seam create broad benefits. Accordingly, such projects may not be eligible for allocation on a postage stamp basis.

The April 21 Order does not indicate that MISO must allocate the cost of interregional economic transmission projects below 345 kV on the MISO-PJM seam on a postage stamp basis, but also does not explicitly address the issue in the negative. To avoid potential confusion regarding this issue, the Commission should clarify that it did not intend to require MISO to allocate the cost of interregional economic transmission

[17] *See Ill. Commerce Comm'n v. FERC*, 576 F.3d 470, 477 (7th Cir. 2009) (FERC must have "articulable and plausible reasons to believe that the benefits [that a utility receives from a transmission project] are at least roughly commensurate" with the costs allocated to the utility.).

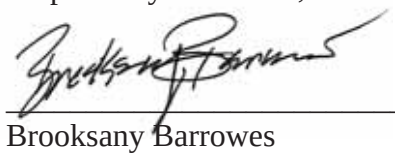
[18] *See Midwest Indep. Transmission Sys. Operator, Inc.*, 118 FERC ¶ 61,209, at PP 65-66, 91 (2007). At the time of the order, Market Efficiency Projects were known as Regionally Beneficial Projects. The change to Market Efficiency Projects was accepted in *Midwest Indep. Transmission Sys. Operator, Inc.*, 133 FERC ¶ 61,221 (2010), *order on reh'g*, 137 FERC ¶ 61,074 (2011).

projects on the MISO-PJM seam on a twenty percent postage stamp basis (or direct any particular allocation). No party to this proceeding has demonstrated the distribution of benefits for interregional economic transmission projects above 100 kV and below 345 kV, and certainly no party has demonstrated whether these projects can provide broad benefits across the region to justify allocating some portion of the costs on a regional basis. In the absence of such a showing, it would be inappropriate to direct MISO to allocate the costs of interregional economic transmission projects below 345 kV on the MISO-PJM seam on a twenty percent postage stamp basis.[19] Accordingly, the Commission should clarify that removing the voltage threshold for interregional economic projects on the MISO-PJM seam does not dictate or pre-determine the allocation of costs at the regional level.

## II. CONCLUSION

For the foregoing reasons, the MISO Transmission Owners respectfully request that the Commission reject ITC's request for clarification and grant the request for clarification filed by OMS.

Respectfully submitted,



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Dated: June 7, 2016

*Attorneys for the MISO Transmission Owners*

[19] *See Ill. Commerce Comm'n v. FERC*, 576 F.3d at 477.

## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing document to be served upon each person designated on the official service lists compiled by the Secretary in these proceedings.

Dated at Washington, D.C. this 7th day of June, 2016.

*/s/ Marcia Hook*

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**UNITED STATES OF AMERICA**
**BEFORE THE**
**FEDERAL ENERGY REGULATORY COMMISSION**

| | | |
|---|---|---|
| Northern Indiana Public Service Co. | ) | |
| v. | ) | Docket No. EL13-88-001 |
| Midcontinent Independent System Operator, Inc. | ) | |

# MOTION FOR LEAVE TO ANSWER AND LIMITED ANSWER OF THE MISO TRANSMISSION OWNERS TO REQUEST FOR REHEARING OF THE GENERATOR GROUP

Pursuant to Rules 212 and 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("FERC" or "Commission"),[1] the MISO Transmission Owners[2] hereby submit this Motion for Leave to Answer and Limited Answer ("Answer") to the Generator Group's Request for Rehearing ("Request for Rehearing")[3] of the order issued April 21, 2016 in the captioned docket (the "April 21 Order").[4] The Commission should deny the Generator Group's Request for Rehearing as

[1] 18 C.F.R. §§ 385.212 and 385.213 (2015).

[2] The MISO Transmission Owners for this filing consist of: Ameren Services Company, as agent for Union Electric Company d/b/a Ameren Missouri, Ameren Illinois Company d/b/a Ameren Illinois and Ameren Transmission Company of Illinois; Big Rivers Electric Corporation; Central Minnesota Municipal Power Agency; City Water, Light & Power; Cleco Power, LLC; Dairyland Power Cooperative; Entergy Arkansas, Inc.; Entergy Louisiana, LLC; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; Entergy Texas, Inc.; Great River Energy; Hoosier Energy Rural Electric Cooperative, Inc.; Indiana Municipal Power Agency; Minnesota Power (and its subsidiary Superior Water, L&P); Missouri River Energy Services; Montana-Dakota Utilities Co.; Northern States Power Company, a Minnesota corporation, and Northern States Power Company, a Wisconsin corporation, subsidiaries of Xcel Energy Inc.; Northwestern Wisconsin Electric Company; Otter Tail Power Company; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company (d/b/a Vectren Energy Delivery of Indiana); Southern Minnesota Municipal Power Agency; Wabash Valley Power Association; and Wolverine Power Supply Cooperative, Inc.

[3] Request for Rehearing of Generator Group, Docket No. EL13-88-001 (filed May 23, 2016). The Generator Group is comprised of EDP Renewables North America LLC, E.ON Climate & Renewables North America, LLC and Hoosier Wind Project, LLC.

[4] *N. Ind. Pub. Serv. Co. v. Midcontinent Indep. Sys. Operator,* 155 FERC ¶ 61,058 (2016).

outside the scope of this proceeding and untimely. The Generator Group explains in its Request for Rehearing that it is not requesting that FERC require the Midcontinent Independent System Operator, Inc. ("MISO") and PJM Interconnection, LLC ("PJM") to make any changes to their Open Access Transmission Tariffs ("Tariffs") or the MISO-PJM Joint Operating Agreement ("JOA"). The Request for Rehearing, nonetheless, seeks to impose substantial, new compliance burdens on MISO and PJM to review their flowgate definitions, modeling and practices and to submit expansive informational reports annually for an indeterminate amount of time. These requests are outside the scope of the proceeding and are better addressed through existing MISO and PJM stakeholder processes. For these reasons, the Commission should reject the relief requested in the Generator Group's Request for Rehearing.

## I. MOTION FOR LEAVE TO ANSWER

The MISO Transmission Owners request leave to file this limited Answer to the pleadings filed by the Generator Group. Although the Commission's rules generally prohibit answers to requests for rehearing,[5] the Commission will accept such answers for good cause, such as where the answer provides information that will assist the Commission's decision-making process.[6] For example, the Commission will accept answers to requests for rehearing where the issues raised in the request for the rehearing are being raised for the first time.[7]

[5] 18 C.F.R. § 385.213(a)(2).

[6] *See, e.g., El Paso Natural Gas Co.*, 132 FERC ¶ 61,155 at P 55, n.1 (2010) (accepting answer to request for rehearing where it would provide information to assist in the decision-making process).

[7] *See, e.g., Pacific Gas & Electric Co.*, 141 FERC ¶ 61,126, at P 13, n. 11 (2012) ("because the issues raised by PCWA in its request for rehearing are being raised for the first time, it is appropriate that PG&E have some opportunity to comment"); *El Paso Electric Co.*, 38 FERC ¶ 61,008 at 61,027 (1987) (finding that the introduction of new issues in a rehearing request justified a waiver of the general prohibition against filing answers to Requests for Rehearing).

The MISO Transmission Owners respectfully submit that this Answer provides information that will assist the Commission in its decision-making process. In particular, the Generator Group's Request for Rehearing raises new arguments and seeks relief not previously requested in this proceeding. It is appropriate for the MISO Transmission Owners to have an opportunity to answer these new claims and requests here. For these reasons, good cause exists to accept this Answer.

## II. ANSWER

The Commission has limited the scope of this proceeding to address certain issues raised in the complaint filed by Northern Indiana Public Service Company ("NIPSCO"),[8] and that scope should not be expanded here, after the Commission has issued a determinative order, based on the vague and far-reaching request of the Generator Group. Despite its attempts to support an expansion of this proceeding, the best the Generator Group can argue is a tangential relationship between prior statements in this docket and the new, onerous reporting obligations the Generator Group would have the Commission impose. The concerns expressed by the Generator Group regarding flowgate definitions are better addressed through stakeholder proceedings and not through an ill-defined and unsupported expansion of this proceeding.

The NIPSCO Complaint mentions flowgates only in passing and does not challenge the definition, analysis, and modeling of flowgates by MISO or PJM, which is the heart of the Generator Group's Request for Rehearing. The Generator Group struggles to read its issues into the NIPSCO Complaint, arguing that "[f]lowgate use was a key element of NIPSCO's Complaint" because flowgates are used to identify

[8] *See* Complaint of North Indiana Public Service Company, Docket No. EL13-88-000 (filed Sept. 11, 2013).

transmission constraints and "[u]naddressed congestion at the seam was an underlying reason that NIPSCO filed its Complaint."[9] The Generator Group also cites the fact that market-to-market ("M2M") payments were "another significant feature of NIPSCO's Complaint" and "M2M is being paid based on the flowgates identified,"[10] and notes that flowgate issues were discussed at the technical conference.

The fact that the Generator Group must struggle so hard to delineate a link between flowgates and the issues challenged in the NIPSCO Complaint makes clear that flowgates were not actually challenged in NIPSCO's Complaint. The Generator Group's arguments demonstrate that their flowgate questions are not *within* the scope, but may be, at best, *tangentially related* to the challenges raised in the NIPSCO Complaint.[11] As the April 21 Order demonstrates, the Commission need not resolve these flowgate questions from the Generator Group to resolve the issues presented here. The fact that flowgates were mentioned at the technical conference is not determinative. Many tangentially-related issues were discussed at the technical conference; such mention does not mean that those issues are within the scope of the Complaint or that the Commission must issue decisions on each of those issues.

In addition, the Request for Rehearing should be rejected because the Commission generally looks with disfavor on parties raising on rehearing issues that

[9] Generator Group Request for Rehearing at 8-9.

[10] *Id.* at 9.

[11] The Generator Group's Request for Rehearing is so far outside of the scope that it is not even limited to MISO-PJM interregional transmission planning issues, instead flipping back and forth between regional and interregional concerns. For example, the Generator Group requests vague "studies" so that entities can assess in a transparent way "whether new *regional and inter-regional* transmission is needed." Request for Rehearing at 6 (emphasis added). The Generator Group also complains of "inefficiencies [that] persist in the MISO and PJM planning processes," *id*. at 7, revealing its focus on the processes—*plural*—being the regional planning processes of the respective RTOs, not the singular interregional planning process.

should have been raised earlier,[12] and has refused to consider such arguments absent a showing of good cause.[13] The Generator Group has mentioned flowgates in prior filings, but the Request for Rehearing is the first pleading where the Generator Group has proposed that MISO and PJM be subjected to extensive, new reporting requirements related to their flowgate modeling and practices, specifically. Bringing in new claims or requests for relief of this type for the first time on rehearing is procedurally improper and should be rejected.

The Generator Group's Request for Rehearing contains a lengthy and detailed list of information that it would like the Commission to require MISO and PJM to submit in annual informational filings going forward.[14] Specifically, the Generator Group would like for MISO and PJM to report on: (1) means to reconcile the tests each RTO uses to identify flowgates; (2) the level of congestion on lower voltage facilities not currently included in JOA flowgate modeling; (3) whether there could be benefits to expanding the application of flowgates under the JOA to include facilities rated down to 100 kV; (4) what measures the RTOs could take to include expanded flowgate information in developing transmission solutions in regional and inter-regional transmission planning; and (5) what Tariff measures each RTO has put in place to study congestion holistically in real-time and how that might translate to transmission

[12] *See, e.g., Tenaska Power Servs. Co. v. Sw. Power Pool, Inc.*, 102 FERC ¶ 61,140, at P 14 (2003) (citing *Baltimore Gas & Elec. Co., et al.*, 91 FERC ¶ 61,270, at 61,922 (2000); *N. States Power Co. (Minnesota), et al.*, 64 FERC ¶ 61,172, at 62,522 (1993); *Cities and Villages of Albany and Hanover, Ill., et al.*, 61 FERC ¶ 61,362, at 62,451 (1992)).

[13] *CAlifornians for Renewable Energy, Inc. v. Calpine Energy Servs., L.P. and the Cal. Dep't of Water Res.*, 107 FERC ¶ 61, 238 (2004).

[14] *See* Generator Group Request for Rehearing at 11.

solutions.[15] Compliance with these far-reaching requests would be burdensome and time consuming for MISO and PJM and is further objectionable for this reason.

The Commission demonstrated in the April 21 Order that it is aware of the role of flowgates in relation to the matters at issue in this proceeding, noting that "the currently-effective JOA contains the processes [MISO and PJM] use to establish agreed-upon flowgates for which they will monitor congestion and jointly dispatch their systems when the flowgates are constrained and either party initiates the market-to-market process."[16] If the Commission had concerns about the way in which MISO and PJM were defining flowgates or incorporating flowgates into their interregional planning under the MISO-PJM JOA, it could have taken action to expand the proceeding on its own initiative in the April 21 Order. Having chosen not to do so, however, it is inappropriate now to expand the scope of the proceeding upon the unsupported and far-reaching request of the Generator Group, raised only on rehearing.

Review and study of the type requested by the Generator Group is more properly directed to MISO and PJM in the context of stakeholder review, including the ongoing efforts of the Interregional Planning Stakeholder Advisory Committee ("IPSAC"). The Generator Group consists of eligible and experienced MISO market participants. Its references to IPSAC in the Request for Rehearing demonstrate that the Generator Group is aware of the role that the IPSAC plays in addressing matters relating to MISO-PJM interregional transmission planning. If the Generator Group continues to be concerned that the models and definitions used to incorporate flowgates in

[15] *Id.*

[16] April 21 Order at P 94.

transmission planning are inadequate, those concerns can be raised on the interregional level through the IPSAC or on a regional basis through other stakeholder committees.

## III. CONCLUSION

For the foregoing reasons, the MISO Transmission Owners respectfully request that the Commission accept this Answer, and reject the Generator Group's Request for Rehearing.

Respectfully submitted,

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*Attorneys for the MISO Transmission Owners*

Dated: June 7, 2016

## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing document to be served upon each person designated on the official service lists compiled by the Secretary in these proceedings.

Dated at Washington, D.C. this 7th day of June, 2016.

*/s/ Marcia Hook*

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