



**ORGANIZATION OF MISO STATES, INC.
Board of Directors Meeting
Conference Call Minutes
April 21, 2016**

APPROVED May 19, 2016

Sally Talberg, President of the Organization of MISO States, Inc. (OMS), called the April 21, 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:

Bert Finzer, proxy for Ted Thomas, Arkansas
Anne McKeon, proxy for Sherina Maye Edwards, Illinois
Angela Weber, Indiana
Libby Jacobs, Iowa
Dan Logsdon, Kentucky
Melissa Watson, proxy for Eric Skrmetta, Louisiana
Regis Gosselin, Manitoba
Sally Talberg, Michigan
Matt Schuerger, Minnesota
David Carr, proxy for Brandon Presley, Mississippi
Adam McKinnie, proxy for Daniel Hall, Missouri
Kirk Bushman, Montana
Jerry Lein, proxy for Brian Kalk, North Dakota
Greg Rislov, proxy for Gary Hanson, South Dakota
Werner Roth, proxy for Ken Anderson, Texas
Janet Wheeler & Mike Varda, proxies for Mike Huebsch, Wisconsin

Absent
City of New Orleans

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

John Harmon and Jennifer Richardson - MISO
OMS staff and various staff participants from individual state commissions

Approval of Minutes from the March 17, 2016 Board Minutes

The minutes were corrected to indicate that Manitoba was absent and then accepted as corrected.

Treasurer's Report

The March treasurer's report was accepted as submitted.

Review of the March 31, 2016 Executive Committee Meeting:

Tanya Paslawski noted that the following item was discussed:

- Discussion by the industry representative from CMTC regarding MISO CPP modeling;

Executive Director's Report

Tanya Paslawski provided a written report and highlighted the following:

- Summary of the agenda for the Spring Summit;
- NARUC continues to look for people to participate in their international activities. Contact Tanya or Colleen if you would like to receive notices about specific opportunities;
- OMS received a request from DOE to participate in their regional QER forum May 6 in Des Moines, Iowa. Angela Weber will represent OMS at this forum and talking points will be distributed to Board members via email for their input.

BUSINESS

1. PRA Results -

- Jennifer Richardson and John Harmon walked the OMS Board through the results of MISO's Planning Resource Auction. They also took questions to clarify the information on the provided slides.

2. FERC Update

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

- Commissioners Clark & Honorable, along with staff, will be at MARC in June;
- FERC had an open meeting that included the following actions:
 - Denied the Occidental Chemical complaints in the MISO Southern Region;
 - Addressed the NIPSCO complaint in the MISO Central Region;
 - Addressed MISO compliance filings in the ROE issue;
- FERC has opened an informational docket, AD16-20, to gather information regarding storage issues;
- There will be a technical conference on May 13 regarding interconnection and storage issues;
- There are a number of upcoming technical conferences in June;

3. MISO Advisory Committee

Angela Weber provided this report on the Advisory Committee Meeting. The Seams Hot Topic was discussed at the March 23rd meeting using a new format with a moderator. Due to an extremely positive response, the same format will be used for the remainder of the year.

The Advisory Committee reviewed the MISO priorities to ensure the AC priorities are aligned with MISO's 2016 priorities.

The June Hot Topic will be resource adequacy and an email was distributed to explain the new format that MISO is utilizing.

4. MISO Planning Advisory Committee

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

- MISO presented an update on the MTEP '17 futures. There were three proposals presented: existing fleet, accelerated alternative technologies, and policy regulations scenarios. MISO is also proposing to use a blended forecast that will entail using the Module E forecast with the initial years and blend it in with independent load forecast to show growth. MISO is asking for feedback on the proposals.

- MISO also presented preliminary analysis on DR, energy efficiency, and DG which showed that between 10-20GW of EE and DR can be economically competitive by 2031.
- The next meeting on MTEP '17 will be in April in Metairie, LA.
- MISO made some updates and changes to Attachment Y, the SSR planning process.
- There were two presentations on Interregional Coordination.

5. Action Item: OMS Travel Policy Approval

The revised travel policy was distributed prior to the previous meeting. There were no questions about the changes.

Angela Weber moved to adopt the revised travel policy as presented. Kirk Bushman seconded. The motion passed by unanimous voice vote.

6. Reminder: RA Survey due April 30th

Sally Talberg reminded the Board that the responses from the load serving entities (LSEs) to the annual MISO-OMS resource adequacy survey are due on April 30th. Participation is expected to continue to be high.

7. Update: OMS Process Document

Janet Wheeler provided background information on this issue and an update on how the process of revising the document is going.

8. Review: 2016 Strategic Initiatives

Sally Talberg walked the Board through where things stand with the 2016 initiatives. The stay of the CPP has changed the focus on reliability and resource adequacy. The outreach and communications initiatives are well underway to being accomplished by the end of the year. Cost allocation will be addressed as part of the Seams issue. Transmission and resource planning have also been impacted by the CPP stay but are being addressed at the work group level. The Executive Director was tasked with providing a draft communications plan to the board at the May meeting.

9. Open Mic

There were no comments.

10. 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:

Bert Finzer, proxy for Ted Thomas, Arkansas
 Anne McKeon, proxy for Sherina Maye Edwards, Illinois
 Angela Weber, Indiana
 Venkata Bujimalla, proxy for Libby Jacobs, Iowa
 Melissa Watson, proxy for Eric Skrmetta, Louisiana
 Regis Gosselin, Manitoba
 Sally Talberg, Michigan
 Matt Schuerger, Minnesota
 David Carr, proxy for Brandon Presley, Mississippi
 Adam McKinnie, proxy for Daniel Hall, Missouri
 Kirk Bushman, Montana
 Jerry Lein, proxy for Brian Kalk, North Dakota
 Greg Rislov, proxy for Gary Hanson, South Dakota
 Werner Roth, proxy for Ken Anderson, Texas
 Janet Wheeler & Mike Varda, proxies for Mike Huebsch, Wisconsin

Absent
Kentucky
City of New Orleans

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

Update: FERC SPP Cost Allocation

Pursuant to OMS By-Laws, this item was discussed in closed session. No action was taken.

Discussion: Zone 4 Proposal

Pursuant to OMS By-Laws, this item was discussed in closed session. The proposal to submit comment to MISO was approved by voice vote with Texas, City of New Orleans, and Manitoba abstaining.

ADJOURNMENT

The meeting of the OMS Board of Directors meeting adjourned at approximately 2:15 p.m. (CDT).

REVISED 4/18/2016

The Organization of MISO States Board of Directors will hold its monthly meeting via conference call Thursday, April 21, 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 March 17, 2016 Board meeting – Sally Talberg
- Treasurer's Report/OMS Budget to Actuals for March 2016 – Commissioner Ken Anderson
- Review of Executive Committee meeting on March 31, 2016 – Sally Talberg

Administrative Update

1. Report from the Executive Director – Tanya Paslawski 1:05
 - 2016 OMS/MISO Spring Seminar
 - FERC NOPR on Price Caps

Business

1. PRA Results – MISO representative 1:10
2. FERC Update – Patrick Clarey or Chris Miller 1:15
3. MISO Advisory Committee – Angela Weber 1:20
4. Planning Advisory Committee – Ted Thomas 1:25
5. Action Item: OMS Travel Policy Approval – Tanya Paslawski 1:30
6. Reminder: RA Survey due April 30th – Sally Talberg 1:35
7. Update: OMS Process document – Janet Wheeler 1:40
8. Review: 2016 Strategic Initiatives – Sally Talberg 1:45
9. Open Mic – membership comment opportunity 1:50
10. Closed Session: 1:55
 - Update: FERC SPP Cost Allocation – Tanya Paslawski
 - Discussion: Zone 4 proposal – Marcus Hawkins

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, May 5, 2016 at 1:00 pm CT
- Next regular OMS Board of Directors meeting: Thursday, May 19, 2016 at 1:00 pm CT

Adjourn

2:15

OMS

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

CASH ON HAND

The beginning book balance for the Chase Bank One Checking account on March 1 was \$52,472.06. The total disbursements from the checking account for March 2016 amounted to \$117,961.94. Deposits, interest and adjustments were \$118,221.79 which includes MISO funding of \$96,624.05.

As of March 31, 2016, the Chase Bank One checking account balance was \$73,288.09 (with 20 check payments outstanding) and the book balance was \$52,731.91.



TREASURER'S REPORT
Organization of MISO States
March 31, 2016

Chase Bank One Commercial Checking with Interest

Book Balance as of 2/29/2016		\$	52,472.06
3/4/2016 ACH	Midcontinent ISO	\$	96,624.05
3/8/2016 EFT	Refund of Payroll Expense*	\$	21,596.86
3/31/2016 DEP	Interest on checking	\$	0.88
Total Deposits			\$ 118,221.79

Checks and Charges

Date	Check #	Descriptions		
3/10/2016	5636	Jennings Strouss	\$	33,684.59
3/10/2016	5633	100 Court Investors LLC	\$	1,758.98
3/10/2016	5644	Phil Movish (NOLA)	\$	1,438.35
3/10/2016	5640	Iowa OCA (Jennifer Easler)	\$	1,337.96
3/10/2016	5639	Robert Mork (IN-UCC)	\$	1,107.28
3/10/2016	5637	Angela Weber (IN)	\$	762.48
3/10/2016	5642	Kirk Bushman (MT)	\$	757.24
3/10/2016	5638	Robert Mork (IN-UCC)	\$	639.02
3/10/2016	5641	Walt Cecil (MO)	\$	366.29
3/10/2016	5632	Combined Systems Technology (CST)	\$	201.40
3/10/2016	5635	Energy Data LLC	\$	175.00
3/10/2016	5643	Wisconsin PSC (A. Vedvik)	\$	127.84
3/10/2016	5631	Triplett Office Essentials	\$	40.27
3/10/2016	5634	Crystal Clear Water	\$	25.07
3/15/2016	Payroll 1	Payroll	\$	14,614.73
3/28/2016	w/d	VISA (Chase Bank One)	\$	4,216.60
3/31/2016	Payroll 1	Payroll	\$	15,023.25
3/29/2016	5645	Ring Results	\$	5,000.00
3/29/2016	5653	Customized Energy Solutions	\$	3,500.00
3/29/2016	5650	Bonnie Janssen (MI)	\$	1,291.58
3/29/2016	5649	Iowa OCA (M. Munoz)	\$	1,208.41
3/29/2016	5647	David Johnston (IN)	\$	1,119.06
3/29/2016	5648	Angela Weber (IN)	\$	775.05
3/29/2016	5651	Sally Talberg (Michigan)	\$	743.03
3/29/2016	5655	West/Intercall	\$	591.49
3/29/2016	5652	Adam McKinnie (Missouri)	\$	375.63
3/29/2016	5656	Wisconsin PSC (M. Hawkins)	\$	290.83
3/29/2016	5657	Wisconsin PSC (J. Wheeler)	\$	228.82
3/29/2016	5646	Ryun.Givens & Co. PLC	\$	165.00
3/29/2016	5654	Premier Copiers	\$	59.78
3/30/2016	5662	Werner Roth (TX)	\$	1,306.03
3/30/2016	5659	David Shaffer (NOLA)	\$	1,207.32
3/30/2016	5658	Anne McKeon (IL)	\$	876.76
3/30/2016	5660	Ted Thomas (AR)	\$	843.80
3/30/2016	5661	Walt Cecil (MO)	\$	506.14
2/16/2016	EFT	Deposit in Transit*	\$	21,596.86
Total Disbursements - Checks and Charges			\$	117,961.94

CHECKING ACCOUNT BOOK BALANCE at 3/31/2016

\$ 52,731.91

CHASE CHECKING ACCOUNT RECONCILIATION

Bank Balance 3/31/2016 \$ 73,288.09

Less Checks Outstanding

12/23/2015	5586	Sally Talberg (Michigan)	\$	305.61
2/4/2016	5604	Adam McKinnie (Missouri)	\$	161.84
3/29/2016	5645	Ring Results	\$	5,000.00
3/29/2016	5653	Customized Energy Solutions	\$	3,500.00
3/29/2016	5650	Bonnie Janssen (MI)	\$	1,291.58
3/29/2016	5649	Iowa OCA (M. Munoz)	\$	1,208.41
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3/30/2016	5658	Anne McKeon (IL)	\$	876.76
3/30/2016	5660	Ted Thomas (AR)	\$	843.80
3/30/2016	5661	Walt Cecil (MO)	\$	506.14

Total Outstanding Checks

\$ 20,556.18

Book Balance 3/31/2016

\$ 52,731.91

* The Deposit in transit represents an amount that was mistakenly withdrawn from the checking account by the OMS third party payroll processor. This amount was withdrawn on February 16, 2016. The funds that were withdrawn in error by the payroll processor were deposited back to the checking account on March 8, 2016.



OMS Treasurer Report for Month of March 2016

Chase Bank One Checking Account

Beginning Book Balance	52,472.06	
Total Disbursements	(117,961.94)	
Deposits/Interest/Adjustments	<u>118,221.79</u>	
Ending Book Balance		<u><u>52,731.91</u></u>
Ending Bank Balance	73,288.09	
Outstanding Checks and Deposits	<u>(20,556.18)</u>	

Checking Account Book Balance as of March 31, 2016

52,731.91

20 checks outstanding at 3/31/2016

INCOME

	Total Approved	2016 YTD Actuals	% of Budget YTD
1 MISO Grant	\$ 1,637,888.61	\$ 386,496.20	33%
2 Interest - Checking Account and Savings		\$ 2.86	
4 Miscellaneous Revenue		\$ 1,655.32	
TOTAL INCOME	\$ 1,637,888.61	\$ 388,154.38	34%
Monthly Allotment			

EXPENSES

Personnel Compensation & Benefits

5 Compensation - Director Emeritus	\$ 15,000.00	\$ 6,418.23	43%
5b Compensation - Executive Director	\$ 140,079.24	\$ 35,417.83	25%
6 Compensation - Director Member Svcs	\$ 103,287.00	\$ 25,905.65	25%
7 Compensation - Office Manager	\$ 81,242.52	\$ 20,349.80	25%
8 Compensation - PT Office Assistant	\$ 21,154.85	\$ 3,670.82	17%
9 Compensation - Health Benefits	\$ 36,000.00	\$ 2,631.84	7%
Total Personnel Compensation & Benefits	\$ 360,763.61	\$ 94,394.17	26%

Other Personnel Expenses

10 Staff Training	\$ 4,000.00	\$ 5,020.00	251%
11 Monthly Payroll & 401(K) Fees *Includes WC Insurance	\$ 8,525.00	\$ 2,204.75	26%
Total Other Personnel Expenses	\$ 12,525.00	\$ 7,224.75	69%

Office Expenses

12 Computers	\$ 10,000.00	\$ -	0%
<i>Hardware, software & peripherals</i>			
13 Computer Support	\$ 11,000.00	\$ 3,280.80	41%
<i>outside maintenance, spam filtering, anti-virus updates, etc</i>			
14 Websites	\$ 8,520.00	\$ 357.49	4%
<i>misostates.org & OMS Sharepoint site hosting, support, licenses, & domain fees</i>			

15	EGEAS software & licenses	\$ 318,000.00	\$ 65,600.00	29%
16	Employee Cell Phone Reimbursement	\$ 1,800.00	\$ 450.00	25%
17	Furniture/Office Equipment	\$ 2,000.00	\$ -	0%
18	Rent, Parking & Office Operating Expenses	\$ 30,000.00	\$ 7,094.52	30%
19	Postage, shipping & delivery	\$ 500.00	\$ 225.42	45%
20	Printing & copying	\$ 1,500.00	\$ 179.34	12%
21	Supplies	\$ 3,600.00	\$ 512.42	14%
22	Phone, Fax & Internet	\$ 7,200.00	\$ 2,054.93	29%
23	Miscellaneous Office Expenses	\$ 2,500.00	\$ 78.63	5%
Total Office Expenses		\$ 396,620.00	\$ 79,833.55	28%

Membership/Program Support Expenses

24	Teleconferencing	\$ 7,700.00	\$ 2,629.04	34%
25	Membership Subscriptions	\$ 75,980.00	\$ 11,025.00	15%
26	Program Legal	\$ 300,000.00	\$ 38,398.35	38%
27	Program Professional	\$ 2,000.00	\$ -	
Total Membership/Program Support Expenses		\$ 385,680.00	\$ 52,052.39	28%

Organizational (Corp) Expenses

28	Accounting, Audit & Tax	\$ 6,000.00	\$ 412.50	7%
29	Corporation <i>registered agent, secretary of state, etc</i>	\$ 200.00	\$ 157.14	79%
30	OMS Legal	\$ 2,500.00		
31	OMS Professional	\$ 2,500.00		
Total Organizational (Corp) Expenses		\$ 11,200.00	\$ 569.64	9%

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	\$ 240,000.00	\$ 37,505.25	25%

37	OMS Staff	\$ 100,000.00	\$ 5,586.52	7%
	Total Travel Expenses	\$ 370,000.00	\$ 48,944.80	19%

Meeting Expenses

38	Annual Meeting	\$ 35,000.00	\$ -	0%
39	Other Meetings (includes Grid School Tuition/Travel)	\$ 60,000.00	\$ -	0%
	Total Meeting Expenses	\$ 95,000.00	\$ -	0%

	TOTAL INCOME	\$ 1,637,888.61	\$ 388,154.38	
40	TOTAL EXPENSES	\$ 1,637,888.61	\$ 288,919.30	
41	INCOME-EXPENSES	\$ -	\$ 99,235.08	

42 CASH FLOW RESERVE SAVINGS
43 RESERVE SAVINGS

OMS Executive Director Report to the Board

April 21, 2016

Filings

- Initial Brief in MISO TO ROE docket number EL15-45 on March 24th.
- Notice of Proposed Rulemaking (NOPR) docket number RM16-5 on price formation/offer caps on April 4th.
- Reply Brief in MISO TO ROE docket number EL15-45 on April 18th.

Activities of Note

- Tanya attended the SPP cost allocation settlement conference on April 5th in Washington DC.
- Talina attended the OPSI Spring Meeting on April 10th and 11th in Chicago.
- OMS now has a Twitter handle: @OrgOfMISOStates. Follow us!

Spring Summit

Please join us for the second annual Spring Summit in Metairie, Louisiana May 10 and 11, a deep dive into the current priority issues at MISO. In addition, there will be an OMS-only session to begin the discussion on seams and interregional cost allocation policy. NOTE: the decision-making portion of this discussion will take place adjacent to the MISO Annual Meeting in June.

The agenda topics include:

- MTEP 17 and Future Planning
 - Current Initiatives (CPP and MTEP – make sure everyone is on the same page about what is the same/different)
 - MTEP 17 assumptions and futures (cover OMS feedback and other questions/concerns)
 - CPP related items
 - Any further questions on state specific results
 - Concerns about state specific assumptions/inputs
- Resource Adequacy
 - Seasonal and locational filings
 - N/S interface sub-regional limits
 - OMS-MISO Survey (feedback on the process, states uses of information, etc.)
 - Retail choice resource adequacy proposal
- Gas/electric issues, primarily infrastructure and reliability

Hope to see you there!

A large, light gray sunburst graphic is positioned on the left side of the slide, partially overlapping the text. It features a central white circle with rays extending outwards in a semi-circular pattern.

2016/2017 Planning Resource Auction Results

April 14, 2016

Executive Summary

- MISO Region has adequate resources to meet its Planning Reserve Margin Requirement of 135,483 MW
 - Zone 1 cleared at \$19.72/MW-day
 - Zones 2-7 cleared at \$72.00/MW-day
 - Zones 8-10 cleared at \$2.99/MW-day
- Implemented FERC's Order in Docket ER16-833-000 that modified Reference Levels, Capacity Import Limits (CILs) and Local Clearing Requirements (LCRs)
- Regional generation supply is consistent with the 2015 MISO OMS Survey

Auction Inputs and Considerations

- MISO's Resource Adequacy construct combines regional and local criteria to achieve a least-cost solution for the region subject to the following:
 - MISO-wide reserve margin requirements
 - Zonal capacity requirements (Local Clearing Requirement)
 - Zonal transmission limitations (Capacity Import/Export Limits)
 - Sub-Regional contractual limitations such as between MISO's South and Central/North Regions
- The MISO-wide reserve margin requirement is shared among the zones, and zones may import capacity to meet this requirement
- Multiple options exist for Load Serving Entities to demonstrate Resource Adequacy:
 - Submit a Fixed Resource Adequacy Plan
 - Utilize bilateral contracts with another resource owner
 - Participate in the Planning Resource Auction
- The Independent Market Monitor reviews the auction results for physical and economic withholding

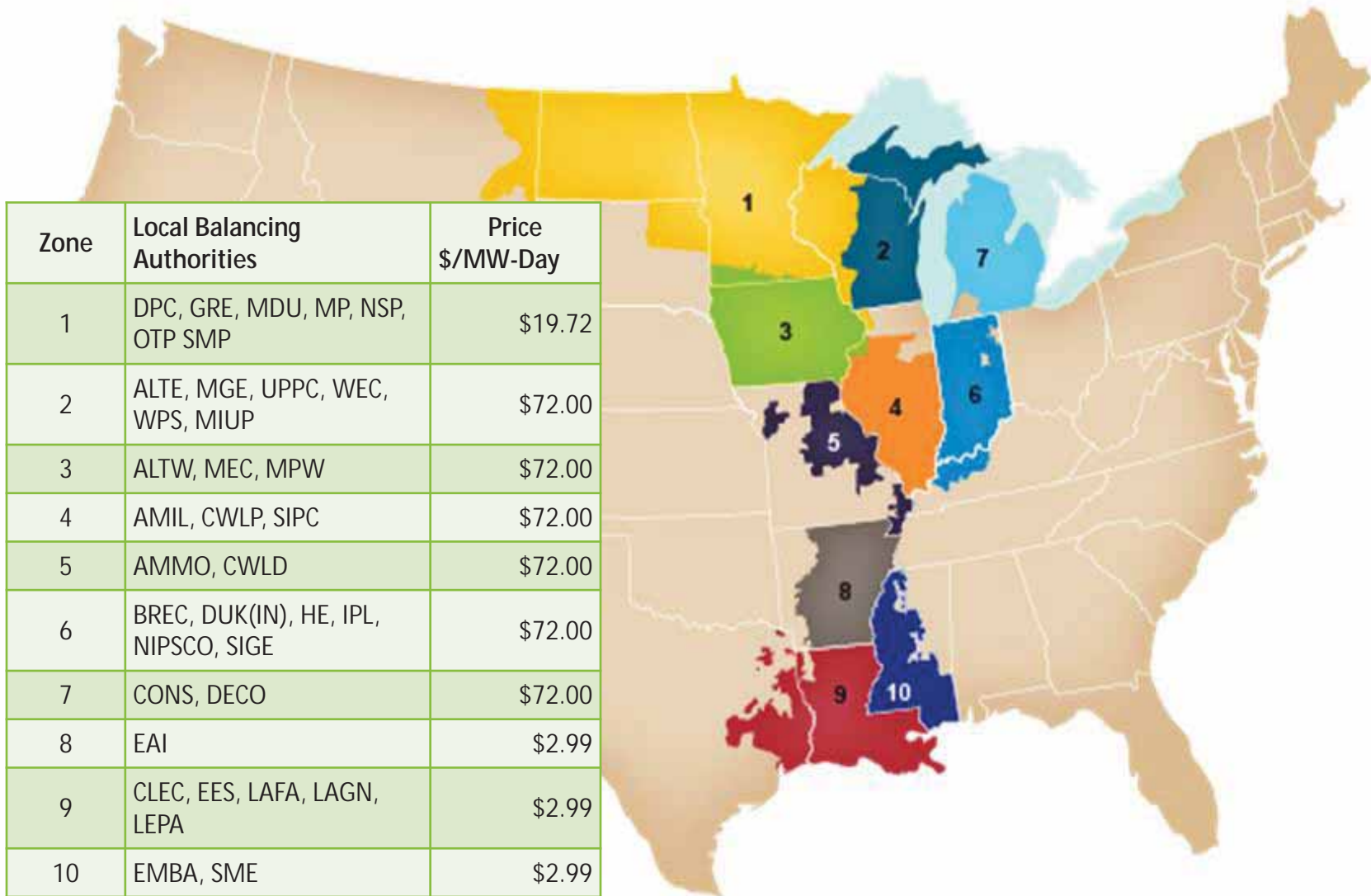
Changes since PRA 2015/2016

- Tariff revisions approved in FERC Docket No. ER16-833-000 implemented, including increased CILs, decreased LCRs, and reduced Initial Reference Level to \$0/MW-day
- Sub-Regional Export Constraint in the South to Midwest direction modified to reflect the Settlement Agreement
- LRZ 10 for the State of Mississippi established – No impact
- Other minor changes:
 - EPA RICE-NESHAP* regulations, which likely led to some additional retirements incremental to our OMS survey results
 - Allocation of Zonal Deliverability Benefit revised – pending FERC decision
 - Suspended units required to participate in the PRA – No impact

Auction Output and Settlements

- Key outputs from the auction are:
 - A commitment of capacity to the MISO region, including performance obligations and
 - The capacity price (Auction Clearing Price) for each Zone
- This price drives the settlements process
 - Load pays the Auction Clearing Price for the Zone in which it is physically located
 - Cleared capacity is paid the Auction Clearing Price for the Zone where it is physically located
 - External Resources are paid the price of the Zone where their firm transmission service crosses into MISO

2016/2017 Auction Clearing Price Overview



Auction Clearing Prices

\$/MW-day

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10
2014-2015 ACP*	\$3.29	\$16.75	\$16.75	\$16.75	\$16.75	\$16.75	\$16.75	\$16.44	\$16.44	N/A
2015-2016 ACP*	\$3.48	\$3.48	\$3.48	\$150.00	\$3.48	\$3.48	\$3.48	\$3.29	\$3.29	N/A
2016-2017 ACP*	\$19.72	\$72.00	\$72.00	\$72.00	\$72.00	\$72.00	\$72.00	\$2.99	\$2.99	\$2.99
<i>Conduct Threshold</i>	\$25.80	\$26.06	\$25.52	\$25.93	\$26.42	\$25.85	\$25.98	\$24.76	\$25.12	\$24.60
<i>Cost of New Entry</i>	\$258.00	\$260.58	\$255.15	\$259.26	\$264.19	\$258.47	\$259.81	\$247.56	\$251.21	\$246.05

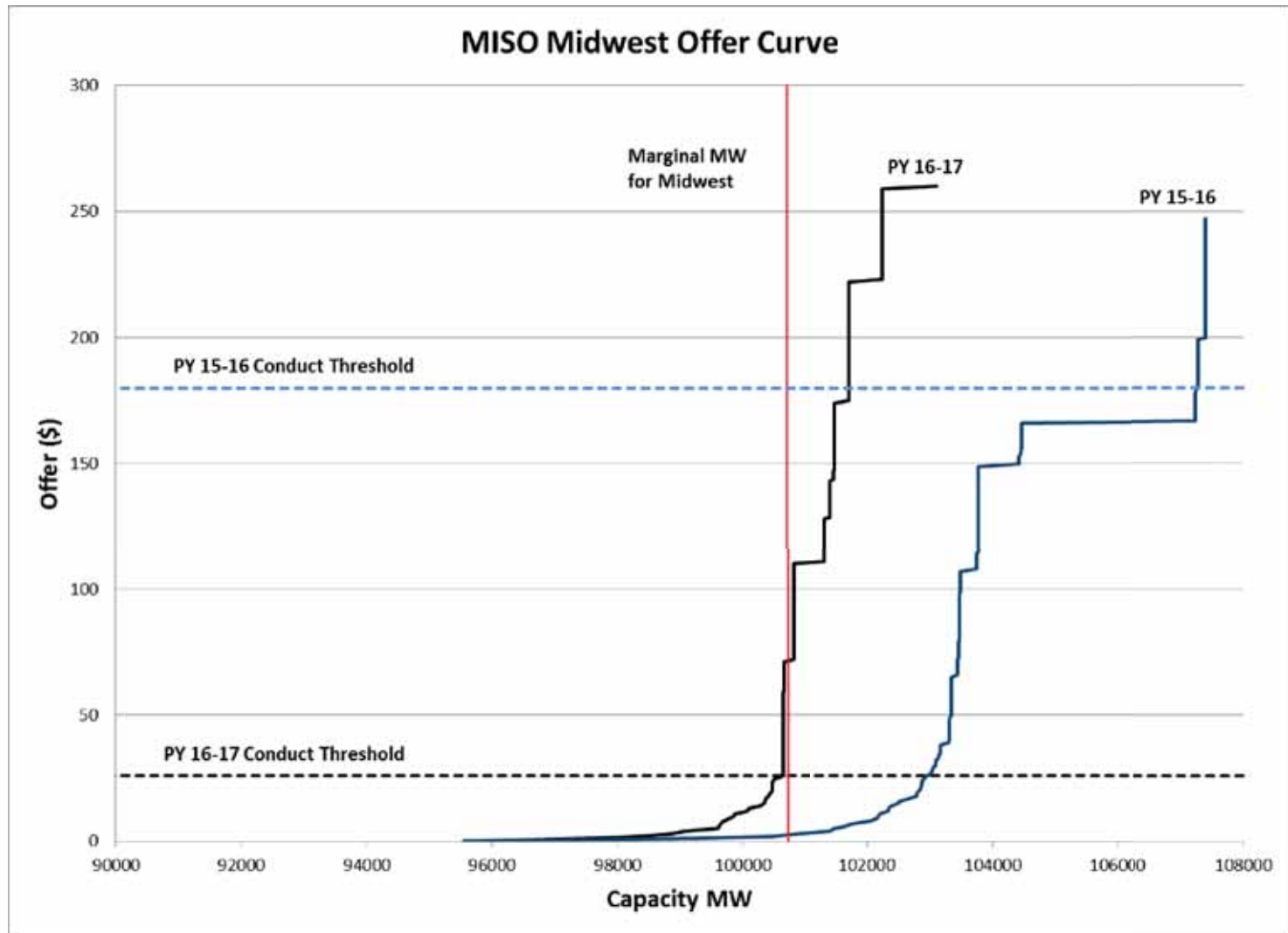
- Conduct Threshold is 10% of Cost of New Entry (CONE) for each Zone
- Conduct Threshold is \$0 for a Generation Resource with a Facility Specific Reference Level

* Auction Clearing Price

2016/2017 Planning Resource Auction Results

Local Resource Zone	Z1	Z2	Z3	Z4	Z5	Z6	Z7	Z8	Z9	Z10	System
PRMR	18,185	13,589	9,879	10,375	8,518	18,750	22,406	8,178	20,713	4,891	135,483
FRAP	14,252	12,063	501	910	0	4,338	1,393	318	577	1,641	35,995
ZRC Offer Cleared	4,522	2,840	9,636	8,242	7,927	14,060	20,141	9,676	17,934	4,511	99,488
Total Committed	18,775	14,903	10,138	9,152	7,927	18,398	21,534	9,995	18,511	6,151	135,483
LCR	15,918	12,986	8,715	5,476	5,026	13,698	20,851	6,270	17,477	3,978	N/A
CIL	3,436	1,609	1,886	6,323	4,837	5,610	3,521	3,527	4,490	2,653	N/A
Import	0	0	0	1,224	592	352	872	0	2,202	0	5,240
CEL	590	2,996	1,598	7,379	896	2,544	4,541	2,074	1,261	1,857	N/A
Export	590	1,315	258	0	0	0	0	1,817	0	1,260	5,240
ACP (\$/MW-Day)	\$19.72	\$72.00	\$72.00	\$72.00	\$72.00	\$72.00	\$72.00	\$2.99	\$2.99	\$2.99	N/A

Midwest Offer Curve 2015/2016 vs. 2016/2017



Next Steps

- Detailed results review at May 5 RASC
- Posting of PRA offer data 30 days after PRA conclusion – May 13

Acronyms

- ACP - Auction Clearing Price (\$/MW-Day)
- CEL - Capacity Export Limit (MW)
- CIL - Capacity Import Limit (MW)
- FRAP - Fixed Resource Adequacy Plan (MW)
- LCR - Local Clearing Requirement (MW)
- LRZ - Local Resource Zone
- PRA - Planning Resource Auction
- PRM - Planning Reserve Margin (%)
- PRMR - Planning Reserve Margin Requirement (MW)
- SREC – Sub-Regional Export Constraint
- SRIC – Sub-Regional Import Constraint

References

- Sub-Regional Export and Import Constraints discussed at the Supply Adequacy Working Group (SAWG)
 - October 29, 2015
 - December 3, 2015
 - February 4, 2016

THE ORGANIZATION OF MISO STATES, INC. **TRAVEL EXPENSE REIMBURSEMENT POLICY**

March 17, 2016

OVERVIEW AND POLICY STATEMENT

It is the intent of the Organization of MISO States (OMS) that travel should be judiciously used in order to carry out and promote the efficient work and duties of the OMS and otherwise protect and promote its interests. All travel at OMS expense must be for the purpose of conducting OMS business.

This policy applies to OMS staff, OMS board members, work group members, OMS member staff, and associate members who have been approved for travel by the Executive Director and in accordance with this policy. Expenses incurred should be reasonable and customary and in accordance with the Policy. The Treasurer will review costs associated with all OMS travel on an on-going basis. The Treasurer will also perform the functions designated in this policy for any traveler if the ED requests assistance or is unavailable.

This Travel Expense Reimbursement Policy (Policy) is designed to:

- Explain requirements that promote the reasonableness of costs incurred for travel on OMS business.
- Comply with applicable federal regulations and the Funding Agreement between the OMS and the Midcontinent Independent Transmission System Operator, Inc. (MISO).
- Meet the Internal Revenue Service definition of an accountable plan. As a result, expenses and reimbursements that conform to this policy are not reported as taxable income to the individual.
- Provide a clear and consistent understanding of OMS's travel expense reimbursement policy.
- Ensure that travelers are reimbursed for reasonable and customary expenses.

Additional restrictions may apply to travel expenses funded by federal agencies.

TRAVEL APPROVAL PROCESS:

Travel by OMS staff, OMS board members, work group members, associate members, or other designated travelers to OMS meetings, MISO meetings, FERC meetings, or other meetings directly related to OMS business requires prior approval by the Executive Director. In order to prudently utilize travel funds, those attending a meeting from any member commission or work group should

coordinate coverage of specific meetings amongst one another and only send the number of members that are necessary to serve the needs of the organization. The Executive Director has the authority to limit the number of members who go to a specific event.

Approval is obtained through submission of the OMS *Travel Request Form* to the OMS office at least 10 days prior to travel. Travelers should use due diligence and best judgement in estimating costs and booking travel.

Should an approved trip not be taken, the traveler is responsible for notifying the OMS office staff as soon as possible. Reimbursement of costs incurred for a trip not taken will be reviewed on a case by case basis.

Travel Expense Advances

A request for a travel expense advance must be indicated on the *Travel Request Form*. Advances should be limited to pre-paid expenses such as airfare. Please include a copy of the requested expense at the time of request. Requests for exceptions to this policy will be considered on a case-by-case basis.

The request for funds should be submitted to the Executive Director for approval and processing at least 20, but not more than 90, days prior to travel. The cash advance must be noted on the *Expense Reimbursement Form*. Receipts for actual cost must accompany the completed *Expense Reimbursement Form* along with other applicable receipts.

EXPENSE REIMBURSEMENT PROCESS

The traveler is responsible for submitting their reimbursement request for OMS travel within **45 days of returning**. If a traveler has not submitted the reimbursement request within 45 days of returning, future travel requests may not be approved. Receipts are expected for all expenses and required for any expenses greater than \$25. Receipts must be submitted with the completed *Expense Reimbursement Form*. OMS expects that a good faith effort will be made by travelers to collect and retain all required receipts. Lost receipts will be handled on a case-by-case basis.

Reimbursable Expenses

AIRFARE

Travelers are expected to make prudent decisions on airfare, weighing the cost of a ticket and the time commitment for travel. OMS will only

reimburse for the cost of coach or equivalent seating. If the travel circumstances change, cost variances of 30% or more, require approval and re-submission of the *Travel Request Form*.

RENTAL CARS

OMS will reimburse the traveler for the cost of renting a compact or standard-size car and for the automobile-related expenses if use of the rental vehicle is the most economical mode of transportation. Upgrades to full-sized cars may be pre-approved if a detailed explanation (for example, number of persons, luggage accommodations, length of commute between airport and destination) accompanies the request. Before renting a car, the traveler should consider shuttle services and taxis, particularly for transportation between airport and lodging. Mileage is not reimbursable for rental cars. In these cases, the direct cost of gasoline may be reimbursed. OMS carries rental car insurance for OMS members.

OMS members and staff renting cars for OMS business should, for insurance reasons, include “OMS” with the name of the individual.

Accident Notification

If a rented vehicle is involved in an accident, the OMS office staff should be notified immediately. If the accident happens after work hours contact the insurance company, Liberty Mutual directly at 1-800-362-0000 or clclaimreports@libertymutual.com and be sure to notify OMS staff as soon as possible.

PRIVATE AND STATE-OWNED AUTOMOBILES

OMS will pay a standard rate per mile, the GSA-designated rate, for official OMS travel by private automobile, or a standard rate per mile (the state designated rate) for official OMS travel by state automobile, based on the actual driving distance by the most cost efficient route. The standard mileage allowance is in lieu of all actual automobile expenses such as fuel and lubrication, towing charges, physical damage to the vehicle, repairs, replacements, tires, depreciation, insurance, etc.

Requests for mileage reimbursement to/from a destination should be calculated based on the actual location the traveler is departing from/returning to.

In addition to the standard mileage allowance, necessary and reasonable charges for the following automobile-related expenses are allowed: tolls, ferries, parking, bridges, and tunnels. Traffic ticket and parking ticket expenses will not be reimbursed.

OMS members are prohibited from using cell phones (unless using with a hands-free device) while operating a government, personal or rented vehicle for OMS business, except in emergency situations. These prohibitions apply to any use of cell phones, including text messages and e-mails.

PUBLIC TRANSPORTATION

For travelers using railroads, non-local buses or other commercial transportation OMS will pay the cost of the lowest first-class accommodations available for the trip. Reimbursement will not exceed the commercial airfare that would be reimbursable for the same trip.

LODGING

When making hotel reservations, OMS members should always consider asking about a group rate. Many times MISO rates, meeting blocks and government rate rooms are available. OMS travelers are responsible for cancelling any unneeded hotel rooms. OMS will not reimburse any cancellation costs unless there are extenuating circumstances beyond the control of the traveler. Those circumstances will be considered on a case-by-case basis.

LAUNDRY

Travelers will be reimbursed for reasonable and actual expenses for laundry services that are necessary due to an absence from home for five or more days or when unusual and documented circumstances mandate these services. An explanation of those circumstances should be included on the expense report.

INTERNET

Travelers will be reimbursed for fax, mail and internet connection costs that are reasonable and necessary for conducting OMS business.

MEALS

OMS will reimburse a traveler for allowable meal expenses incurred during OMS-related travel. OMS will only reimburse for meals incurred during the time of travel. On the days of travel to or from the destination, departure and return times will determine whether a meal was incurred during the period of travel. Reimbursement may only be requested for meals that the traveler had to pay for out of pocket.

OMS provides for reimbursement based on either the Actual Cost or the GAS per diem rate.

Actual Cost Reimbursement Method

Meal expenses should be reasonable and customary for the location of travel and any exceptions need to be explained. OMS will not reimburse for gratuities that are greater than acceptable standards. Currently, the domestic standard is 15-20% of the total bill; international standards may vary.

GSA Per Diem Rate Reimbursement Method

OMS will reimburse meal and incidental expenses based on the per-diem rate for the location where the expenses are incurred. OMS's reimbursement rate for domestic travel is based on the U.S. General Services Administration (GSA) maintained web site of domestic per diems by location. Because rates for specific localities may change, the traveler must be careful to ensure that the applied rate is appropriate to the actual dates of travel. Consult these sites for the per-diem rate of the travel location:

<http://www.gsa.gov/portal/content/100715>

<http://www.gsa.gov/portal/content/101518>

INCIDENTALS

Incidental expenses, including fees and tips for persons providing services such as food servers, hotel housekeeping and luggage handlers will also be reimbursed.

NON-BUSINESS TRAVEL

If a traveler remains at the business destination for non-business reasons, OMS will only reimburse the costs of the business portion of the travel. Any costs incurred over and above the business period are the responsibility of the traveler.

TRAVEL EXPENSES OF FAMILY AND FRIENDS

The expenses of a spouse, family or others accompanying the business traveler are not reimbursable.

NON-REIMBURSABLE EXPENSES

The following expenses are not reimbursable under this policy:

- Alcoholic beverages.
- Car rental insurance purchased for domestic travel. OMS's business insurance covers rental cars.

- Childcare.
- Corporate card delinquency fees or finance charges.
- Dues in private clubs.
- Personal grooming services, such as barbers, hairdressers and shoe shines.
- Membership fees associated with frequent flier and other similar awards for hotel and car rentals.
- Gym and recreational fees, including massages and saunas.
- In-room movies.
- Insurance costs such as life insurance, flight insurance, personal automobile insurance and baggage insurance.
- Laundry or valet service for travel of fewer than five days.
- Lost baggage.
- Loss or theft of cash advance money, airline tickets, personal funds or property.
- “No-show” charges for hotel and car service.
- Parking tickets or traffic violations.
- Personal automobile repairs.
- Personal credit card annual fees.
- Personal telephone charges in excess of one telephone call home per day
- Upgrades (air, hotel, car, etc.).

OMS Work Group Draft

WORK GROUP: Resources	LEAD STAFF: Marcus Hawkins & Bonnie Janssen
DESCRIPTION: Feedback to RASC	VERSION:
WG DUE DATE: 4/20/2016	OMS BOD DUE DATE: 4/21/2016
MISO DUE DATE: 4/22/2016	DATE OF INITIAL DRAFT: 4/18/2016

1 The OMS Resources Work Group (“work group”) appreciates the opportunity to provide
2 feedback to the Resource Adequacy Subcommittee (“RASC”) related to MISO’s Competitive
3 Retail Solution (“CRS”). This feedback is intended to provide specific suggestions to MISO
4 under the assumption that MISO is moving forward with a July 1 tariff filing and does not
5 represent support for the CRS by the work group or any of its members.

6 A primary concern of the work group is the provision for a non-participating LSEs to opt-
7 in to the new construct. The work group believes that this provision could lead to spillover
8 impacts throughout the vertically integrated portion of the footprint, possibly creating a
9 patchwork of capacity constructs. For this reason, MISO should eliminate the opt-in provision or
10 include “state review and approval” language in its tariff filing. This would be a reasonable step
11 geared towards reducing unintended consequences in non-retail choice areas in MISO. The IMM
12 made a similar recommendation in his April 14th memo to MISO.

13 MISO requested specific feedback in four areas at the April 14 RASC meeting.
14 Responses to those requests are below:

- 15 1. Bifurcated procurement: The work group is concerned that by clearing resources in the
16 forward market to a variable level, non-participating load that clears in the prompt year to
17 a different fixed level (i.e., LCR) could be negatively impacted by the remaining variable
18 procurement of participating loads, which may procure to higher reliability levels. The
19 work group requests that MISO show how the auction will be run to clear a zone with
20 both participating and non-participating load at a single price. Please provide an example
21 of how zone 4 and/or zone 7 would have cleared in 2016.

22 In addition, the work group shares some of the concerns of the IMM related to
23 forward capacity procurement. Since the benefits of forward procurement are unclear and
24 could lead to inefficient decision making, while adding substantial implementation costs,
25 this portion of the proposal should be reviewed to ensure that its supposed benefits are
26 truly worth the cost and potential harm.

- 27 2. Congestion Charge Allocation: The work group views this as an issue that would only
28 arise if procuring to a level above the local requirements in the forward auction. For this
29 reason, the work group does not support procuring at a level higher than what is currently
30 proposed. Doing so only adds complexity and leads to multiple cost allocation issues.
- 31 3. Demand Curve Design: MISO has indicated that they would prefer to use a previously-
32 FERC approved curve design for the CRS. The work group is concerned about how
33 applicable previously approved curves are for the MISO footprint. Is MISO aware of any
34 potential complications that could arise from the drastically different sizes and structures
35 of the markets that utilize these demand curves and that of the much smaller competitive

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36 retail portion of MISO? For example, the supply offer curve is drastically different in
37 MISO than in other markets.

38 4. Forward FRAP: The work group believes that by allowing participating demand to
39 FRAP, uniform treatment is maintained throughout the MISO footprint under this
40 proposal. This provision is also needed to help ensure bilateral contracting can continue
41 to play the needed and important role in the capacity construct. This would also help
42 accurately reflect MISO's primarily vertically integrated utilities and retail regulators'
43 responsibility for resource adequacy.

44 Some work group members are concerned that forward FRAP'ing will be to a fixed
45 quantity, which is inherently wrong. It is unclear how this quantity will be "trued-up" in
46 the prompt auction to meet both local and system-wide requirements.

47 It is also unclear to work group members how participating load could forward contract
48 for their entire forecasted demand when a forward FRAP can only be used to cover local
49 requirements. Would the remaining portion of a unit be required to offer its supply even
50 though it is bilaterally contracted to meet 100% of a participating load's demand?

51 Again, the OMS Resources Work Group offers this feedback and asks these questions
52 under the assumption that MISO will file tariff language similar to the current CRS proposal. In
53 doing so, no member implies support for the Competitive Retail Solution.