



**ORGANIZATION OF MISO STATES, INC.  
Cost Allocation Principles Committee  
January 25, 2021**

Commissioner Sarah Freeman, Chair of the Organization of MISO States, Inc. (OMS) Cost Allocation Principles Committee, called the January 25, 2021 meeting to order via Webex at approximately 2:00 pm (CT). The following committee members or their proxies participated in the meeting:

Kim O'Guinn, Arkansas  
Carrie Zalewski, Illinois  
Sarah Freeman, Indiana  
Richard Lozier, Iowa  
Talina Mathews, Kentucky  
Noel Darce, proxy for Erik Skrmetta, Louisiana  
Dan Scripps, Michigan  
Matt Schuerger, Minnesota  
David Carr, proxy for Dane Maxwell, Mississippi  
Ryan Silvey, Missouri  
Bob Decker, proxy for Tony O'Donnell  
David Shaffer, proxy for Helena Moreno, New Orleans  
Julie Fedorchak, North Dakota  
David Kearney, proxy for Gary Hanson, South Dakota  
Arthur D'Andrea, Texas  
Randy Pilo, proxy for Becky Valcq, Wisconsin

Absent  
Manitoba

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

Others present

OMS staff and staff participants from individual state commissions  
Other meeting attendees  
MISO Staff

## Administrative Items

- Marcus Hawkins, OMS Executive Director, took the roll as noted above.
- **Approval of Minutes from the January 11, 2021 Cost Allocation Principles Committee Meeting**  
The minutes were accepted as submitted.

## Business Items

- **OMS Cost Allocation Principles Discussion:** Commissioner Freeman called for a motion and second to discuss the document with footnotes included. Commissioner Schuerger moved and Chair Silvey seconded. Commissioner Freeman called on Commissioner Schuerger to start the discussion. He stated support for the document and proposed that Minnesota will consider adding footnotes relating to postage stamping and the use of portfolios. Chair Silvey, Missouri, stated support of the overall document. David Shaffer proposed to change the language in footnote 1 from “make clear” to “take the position”. Commissioner Schuerger, Commissioner Freeman, Chair Zalewski, Noel Darce, and David Carr were in support. Randy Pilo stated on behalf of Wisconsin that the document is reasonable. His preference would be to have a document free of footnotes and if states feel a footnote is necessary, they submit that on their own to RECB with the base document created in this group.

Chair Silvey recommended the addition of the word “caused” in principle 1 to better express the intent. Commissioner Freeman, and David Carr are in support of this change. Chair Fedorchak is in full support of the principles as outlined. Commissioner D’Andrea stated that Texas would like to join footnotes 3 and 4 as Texas is opposed to postage stamping. Commissioner Matthews would like to join footnote 3. Commissioner Schuerger stated that Minnesota would like to add the following footnotes, support of sub-regional consideration of sub-regional postage stamping and support of considering projects as portfolios. Chair Fedorchak, Chair Silvey, and Commissioner Freeman would like to join Minnesota’s footnotes. Commissioner O’Guinn stated that Arkansas would like to join the original footnote 3. Darren Kearney, South Dakota, would like to join Minnesota’s footnotes after reviewing specific language.

Action on the motion was paused to allow time for OMS staff to incorporate changes. Commissioner Freeman indicated the Committee would return to the motion after the next agenda item.

- **Subregional Discussion:** Commissioner Freeman introduced Andy Witmeier with MISO who gave a presentation on the use of sub-regions in MISO with a focus on Cost Allocation zones. Currently there are 12 cost allocation zones and that is what MISO is currently using to allocate costs under the tariff. There was a short discussion amongst members and MISO staff.
- **OMS Cost Allocation Principles Vote:** Marcus Hawkins, OMS Executive Director, summarized the discussion of footnotes. Footnote 1, plus Arkansas and an edit made by David Shaffer while being supported by multiple states in the original footnote. Footnote 2, Arkansas joined. Footnote 3, Texas, Kentucky, and Arkansas joined. Then a new footnote (4) was proposed which supports postage stamp allocation on a sub-regional basis when all the states within the sub-region are supportive. Minnesota, North Dakota, South Dakota, Indiana, and Missouri are in support. Footnote 5 had Texas and Arkansas join. A new footnote (6) was proposed which is supportive of evaluating

projects as “portfolios” and is supported by Minnesota, North Dakota, South Dakota, Indiana, and Missouri.

Commissioner Freeman prompted Marcus Hawkins, OMS Executive Director, to take a roll call and vote. All states voted Yes on the document with Manitoba being Absent. Iowa voted via email and indicated a desire to possibly join in footnotes (4) and (6) after final language was developed.

- **Transmission Planning Update:** Commissioner Freeman introduced Aubrey Johnson with MISO who gave a presentation on Long Range Transmission Planning (LRTP). LRTP is intended to provide a view of what our system needs are that can be used to identify and inform transmission solutions, on both the short-term and long-term basis to enable the resource portfolio shift that is contemplated by MISO members and stakeholders. There was a short discussion amongst committee members and MISO staff.
- **RECBWG Update:** Commissioner Freeman called on Chair Scripps to give an update on the RECB Work Group. Chair Scripps stated in the 1<sup>st</sup> meeting the focus was on the scope of work for the RECB to consider in 2021 and beginning to compile a group of cost allocation guiding principles for MISO to consider. This was done by requesting feedback at the end of 2020 from stakeholders. The discussion at RECB was largely focused around whether initial projects identified through the LRTP process could be included in MTEP 21 without requiring changes to the existing MISO tariff and, if changes were needed, to what extent those changes, or the development of a new tariff would be needed for potential projects included in future MTEP cycles. Another topic of discussion is around generator interconnection projects being eligible to for consideration as a Market Efficiency Project. Chair Scripps stated there is likely work to be done between OMS and RECB to identify and be educated on what the current tariffs allow for and which projects become eligible but to ground the group in what the landscape looks like today. The next RECBWG meeting is February 11<sup>th</sup>.
- **CAPCom Next Steps:** Commissioner Freeman stated at the next meeting on February 22<sup>nd</sup> an in-depth discussion of the tariffs is important. She noted that this is the necessary next step for this process to move forward. She added now that the principles have been adopted the next step is to address if any tariff changes are necessary and making recommendations as to what those would look like. This will be a large part of the RECBWG process. At this time, she proposed that CAPCom continue to meet once a month off cycle with RECBWG.
- **Open Mic:** No comments.

The meeting concluded at approximately 3:45 pm (CT).