

## NOTICE:

The Organization of MISO States Executive Committee will hold a **SPECIAL** meeting by conference call,

**TUESDAY, March 21, 2006 at 2:00 pm (CST)**

- The call in number is **877-452-6418**. The conference code is **701-328-2400** followed by #.
- Executive Committee Members who cannot attend the meeting should notify John Norris (john.norris@iub.state.ia.us with a copy to gloria.butler@iub.state.ia.us) to designate a proxy for this meeting.

## There will be one item on the **Agenda:**

- As discussed at the March 15 Advisory Committee meeting, an ad hoc committee is being established to review and provide recommendations on the Midwest ISO's committee structure. It is requested that each sector provide one representative to serve on this committee. The name of each sector's representative must be submitted to April Paronish no later than Wednesday, March 22, 2006.
- **Action item. "Designation of a representative of the state regulatory sector to participate in the Midwest ISO committee restructuring process."**

## Attachment:

- MISO Subcommittee Reorganization



# Midwest ISO Subcommittee Reorganization

● March 15, 2006

# Overview

- Background and Objectives
- Proposed Plan
- Organization Charts
  - Current State
  - Proposed Changes
  - End State
- Recommendations
- Benefits
- Key Topics for 2006
- Next Steps

The purpose of the subcommittee reorganization is to save time and expense for the membership and to improve our prospective focus, decision making, and results.

# Background and Objectives

- We have grown in our operational and market sophistication ...  
But ....
- Now is the time to streamline our deliberation and decision making processes
- Current structure is unwieldy, redundant, and demanding of resources
  - Over thirty subcommittees, working groups, task forces
  - Extensive number of monthly meetings

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## Three Primary Objectives

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Consolidate our efforts and focus on prospective issues

Save time and expense

Improve decision making and results

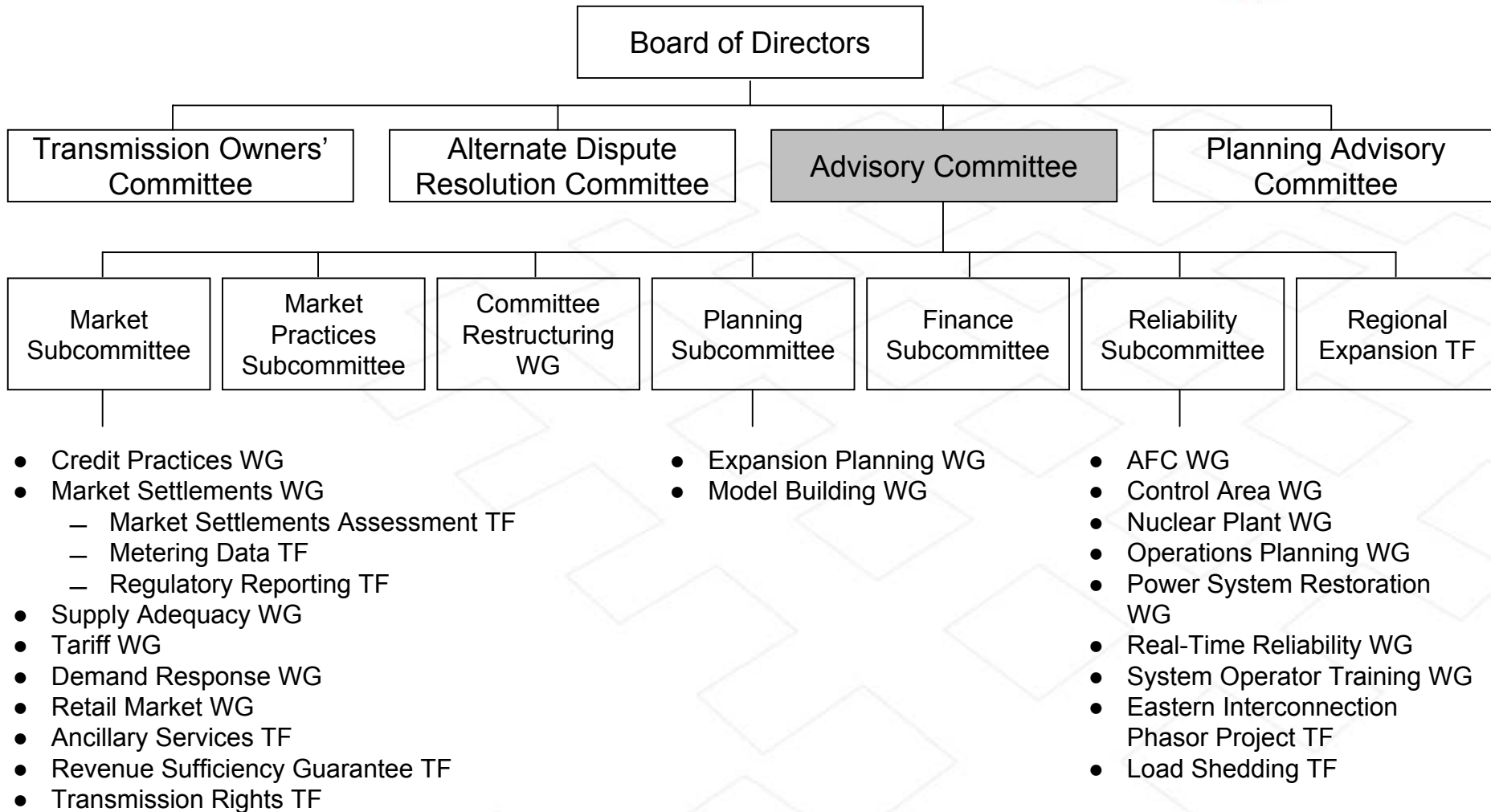
# ○ Proposed Plan

- Retain required existing four committees; bi-monthly meetings, or as needed
  - Transmission Owners Committee
  - Advisory Committee
  - Alternative Dispute Resolution Committee
  - Planning Advisory Committee
- Reduce number of subcommittees from seven to three
  - Operations and Development Subcommittee
  - Planning Subcommittee
  - Finance Subcommittee

## ○ Proposed Plan (Cont'd)

- Midwest ISO to provide executive sponsor for each subcommittee
- Consolidate working groups and task forces **by function** under the three subcommittees

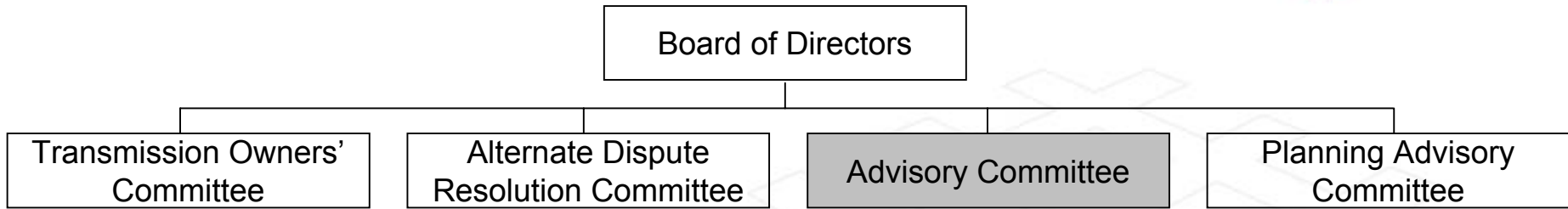
# Org Chart – Current State



**Problem: Multiple, overlapping working groups and task forces**

WG=Working Group; TF=Task Force

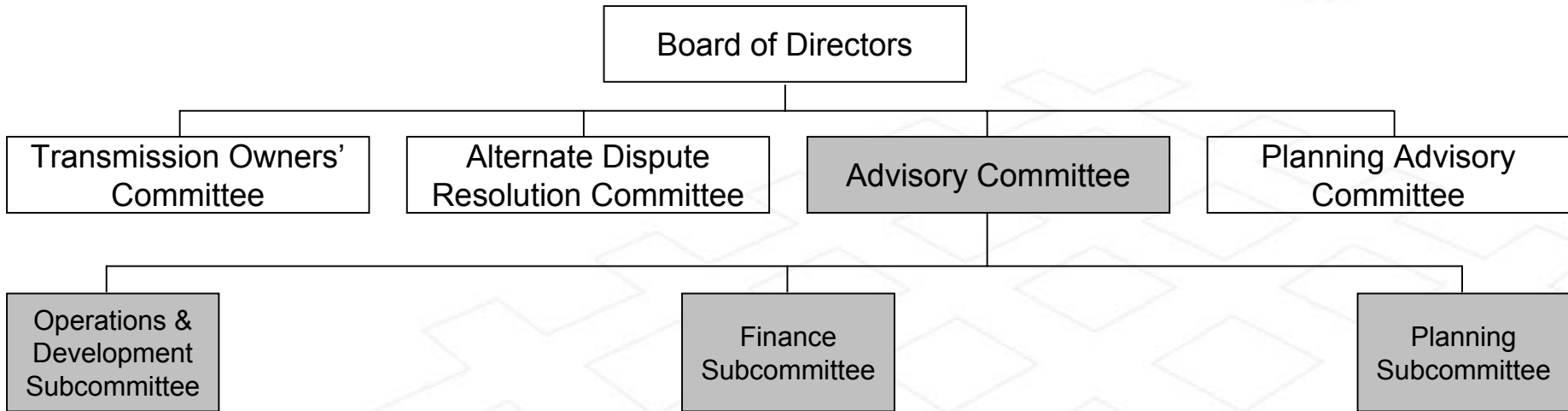
# Org Chart – Committee Level



**Top Four Committees – No Change from Current State**

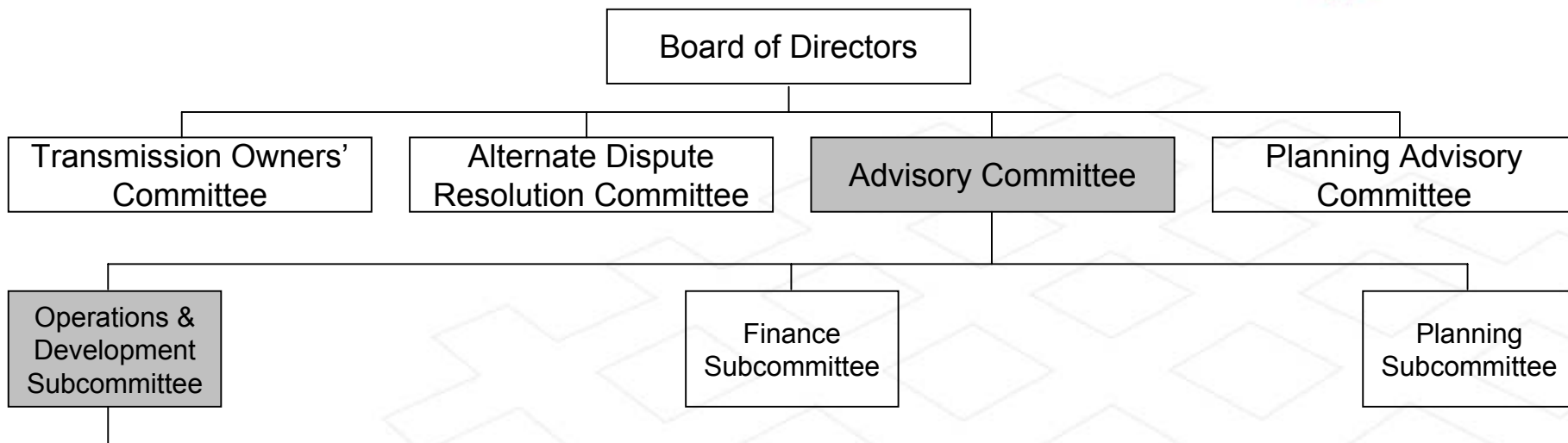


# Org Chart – Proposed Subcommittees



**Consolidate seven subcommittees into three**

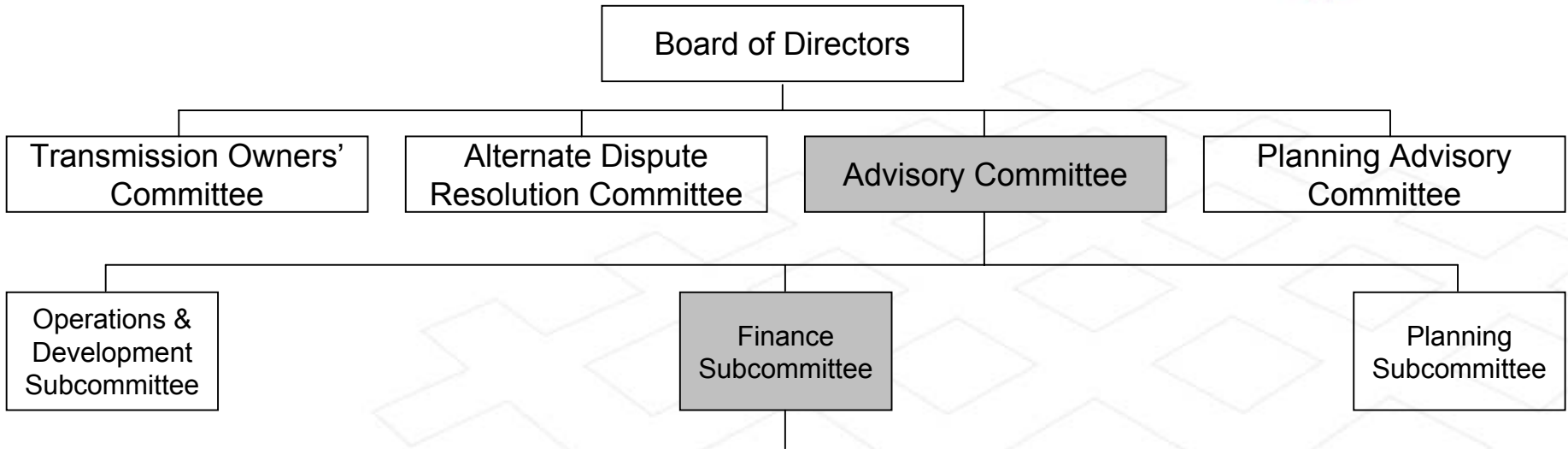
# Org Chart – Proposed Operations and Development Subcommittee



- Market rules and operations
- Balancing Authority functions to transfer to MISO
- Development and implementation of ancillary markets
- Reliability coordination
- Tariff revisions
- FTR market design changes
- Resource Adequacy (generation supply and demand-side, investment incentives)
- Settlements issues

**Operations & Development Subcommittee organized by function**

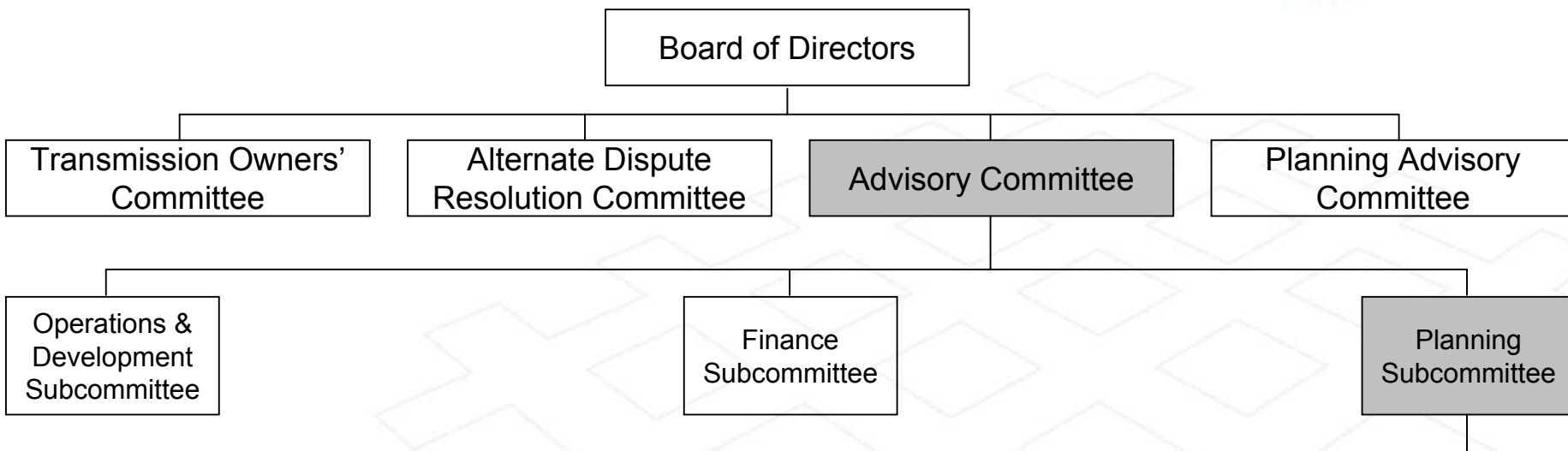
# Org Chart – Proposed Finance Subcommittee



- Annual operating and capital budget reviews and advice
- Credit practices review and input

**Finance Subcommittee organized by function**

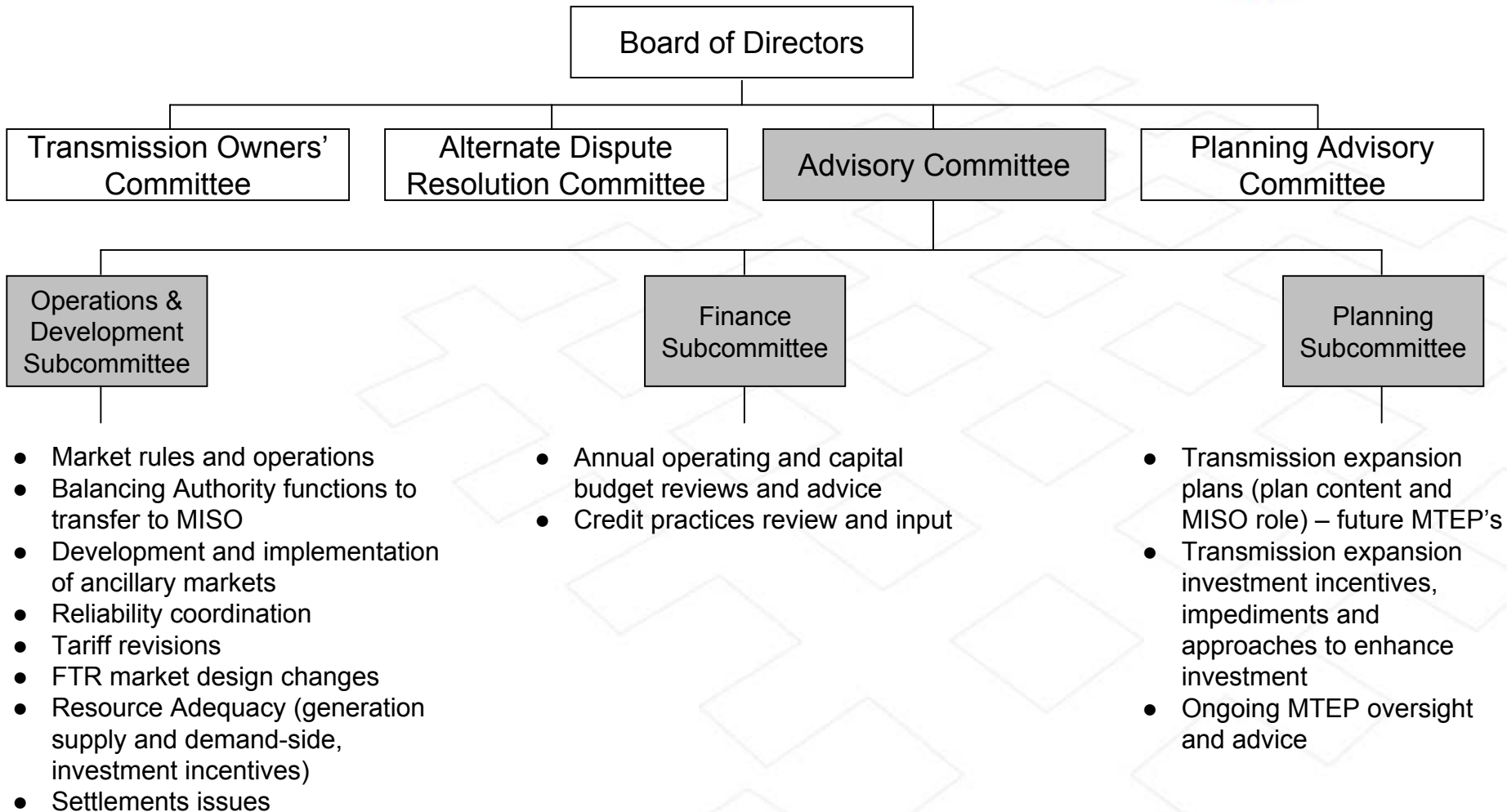
# Org Chart – Proposed Planning Subcommittee



- Transmission expansion plans (plan content and MISO role) – future MTEP's
- Transmission expansion investment incentives, impediments and approaches to enhance investment
- Ongoing MTEP oversight and advice

**Planning Subcommittee organized by function**

# Org Chart – Proposed End-State View



## Desired End-State - Subcommittees organized by function

# Recommendations

- Reduce subcommittees from seven to three
- Reorganize all work groups and task forces under three subcommittees, by function
- Retain stakeholder as subcommittee chairperson
- Provide MISO executive sponsor to ensure availability of resources and appropriateness of scope
- Develop agendas of prospective nature only, aligned with MISO policy
- Establish formal checkpoint for major recommendations or direction for MISO
- Periodically review stakeholder governance policies and procedures (e.g., subcommittee formation, agenda, retirement, etc.)

# Benefits

- Align the policies of the Advisory Committee and MISO
- Permit robust, high impact decision making by:
  - Limiting scope to prospective topics only
  - Reducing participant time, effort, and redundancy
  - Reducing conflict and improving collaboration
- Force issue prioritization to keep MISO and stakeholders focused on large structural issues
- Reduce the extensive number of meetings
- Produce better, more timely results for less cost
- Avoid “scope creep”
- Ensure MISO directives are realistic, cost effective, achievable

# ○ Key Topics for 2006

- Role of Midwest ISO regarding resource adequacy
- Balancing Authority functions and ancillary services market
- Joint and Common Market development
- Cost Accountability
  - 2007 budget
  - Stated rate for administrative cost adders
  - Not-for-profit vs. for-profit structure
- Transmission rate design
- Transmission expansion



## ○ Next Steps

- Facilitate high-level discussion at April 2006 Advisory Committee meeting
- Form an ad-hoc committee to put “the meat on the bones” of the proposal
  - 1 person from each sector
  - 2 Midwest ISO staff
  - Facilitate sense of urgency and need
- Ad-hoc committee to develop recommendations and present to Advisory Committee at May 2006 meeting
- Implementation