



Organization of MISO States

**ORGANIZATION OF MISO STATES, INC.
Executive Committee Meeting Minutes
November 20, 2012**

Approved December 20, 2012

Robert Kenney, President of the Organization of MISO States, Inc. (OMS), called the November 20, 2012 meeting of the OMS Executive Committee to order via conference call at approximately 1:00 p.m. (CST). The following directors participated in the meeting:

President – Robert Kenney, Missouri
Vice-President – Kari Bennett, Indiana
Treasurer – David Boyd, Minnesota
Secretary – Libby Jacobs, Iowa
Commissioner at Large – Eric Callisto, Wisconsin

Others present on the conference call:

Indiana – Dave Johnston
Wisconsin – Randel Pilo, Brian Rybarik
OMS Staff – Bill Smith

The directors listed above established the necessary quorum of three (3) Executive Committee members.

The minutes from the October 25, 2012 Executive Committee meeting were accepted with no revisions.

BUSINESS

1. Discussion: Agenda for the OMS Planning Meeting, December 12

The proposed agenda was distributed prior to the meeting. Eric Callisto suggested an informal invitation to have a meeting with ERSC officials at the MARC gathering in Austin, Texas on January 10-12. There was additional discussion about meeting with the ERSC at the MISO meeting in New Orleans in February as well.

2. Action Item: OMS Briefing in *ICC v FERC*, 7th Circuit

Bill Smith distributed a memo summarizing previous OMS positions on this issue and the issues going forward. Robert Kenney indicated that OMS would be able to join the brief being prepared by MISO, the Transmission Owners and the Transmission Dependent Utilities and that the question was whether to join that brief on the narrow issue of charging MVP costs to departing MISO members.

After discussion, it was decided to bring the issue before the entire Board at the December 6th Board Meeting.

3. MISO-PJM Joint & Common Market: Discussion of Commissioner Leadership

Brian Rybarik gave a quick briefing on this to the Executive Committee requesting increased Commissioner engagement in the seams and JCM issues and indicated that he would have a more formal proposal at the Board Meeting on December 6th.

4. Possible Action Item: MWDRI Proposal

A background memo was provided prior to the meeting. Bill Smith gave an overview of the memo, emphasizing that travel would have to be paid by OMS or the individual states and that Commissioner leadership would be encouraged to provide visibility to the project. There was discussion on the issue and it was agreed to not go forward with the project.

5. Possible Action Item: Stipends for Grid School

A proposal was distributed for funding attendance at Grid School 2013 by OMS member commissions.

Robert Kenney moved that OMS provide stipends for Grid School in accordance with the proposal that Bill Smith distributed. David Boyd seconded. The motion passed by unanimous voice vote.

6. Agenda for the December 6 Board Meeting

Requests for agenda items should be forward to Bill Smith or Robert Kenney.

Dave Johnston gave a briefing on the Order 1000 comments the work groups are preparing for consideration at the meeting.

7. Officer Transition

This item is a reminder that the officer transition will occur on January 1, 2013.

Administrative Report

Bill Smith highlighted FERC's action on investment through pricing reform and how OMS's involvement influenced their thinking on the docket.

The meeting adjourned at approximately 1:39 p.m. CST

Organization of MISO States

Planning Session

Wednesday, December 12, 2012, 3:00 pm – 6:00 pm (EST)

MISO meeting rooms, Carmel, Indiana

1. **Objectives of planning session** 3:00
2. **Entergy and ERSC coordination** 3:10
 - Joint OMS/ERSC organizing meeting – February New Orleans MISO board week
 - Agenda to include:
 - Advisory Committee representation
 - Budgets
 - Website and meeting management
 - Meeting schedules
 - Further work on filing rights
 - Other governance and administrative issues
3. **Implementation of enhanced regional planning process** 3:40
 - MISO planning calendar
 - OMS meeting and work plan
4. **Order 1000** 4:10
 - Regional and Interregional steps and timelines
 - State role in developer selection
 - Interregional Planning Stakeholder Advisory Committee (IPSAC) representation
5. **Ongoing MISO issues** 4:40
 - Seams
 - Resource shifts – EPA regulations, gas/electric interdependency, demand curve, capacity tools
 - FERC rate issues – formula rates, incentive returns
6. **OMS administrative issues** 5:10
 - Staffing and succession
 - Office issues
7. **Next steps** 5:40
- Adjournment** 6:00

Review documents:

- OMS Goals for 2008-09, 2010, and 2011-12 can be found at <http://www.misostates.org/index.php/about-us-2/strategic-goals>
- August 16, 2012 OMS Proposal for Enhanced Planning Authority can be found at http://www.misostates.org/images/stories/Filings/August_16-2012_OMS_Proposal_for_Enhanced_Planning_Authority.pdf
- OMS Bylaws can be found at <http://www.misostates.org/images/stories/OMSBYLAWSfinalAmended13Sept2012.pdf>



Organization of MISO States

100 Court Avenue, Suite 315
Des Moines, Iowa 50309

Phone: 515-243-0742
Fax: 515-243-0746
www.misostates.org

To: OMS Executive Committee
From: William H. Smith, Jr.
Executive Director
Date: November 19, 2011
Re: Briefs in *ICC v FERC*, 7th Circuit

The Executive Committee should consider whether OMS should support FERC regarding cost allocation to departing members of MISO, FirstEnergy and Duke of MISO. Briefs on this matter are due December 7, 2012.

Background:

In August 2012, the OMS Board considered joining briefs in the appeal of FERC's decision generally approving MISO's multi-value project cost allocation. For briefing purposes, OMS was aligned with certain intervenors, but declined to join the brief of that group supporting petitioner arguments on two issues:

1. The argument by MISO and MISO TOs that FERC wrongly rejected charging MVP costs on exports to PJM.
2. The argument of the Illinois Commission, Michigan interests, and others that the MVP cost allocation is not based on adequate evidence and does not sufficiently correlate with the distribution of benefits.

Current question:

FERC's brief was filed November 16. OMS again has the option of joining a brief, this time with intervenors supporting FERC on the question of allocation of MVP costs to departing MISO members for projects approved while they were MISO members. This issue was raised by petitioners First Energy and Duke.

The interests of current OMS states are aligned with FERC's decision to allow these charges. (OMS did not comment on this while the Ohio Commission was an OMS member). Parties preparing a brief in support of FERC on this issue (MISO, MISO TOs, and MISO TDUs) have invited OMS to join this brief.

An outline of the points to be addressed in the intervenors' brief should be available late Monday, November 18. A draft of the brief is expected to be available November 29.



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Des Moines, Iowa 50309

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To: OMS Executive Committee

From: William H. Smith, Jr.
Executive Director

Date: November 15, 2012

Re: Midwest Distributed Resources Initiative
Cost estimates

I have reviewed the MWDRI proposal with Janine Migden-Ostrander, the lead representative of the Regulatory Assistance Project for this effort. The proposal is closely modeled after a similar project in the Mid-Atlantic states.

The proposal plans two meetings during 2013. A planning committee of staff or staff and commissioners would meet first by conference call to select the meeting dates, locations, and the subjects to be discussed in each meeting. The number of meetings can be increased if desired.

RAP's funding from the Department of Energy would cover

- RAP's time and travel
- Meetings costs, such as teleconferencing or webcasting (if not available from MISO or other host site)

OMS or member states would be expected to cover travel and lodging for in-person participants. Assuming an average travel cost of \$1000 and one participant per state, the OMS cost would be \$17,000 per meeting if OMS provides reimbursement. In the Mid-Atlantic, lunches and refreshments are usually sponsored by another party, but if no sponsorship is available, that could be a small added cost to OMS.



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To: OMS Executive Committee

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Executive Director

Date: November 15, 2012

Re: Grid School – Cost estimates

Michigan State University's Institute of Public Utilities is offering its Grid School course March 4-7, 2013. OMS has supported member commissions by providing stipends to attend this program for several years. Staff who have attended have found it a useful source of training, focused on regional transmission operations and markets.

IPU has offered OMS a group rate in past years, and I anticipate a discount would be available again this year if members are interested.

My estimates for OMS stipends include these elements:

Registration	\$ 750	
Airfare	700	(average)
Lodging	500	
Meal per diem	300	

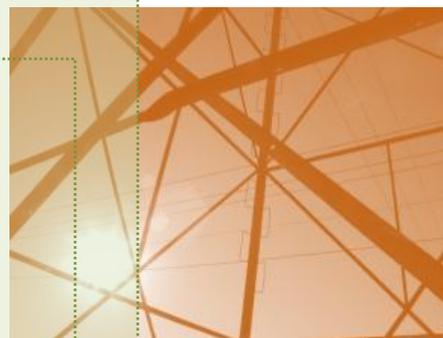
If the Board is interested in supporting attendance at this program during 2013, I would recommend one stipend per state, covering actual expenses estimated at \$2250. Total cost would be approximately \$38,250. Stipends not reserved by January 31 would become available to other states.

THE INSTITUTE OF PUBLIC UTILITIES *presents*

GRID SCHOOL 2013

March 4-7.2013

Courtyard by Marriott **Charleston Historic District**
Charleston, South Carolina



IPU Grid School is designed to improve regulatory capacity for grid-related policy development and decision-making at all government levels in support of innovation, efficiency, and environmental goals. Grid School is open to the public and private sectors, including economic and environmental regulators. The program provides an intensive, interdisciplinary, and interactive educational and professional networking experience. Grid School is objective and rigorous, taught by knowledgeable academic faculty and technical experts. This program is designed to be responsive to policy mandates and infrastructure investments associated with the Energy Independence and Security Act and the American Recovery and Reinvestment Act (ARRA). IPU Grid School is sponsored by IPU in collaboration with MSU's College of Engineering and Argonne National Laboratory (ANL).

IPU Grid School is **open to everyone** and designed for members of the federal and state regulatory policy community, including commissioners and staff members of the public utility commissions, energy and environmental agency staff, legislative staff, consumer advocates, utility personnel (public and private), engineers, planners, investors, analysts, consultants, attorneys, and others interested in learning about the electricity grid from qualified experts. Attendees receive a certificate of participation; IPU can also help arrange continuing education credits.

TOPICS COVERED

- Introduction to Electricity Grid Infrastructure
- Electricity Demand Forecasting and Dynamics
- Energy and Capacity Market Structures
- Resource Portfolios and the Electricity-Gas Nexus
- Integrating Variable Resources on the Grid
- Distribution Grids, Micro-grids, and Energy Storage
- Grid Interoperability, Security, and Privacy
- Grid Efficiency, Risks, and Resilience
- Smart-Grid and Smart-Meter Evaluation
- Roundtable on Emerging Regulatory Issues

Sunday preconference program on Fundamentals of Regulation and Ratemaking

For program details and registration information, please visit www.ipu.msu.edu.
For hotel, www.marriott.com/hotels/travel/chshd-courtyard-charleston-historic-district.

Space is limited – please register today!

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INSTITUTE OF PUBLIC UTILITIES Regulatory Research and Education

MICHIGAN STATE UNIVERSITY

517.355.1876 ipu.msu.edu

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