



Organization of MISO States

Oms History – *Regional Markets and Regional Institutions*

National Conference of Regulatory Attorneys

Bill Smith

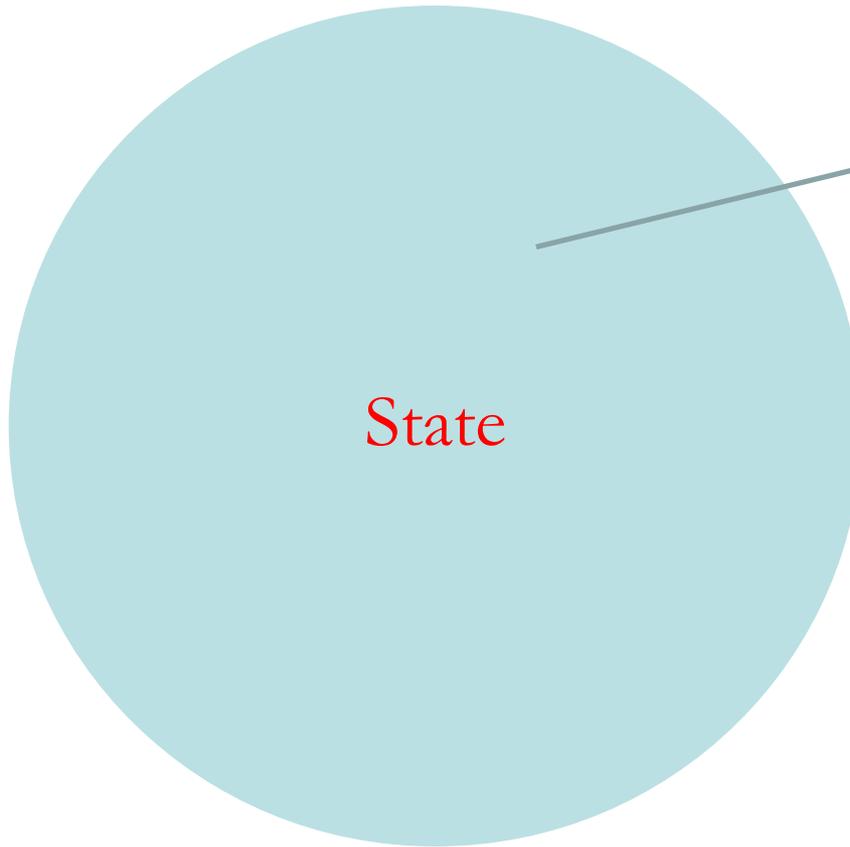
May 22, 2012

How Regional and Wholesale Markets Affect State Regulatory Responsibilities

- States must understand the wholesale markets available to them to design a retail market structure
- Many states (but not all) approve changes in RTO membership or participation
- States must understand the wholesale markets in which their utilities operate in order to understand decisions utilities must make in their wholesale market activities
- States can use the Order 1000 and RTO stakeholder processes to advocate ways to shape the wholesale market for the benefit of the state's residents and businesses

How Regional and Wholesale Markets Affect State Regulatory Responsibilities - More

- States decide value of reliability
- States determine adequacy of supply for future usage levels
- States make land use decisions for new facilities
 - Balancing cost, need, and other land uses
 - Bring public policy into these decisions
 - May use criteria broader than the state
 - May use other political criteria



Retail regulation
Facilities siting
Constitutional relationship
Interstate Compacts

Pre-RTO

- FERC Intervention
 - Sales to or from retail utilities
 - Rulemakings
 - Registered holding companies
- New Entities
- New Workload

Policy calls for multi-state cooperation:

- NGA Task Force Report – August 2002
- Standard Market Design – July 2002

Interstate Compacts as a Policy Option to Enhance the Electric Transmission Line Siting Process

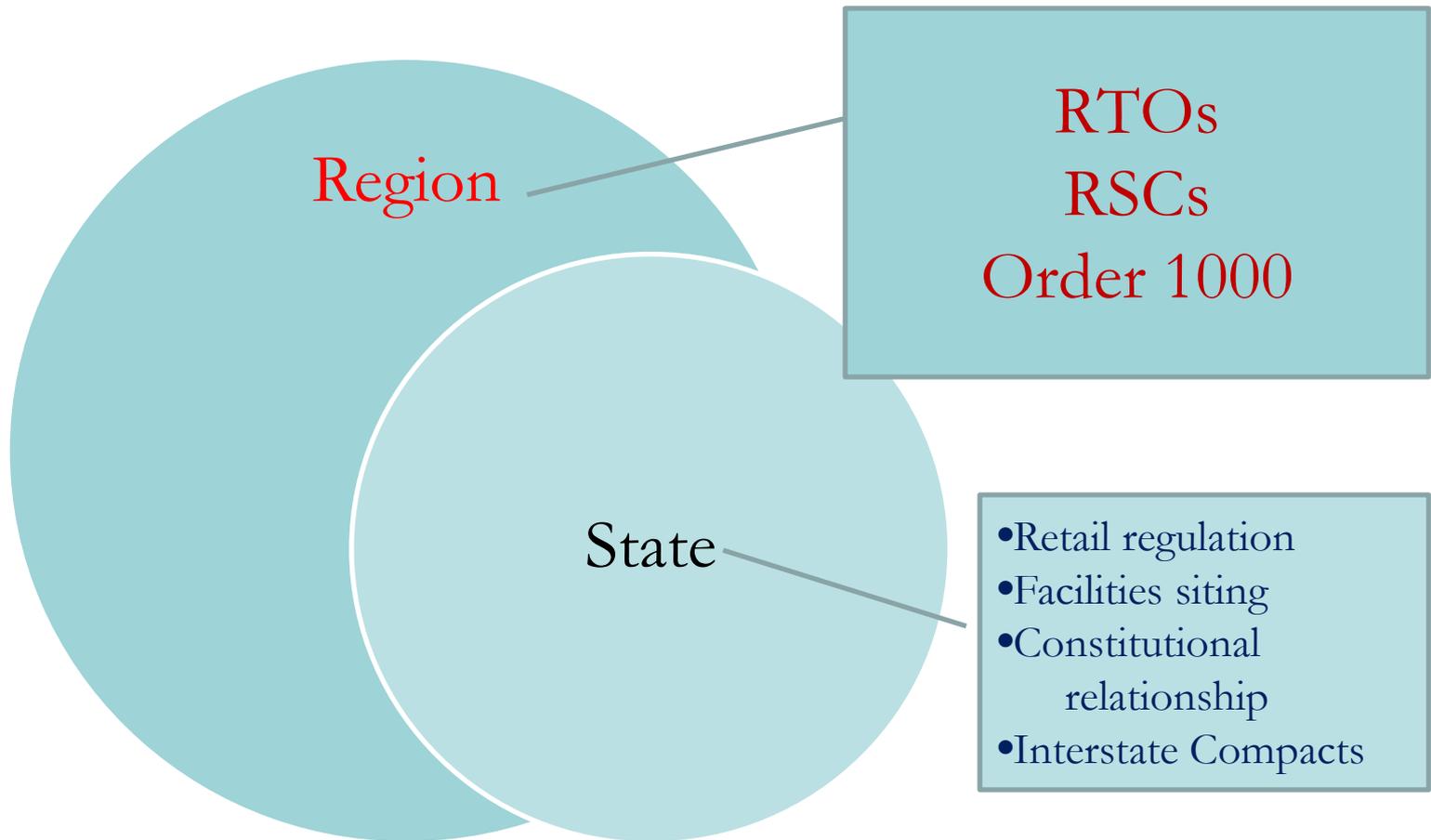
FEBRUARY 22, 2012

The Council of State Governments

CAPITOL RESEARCH

• • • Interstate Compacts

<http://knowledgecenter.csg.org/drupal/system/files/interstatecompactsasapolicyoptiontoenhanceelectrictransmissionlinesitingprocess.pdf>



RTO / RSC Issues

- **Planning**
- **Cost Allocation**
- **Resource Adequacy**
- **Market design**
- **Market Monitoring**

The RSC Value Proposition

- Efficiency of dealing with the states collectively
 - FERC
 - RTO
 - RTO members
- The states get better attention from FERC and the RTO
- States improve their expertise on issues and provide better analysis of issues

OMS Role in MISO Governance

- Advisory Committee – 3 members
 - Planning Advisory Committee – 1 member
 - Finance Subcommittee
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- Cost Allocation and Regional Planning
 - Participation in most Subcommittees and Work Groups
 - Board Nominating Committee

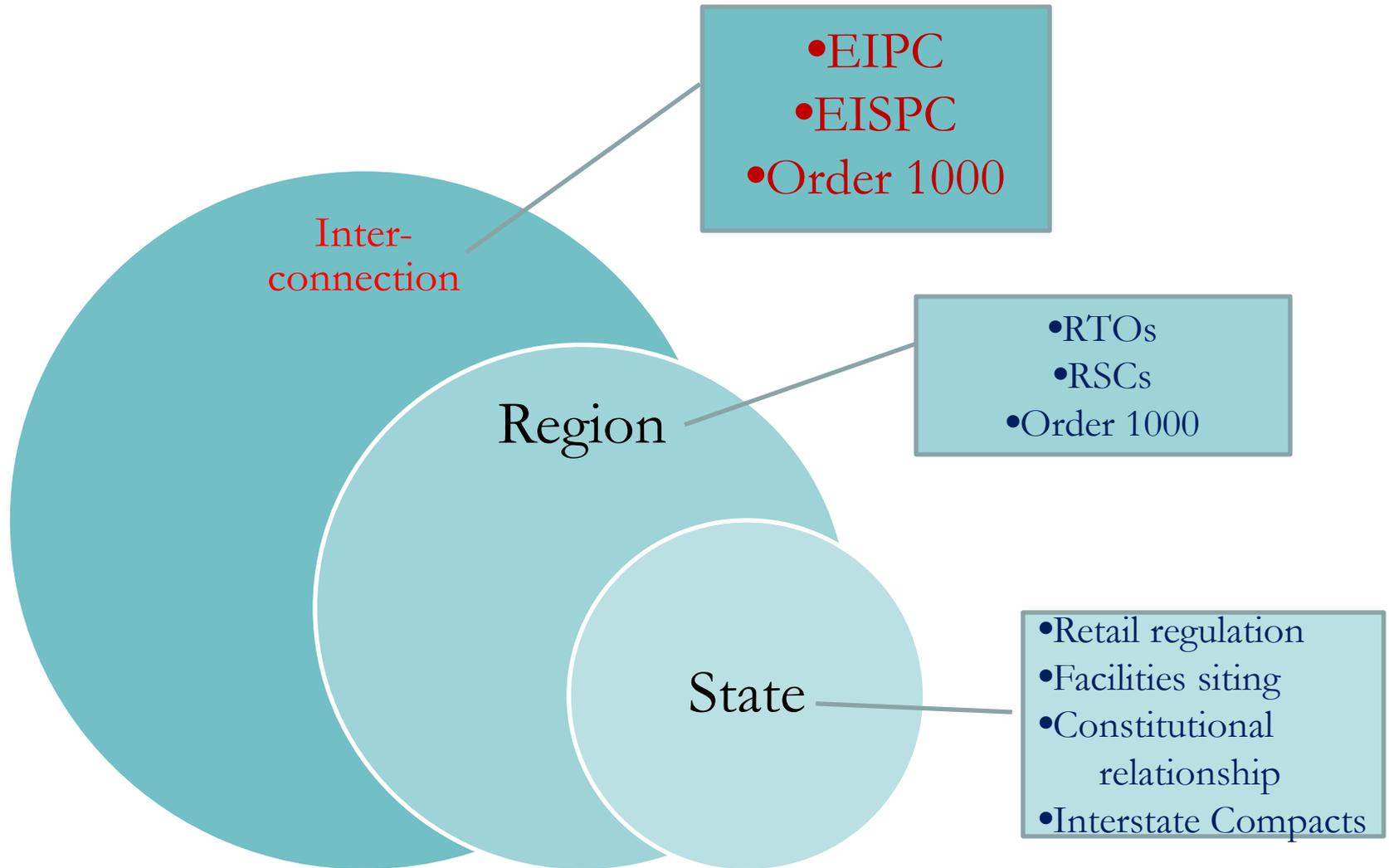
Regional State Committee Features

	Regulators or Governor	FERC Tariff	RTO	Filing rights?	Staff?
OMS	Regulators	No	Yes	No	Yes
OPSI	Regulators	Yes	Yes	No	Yes
NESCOE	Both	Yes	Yes	No?	Yes
SPPRSC	Regulators	Yes	Yes	Yes CA + RA	No
ERSC	Regulators	Yes	No	Yes CA + RP	No
1 RTO states	Regulators	No	Yes	No	Yes

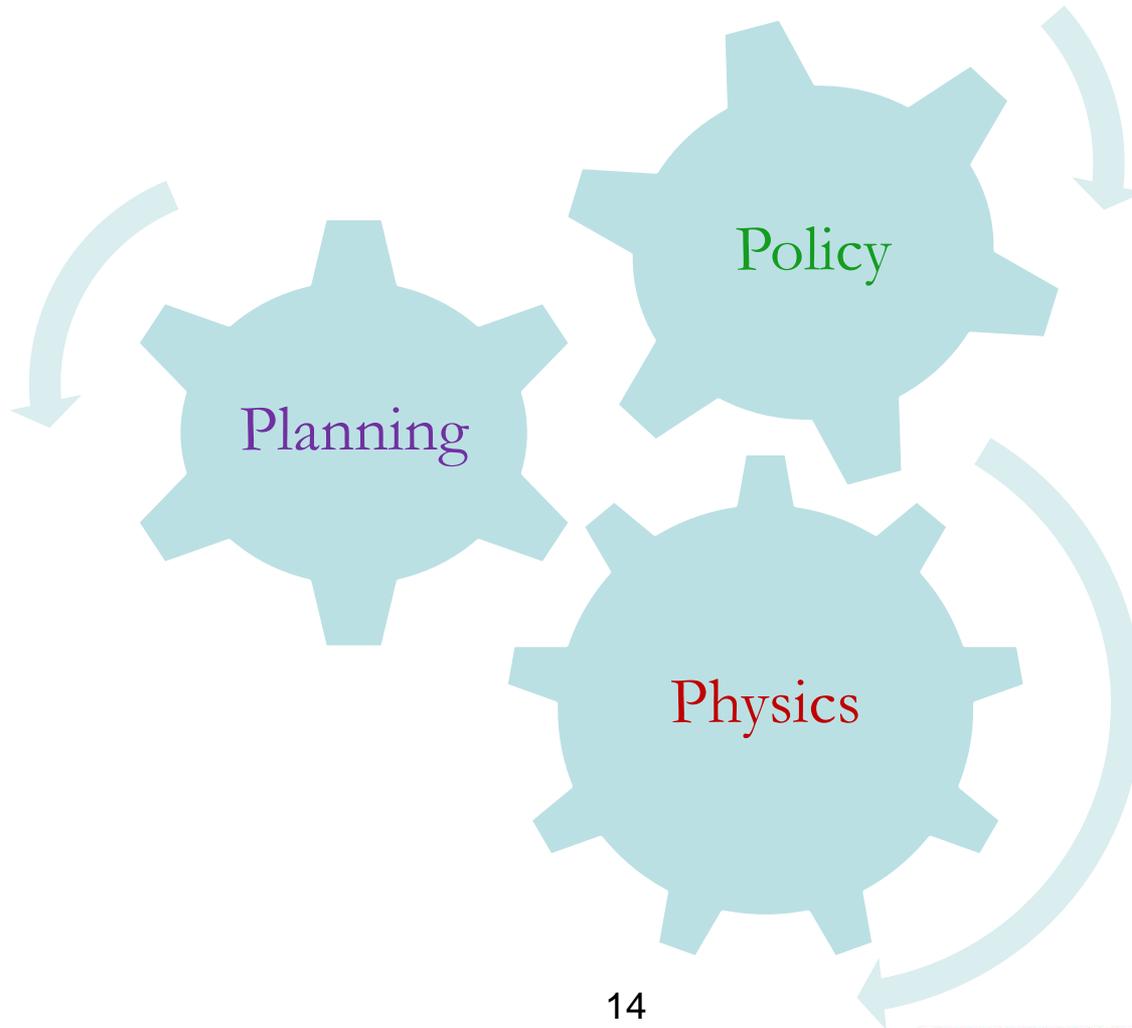
Order 1000 Compliance

Main task areas for Regions:

- Regional planning
- Regional cost allocation
- Right of First Refusal
 - Who gets to build?
 - Cost control
 - Develop framework for non-incumbent developers
- Interregional planning and cost allocation
 - Agreements for each seam



The Interconnection-wide Puzzle



OMS Office

