



Organization of MISO States

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STATE REGULATORS RECOMMEND COST ALLOCATION FOR MIDWEST ELECTRICITY TRANSMISSION UPGRADES

The Cost Allocation and Regional Planning (CARP) work group of the Organization of MISO States (OMS) have voted to support a recommendation for changes to the cost allocation design for transmission upgrades within the Midwest ISO. The CARP work group was formed in January of 2009 to put state policymakers at the forefront of transmission development in the Midwest. "This action, supported by 10 of the 14 OMS members is strong evidence of state leadership on transmission issues," said Ohio Commissioner Valerie Lemmie, the President of the OMS. "We came to the table with diverse needs and interests and worked to craft a cost allocation solution that is acceptable to the vast majority of the states" Lemmie said.

Wisconsin Commissioner Lauren Azar, the chair of the CARP work group said: "Months of hard work have brought the states to a strong position on cost allocation. This shows that the states can work together and deal with one of the most controversial issues in transmission development."

The focus on cost allocation was accelerated in the Midwest due to the impacts of potential generation development in remote areas of the Midwest ISO footprint. Under the current cost allocation design, some areas could have been disproportionately burdened with the costs of new transmission development. A temporary fix for this issue was

approved by the Federal Energy Regulatory Commission (FERC). The Midwest ISO is required to file a follow-up proposal by July 15.

The state policymakers that made up CARP (one from each state) worked through a variety of cost allocation proposals, taking input from numerous stakeholders. The proposal approved by CARP is a compromise that uses components of proposals identified by the Midwest ISO as well as a proposal offered by a group of Transmission Owners within the Midwest ISO. The design would spread the costs of certain transmission projects throughout the Midwest ISO, allocating costs to both generators and to load.

Ten states (Indiana, Iowa, Michigan, Minnesota, Missouri, Montana, North Dakota, Ohio, South Dakota and Wisconsin) voted to support the compromise proposal. Two states (Kentucky and Pennsylvania) took a neutral position on the proposal. Not voting were Illinois and Manitoba. The results have been forwarded to the Midwest ISO for consideration.

The OMS is a non-profit, self-governing organization of representatives from 13 states and the Province of Manitoba with regulatory jurisdiction over entities participating in the Midwest Independent System Operator, Inc. (MISO), a regional transmission organization as defined by the Federal Energy Regulatory Commission (FERC). The OMS coordinates regulatory oversight among the states and makes recommendations to MISO management, the MISO Board of Directors, the FERC, other relevant government entities, and state commissions as appropriate.

More information on OMS is located at: www.misostates.org

More information on MISO is located at: www.midwestiso.org

MEDIA CALLS:

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