



Organization of MISO States

100 Court Avenue, Suite 218
Des Moines, Iowa 50309

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

OMS Executive Director Report February 6, 2006

This report covers a two month period.

FERC Activity

1. The OMS was invited to appear at the December 9 Second Technical Conference in the Reliability Organization rulemaking docket. Weather-related flight cancellations prevented the appearance. FERC agreed to accept a written comment, which was submitted on December 16. FERC issued a final rule in Docket No. RM05-30 on February 2, 2006.
2. The OMS also filed a comment on Transmission Investment Incentives on January 11, 2006, in Docket No. RM06-4.
3. FERC issued Order 668 on December 16, establishing changes in RTO accounting and accounting by utilities for RTO costs in Docket No. RM04-12.
4. FERC issued its order on February 3 on MISO's transmission cost allocation filing made as a result of the Regional Expansion Costs and Benefits (RECB) Task Force.

EPACT Scorecard

The following summary lists selected items with regional impact. For a more complete list, see FERC's EPACT section at:

<http://www.ferc.gov/legal/maj-ord-reg/fed-sta/ene-pol-act.asp>.

The Department of Energy's corresponding list is at:

http://www.electricity.doe.gov/program/electric_oa_policy_energy_epacthome.cfm?section=divisions&level2=oandm_policy_energy.

1. The Regional Joint Board on Economic Dispatch, required by Section 1298 of the EPACT will meet next in Washington on February 12 to review possible recommendations.
2. The Department of Energy and FERC released their report on Transmission System Monitoring required by Section 1839, dated February 2, 2006. It is available at <http://www.ferc.gov/legal/staff-reports/trans-mon-rpt.pdf>. "The report focuses not on whether such a system should be deployed but offers a technical evaluation of how such a system could be established if one is to be pursued. This joint report merely describes the steps necessary to establish and implement an interconnection-wide monitoring system and does not require the Commission to implement such a system. Finally, this report acknowledges that a feasibility determination is necessary prior to any action to implement a real-time monitoring system and that the implementation of such a system is beyond the scope of Congress' direction in section 1839 of EAct 2005. This report finds that:
 - technology currently exists that could be used to establish a real-time transmission monitoring system to improve the reliability of the nation's bulk power system; and
 - emerging technologies hold the promise of greatly enhancing transmission system integrity and operator situational awareness, thereby reducing the possibility of regional and inter-regional blackouts."
3. FERC shall issue a final rule implementing the new reliability provisions (sec. 1211). Docket No. RM05-30-000 (Electric Reliability)
4. FERC held a technical conference on January 24 on Demand Response issues that will assist in its annual report, by region, assessing demand response resources, as required by section 1252 (Docket No. AD06-2).

DOE Activity

1. On February 2, the DOE issued its Notice of Inquiry seeking comments on the criteria that should be used to designate national interest transmission corridors. A technical conference on the

proposed criteria will be held in Chicago, near O'Hare Airport, on March 29, 2006. The Federal Register notice and technical conference information can be found at <http://www.electricity.doe.gov/1221>.

OMS-MISO Activity:

1. A series of conference calls has been arranged to discuss resource adequacy issues. The remaining calls will be held February 21 and 27.
2. OMS is preparing statements on benefits demonstrations and the Planning Advisory Committee charter.

Public Relations

1. Pending speaking/meeting invitations:
 - OMS President Steve Gaw will speak to the National Electricity Delivery Forum on February 16.
 - Bill Smith will speak to a Generation Summit conference on February 27.
 - President Gaw will address the Midwest conference of the Energy Bar Association on March 2.