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November 6, 2013

Mr. Stan Kaplan
Mr. William Booth
U.S. Energy Information Administration
1000 Independence Ave., SW
Washington, DC 20585

VIA EMAIL

RE: Form EIA-930 Hourly and Daily Balancing Authority Operations Report Revisions

Dear Mssrs. Booth and Kaplan:

On behalf of the Midcontinent Independent System Operator, Inc[1]. ("MISO"), I want to extend our appreciation for your time and consideration of the input of the Independent System Operators and Regional Transmission Organizations ("ISOs/RTOs") regarding the proposal to collect additional Balancing Authority ("BA") operations information from all "Balancing Authorities in the contiguous United States and from selected electric utilities in Alaska and Hawaii" ("Form EIA-930")[2] Please also know that MISO greatly appreciates the opportunity to provide additional information and clarification regarding how the MISO Balancing Authority Area ("BAA") and associated responsibilities are structured and function within the Eastern Interconnection. MISO looks forward to working with the U.S. Energy Information Administration ("EIA") to ensure successful, timely implementation of revisions to Form EIA-930. To further facilitate your review, MISO is also providing the regulatory history regarding the development and implementation of the MISO BAA.

BACKGROUND

When MISO proposed its Ancillary Services Market ("ASM") in 2007, the Federal Energy Regulatory Commission ("FERC" or "the Commission") "expressed concern with regard to short-term reliability and how the Midwest ISO would retain independent control of the system despite the ability of the 24 Balancing Authorities to re-dispatch their generation or to reconfigure transmission to resolve constraints."[3] To address these concerns, "the Commission required the Midwest ISO to establish a dialogue with stakeholders … for the express purpose of achieving … **the eventual consolidation of most Balancing Authority functions into the Midwest ISO**."[4] On May 23, 2008, in Docket No. ER07-1372-008, MISO submitted its

[1] Formerly the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO"), until its name changed effective April 26, 2013.
[2] *See* 78 Fed. Reg. 14526.
[3] *See Midwest Indep. Transmission Sys. Operator, Inc.*, 122 FERC ¶ 61,172 (2008).
[4] *See Midwest Indep. Transmission Sys. Operator, Inc.*, 107 FERC ¶ 61,191, at P 124 (2004) (Emphasis Added.).

amended Balancing Authority Agreement, which transferred key responsibilities from the existing Balancing Authorities to the Midwest ISO, enabling MISO to operate as the sole Balancing Authority in the ASM. The Commission accepted MISO's Balancing Authority Agreement effective September 9, 2008, subject to required compliance filings that were timely submitted and accepted by the Commission. Accordingly, the initiation of the current MISO BAA structure and function are a direct result of directives by the Commission to address potential reliability concerns associated with MISO's ASM.

In satisfaction of the Commission's directives as described above, as a part of the development of the MISO ASM, MISO worked with its members to consolidate the BA responsibility in the MISO region. On April 13, 2007, MISO requested certification as a Joint-Registered Balancing Authority pursuant to the Co-Registrant (Type 2) Joint Registration Organization ("JRO") process detailed in the North American Electric Reliability Corporation ("NERC") Rules of Procedure. Under the JRO (hereinafter "JRO00001"), MISO and its members co-registered for individual BA requirements and sub-requirements with each member being held accountable for the requirements for which it registered. MISO's Balancing Authority ("BA") certification under JRO00001 was granted on April 16, 2008, and operation of the MISO BAA under JRO00001 began with the start of the ASM on January 6, 2009. The Co-Registrant, Type 2 JRO process, was replaced with the Coordinated Functional Registration ("CFR") process approved by FERC on June 10, 2010, which is set forth in Section 508 of the NERC Rules of Procedure. Under both the former Type 2 JRO and the CFR, the MISO BA and Local Balancing Authorities ("LBAs") divided responsibility for the specific BA requirements and sub-requirements applicable to the MISO BAA. This division of responsibility was assumed by the MISO and the LBAs in the Amended Balancing Authority Agreement,[5] which was approved by FERC as Rate Schedule 03 to the Midwest ISO ASM Tariff on July 21, 2008.[6]

Through JRO00001 and the Midwest ISO Amended Balancing Authority Agreement, one BAA was created for the Midwest ISO ASM footprint – namely the MISO BAA.[7] Even more specifically, however, JRO00001 eliminated the multiple local BAAs within the MISO footprint. Accordingly, because the only BAA created in JRO00001 was the MISO BAA, the registration of LBAs for specific requirements and sub-requirements occurred solely to facilitate the overall BA function as it pertains to the MISO BAA and did not create multiple BAs. It is notable that the term "LBA" or "Local Balancing Authority Areas" are not defined or contemplated by NERC within either its Glossary of Terms Used in in NERC Reliability Standards or its Visual

[5] *See* "Agreement between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of TEMT," as amended on March 14, 2008, filed as "First Revised Rate Schedule FERC No. 3" to the Midwest ISO ASM Tariff.
[6] *Order Conditionally Accepting Amended Balancing Authority Agreement and Requiring Compliance Filing*, 124 FERC ¶61,074 (2008); with acceptance of amendments to the Amended Balancing Authority Agreement in accordance with the Compliance Filing on December 4, 2008.
[7] *See* ASM Order, 122 FERC ¶ 61,172; Order Approving ASM Start Up, 125 FERC ¶ 61,318; Midwest Independent Transmission System Operator, Inc., 125 FERC ¶ 61,322 (2008) ("Order on Compliance Filing").

Representations of BAs and BAAs.[8] Accordingly, while Section 1.364 of the Midwest ISO ASM Tariff defines LBAs as:

> "An operational entity or a Joint Registration Organization which is (i) responsible for compliance to NERC for the subset of NERC Balancing Authority Reliability Standards defined in the Balancing Authority Agreement ***for their local area within the Midwest ISO Balancing Authority Area***, (ii) a Party to Balancing Authority Agreement, excluding the Midwest ISO, and (iii) shown in Appendix A to the Balancing Authority Agreement."[9]

That term exists solely within the MISO Tariff and was not intended to imply that these entities are BAs in a broader context.

In summary, prior to registration under JRO00001, the MISO region was composed of several localized BAAs. However, pursuant to the Balancing Authority Agreement and JRO00001, the current BA registration for MISO creates one MISO BAA for the entire MISO ASM footprint. The limited subset of requirements assigned to LBAs within the Balancing Authority Agreement and JRO00001 are solely to facilitate the structure and operation of the MISO BAA by MISO as the BA. Both the Commission and NERC have previously recognized the MISO BAA as the sole BAA for the MISO region as described above and within other dockets.[10]

DISCUSSION

As set forth in the Federal Register notice regarding EIA Form-930, the purpose of the survey is to provide basic operating statistics for the nation's electric power systems on a current basis.[11] Specifically, the "EIA would make available a comprehensive set of the current day's system demand data on an hourly basis and the prior day's basic hourly electric system operating data on a daily basis."[12] Further, the Federal Register notice indicates that:

> " [t]he burden of providing these data is extremely low relative to their value, particularly since the information requested is already collected by or known to the proposed respondents in the course of their normal operations…"

and

[8] See NERC Glossary of Terms Used in in NERC Reliability Standards, Updated October 30, 2013 and NERC Regions and Balancing Authorities Diagram dated July 25, 2012. The Diagram is attached hereto as Attachment A. MISO respectfully notes that Attachment A identifies on MISO as a BA and does not identify any of the entities that participate in JRO00001 as BAs.
[9] *See* MISO ASM Tariff at Section 1.364.
[10] *See* filings and issuances of NERC and the Commission, respectively, in Docket No. RD10-4-000.
[11] *See* 78 Fed. Reg. 14526.
[12] *Id*.

> "[t]he proposed survey is specifically designed to minimize burden on electric system operators. The surveyed data is typically produced in the normal course of business by Balancing Authority energy management systems."

Finally, the Federal Register notice describes that this data will be collected from "Balancing Authorities in the contiguous United States and from selected electric utilities in Alaska and Hawaii."[13]

MISO respectfully notes that a Balancing Authority is currently defined in the NERC Glossary of Terms Used in in NERC Reliability Standards as:

> "The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time."

In accordance with JRO00001, MISO is assigned responsibility for compliance with all applicable requirements of NERC Reliability Standards BAL-001, BAL-002, and BAL-003 and is further wholly responsible for the majority of applicable requirements set forth in NERC Reliability Standard BAL-005 (with the exception of those associated with metering), which Reliability Standards comprise the majority of real-time balancing activities performed for and within the MISO BAA. MISO is further wholly responsible for the majority of NERC Reliability Standards obligations governing Emergency Operations, Interconnection-wide Operations, Transmission Operations, and Interchange Scheduling Operations. MISO performs these obligations for its BAA, which is defined by NERC as:

> "The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area."

Because JRO00001 creates only one BAA for the entire MISO footprint (MISO BAA) and assigns responsibility for the MISO BAA to MISO as the Balancing Authority, data associated with the aforementioned NERC Reliability Standards is routinely produced in the normal course of business by MISO systems for the MISO BAA as a whole. This data is then used by MISO Real-Time Operating Personnel in ensuring the balancing and reliable operation of the entire MISO BAA. Data routinely produced in the normal course of business by MISO systems for use by MISO as the BA for the reliable operation of the MISO BAA as a whole includes Net Actual Interchange, Hourly Demand, Next Day Demand Forecasts, and Net Generation. Hence, as MISO is the BA for the sole BAA in the MISO footprint (MISO BAA) and entities identified as LBAs for the purposes of MISO's Tariff have no associated, NERC-recognized LBA Areas for which to produce and provide data, it is appropriate that:

1. MISO be recognized as the sole respondent to Form EIA-930 for the MISO BAA;

[13] *See* 78 Fed. Reg. 14526.

2. The MISO BAA be recognized as the only BAA within the MISO footprint; and
3. Data is provided as it is produced and utilized in the real-time operating environment for the MISO BAA.

MISO acknowledges the EIA's concerns with the size of the MISO BAA and the potential that important trends could be obscured if data is reported at the MISO BAA level. However, as described above, reporting of data at the MISO BAA level is the only method of reporting that would respect the currently-approved structure and function of the MISO BAA, which structure and function does not differ from other large BAAs. Further, MISO notes that, although it has chosen an alternate registration strategy from other ISO/RTOs, it is similarly situated to other ISOs/ RTOs that are currently anticipated to respond to EIA Form-930 at the BAA level. More specifically, the NERC Balancing Authorities Diagram provided as Attachment A to this letter depicts MISO (whole) as a Balancing Authority. In the same way, other ISOs/RTOs are depicted as Balancing Authorities at the ISO/RTO footprint level. As an example, MISO refers the EIA to the depiction of New York ISO ("NYISO"), PJM Interconnection, L.L.C. ("PJM"), ISO-New England ("ISONE"), etc. within the NERC Balancing Authorities Diagram (Attachment A to this letter). To ensure that the data being provided in response to the Form EIA-930 is uniform across all respondent BAs, the MISO BAA should report data at the same level as similarly situated large BAAs such as the ISOs/RTOs provided above.

Further, MISO notes that it has investigated the potential to report data on a zonal level within the MISO BAA in response to EIA Form-930 and has identified significant data and systems concerns that would prohibit it from timely providing its data at a zonal granularity in response to EIA Form-930. First, MISO identified that, at present, only a limited amount of the data required for response to Form EIA-930 is calculated at a zonal level and that such calculation occurs after-the fact. In particular, data that is provided for the MISO BAA on a zonal level is currently completed only for <u>select</u> next-day data, requires significant recalculation, and would not be feasible to produce during the real-time operating day. MISO respectfully notes that the "zonal" data that is currently produced is produced utilizing: (1) the data initially produced and utilized to operate the MISO BAA and (2) loosely defined regions within the MISO BAA that have no direct correlation or significance to MISO's real-time operations. Because EIA Form-930 is specifically requiring real-time operating data and characteristics, data that has been re-calculated and re-characterized, such as would be the case with any zonal data provided by MISO may obscure rather than facilitate the identification of operating trends.

While it would be *possible* for MISO to provide zonal data for <u>certain</u> next-day data, it is not feasible for current operating day data nor is it feasible utilizing MISO's current processes and systems, which primarily produce and utilize data for the entire MISO BAA. MISO notes that significant resources would be required to revise its systems, processes, and data reporting mechanisms to routinely, reliably produce accurate zonal data. This type of resource commitment is contradictory to the descriptions provided in the Federal Register notice describing EIA Form-930, which description clearly indicates that intent to " … to minimize

burden on electric system operators" and use "information … already collected by or known to the proposed respondents in the course of their normal operations…"[14]

Finally, MISO respectfully submits that, because there are regular changes in the population and configuration of BAs, all stakeholders, including the EIA, would expend significantly less costs and resources in implementation and maintenance of data collection efforts if such efforts leveraged tools and data streams already in place within each BAA. Leveraging existing tools and data streams in the provision of data in response to Form EIA-930 would facilitate EIA's implementation of Form EIA-930 while ensuring that data provided in response to Form EIA-930 maintains integrity as BA footprints change. Accordingly, MISO respectfully suggests that Form EIA-930 should utilize data that is readily available from BAs for their associated BAAs (regardless of whether that data is provided at the BAA level) in this initial implementation and, after experience is gained with such data, consider revisions to the provision of such data as necessary to enhance the value of such data to the wider audience referenced in the Federal Register notice.[15] Nonetheless, should MISO be required to provide re-engineered zonal data, all process and system enhancements necessary to produce and provide such data could not be achieved by the identified March 1, 2014 deadline due to resource constraints associated with the integration of the MISO Southern region as well as other key MISO initiatives.

CONCLUSION

In conclusion, MISO respectfully requests that the EIA join the Commission and NERC in recognizing that the MISO BAA is the only BAA within the MISO footprint and that MISO is the recognized BA for the MISO BAA. Such recognition would:

1. Appropriately assign responsibility for responding to EIA Form-930 to MISO as the BA for the MISO BAA.
2. Result in the data provided in response to EIA Form-930 to be the operating data actually utilized to "integrate[s] resource plans ahead of time, maintain[s] load-interchange-generation balance within [the MISO] Balancing Authority Area, and support[s] Interconnection frequency in real time."
3. Align data provided in response to EIA Form-930 with that also provided by MISO to NERC and its Regional Entities to ensure continuity of data across all data submissions as well as efficiency and minimal administrative burden.

MISO respectfully suggests that this recognition could occur through a variety of methods including retaining the exemption for LBA entities or through clarification of the applicability such as:

"For the contiguous United States: all entities that are listed in NERC's

[14] *See* 78 Fed. Reg. 14526.
[15] *See* 78 Fed. Reg. 14526.

> Compliance Registry as a Balancing Authority with primary responsibility for an associated Balancing Authority Area must post operating information associated with its Balancing Authority Area required by this survey"

MISO hopes that the analysis set forth above facilitates the EIA's understanding of the structure and function of the MISO BAA. We welcome any comments or questions that you might have on this letter and look forward to the successful implementation of EIA Form-930.

Warm Regards,

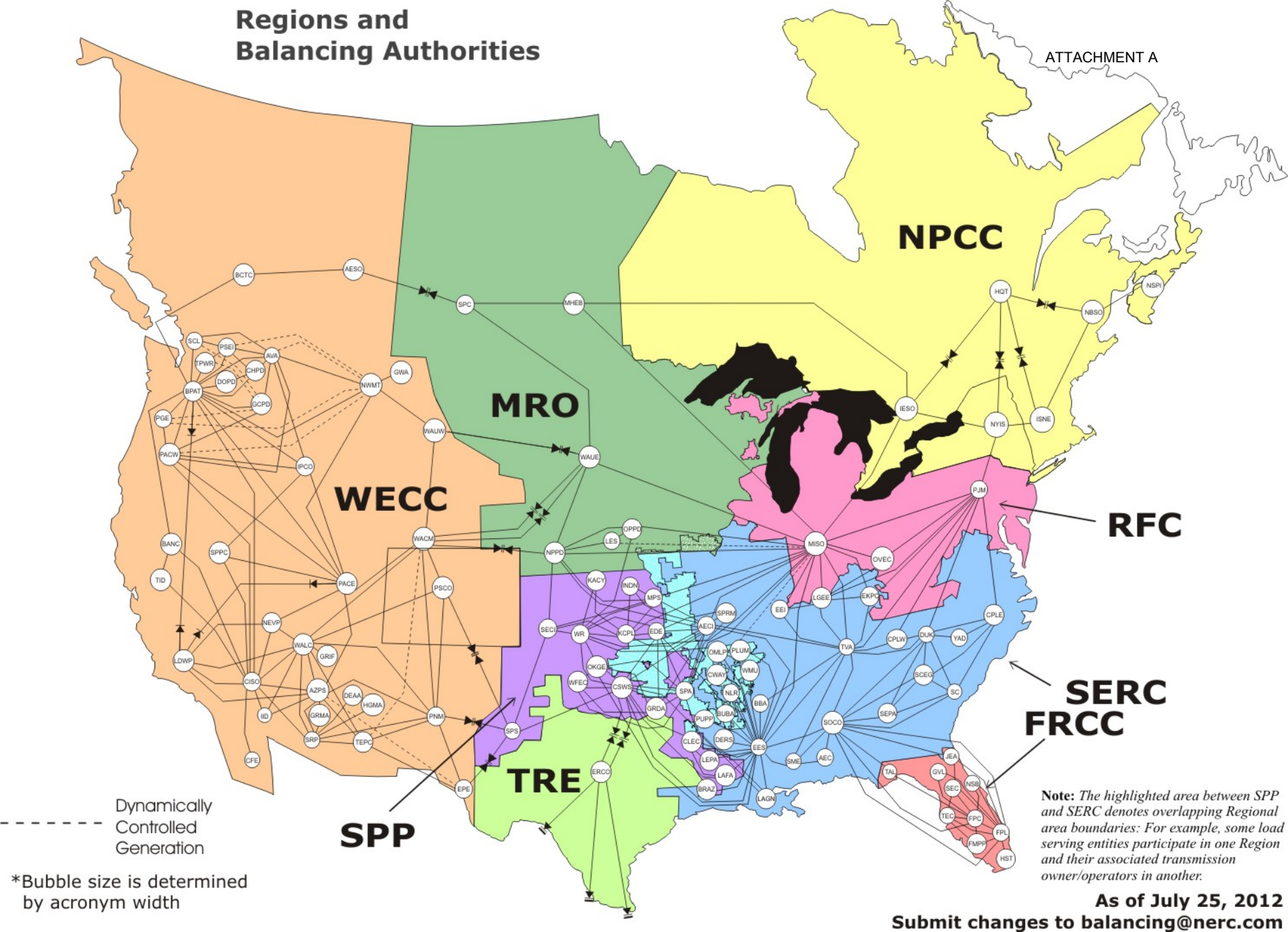
Christina V. Bigelow

ATTACHMENT A

NERC BALANCING AUTHORITIES DIAGRAM

Regions and Balancing Authorities

ATTACHMENT A



Note: *The highlighted area between SPP and SERC denotes overlapping Regional area boundaries: For example, some load serving entities participate in one Region and their associated transmission owner/operators in another.*

As of July 25, 2012

Submit changes to balancing@nerc.com