

## **Cost allocation changes in the Midwest ISO**

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February 14, 2010

### **Why is MISO reviewing cost allocation methods?**

- Historic method assigned a high percentage of cost to local pricing areas
- Transmission additions being added for regional and export needs
- Wind Expansion accentuates problem: the "Otter Tail Problem"
- FERC: Temporary fix through July 2010

### **Who is reviewing the methods**

- MISO stakeholder Task Force: RECB
- OMS: Cost Allocation and Regional Planning workshops
- Filing due to FERC by July 15, 2010

### **Methods under review**

- Injection/Withdrawal method:
  - Usage-based charges
  - Generator charges
  - Flexible over time
  - Import and export transactions
- Highway/byway method:
  - Regional-local allocation
  - Other elements flexible

### **Opportunities for comment**

- RECB: meets twice monthly
- CARP: meets monthly
- Advisory Committee: meets monthly
- MISO staff: always available
- FERC: after July 15 filing