

**Renewable Electricity
& Advanced Coal with Carbon Capture and
Storage Advisory Group**

Transmission Subgroup Update

May 11, 2009
Minneapolis, MN



**MGA Transmission Subgroup
Goals**

1. Updated state survey of load serving entities (LSE) on renewable energy development by 2030
2. Survey of state and provincial public utility commission authority for regional transmission projects
3. Complete transmission plans including costs that support MGA platform renewable energy goals
4. Multi-state cost allocation proposal for regional transmission projects:
 - Upper Midwest Transmission Development Initiative (UMTDI) states (ND/SD/MN/IA/WI)
 - MISO/MGA footprint

State survey of Load Serving Entities

- Midwest Independent System Operator (MISO) survey of MN/IA/WI/IL complete in September, 2008
- Survey of all Midwest ISO states and Kansas/Nebraska will be done by Midwest ISO and MGA in May, 2009 with results expected by July, 2009

MGA Commission Survey Results

- Summary and draft recommendations complete and posted on MGA website and shared with Organization of MISO States
- Recommendations on “model legislation” and/or possible areas of collaborative state processes complete
- Federal intervention or taking of states’ rights on need/cost/routing still an issue

Transmission Studies on Meeting The MGA Renewable Energy Goals

Transmission Study	Potential MW of wind sited in MGA region	Timeline	MGA States in Study Region
Regional Generator Outlet Study (RGOS) Phase I	15,000 MW	Initial Results June, 2009 Final August, 2009	UMTDI states MN/IA/WI/ND/SD (IL included)
RGOS Phase II	25,000 MW AND 40,000 MW	Study begins in May Results by October?	Midwest ISO states Plus KS/NE.
Joint Coordinated System Plan (JCSP)	90,000 to 120,000 MW	Complete (Indicative results for 20% national RPS)	Midwest ISO/PJM/TVA/SPP (NYISO/NE out)
Southwest Power Pool (SPP) Regional Transmission Study	2,000 to 12,000 MW	2009/2010	KS, NE, MO for MGA region

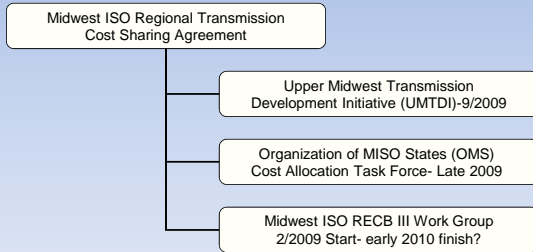
MISO RGOS Phase I Study

- First results in June with final report by August
- Results needed by UMTDI to complete cost allocation
- First phase 15,000 MW of wind power
 - 20 Renewable Energy Zones (REZ) in UMTDI states (ND/SD/MN/IA/WI)
 - 9 REZ in Illinois (IL must be included in study)
 - Both 345 and 765 kV option
- Second phase 25,000 MW
 - 20 REZ in UMTDI states
 - 4 REZ in Ill
 - Both 345 and 765 kV option

MISO RGOS Phase II Study

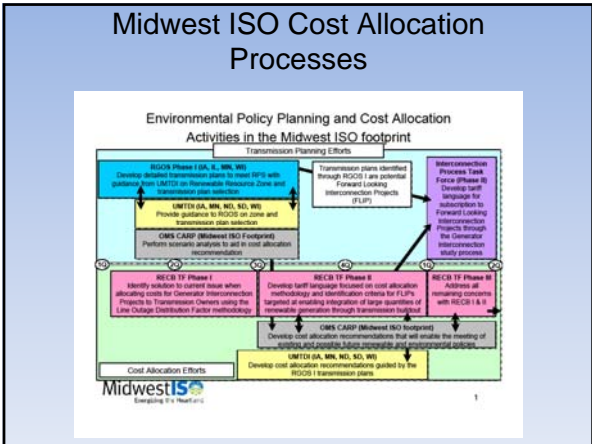
- First work group scoping meeting May 14
- Initiate LSE survey of renewable energy development for all MISO states and Kansas/Nebraska
- Determine REZ for 25,000 MW and 40,000 MW of wind development
- Transmission studies for 345 and 765 kV
- Build off of RGOS Phase I and UMTDI results

Cost Allocation/Sharing Work Groups for Regional Transmission Projects



MGA Transmission Cost Allocation Work Groups Update

- UMTDI has met publicly once and in executive session several times. REZ zones approved in two scenarios for MISO transmission studies. "Cost principles" published for comment.
- Midwest ISO Regional Expansion & Criteria Benefit (RECB) III task force has met monthly. They will complete proposed fix for Line Outage Distribution Factor (LODF) cost allocation issue first and then deal with "Forward Looking Interconnection Projects" cost allocation.
- OMS has met monthly and is currently reaching agreement on modeling scenarios and then in June will use those modeling results to discuss generation/transmission plans and cost sharing options.



- ### Federal Transmission Legislation
- How to implement higher renewable energy goals and associated transmission both in west and Midwest?
 - Reid/Bingaman/Dorgan legislative proposals for federal oversight on EHV electric transmission.
 - Senate energy bill also has provisions for transmission.
 - More authority to FERC and DOE to mandate EHV transmission build out and cost recovery
 - Mandates versus incentives

- ### Federal Transmission Idea
- Federal tax on all electric generation
 - Provide fund similar to highway fund to pay a % of EHV transmission that meets development criteria
 - Allow fund to also pay for upgrades (i.e. 345 to 765) that state regulatory process cannot justify
 - Allow equity ownership sign-up

MGA Transmission Subgroup Milestone Dates

- Updated state survey of load serving entities (LSE) on renewable energy development by 2030
 - MN/IA/WI/IL complete, all jurisdictions complete August/09
- Survey of state and provincial public utility commission authority for regional transmission projects
 - Complete

MGA Transmission Subgroup Milestone Dates (cont.)

- Complete transmission plans including costs that support MGA platform renewable energy goals
 - RGOS Phase I July, 2009
 - RGOS Phase II October, 2009
 - Joint Coordinated System Plan Complete
- Multi-state cost allocation for regional transmission projects:
 - UMTDI states (ND/SD/MN/IA/WI)
 - August/September 2009
 - MISO/MGA footprint
 - October 2009
