

153 FERC ¶ 61,057  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;  
Philip D. Moeller, Cheryl A. LaFleur,  
Tony Clark, and Colette D. Honorable.

Midwest Independent Transmission System Operator, Docket No. ER12-678-005  
Inc.

ORDER CONDITIONALLY ACCEPTING COMPLIANCE FILING

(Issued October 15, 2015)

1. In an order dated June 30, 2014,<sup>1</sup> the Commission, among other things, conditionally accepted Midwest Independent Transmission System Operator, Inc.'s (MISO)<sup>2</sup> compliance filings, subject to a further compliance filing. In this order, we conditionally accept MISO's July 30, 2014 compliance filing submitted pursuant to the June 2014 Order (Compliance Filing), subject to a further compliance filing.

**I. Background**

2. On December 23, 2011, MISO made two filings proposing revisions to its Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff). In Docket No. ER12-678-000, MISO proposed to allocate an increased proportion of Revenue Sufficiency Guarantee (RSG) costs associated with resources committed for voltage or local reliability (VLR) requirements to the load in the Local Balancing Authority Area (Local BAA) that benefited from such commitments. In Docket No. ER12-679-000, MISO proposed a mechanism by which to mitigate the exercise of market power with regard to offers for resources committed to address VLR issues. The Commission, by

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<sup>1</sup> *Midwest Indep. Transmission Sys Operator, Inc.*, 147 FERC ¶ 61,268 (2014) (June 2014 Order).

<sup>2</sup> Effective April 26, 2013, MISO changed its name from "Midwest Independent Transmission System Operator, Inc." to "Midcontinent Independent System Operator, Inc."

order dated March 31, 2012,<sup>3</sup> accepted and suspended for five months both of MISO's filings, subject to the outcome of a technical conference and to further Commission order. The Commission held the technical conference on May 15, 2012 and subsequently received briefs and reply briefs from the parties. In an order dated August 31, 2012,<sup>4</sup> the Commission conditionally accepted MISO's proposals based on the entire record of the proceeding, including the technical conference and subsequent pleadings, and ordered a compliance filing.

3. In an order dated June 30, 2014,<sup>5</sup> the Commission granted rehearing of the August Order, and conditionally accepted MISO's compliance filings, subject to a further compliance filing. In addition, pursuant to section 206 of the Federal Power Act (FPA),<sup>6</sup> the Commission instituted an investigation as to the just and reasonable allocation of VLR costs to pseudo-tied load in Docket No. EL14-58-000. The Commission also established hearing and settlement judge procedures, established a refund effective date, and consolidated the instant proceedings for purposes of hearing and settlement judge procedures.

## **II. June 2014 Order**

4. In the June 2014 Order, the Commission conditionally accepted MISO's compliance filing subject to further changes to the Tariff provisions governing both the mitigation of offers for resources committed to address VLR issues and allocation of VLR costs. Specifically, for those Tariff provisions governing cost allocation of VLRs, the Commission required MISO to remove from Tariff section 1.74a, regarding commercially significant VLRs, the phrase "at the discretion of the Transmission Provider." The Commission explained that it had previously required MISO to add criteria for determining a commercially significant VLR in order to limit MISO's discretion and this phrase still provided MISO with too much discretion.<sup>7</sup> Similarly, the Commission required MISO to remove the same language in section 40.3.3.xviii, regarding the VLR commitment allocation ratio, because the Commission required more specificity to the determination of when the study would be performed in order to remove

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<sup>3</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 138 FERC ¶ 61,235 (2012).

<sup>4</sup> *Midwest Indep. Transmission Sys. Operator, Inc.*, 140 FERC ¶ 61,171 (2012) (August 2012 Order).

<sup>5</sup> June 2014 Order, 147 FERC ¶ 61,268.

<sup>6</sup> 16 U.S.C. 824e (20012).

<sup>7</sup> *See* August 2012 Order, 140 FERC ¶ 61,171 at P 81.

MISO's discretion. The Commission also required MISO to include the phrase "or an interested Market Participant" in Schedule 44, as it agreed to do, to ensure consistency between Schedule 44 and section 1.74a.

5. Additionally, the Commission agreed with protesters that MISO has not yet made the process of studying commercially significant VLR commitments open and transparent. While the Commission found in the June 2014 Order that MISO had incorporated much of the study process into the Tariff, MISO only provided a basic summary of the results.<sup>8</sup> The Commission explained that without more information, it is hard to see how interested stakeholders will be able to participate in the study process and ensure that MISO is properly calculating the VLR charges. The Commission agreed with MISO that such information is confidential and should not be provided publicly; however, the Commission found that with suitable non-disclosure agreements, Local BAAs and other interested parties should be able to obtain all of the assumptions and outputs of the model, and the Commission required MISO to provide such information. The Commission noted that similar information is provided during the transmission planning process despite concerns about confidentiality or Critical Energy Infrastructure Information. The Commission added that it saw no reason why MISO could not establish similar safeguards here for confidential or Critical Energy Infrastructure Information.<sup>9</sup> Thus, the Commission directed MISO to incorporate into the Tariff a process for making the study assumptions available to parties willing to sign non-disclosure agreements.

6. The Commission also directed MISO to revise section C of Schedule 44 which states that interested stakeholders may participate in studies "in accordance with the procedures described by the Transmission Provider in a Business Practices Manual."<sup>10</sup> Because MISO had not developed such a Business Practices Manual, the Commission required the reference to such a manual to be removed to clarify that interested stakeholders may participate.

7. With regard to mitigation, the Commission found that MISO had not complied with the Commission's directive to make certain revisions to Tariff sections 64.1.2 and 64.2.1. The Commission again directed MISO, in its compliance filing, to: (1) replace

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<sup>8</sup> *Id.*

<sup>9</sup> *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241, at P 471 (2007), *order on reh'g*, Order No. 890-A, FERC Stats & Regs. ¶ 31,261, *order on reh'g and clarification*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009), *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

<sup>10</sup> June 2014 Order, 147 FERC ¶ 61,268 at P 62.

“Market Participant submitted Generation Offer” with “Generation Offer” in section 64.1.2.g.i; (2) replace “Reference Level Generation Offer for a Generation Resource” with “Reference Level Generation Offer” in section 64.1.2.g.i; and (3) replace “Generation Resource Voltage and Local Reliability Commitments” with “Voltage and Local Reliability Commitments” in sections 64.2.1.d and 64.2.1.f.<sup>11</sup>

8. The Commission also agreed with protesters that section 65.2.2.b of the Tariff needs to be revised as follows to be clear that Default Offers will apply to all generation resources with VLR commitments, not just those in Narrow Constrained Areas or Broad Constrained Areas:

A Default Offer shall only be imposed on a Generation or Stored Energy Resource if it is located in a Broad Constrained Area or Narrow Constrained Area and if there are one or more Binding Transmission Constraints or Binding Reserve Zone Constraints defining the area. This limitation shall not apply to impositions of Default Offers on Planning Resources or resources with VLR Commitments.<sup>12</sup>

9. Additionally, the Commission found that MISO had not fully addressed the concerns that provisions elsewhere in the Tariff could be read to preclude VLR mitigation outside of Narrow Constrained Areas or Broad Constrained Areas. Accordingly, the Commission directed MISO to revise section 63.2 as follows:

The categories of conduct that are inconsistent with competitive conduct include the categories of conduct specified in Section 63.3 below. In general, the Transmission Provider shall consider a Market Participant’s conduct for a given Electrical Facility to be inconsistent with competitive conduct if the conduct would (i) reduce the net revenue associated with the facility, but for the effect of the conduct on market outcomes; or (ii) inefficiently reduce the capability of the Transmission System. The Mitigation Measures will only apply in the presence of a Binding Transmission Constraint or a Binding Reserve Zone Constraint or where there is a VLR Commitment. Binding Transmission constraints shall include constraints that are monitored by the

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<sup>11</sup> *Id.* P 64.

<sup>12</sup> Tariff § 65.2.2.b; June 2014 Order, 147 FERC ¶ 61,268 at P 65.

Transmission Provider and affect the dispatch or commitment of Electrical Facilities in the Transmission Provider Region.<sup>13</sup>

10. For similar reasons, the Commission also directed MISO to revise section 63.4 as follows:

As described above, one of the purposes of the Mitigation Measures is ~~are intended~~ to mitigate locational market power resulting from transmission congestion. Locational market power associated with transmission congestion can occur in Narrow Constrained Areas or Broad Constrained Areas.<sup>14</sup>

### III. Compliance Filing

11. In its Compliance Filing, MISO removed the phrase “at the discretion of the Transmission Provider” from the definition of Commercially Significant Voltage and Local Reliability Issue in Tariff section 1.74a and from section 40.3.3.xix of Module C of the Tariff, regarding the VLR commitment allocation ratio.

12. Additionally, in section C of Schedule 44 of the Tariff, MISO removed the phrase “in accordance with the procedures described by the Transmission Provider in a Business Practices Manual.”<sup>15</sup> However, MISO states that it believes that compliance with this directive does not preclude the development of an appropriate business practice manual or appropriate changes to an existing business practice manual to provide reasonable implementing details for the procedure for participation in VLR studies. MISO also

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<sup>13</sup> Tariff § 63.2; June 2014 Order, 147 FERC ¶ 61,268 at P 66.

<sup>14</sup> Tariff § 63.4; June 2014 Order, 147 FERC ¶ 61,268 at P 67.

<sup>15</sup> In its compliance filing, MISO proposed the following revisions to Schedule 44(C) of the Tariff:

. . . [local Balancing Authorities] and interested Market Participants may participate in the above studies ~~in accordance with procedures described by the Transmission Provider in a Business Practices Manual~~ by requesting that reoccurring [sic] VLR Commitments be studied to determine if they meet the criteria of a Commercially Significant [sic] VLR Issue and those requests will be handled as part of the quarterly study process.

added the phrase “or an interested Market Participant” to ensure Schedule 44 is consistent with Module A’s definition of Commercially Significant Voltage and Local Reliability Issue.

13. MISO also states that it revised section C of Schedule 44 to provide that a Local BAA or an interested market participant may obtain access to confidential assumptions and outputs of its VLR study, subject to the execution of a non-disclosure agreement. MISO states that the information made available will include the Operating Guides that define the interface constraint that is used to define the transmission facilities that comprise a commercially significant VLR issue. MISO adds that the constraint definition in the Operating Guides addresses the protester’s concern regarding how MISO delineates the scope of an interface. However, MISO states that it believes the Commission intended in the June 2014 Order to require the disclosure of only the assumptions and outputs related to the study of the requesting Local BAA or market participant (*i.e.*, information relevant to the particular Local BAA or market participant would be provided to that Local BAA or market participant, but not otherwise). MISO states that it presumes that the Commission did not require the disclosure to a Local BAA or market participant of assumptions and outputs related to the study of other Local BAAs and market participants because it would not be necessary for the purpose recognized by the Commission for access to VLR study data, *i.e.*, to “ensure that MISO is properly calculating the VLR charges” of the Local BAA or market participant requesting the study.<sup>16</sup>

14. With regard to mitigation, MISO replaced “Market Participant submitted Generation Offer” with “Generation Offer” in section 64.1.2.g.i; replaced “Reference Level Generation Offer for a Generation Resource” with “Reference Level Generation Offer” in section 64.1.2.g.i; and replaced “Generation Resource Voltage and Local Reliability Commitments” with “Voltage and Local Reliability Commitments” in sections 64.2.1.d and 64.2.1.f.

15. In addition, MISO added the phrase “or resources with VLR Commitments” in section 65.2.2.b of Module D to clarify that default offers will also apply to all generation resources with VLR commitments, not just those in Narrow Constrained Areas or Broad Constrained Areas. MISO also added the phrase “where there is a VLR Commitment” in section 63.2 of Module D to clarify that VLR mitigation also applies outside of narrow constrained areas and broad constrained areas. Further, MISO added the phrases “one of the purposes of” and “associated with transmission congestion” to section 63.4 of Module D and the phrase “are intended” was replaced with “is” in that same section to

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<sup>16</sup> MISO Transmittal at 4 (citing June 2014 Order, 147 FERC ¶ 61,268 at P 61).

clarify that VLR mitigation is not limited to VLR commitments in Narrow Constrained Areas and Broad Constrained Areas.<sup>17</sup>

#### **IV. Notice and Responsive Pleadings**

16. Notice of the Compliance Filing was published in the *Federal Register*, 79 Fed. Reg. 46,254 (2014), with interventions and protests due on or before August 20, 2014. NRG Companies<sup>18</sup> and Midwest TDUs<sup>19</sup> filed protests to the compliance filing. MISO filed an answer to the protests and Midwest TDUs filed a reply to MISO's answer.

##### **A. NRG Companies Protest**

17. NRG Companies argue that for the study process to be “open and transparent” as required by the June 2014 Order, MISO must provide interested stakeholders access to not only the study assumptions and outputs but also to the models and input files used to perform the studies. NRG Companies state that without access to the models and input files, it may have little or no ability to assess the impact of a given assumption on the study outputs and thereby to focus its attention on those assumptions that actually have a significant impact on the study results.<sup>20</sup> Thus, NRG Companies argue that MISO should post all necessary models and data so that stakeholders may replicate MISO's VLR cost allocation results and conduct their own sensitivity studies.

18. NRG Companies state that the June 2014 Order requires interested stakeholders to file a complaint with the Commission under section 206 of the FPA if they have concerns about the model itself, or that MISO is not performing the study in accordance with the procedures set forth in the Tariff or that study procedures in the Tariff have become unjust and unreasonable.<sup>21</sup> NRG Companies states that the June 2014 Order did not

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<sup>17</sup> MISO Transmittal at 3.

<sup>18</sup> For the purposes of this filing NRG Companies is comprised of NRG Power Marketing LLC and GenOn Energy Management, LLC.

<sup>19</sup> Midwest TDUs are comprised of Madison Gas and Electric Company, Missouri Joint Municipal Electric Utility Commission, Missouri River Energy Services and WPPI Energy.

<sup>20</sup> NRG Companies add that it can seek more precision in those assumptions that have a large effect on the study results and can tolerate less precision in those assumptions that don't have a large effect on the study results.

<sup>21</sup> NRG Companies Protest at 3 (citing June 2014 Order, 147 FERC ¶ 61,268 at P 61 n.85).

preclude access to the models used in the VLR studies but instead assumes that stakeholders already have access to the model so that stakeholders can determine if the MISO performed the study consistent with the procedures in the Tariff. Regardless, even if stakeholders were precluded from challenging the model, access to the model would still be critical to understanding the assumptions underlying and outputs of the model.

19. NRG Companies state that in order to make the study process more “open and transparent” as required by the June 2014 Order, MISO should be required to conduct regular meetings with interested stakeholders similar to those conducted when identifying system support resources under Attachments Y and Y-1 of the MISO Tariff. NRG Companies contend that such meetings will facilitate more meaningful participation in the study process.

20. Further, NRG Companies contend that the MISO Tariff should also be revised to clarify the process for designating a VLR issue as commercially significant. NRG Companies state that even with the required changes, MISO still has too much discretion in the study process. Given the potential impact of a designation as commercially significant, NRG Companies request the Commission to require MISO to include a list of specific criteria that will be used to designate commercially significant VLRs. NRG Companies also request the Commission to direct MISO to revise the Tariff to clarify the role of the independent market monitor in the designation of the commercially significant VLRs. NRG Companies note that the Tariff provides for the independent market monitor to be involved in the designation of a Narrow Constrained Area, but the Tariff provides no such role in the study process resulting in a designation of commercially significant VLRs.

21. NRG Companies request the Commission to confirm that, as MISO states, nothing in the June 2014 Order was meant to “preclude the development of an appropriate Business Practice Manual..., or appropriate changes in an existing Business Practice Manual.” NRG Companies state that the Commission should encourage MISO to document those details, including details regarding stakeholder participation in the study process, in a business practice manual as soon as reasonably practicable.

## **B. Midwest TDUs Protest**

22. Midwest TDUs note that MISO omitted a word from the language the Commission required MISO to insert in section 63.2.<sup>22</sup> MISO was required to add the phrase “or where there is a VLR Commitment” to section 63.2, but MISO left out the word “or” which changes the meaning of the sentence. Additionally, Midwest TDUs

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<sup>22</sup> Midwest TDUs Protest at 2.

state that MISO did not renumber certain sections in 64.1.2, as required.<sup>23</sup> Moreover, Midwest TDUs also state that the Compliance Filing fails to ensure that affected market participants will be able to participate in and review the results of the VLR RSG studies to be conducted by MISO pursuant to Schedule 44. Midwest TDUs state that while the Commission directed MISO to make the study process open and transparent, MISO has limited the access to studies' data and assumptions.

23. Midwest TDUs claim that MISO has gone beyond the June 2014 Order's directive by inserting additional language that serves to nullify the concept of market participation in VLR studies conducted under Schedule 44, contrary to the Commission's express purpose to "clarify that interested stakeholders may participate" in such studies.<sup>24</sup> Midwest TDUs state that the new language limits participation in VLR studies to the act of requesting that a particular recurring VLR issue be studied. Midwest TDUs add that if the act of requesting a study had any real influence on MISO's timing or selection of the VLR issues it studies, that act is clearly not participation in the study process itself. Therefore, Midwest TDUs argue that the Commission should therefore order MISO to delete the new language from the first sentence of section C of Schedule 44, so that it will read: "LBAs and interested Market Participants may participate in the above studies."

24. Midwest TDUs also state that the Compliance Filing goes beyond the Commission's directive by adding language that improperly restricts market participants' access to VLR study data and assumptions even if the market participant has executed the necessary non-disclosure agreements. Midwest TDUs state that MISO will provide study data only to the entity or entities that requested MISO to perform the particular VLR study. Midwest TDUs explain that because MISO will study all VLR issues once each quarter and market participants cannot affect the study schedule, it is to be expected that market participants will not waste their time and resources in making such study requests. The result is that no market participants will be given access to the assumptions and outputs of any of the VLR studies, because they are all initiated by MISO. Midwest TDUs state that even if a particular market participant did request a study, that entity would be the only party that would be given access to the study's assumptions and outputs, even if other parties are affected by the study.

25. Midwest TDUs note that MISO states that it will provide data and assumptions to the requesting market participant only to the extent to necessary to verify MISO's VLR calculations pertaining to the market participant that requested the data (versus the study).<sup>25</sup> However, MISO proposes to provide the study data and assumptions selectively

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<sup>23</sup> *Id.*

<sup>24</sup> *Id.* at 4 (citing June 2014 Order, 147 FERC ¶ 61,268 at P 62).

<sup>25</sup> Midwest TDUs Protest at 6 (citing MISO Transmittal Letter at 4).

to a particular market participant. Midwest TDUs argue that if a market participant is affected by a study, it should be entitled to review the entire study, including data and assumptions, rather than given piecemeal access of an undetermined nature.

### C. Answers

26. MISO answers that Midwest TDUs are correct that MISO inadvertently omitted the word “or” and the sub-section renumber in the Compliance Filing. MISO states that it is willing to make the necessary corrections as part of another compliance filing.

27. In addition, MISO states that it is willing to modify the proposed revisions to section C of Schedule 44, as part of a further compliance filing, to clarify that participation in VLR studies is not limited to the parties that request the studies and that VLR study data can be disclosed to affected market participants even if they did not request the study.<sup>26</sup> To implement this change, MISO proposes to delete the clause in the first sentence of section C of Schedule 44 “by requesting that reoccurring VLR Commitments be studied” while retaining the clause starting with “to determining if they meet the criteria”<sup>27</sup> MISO proposes to also replace the word “study” with “data” in the final sentence of section C of Schedule 44, to clarify that market participants that did not request the studies can also request VLR study data to the extent they are affected.<sup>28</sup> However, MISO argues that it is reasonable to limit disclosures to data pertaining to the requesting market participant, while excluding any data regarding other market participants. MISO states that Midwest TDUs have not mentioned any reason why a

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<sup>26</sup> MISO answer at 3. As noted above at n.15, MISO proposed in its answer to change the language in its compliance filing to provide for Local BAAs and interested Market Participants to participate in studies to determine whether VLR issues are commercially significant.

<sup>27</sup> Thus, the first sentence of section C would read, “[Local BAAs] and interested Market Participants may participate in the above studies ~~by requesting that reoccurring VLR Commitments be studied~~ to determine if they meet the criteria of a Commercially Significant VLR Issue and those requests will be handled as part of the quarterly study process.”

<sup>28</sup> Thus, the last sentence would read, “Each study involves the use of Confidential Information, potentially also including Critical Energy Infrastructure Information (CEII), but subject to the execution of appropriate non-disclosure agreements, [a Local BAA] or interested Market Participant may be granted access to the study’s assumptions and outputs, to the extent necessary to verify MISO’s VLR calculations pertaining to the LBA or Market Participant that requested the study data.”

market participant requesting VLR study data should be given unlimited access to commercially and competitively sensitive data relating to other market participants.

28. MISO states that it will use its universal non-disclosure agreement and its non-disclosure agreement for Critical Energy Infrastructure Information. MISO states that the Commission did not direct Tariff revisions to change its non-disclosure agreement. Its non-disclosure agreements also include precautions that prohibit the sharing of commercially and competitively sensitive transmission function information to a utility's marketing function employees.

29. MISO also states that the June 2014 Order requires MISO to disclose only the "assumptions and outputs of the model" used for a VLR study, not all "input files" of the model, much less the entire model. MISO argues that, because NRG Companies is requesting more information than required, NRG Companies' request is beyond the scope of this compliance proceeding.

30. Midwest TDUs state in their reply that MISO's proposal in its answer would confuse rather than clarify the issue of the right of market participants to participate in studies to determine whether a VLR issue is commercially significant, and should be rejected. Midwest TDUs state that MISO's proposed change leaves the sentence incoherent. Midwest TDUs explain that the word "they" (in the sentence "LBAs and interested Market Participants may participate in the above studies to determine if they meet the criteria of a Commercially Significant [sic] VLR Issue and those requests will be handled as part of the quarterly study process"), which originally referred back to "reoccurring VLR Commitments," now appears to refer to "the above studies" (or possibly the "interested Market Participants"). Midwest TDUs state that the June 2014 Order's directive to delete the reference to the Business Practices Manual product is simple and easily understood and MISO's added language should be rejected.

## **V. Commission Determination**

31. We conditionally accept the Compliance Filing subject to a further compliance filing. Although we find that MISO has complied with most of the directives in the June 2014 Order, we agree with the protestors that MISO did not adequately comply with other directives; as a result, the Tariff needs further clarification. Accordingly, we direct MISO to file a compliance filing within 30 days of the date of this order to reflect the directives discussed below.

### **A. Study Process**

32. Because the Commission did not require in the June 2014 Order for MISO to provide the model to market participants, we deny NRG Companies' request to direct MISO to provide the model as a prohibited out-of-time rehearing request. However, we agree with Midwest TDUs and NRG Companies that MISO has not fully complied with

the June 2014 Order's directive to make the study process open and transparent. We agree with Midwest TDUs that language added by MISO in the Compliance Filing to section C of Schedule 44 of MISO's Tariff would limit the participation in the study process of Local BAAs and interested market participants to merely requesting a study. If these requests will be rolled-into the quarterly study process that MISO would normally do anyway, it is unclear how MISO's additional language would provide an open and transparent study process. Thus, we direct MISO to revise the new language in the first sentence so that it reads "[Local BAAs] and interested Market Participants may participate in the above studies and request that reoccurring VLR Commitments be studied." In addition, we find that regular meetings with interested stakeholders similar to those conducted when identifying system support resources under Attachments Y and Y-1 of the MISO Tariff, as suggested by NRG Companies, will provide more meaningful participation and opportunity to provide feedback. We direct MISO to further revise section C of Schedule 44 to provide for such participation with interested stakeholders.

33. With regard to a market participant's access to data during the study process, we agree with Midwest TDUs that MISO's proposal to limit access to such data to those parties that request the study has not been shown to be in compliance with the June 2014 Order. As the Commission stated in the June 2014 Order, "Local BAAs and other interested parties should be able to obtain all the assumptions and outputs of the model and we direct MISO to provide such information."<sup>29</sup> Thus, MISO is required to provide all the assumptions and outputs of the model to any interested party (i.e., a party that is financially liable to MISO for VLR-related RSG charges) that signs a non-disclosure agreement. If MISO wants to restrict access to the assumptions and outputs by interested parties, it should have requested rehearing, but it did not. We therefore direct MISO to clarify the language in section C of Schedule 44 to allow access to the assumptions and output that are necessary to verify MISO's calculations of the Local BAA or interested market participant charges.<sup>30</sup>

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<sup>29</sup> June 2014 Order, 147 FERC ¶ 61,268 at P 61.

<sup>30</sup> The last sentence of section C would read as follows:

Each study involves the use of Confidential Information, potentially also including Critical Energy Infrastructure Information (CEII), but subject to the execution of appropriate non-disclosure agreements, [a Local BAA] or interested Market Participant may be granted access to the study's assumptions and outputs, to the extent necessary to verify MISO's VLR calculations pertaining to the charges of a LBA or Market Participant that requested the study."

**B. Inadvertently Omitted Compliance Requirements**

34. Midwest TDUs raised two concerns regarding inadvertently omitted compliance requirements<sup>31</sup> which MISO, agrees in its answer to make the necessary correction.<sup>32</sup> Thus, we direct MISO to make these inadvertently omitted compliance requirements.

35. The Commission required MISO to add “or where there is a VLR commitment” to section 63.2. MISO omitted the “or”, impacting the meaning of the revised sentence. Accordingly, we direct MISO, in a compliance filing due within 30 days of the date of this order, to revise section 63.2 to state “The Mitigation Measures will only apply in the presence of a Binding Transmission Constraint or a Binding Reserve Zone Constraint **or** where there is a VLR Commitment.”

**C. Miscellaneous Issues**

36. NRG Companies raise several issues that are beyond the scope of this proceeding. The Commission did not require MISO to clarify the criteria and process for determining commercial significance and the independent market monitor’s role in such a determination. Accordingly, we deny the request as a prohibited out-of-time rehearing request.

37. Additionally, NRG Companies agree with MISO’s request for the Commission to confirm that it did not preclude the formation of a Business Practice Manual for implementing details for the procedure for participation in VLR studies.<sup>33</sup> The Commission stated in the June 2014 Order that MISO must delete the phrase “in accordance with the procedures described by the Transmission Provider in a Business Practice Manual” because MISO had not yet developed such a Business Practice Manual.<sup>34</sup> The Commission’s directive in the June 2014 Order does not preclude MISO from developing such a Business Practice Manual with its stakeholders. However, because the Commission did not direct the formation of the Business Practice Manual in the June 2014 Order, we will not direct it here.

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<sup>31</sup> Midwest TDUs Protest at 2.

<sup>32</sup> MISO Answer at 2-3.

<sup>33</sup> NRG Companies Protest at 6; MISO Transmittal letter at 2.

<sup>34</sup> June 2014 Order, 147 FERC ¶ 61,268 at P 62.

The Commission orders:

(A) MISO's proposed revised Tariff revisions in Docket Nos. ER12-678-005 are hereby conditionally accepted, to be effective September 1, 2012, subject to a compliance filing, as discussed in the body of this order.

(B) MISO is hereby directed to submit a compliance filing within 30 days of the date of this order, as discussed in the body of this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.