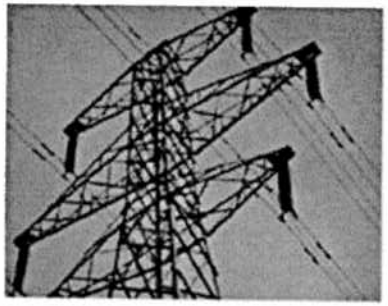
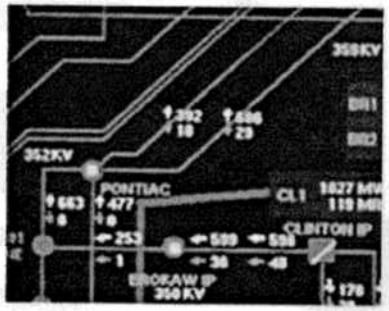
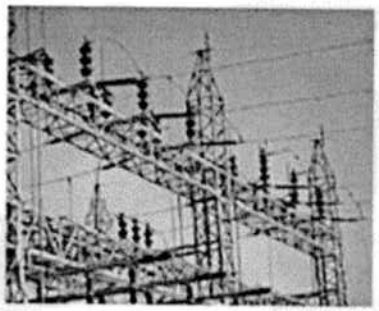
Midwest ISO & Michigan: Powerful Partners







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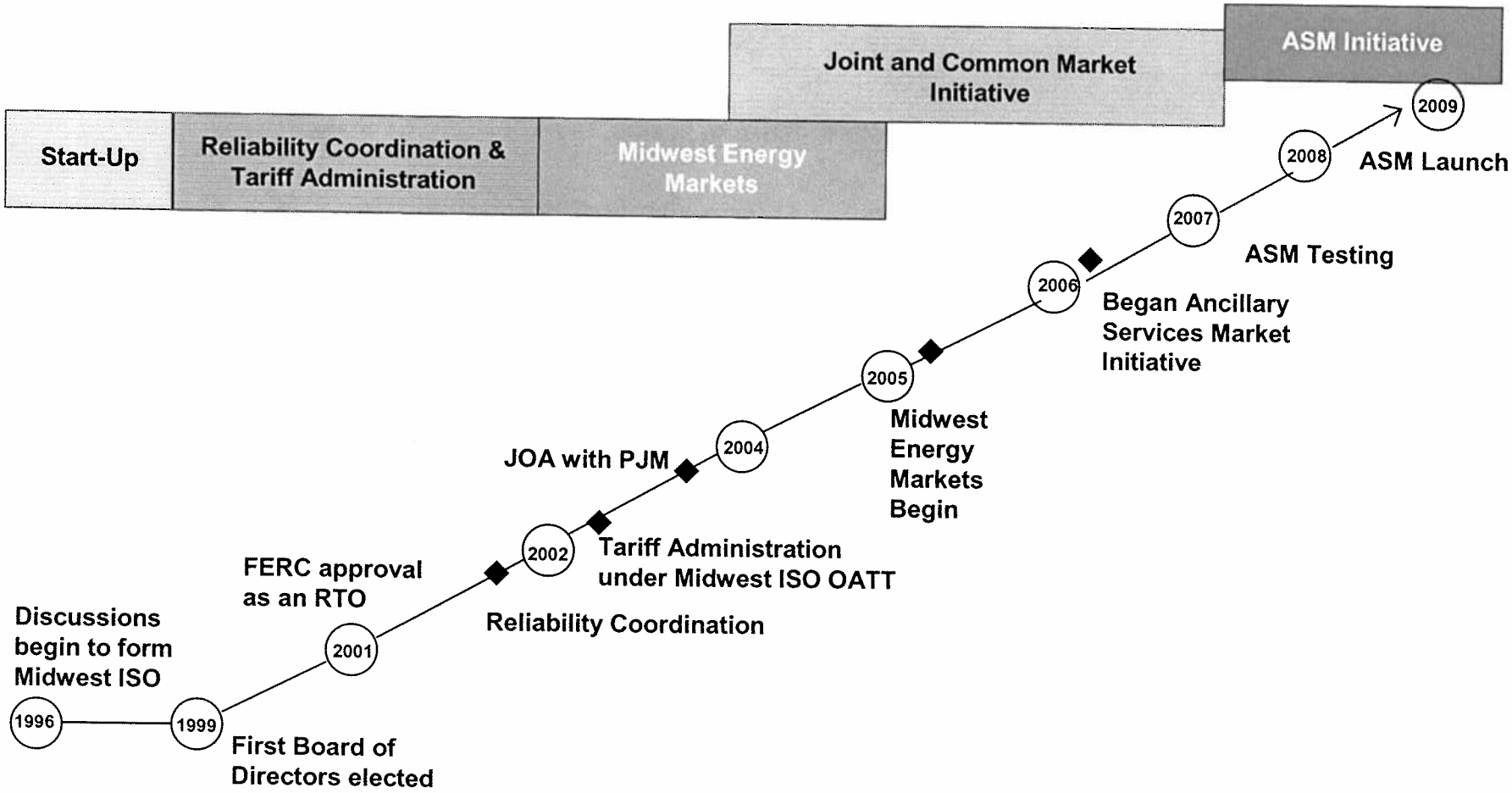
by Bill Malcolm, Manager – State Regulatory Affairs
to the House Energy and Technology Committee
Lansing, Michigan
May 26, 2009

History



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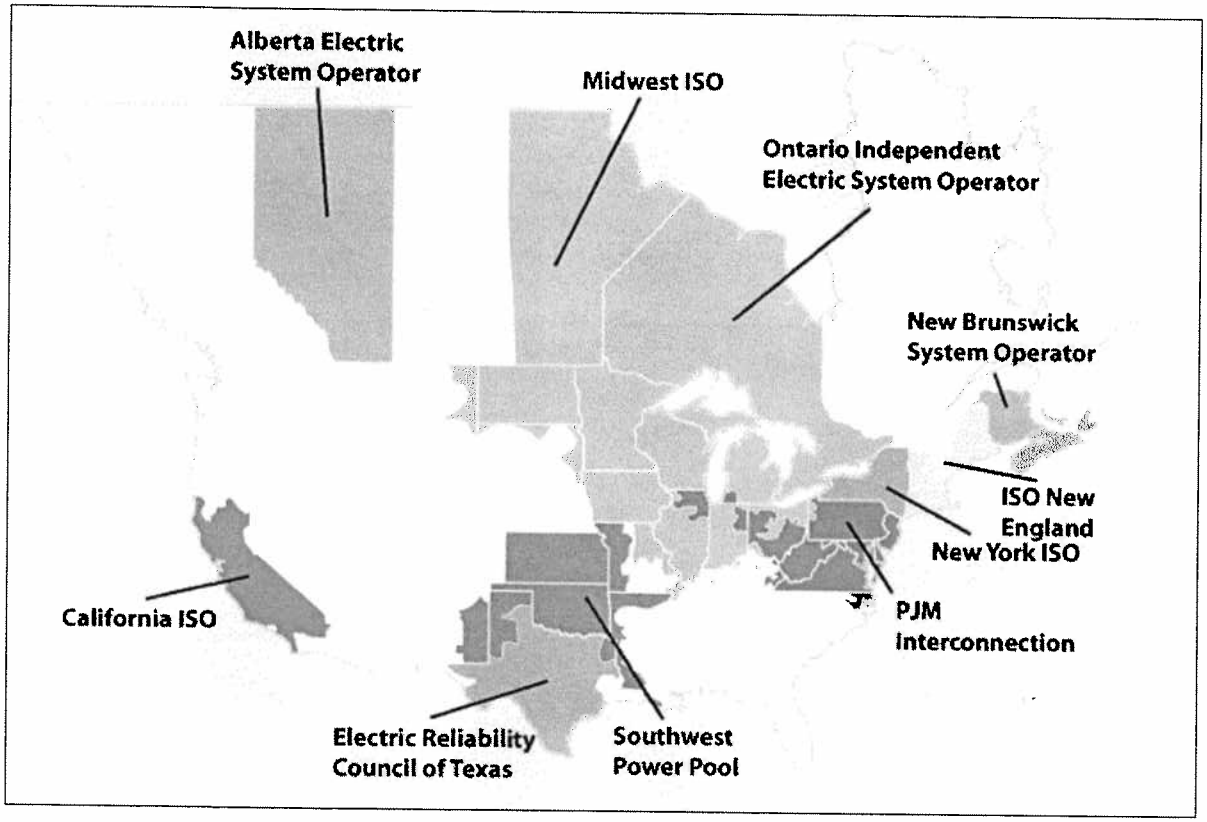
ISOs and RTOs



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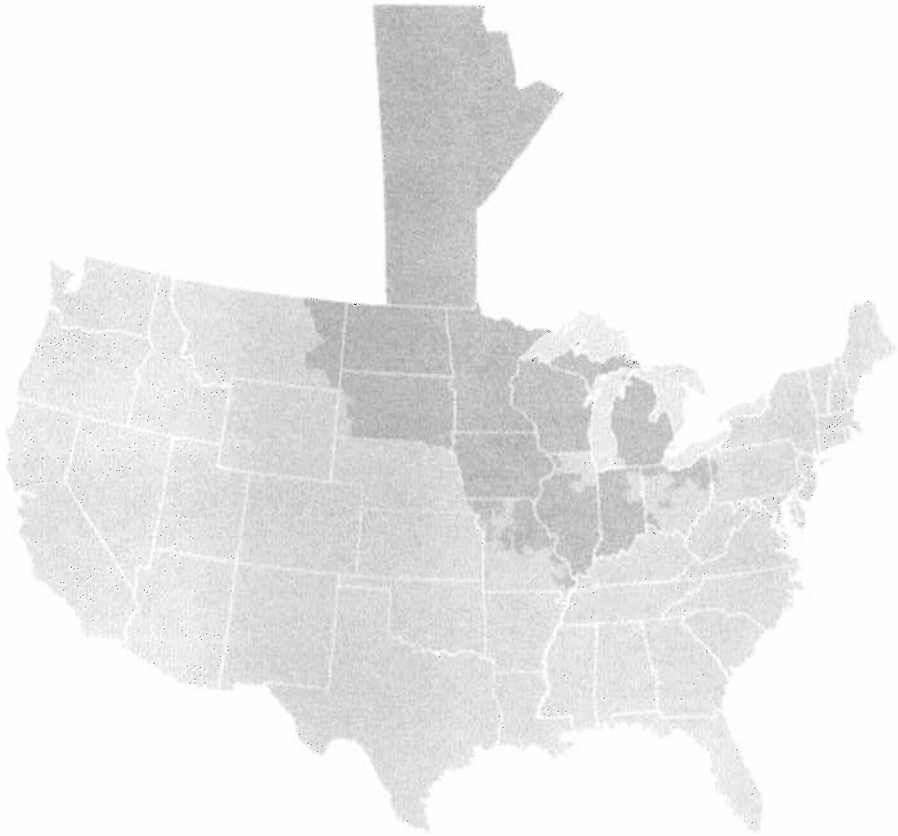
The Midwest ISO is an independent, non-profit 501(C)(4) organization. We serve as the reliability coordinator for the transmission of high voltage electricity

- Tariff Administration and Scheduling Operations since February 1, 2002
- Energy market operations since April 1, 2005

- 130,000+ MW of generating capacity
- 93,600 miles of transmission lines
- ---
- Wholesale power transactions = $40+ billion (2008)



Midwest ISO's Reliability Footprint

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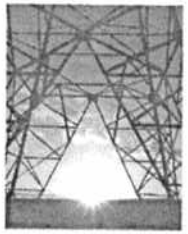
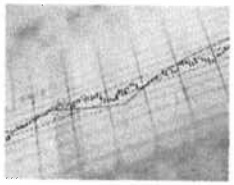
The Midwest ISO's Role

What We Do		Implications
• Provide Independent Transmission System Access		• All parties have equal and non-discriminatory access
• Deliver Improved Reliability Coordination		• Substantial regional reliability improvements
• Perform Efficient Market Operations		• Lower cost unit commitment, dispatch and congestion management
• Coordinate Regional Planning		• Integrated system planning
• Foster Platform for Wholesale Market Development		• Encourage infrastructure investment and facilitate regulatory initiatives

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Michigan and the Midwest ISO

- ITC, ATC, Detroit Edison, Consumers Energy, Michigan Public Power Agency, Michigan South Central Power Agency, and Wolverine Power Supply Cooperative are among our Michigan members
- Lansing BWL is new market participant
- MISO is a member of the Michigan State University Institute of Public Utilities Institute
- Co-chairing PSC Planning Committee on informational sharing

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Market Overview

- **The Midwest ISO market consists of three components:**

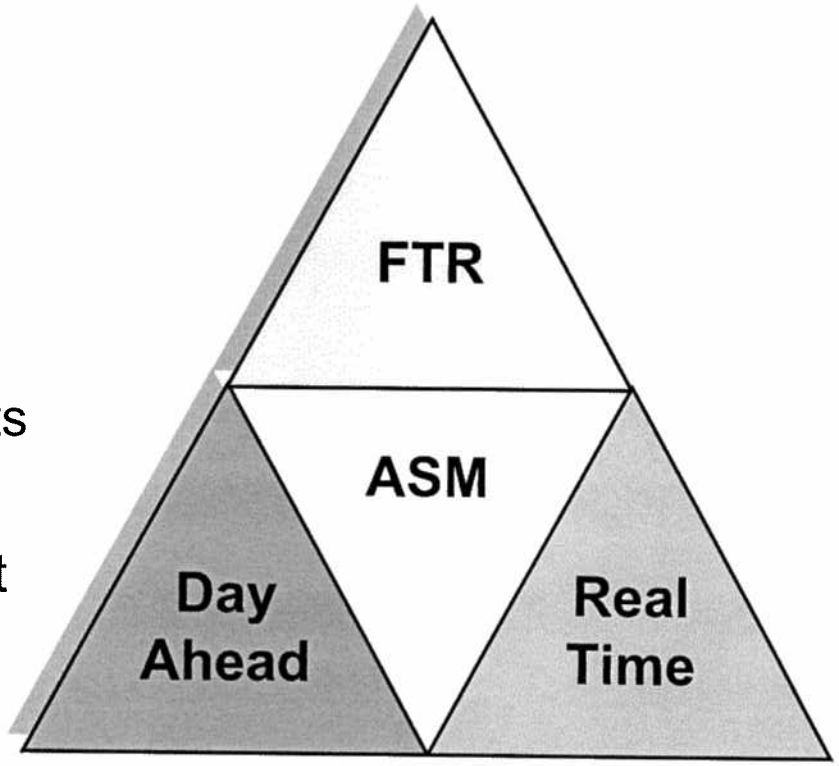
  ❶ Day Ahead Energy Market

  ❷ Real Time Energy Market

  ❸ Financial Transmission Rights Market

  * As of January 2009, the Midwest Market added a 4th component

  ❹ Ancillary Services Market



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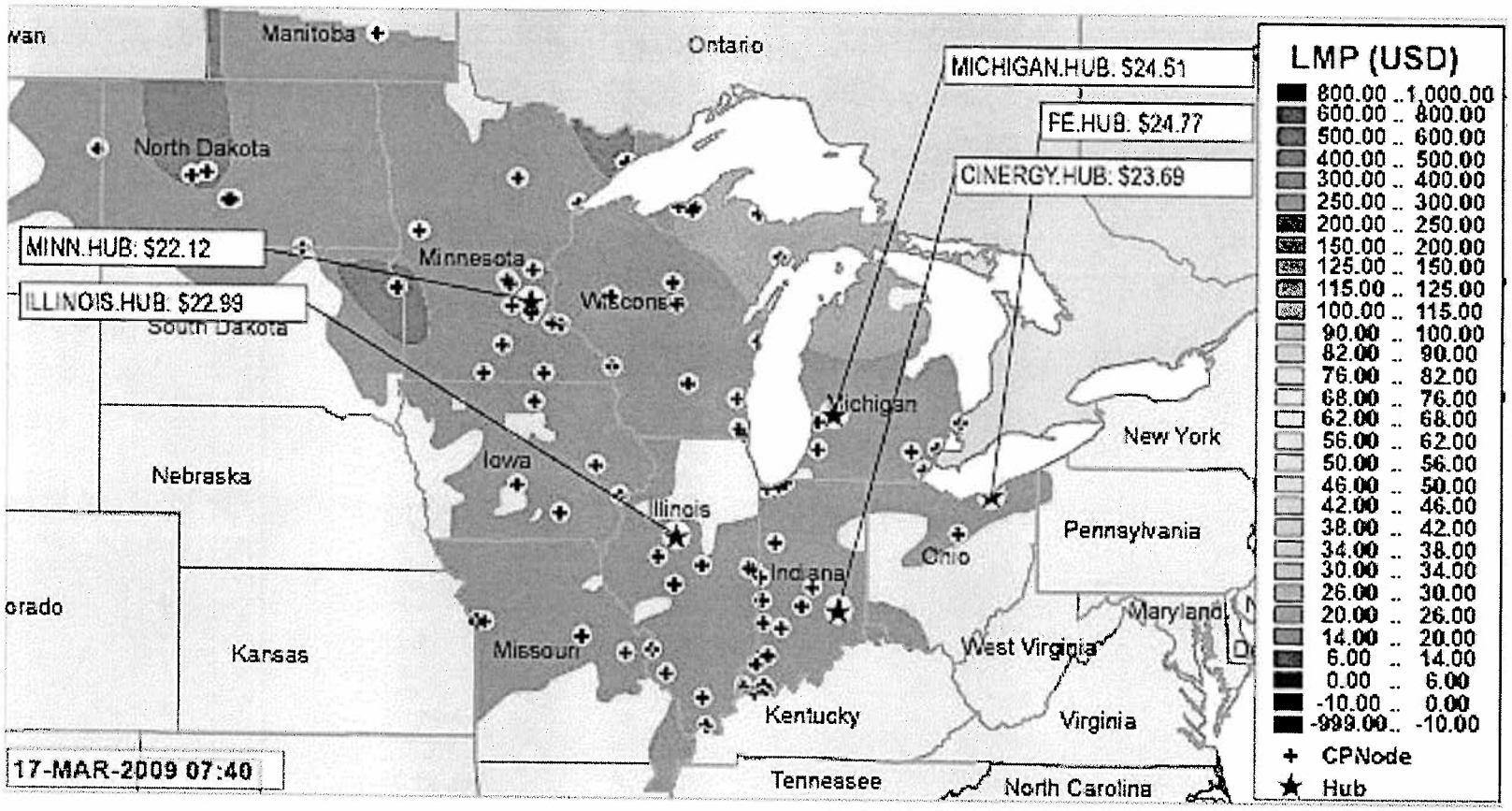
Real Time Prices



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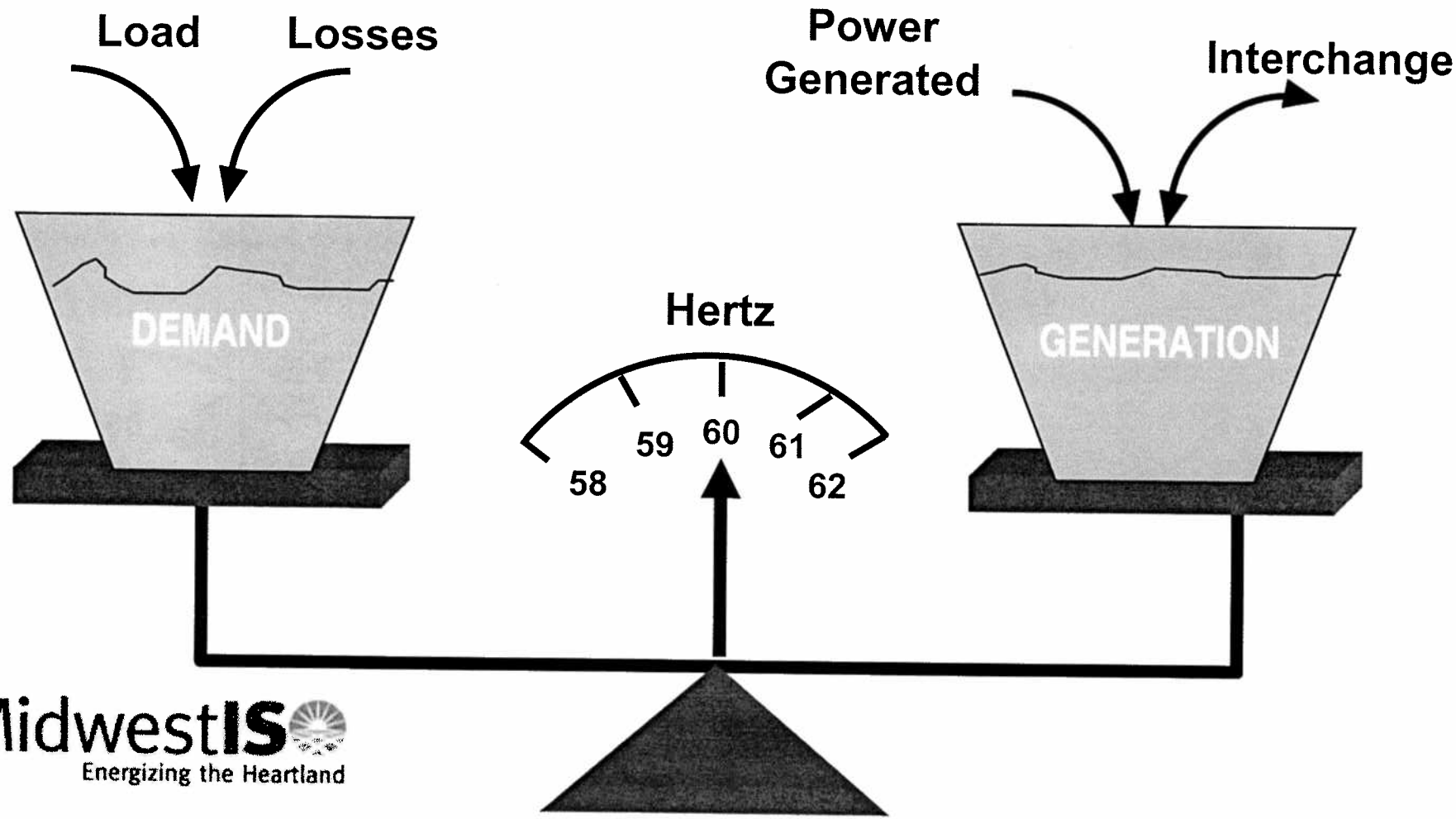
The Energy Balance Challenge



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What's New

- Ancillary services market/balancing area consolidation launched 1/6/09
- 18 percent reserve margin, 3 percent load drop from 2008
- New "Module E" resource adequacy requirement: 12.7% reserve margin
- Review of cost allocation methods for new transmission

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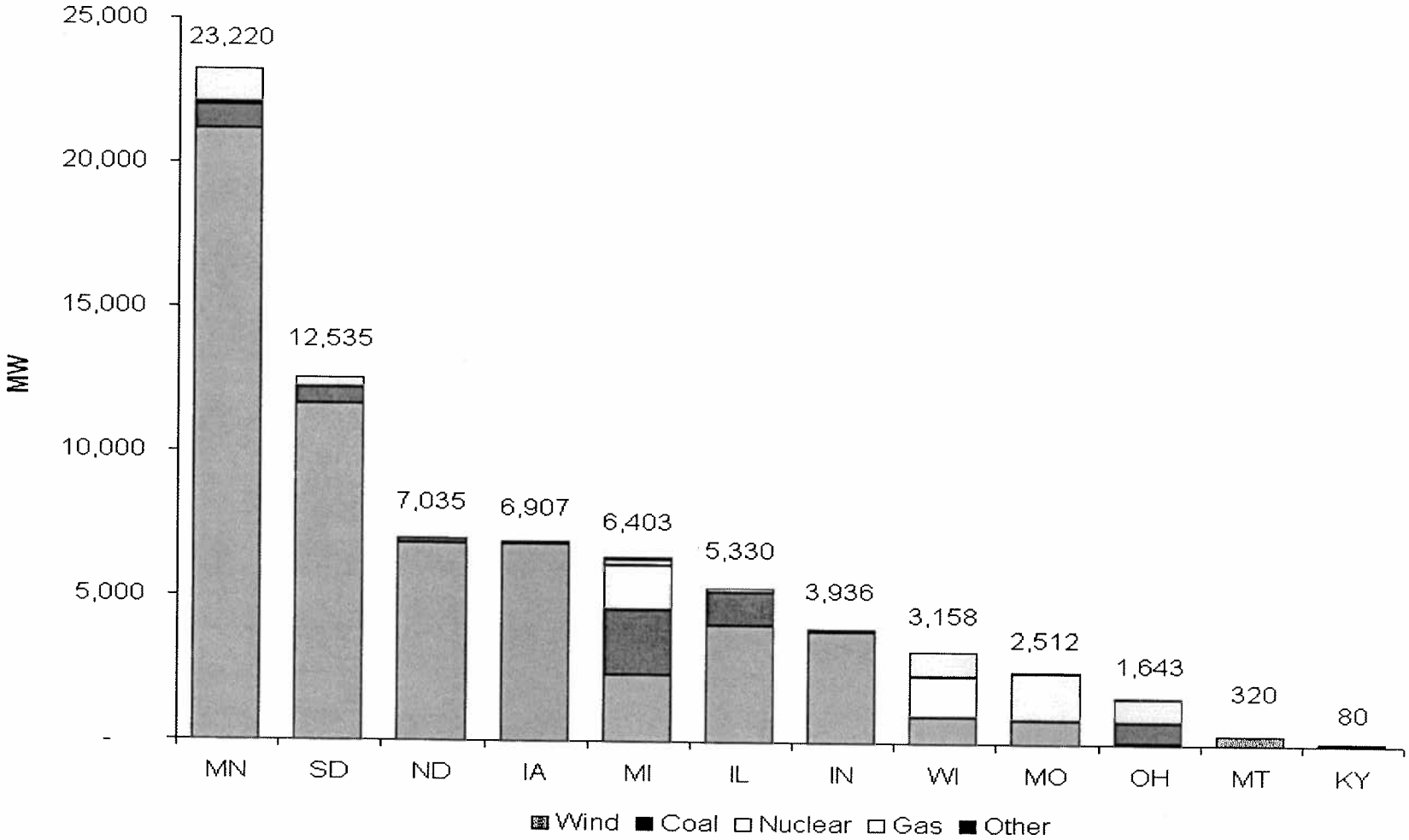
Active Queued Requests by State



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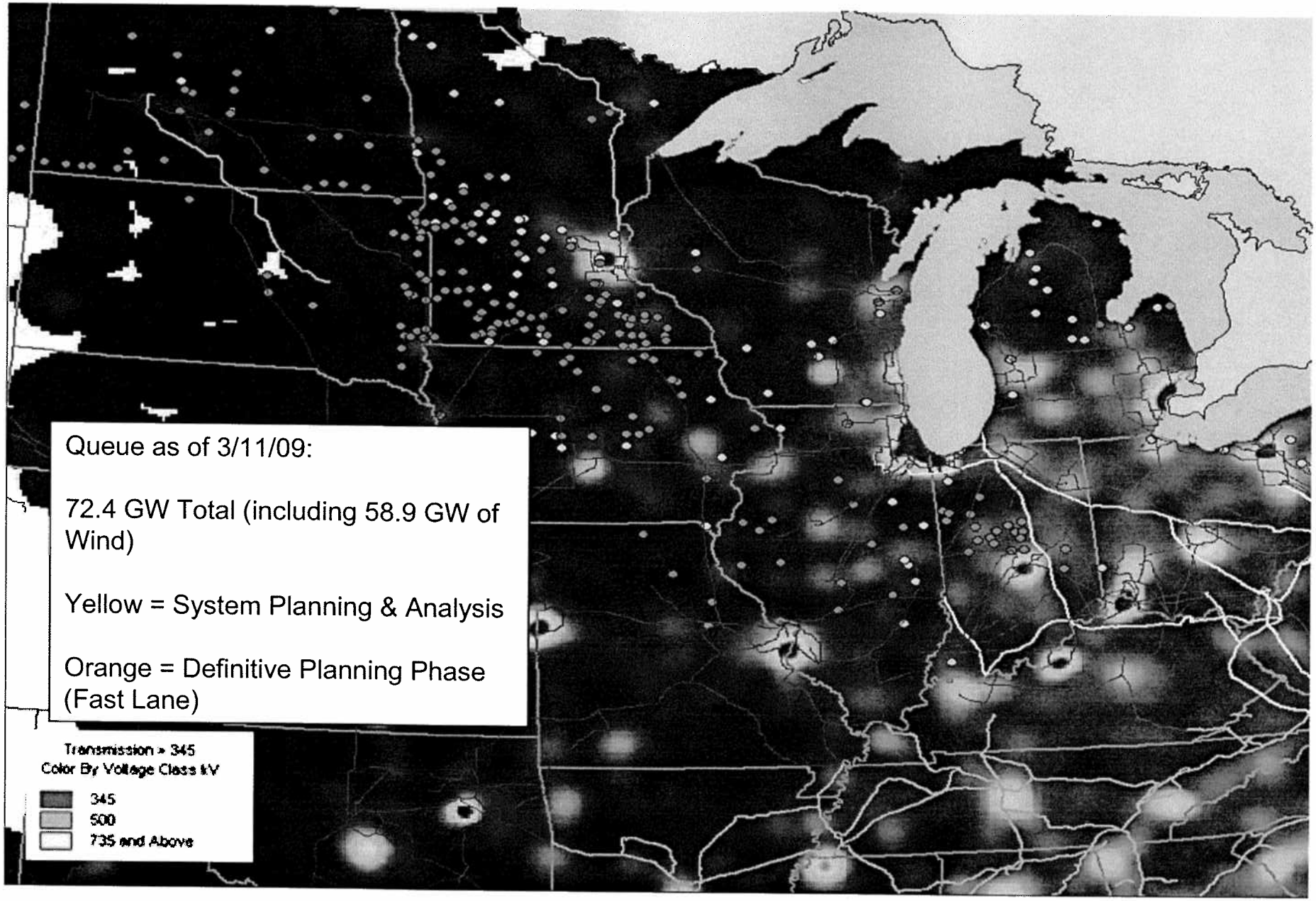
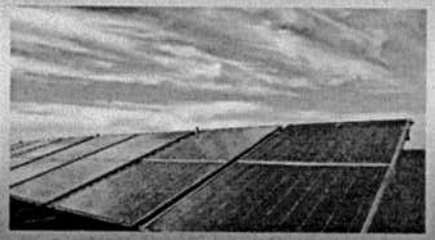
Interconnection Requests as of 03/11/09

Location of Interconnection Queue Requests

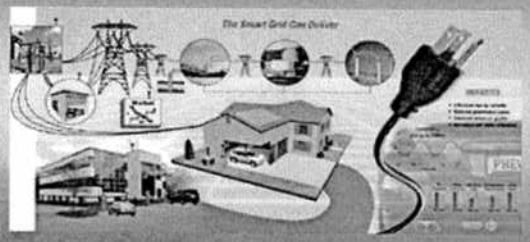


Challenges & Opportunities

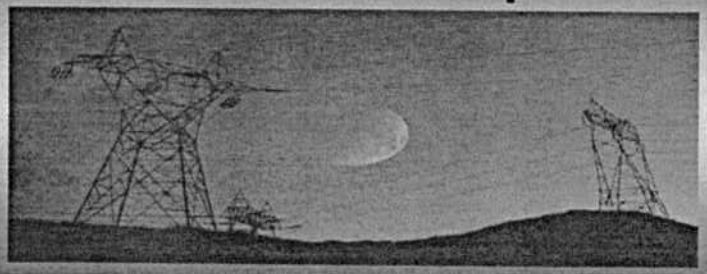
Renewables (including wind) Integration



Demand Response and Smart Grid Integration



Infrastructure Development and Cost Sharing



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For more information

- **www.midwestmarket.org**
- Bill Malcolm:
  - 1-317-409-3674
  - via e-mail at bmalcolm@midwestiso.org

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