

**Response of the Affiliate Sector To MISO Advisory Committee Questions  
On Sector Alignment, Consolidation, and Voting  
- September 8, 2020 -**

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The newest sector of the Advisory Committee, the “affiliate sector,” appreciates this opportunity to respond to questions regarding sector alignment, consolidation, and voting. The affiliate sector looks forward to assisting MISO in carrying out its mission by providing advice and input to the Advisory Committee on behalf of the coal fleet, which is the second largest source of electric generating capacity in MISO’s footprint, totaling some 47,000 megawatts (MW) which represented 37 percent of MISO’s total electricity generating capacity last year.<sup>i</sup> At the same time, coal-based generation made up the largest share of MISO’s energy mix at 39 percent.<sup>ii</sup> MISO’s footprint includes the largest coal fleet of any of the nation’s ISO/RTOs and comprises one quarter of the nation’s entire coal fleet.<sup>iii</sup>

The new affiliate sector is one of 11 stakeholder groups that are members of the Advisory Committee. (The name, “affiliate sector,” is a placeholder for the time being.) The new sector was conceived and approved through the efforts of MISO, the MISO Board of Directors, members of the Advisory Committee, and the Federal Energy Regulatory Commission (FERC). In approving the affiliate sector under conditions that are expected to be temporary, FERC also indicated its satisfaction that the MISO Board was working to achieve a “long term solution” that addresses sector representation and rights.<sup>iv</sup> The affiliate sector is grateful for MISO’s continued efforts to resolve sector alignment issues in a manner that avoids undue discrimination, as articulated by FERC in its order.<sup>v</sup>

Our responses to the five questions are as follows:

- 1. “Thinking about Chair Currie’s letter to the Advisory Committee, does your Sector believe that alignment/consolidation of Sectors can help improve the effectiveness of the AC and if so, why? Why not?”**

The affiliate sector believes that, generally speaking, appropriate consolidation could enable the Advisory Committee to be more efficient and effective and to provide better advice to MISO management and the Board. However, consolidation would depend on the extent to which the interests of sectors might be aligned and should take care not to water down important viewpoints.

- 2. “While only thinking about your specific Sector, to which other Sector, if any, do your Sector’s interests most closely align? Not align?”**

Resilient, reliable, fuel secure, diverse, and affordable electricity supplies are of paramount importance to members of the affiliate sector. For that reason, affiliate sector members are concerned about the consequences of substantial coal retirements. (According to MISO, 17,500 MW of coal-based generation have

retired over the past ten years.<sup>vi</sup> An additional 3,746 MW are expected to retire over the period 2020-2022 based on announcements.<sup>vii</sup> On the other hand, we estimate that 9,649 MW to 15,515 MW of coal-based generation in MISO is at risk of retirement over the same period because of low capacity factors and other reasons.<sup>viii</sup>) The extent to which the interests and concerns of the affiliate sector might be aligned with those of other sectors is unclear, but we would welcome further discussion.

**3. “Of all the RTO’s, MISO has the greatest number of Sectors (11). How important is the number of Sectors to the effective functioning of the AC and how does it impact effective involvement by its members?”**

The affiliate sector does not believe that judging the number of MISO sectors based on the structure of other RTOs is a useful yardstick because each RTO is unique in its history, structure, market participant involvement, stakeholder engagement, and other aspects. In our view, the quality and effectiveness of stakeholder engagement are clearly more important than an arbitrary number of sectors.

**4. “Considering the Advisory Committee’s main role, ie [sic]: to advise the Board of Directors, how important are voting rights to your Sector? Why? What role does voting play in ensuring full participation at the Advisory Committee and are there alternatives that would still encompass full participation? Does voting provide additional needed insight into the information the Board receives from the AC?”**

Affording voting rights on a non-discriminatory basis to the affiliate sector is essential. The affiliate sector does not believe there are any alternatives available now or that could be developed that would satisfy the Commission’s order, other than providing equal voting rights for our sector. Voting provides the Advisory Committee and the Board with the clearest and most direct indication of the viewpoints and reasoning of every sector. Therefore, all sectors should have voting rights on the Advisory Committee to ensure non-discriminatory participation.

**5. “Are there changes to process that could improve the effectiveness of the AC’s interaction with the Board without requiring changes to the AC structure?”**

We suggest that one of the six annual MISO Board meetings — perhaps as early as the December meeting — include a forum for senior-level executives of sector members to discuss appropriate topics with the Board. Sectors could propose issues and questions in advance that they wish to discuss with the Board. The Board could then decide on the list of topics for discussion.

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<sup>i</sup> “2019 State of the Market Report for the MISO Electricity Markets,” Potomac Economics, June 2020.

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ii *Ibid.*

iii According to SNL, the regions with the largest amounts of coal-fueled capacity are MISO (56,722 MW); PJM (50,884 MW); SPP (23,682 MW); and ERCOT (14,047 MW). S&P Global Market Intelligence, SNL Energy Data. Accessed June 2020. Energy Ventures Analysis indicates that the MISO coal fleet totaled 58,317 MW at the beginning of this year. See endnote vii below.

iv *Midcontinent Independent System Operator, Inc.*, 172 FERC ¶ 61,096 (2020).

v *Ibid.*

vi “DRAFT MTEP20 Chapter 1 - MTEP Overview,” [www.misoenergy.org/planning/planning/mtep20/](http://www.misoenergy.org/planning/planning/mtep20/)

vii “Assessment of Coal Capacity at Risk of Retirement in the Near Future,” Energy Ventures Analysis, April 2020. Copy of report is available upon request.

viii *Ibid.*