

IPP / EWG Sector Governance Guidelines

I. Eligibility

The IPP / EWG Sector is comprised of companies who are Members of MISO and have indicated their primary designation is that of an IPP (independent power producer) or EWG (exempt wholesale generator). A list of the companies in this sector can be found on the MISO website.¹ These companies have voting rights in this sector. Only representatives from such companies may represent this sector on MISO's Advisory Committee.

II. IPP / EWG Sector Mission Statement and Business Model

IPP / EWG Mission Statement

The IPP / EWG Sector members work together on a cooperative basis to maintain and/or develop independent, transparent, non-discriminatory, fully robust, competitive wholesale energy, capacity and ancillary service markets. The sector members strive towards the goal of creating a “level playing field” within the decision making process at MISO, as a means of ensuring MISO and the MISO Board of Directors maintain their independence in order to protect IPP / EWG Sector members from the unintended consequences of undue influence from any other individual stakeholder group(s).

All IPP / EWG Sector members are encouraged to devote resources aimed at active participation within the MISO stakeholder process to safeguard against changes to market rules or the implementation of new rules that would be unfair and/or unduly discriminatory to the sector member business interests and resources. The IPP / EWG Sector members seek efficient wholesale energy markets and will work together on a collaborative basis to eliminate identified market deficiencies and the prioritization of high impact market enhancements that will increase value for the IPP / EWG Sector members as a whole.

Even though an Eligible Customer has joined MISO as a Member and has indicated their primary designation is that of an IPP or EWG, as of January 2, 2014 prior to being accepted into the IPP / EWG Sector any Member seeking to join the IPP / EWG Sector must present their individual company business model and any other information deemed appropriate to the current sector membership in order to demonstrate the individual company business model and interests are

¹ From the MISO homepage select Committees, Advisory Committee, and Membership List. The membership list is divided into nine sectors.

generally consistent with the IPP/EWG Mission Statement stated above and the interests of the current IPP / EWG Sector members. It is imperative that new sector representatives work with the current sector companies in support of the Mission Statement. A simple majority vote of the current sector members will be taken after the presentation in order to assure that the current sector members agree and accept the candidate company into the sector.

A similar process will be followed for those current IPP / EWG Sector members in the situation where the business interests of an individual sector member changes significantly as compared to their circumstances when they originally joined MISO. For example, if a legacy IPP / EWG Sector member or one of their corporate affiliates decided to become a transmission owning member of MISO, then this member would be required to present their rationale justifying their consistency with the sector's basic business model for continued participation within the IPP / EWG Sector while also participating as a transmission owner. A simple majority vote of the other current IPP / EWG Sector will determine whether the member can continue to participate in the IPP / EWG Sector. Any candidate company or current IPP / EWG Sector member that is not accepted or is subsequently voted out of the IPP / EWG Sector should then seek to join another sector more appropriately aligned with their individual company's business interests.

Any candidate company or current IPP / EWG Sector member that is not accepted or is subsequently voted out of the IPP / EWG Sector may appeal the decision using the Alternative Dispute Resolution (ADR) procedures as described under MISO's Transmission Owner's Agreement. The current IPP / EWG Sector members will be obligated to reconsider and/or revote taking under advisement and giving full consideration any of the input or other factors brought to their attention by the ADR Committee; however any findings, conclusions or recommendations made by the ADR Committee will not be binding on the current IPP / EWG Sector members.

For purposes of the presentation an Eligible Customer seeking membership within the IPP/EWG Sector, the sector's basic business model basic criterion is set forth below:

- IPP / EWG Sector companies provide wholesale energy, capacity and ancillary services to Load Serving Entities in MISO's energy market footprint including vertically integrated utilities, cooperatives, municipals and other energy companies.
- IPP / EWG Sector companies participate in MISO's energy, ancillary services or capacity market subject to the tariff provisions pertaining to Generation Resources and as such these resources are subject to following MISO's generation dispatch instructions.
- IPP / EWG Sector companies will include those entities who have submitted Generation Resource development projects into MISO's

- Interconnection Queue with the intention of executing Generation Interconnection Agreement in advance of a commercial operating date for these development projects. Under this criterion, the Generation Resource developers must also demonstrate intent to 1) participate in MISO's wholesale energy, capacity and ancillary markets and 2) not have certified franchise service territories within MISO with an obligation to serve retail end-use customers.
- IPP / EWG Sector companies will specifically exclude those entities that would seek to participate in the sector primarily with only Load Modifying Resources consisting of Behind the Meter Generation and Demand Response Resources.
 - The company can be either for-profit and publicly traded or privately held.
 - IPP / EWG Sector companies, including any of their corporate affiliates, do not have certified franchise service territories within MISO with an obligation to serve retail end-use customers – no captive rate base.
 - IPP / EWG Sector companies do not include municipal or cooperative members having whole or partial ownership in generation facilities relied upon to meet the requirements of any member cooperative or municipal system.
 - Generally IPP / EWG stockholders and bond holders bear 100% of the business risk.
 - IPP / EWG companies own and operate a diversified mix of generating assets including coal, natural gas, nuclear, fuel oil, and wind.
 - IPP / EWG Sector companies provide products and services under bilateral contracts and tolling agreements.
 - IPP / EWG Sector companies contribute to local economies, just like the vertically integrated utilities, by paying property and state & local payroll taxes.

III. IPP / EWG Sector Meetings

From time to time the IPP / EWG Sector will hold confidential strategy meetings or conference calls. In some instances these meeting may include another sector such as the Power Marketing sector (PM), MISO senior management or the Organization of MISO States. Companies with IPP / EWG affiliates who are also Members of MISO and are not primarily designated as an IPP / EWG may participate in sector meetings only by invitation from the IPP / EWG Sector members. All sector representatives shall be made aware of such invitation by email in advance of the meeting. Any concerns should be brought to the immediate attention of the Chairman. However, such invited companies do not have voting rights in this sector. The intent of this limitation is to prevent companies whose primary designation is not that of an IPP or EWG from diluting the decision making process of those companies for whom this is their business. Such companies should direct the sector associated with their primary

designation to reflect their preferred policy positions before MISO's Advisory Committee.

a. Consultant Participation in this Sector

- i. A person/company ("Consultant") representing an IPP/EWG Company may only represent companies from either the PM or IPP / EWG Sectors. The intent of this limitation is to prevent representation of multiple sectors outside of the IPP / EWG or PM Sectors in order to maintain a level of confidentiality of information, positions, and business of the IPP / EWG and PM Eligible Companies.
- ii. Only a Consultant representing an IPP / EWG Sector member is eligible to participate in this Sector if the IPP / EWG Sector member and Consultant provides a written attestation that:
 1. Confirms the Consultant has authority to represent the indicated IPP / EWG Sector member.
 2. Confirms the Consultant will only represent a company(s) from either the IPP or PM Sectors.
 3. Affirms intent to comply with item (i) and (ii) above; and
 4. Indicates whether or not the Consultant has been delegated authority to vote as a Proxy on behalf of the indicated IPP / EWG Sector member(s) that the Consultant represents.
 5. Such attestation shall be sent to the Sector Chair prior to the Consultant's participation in Sector activity. (It is the Sector Chair's responsibility to notify the Sector of the new Consultant's participation in this Sector).
 6. It is the responsibility of the IPP / EWG Sector member company to which the Consultant represents to notify, in a timely manner, the Sector Chair of termination of the Consultant's role.
 7. In the event it is determined that a Consultant is not representing this Sector in an appropriate manner or is not adhering to item (i) above a recall election may be held and the consultant will no longer be able to participate in this Sector.

IV. Voting

Only employees of an IPP / EWG Sector member company may vote in this sector and each member shall only cast one vote. Decisions will pass on the basis of a simple majority. Those Eligible Companies comprising the minority position may request their MISO Advisory Committee representatives to split this sector's vote on a specific issue before the Advisory Committee. Companies who are Members of MISO, but are not primarily designated as an IPP or EWG, should direct the sector associated with their primary designation to reflect their preferences before the Advisory Committee.

- a. Abstentions - shall count as a vote cast.
- b. Weighting - all IPP / EWG Sector member votes shall weighted equally.

V. Advisory Committee Representation

Employees from an IPP / EWG Sector member company or designated consultant may represent this sector on MISO's Advisory Committee. IPP / EWG Sector member companies may elect a MISO Advisory Committee representative from a trade association or consultant supporting and advocating on behalf of the competitive interests of one or several PM and/or IPP / EWG member companies in accordance with Section VI below. Any trade association representative or consultant serving on the MISO Advisory Committee must also comply with the requirements described above as a Consultant per Section III. a.i. in order to participate or facilitate IPP / EWG or trade association sanctioned meetings or conference calls.

Elected representatives should make a good faith effort to attend sector meetings to discuss upcoming MISO Advisory Committee agenda items and vote as directed by this sector. In the event, that impromptu issues, motions, or decisions are put before the Advisory Committee, elected representatives are encouraged to solicit the Advisory Committee Chairman for an opportunity to consult with their sector prior to a vote of the Advisory Committee.

VI. Elections

Elections will be held for representation on MISO's Advisory Committee in December of each year as current Advisory Committee representative's terms expire. In years where only one representative's term is expiring, a simple majority of the votes cast will determine the new representative. The representative whose term is expiring shall serve as the election coordinator and

shall provide at least one weeks notice. The election coordinator will also be responsible for providing the Secretary of MISO's Advisory Committee with the election results. The candidate with the second largest number of votes cast will serve as the elected alternate representative for this sector for the next two years. Alternate representatives will substitute for elected representatives on MISO's Advisory Committee on an as-needed basis. Consecutive term limitation provisions do not apply to alternative representatives.

In years where two representative's terms are expiring, a simple majority of the votes cast and the second largest number of votes cast will determine the two new representatives. The two representatives whose terms are expiring will be responsible for coordinating the election process and shall provide at least one weeks notice. The election coordinator(s) will also be responsible for providing the Secretary of MISO's Advisory Committee with the election results.

At any time that an elected representative or elected alternate representative can no longer fulfill their obligation to serve on MISO's Advisory Committee, a special election for a replacement to serve for the remainder of that term shall be held as soon as reasonably possible. The representative whose is vacating their term shall serve as the election coordinator and shall provide for at least one weeks notice. The election coordinator will also be responsible for providing the Secretary of MISO's Advisory Committee with the election results. A simple majority of the votes cast will determine the election of the needed replacement.

In the event it is determined that an elected representative or elected alternate representative is not representing this sector in an appropriate manner, a recall election may be held. Any one IPP / EWG Sector member may request a recall election. The representatives who are not directly involved in the recall request will be responsible for coordinating the voting process and shall provide at least one weeks notice. The representative in question will not be removed unless 75% or more of the votes cast agree to replace this representative. In the event, it is determined that the representative should be replaced, then an election for a replacement representative will be held (as outlined above).

VIII. Hot Topic Papers

- a. Designation of Majority, Minority, & Company Specific Hot Topic Papers

Hot Topic Papers will be designated on simple majority. If more than one company supports a paper dissenting from the majority this paper will be designated as the minority position. If only one company supports a paper dissenting from the majority the sole company supporting the paper will submit the paper to the AC and MISO Board of Directors as a standalone Company Specific paper.

At least 20% of the time available for Hot Topic oral presentations will be allocated to a minority position paper, allowing those endorsing the minority position to explain their differences with the majority position (e.g., for a 10 minute time allotment, approximately 2 minutes will be allocated for discussion of the minority position). In the event there are more than one minority position papers, the appropriate time allocation for each paper will be decided at the sector meeting held prior to the presentation date.