



March 8, 2017

John Bear
President and Chief Executive Officer
Midcontinent Independent System Operator, Inc.
720 City Center Drive
Carmel, IN 46032

Dear Mr. Bear,

I am writing on behalf of the American Coalition for Clean Coal Electricity (ACCCE) to highlight three issues:

- The retirement of a large number of coal-fired electric generating units (EGUs);
- Likely changes in Federal environmental policies; and
- Market rules that do not properly value baseload coal-fired generation.

ACCCE is a national trade organization comprised of major industries — electricity generators, coal producers, railroads, and equipment manufacturers — involved in generating electricity from coal. We are the only national trade association whose sole mission is to advocate at the federal and state levels on behalf of coal-fired electricity.

Retirements As you know, baseload coal-fired generation is a vital source of affordable electricity and is critical to maintaining the reliability of the electric grid. However, a large number of coal-fired electric EGUs are shutting down because of regulatory policies and low natural gas prices. So far, one-third of the U.S. coal fleet — almost 99,000 MW — has either retired or announced plans to retire. Three-fourths of these retirements have been attributed to EPA policies. In MISO alone, 103 coal-fired EGUs (totaling 8,000 MW) have retired, and owners have announced their intentions to retire 45 more coal-fired EGUs (totaling 10,500 MW). Such a large number of retirements raises questions about being able to maintain a diverse and reliable supply of baseload power.

Therefore, we urge MISO to consider steps that would avoid further coal-fired EGU retirements.

Environmental Policies We are confident the new Administration will withdraw or rewrite environmental regulations that are causing, or could cause, more coal retirements. ACCCE has identified a number of these regulations and policies and has suggested solutions to the Administration. These rules include the Clean Power Plan, Coal Combustion Residuals, Effluent Limitations Guidelines, Cross State Air Pollution Rule, and Regional Haze. *Therefore, we believe it is prudent and makes sense for MISO to take into account the likelihood of changes to Federal environmental policies.*

Market Rules We are concerned that MISO's market does not properly value the unique attributes of baseload coal-fired generation. In particular, coal-fired generation is highly reliable. However, electricity sources that carry more reliability risk are accredited as though they are as reliable as baseload coal-fired generation. *Therefore, we respectfully request that MISO re-evaluate its policies in order to ensure the reliability attributes of coal-fired generation — during all seasons of the year — are properly valued relative to other less reliable sources of generating capacity.*

MISO plays a critical role in ensuring reliable, least-cost delivered energy. For that reason, ACCCE would welcome the opportunity to discuss how we can help support your mission.

Sincerely,

A handwritten signature in black ink that reads "Paul Bailey". The signature is written in a cursive, flowing style.

Paul Bailey
President and CEO

Copy to:

Richard Doying, Executive Vice President, Operations
Clair Moeller, Executive Vice President, Operations