

## RASC: RA Criterion Roadmap Creation (RASC-2024-4) (20240926)

Due Date: 10/22/2024

The MISO Environmental Sector offers the following comments in response to MISO's questions on the proposed Resource Adequacy Criterion Roadmap:

### 1. What type of analysis should be included? How should it be prioritized?

The Environmental Sector is concerned about conducting this analysis in the absence of proposed modeling improvements that have already been presented to a prior RASC meeting. Specifically, during the February 2024 RASC<sup>1</sup> stakeholder event, MISO shared a non-specific timeline (slide 4) for improvements to the LOLE model, including modeling of correlated events, planned outages, load forecasting, storage modeling, and demand-side validation.

Before the use of the LOLE model become more precise through the addition of new criteria, such as an EUE standard, MISO needs to complete these planned modeling enhancements. At the moment, risk shows up in the LOLE model because MISO is adding negative generators in every season. Many of these enhancements seem likely to add more risk, but the timing and magnitude of that risk is unclear. As such, it is impossible to weigh the economic tradeoffs of a new standard against the risk it ameliorates; indeed, the model, as currently conceived, is unlikely to result in identifying precise hours of risk, which is a challenge for DLOL (which identifies specific risk hours and weights those hours based on the LOLE study to determine accreditation values) let alone another risk criterion.<sup>2</sup>

Once MISO completes its planned enhancements above, it will need to choose some parameters for the modeling used to develop additional RA criteria including:

- a. The study year, *i.e.*, will the model continue to represent the following planning year only?
- b. The manner in which MISO will weigh economics against risk, *i.e.*, it is not appropriate to add negative/positive perfect generators; real resource types need to be added so that their cost relative to the improvement in risk can be evaluated.
- c. Will MISO use any additional scenarios or sensitivities in order to conduct this evaluation, *i.e.*, will it continue to rely on the load forecast error and weather-year differences to bring stochasticity to the model?

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<https://cdn.misoenergy.org/20240228%20RASC%20Item%2005c%20RA%20Model%20Enhancement%20Presentation631891.pdf>

<sup>2</sup> For example, during the October 2022 RASC meeting, MISO presented work it had conducted using PLEXOS showing the increase in net load ramps through 2041. As presently configured, SERVM is incapable of capturing any resource adequacy impacts from this dynamic.

The MISO Environmental Sector believes it is very important to do this work using the model upon which accreditation and reserve requirements would ultimately be based, *i.e.*, in SERVM. If MISO also uses PLEXOS for this work, we ask that it try to do this work in parallel with SERVM since that is likely to be the tool upon which a second RA criterion would be based. And MISO should take care to work to align the SERVM and PLEXOS models to ensure results across the two platforms are aligned and meaningful together.

## **2. How would your entity be impacted by any potential changes?**

Members of the Environmental Sector have already observed how significantly changes to MISO's RA requirements impact state level planning. Waiting for changes can result in paralysis with respect to acquiring new resources, *e.g.*, utilities who have put a pause on attempting to acquire new LMRs because of pending changes to LMR accreditation rules.<sup>3</sup> And even before the DLOL proposal was filed at FERC, MISO LSEs were already using the indicative values presented by MISO in their planning even if accredited values weren't also available. MISO should not fail to keep in mind how *even the suggestion* of a change in RA criteria immediately impacts state-level resource planning.

Importantly, this dynamic should *not* result in a rush to get through this process; instead, MISO should make clear that there is *no* specific timeline and let the analysis that needs to be conducted dictate the timeframe. We agree with a primary conclusion of E3's presenter – that there is plenty of time to develop new criteria.<sup>4</sup> We also agree with one of the presenters at the RA workshop hosted by MISO that getting the fundamentals of the LOLE model right is critical, it is now, and will be even more so in the future.

## **3. What should be the timeline to identify and analyze resource adequacy criteria?**

See response to previous question. The E3 presentation in particular makes clear that although alternative resource adequacy criteria should be considered when the resource mix dramatically alters from its current form, there is no reason or need for MISO to rush this process.

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<sup>3</sup> See for example, Petitioner's Exhibit No. 10-R Rebuttal Testimony of Robert Sears on behalf of Northern Indiana Public Service Company in Indiana Utility Regulatory Commission Cause No. 45947.

<sup>4</sup> MISO has previously pointed to issues such as low wind events as justification for changes to its RA requirements; this is part of what led to the DLOL proposal. Before embarking on another change intended to address events like these, MISO should explain why DLOL is not sufficient: <https://cdn.misoenergy.org/20240917%20Markets%20Committee%20of%20the%20BOD%20Item%202005%20MISO%20Operations%20Report647069.pdf>