

OMS Regional Planning Work Group

Staff Comments on MISO's MTEP 12 Futures Scenarios and Inputs

Following are comments from the OMS Regional Planning Work Group staff on the MTEP 12 Futures Scenarios.

Inputs and Assumptions:

1) Demand and Energy Growth Rates –

- a. The methodology MISO has used for choosing the initial demand and energy growth rates needs clarification. Further explanation of how those values were initially chosen, as well as how the Global Energy Partner estimates will be factored in, would be valuable to better understand the rationale for the specific growth values that act as the starting point for the Low, Medium, and High values used in the futures.
- b. Growth rates are higher than they should be, especially when the embedded DSM value is factored in. Also, further clarification on why MISO has chosen a value of +/- 0.5% for embedded DSM would also be helpful to better understand the rationale for the suggested growth rates.

2) Natural Gas Prices –

- a. The Mid-Level price in the Futures Matrix for natural gas (\$5) seems high and a value of \$4.25 seems more reasonable.

3) Renewable Penetration Assumptions –

- a. MISO should consider the likelihood that state mandates should decrease. Some workgroup members suggest the addition of a Low value (which does not exist at this time) that would represent a potential decrease in State mandates by a given amount. A high value could represent a Federal RPS.
- b. More explanation regarding how MISO models the actual values of state mandates would be helpful. For example, for Mid Value, during the modeling process does MISO use the MWh values representing the corresponding existing mandates? If not, MISO should consider quantifying the mandate levels so stakeholders have a better grasp on how these are actually modeled.
- c. Are the National Mandate levels still reasonable? Being based off the older Waxman-Markey Bill with a target date of 2025, the future of this target date may be unreasonable by today's standards and it is suggested that MISO reevaluate the proposed mandate levels.

4) NOx and SO2 Emission Modeling –

- a. Please explain in greater detail how MISO plans to quantify the NO_x and SO₂ emission levels for modeling purposes?

Proposed MTEP 12 Futures:

- 1) The OMS Workgroup believes that the Mid Values for demand and energy growth rates for the **BAU** are too high and should be replaced with the Low Values, so that there is a Low Demand and Energy Growth future represented as a feasible bookend for MTEP 12 modeling purposes. We understand that the Carbon Constraint future has Low values for demand and energy, but it also has High coal retirements. It seems more reasonable to include a future that has low demand and energy, in addition to Mid coal retirements. Some workgroup members suggest that if no changes to the BAU are sought, then the addition of another future that focuses on Low Demand and Energy would be a good idea.
- 2) The OMS Workgroup believes the Historical Growth scenario should represent a mid-level scenario with Medium demand and energy growth rates.
- 3) The combined policy future is adequate for representing a high book end because it assumes a \$50/ton cost for CO₂ emissions and includes high EPA impacts.