

RASC: RAN Proposals for LMR Accreditation and LOLE Modeling Improvements 20200219

MISO has identified that the capacity credits LMRs receive in the PRA may not be closely aligning with their actual availability and has proposed to accredit these resources based on MISO Communications System (MCS) data or the resource's tested value and two additional characteristics – lead-time and call limit. At the February 5th RASC, MISO requested feedback regarding this proposal. This feedback comes from an OMS working group and does not constitute a position of the OMS Board of Directors.

The OMS Resources Working Group (OMS RWG) does not believe it is appropriate to move forward with this proposal at this time. MISO has indicated that it plans to consider a seasonal resource adequacy construct as part of its ongoing RAN initiative within the next year, and it would be premature to implement this proposal only to have to revise it within the next year should MISO significantly alter the resource adequacy construct. Further, the implementation of this proposal for the 2021-2022 PRA may infringe on individual state retail tariffs and create a false, negative impact on the region's Resource Adequacy assessment. Therefore, this proposal would benefit from further, in-depth discussion and analysis from stakeholders, especially those LSEs, states, and customers that rely heavily on LMRs (as they are currently defined) before any tariff filing.

The basic problem with this current proposal is that it would significantly devalue fixed service level resources without moving MISO towards its goal of increasing the availability of LMRs. The impact would be the loss of thousands of MW of DR that help MISO to plan and operate a reliable system.

A resource can select a fixed or dynamic baseline when registering as an LMR. A resource that elects to have a fixed baseline or a firm service level (FSL) agrees not to use more than a certain amount of energy in emergency conditions. A resource can also elect to have a dynamic or customer baseline (CBL) which means that the resource must drop its energy use by a certain amount in emergency conditions. FSL resources are useful for system planning and forecasting applications, and CBL resources provide value to system operators in real-time. Therefore, MISO's proposal to accredit both of these based on the same data without recognizing the different uses of each is not the correct way of accrediting these resources. Because these resources provide different value to MISO operators during emergency situations but the same value for resource adequacy of the system, MISO and its stakeholders need to find a way to ensure these resources find the proper place to provide their full value to the system.

As CBL resources have committed to reducing their load by a certain, fixed amount at any time, there is already a strong alignment between these resources' capacity and availability. Further, as there are significant penalties imposed on these resources for non-performance, there is already sufficient incentive for them to perform when called upon.

In conclusion, while it appears that further study of the issue of accrediting LMRs based on lead-time and call limit may be workable, any changes to LMR accreditation should come only after any changes to the resource adequacy construct are made. Ensuring that LMRs don't contribute to an increased PRM and eliminating long lead-time resources that are unavailable during emergencies are valid improvements, but MISO has not shown how accrediting resources based on MCS data or its tested value moves MISO closer to its goal of more accurately valuing LMRs based on their actual availability.