

## [RASC: RAN Sub-Annual Resource Adequacy Construct Proposal \(RASC010, 011, 012\) \(20210106\)](#)

*In the January 6 meeting of the Resource Adequacy Subcommittee (RASC), stakeholders were invited to send feedback on MISO's proposed Resource Availability and Need (RAN) sub-annual resource adequacy construct changes. In your response, please group feedback into the following categories:*

- *General comments on the proposal*
- *Seasonal resource adequacy requirements*
- *Availability-based accreditation, including the proposed UCAP/ACAP conversion ratio methodology*
- *Planning Resource Auction (PRA), including minimum capacity requirement for PRA*
- *Day Ahead performance obligation, including treatment of resources with sub-annual operation*

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The OMS Resources Work Group (OMS RWG) provides the following comments on MISO's January 6<sup>th</sup> update on the Resource Adequacy side of its RAN initiative. This feedback does not represent a position of the OMS Board of Directors.

### Seasonal Resource Adequacy Requirements

Subject to more information as it becomes available, the OMS RWG is generally supportive of a four-season Resource Adequacy construct. We look forward to reviewing the sub-annual construct results when they are released later this month.

### Availability-based accreditation

Now that we have established that the future resource adequacy construct will have two or four seasons, the OMS RWG agrees that it is the right time to discuss resource accreditation. The OMS RWG supports changing accreditation to more greatly value resources that offer availability and flexibility during the tightest hours of need, but there is still much uncertainty with MISO's Available Capacity (ACAP) proposal. As such, the OMS RWG requests that MISO provide more detailed information on its ACAP proposal, highlight any differences from the IMM's ACAP proposal, and explain why it chose to deviate from the IMM's proposal for accreditation. Stakeholders having a deeper understanding of the proposal is important so that we can identify outstanding issues and avoid any unintended and avoidable consequences from shifting to ACAP for accreditation

In the view of the OMS RWG, a four-season RA construct is a must if MISO wishes to pursue ACAP for resource accreditation. Outages during tight hours in one season should not impact a resource's capacity accreditation in another season, and we request that MISO confirm this will be

true in their proposal for ACAP (e.g. An outage during a tight hour in the fall of the previous year would not impact the accreditation of that resource for future summer seasons).

One question the OMS RWG has on the ACAP proposal: how does MISO plan to account historic performance of ACAP using resource data from years prior to implementing ACAP? It is a fair assumption that resources will be utilized differently under a seasonal Resource Adequacy construct than they are under the current construct. A shift to from using UCAP to ACAP for accreditation will also cause a change in behavior, as under current accreditation practices, there are no consequences for taking certain types of outages, even during periods with tight reserve margins. While there will likely be a minimal difference between ACAP and UCAP during a summer season (which the current construct targets as important), the other seasons could be significantly impacted from using pre-ACAP historic data. Resource performance during pre-ACAP, pre-seasonal construct years might not be indicative of how those resources will perform in a seasonal construct with ACAP used for accreditation.

Some form of transition period might be needed to accommodate the shift in capacity accreditation.

#### Planning Resource Auction, including minimum capacity requirement for the PRA

The OMS RWG was split on the minimum capacity requirement for the PRA, with some commission staff members supporting the proposal and others opposing it. If MISO decides to move forward with this proposal, it is essential that the language used not encroach on state jurisdiction over Resource Adequacy and resource planning.

Several questions from the OMS RWG include:

- Would firm service with a resource located outside of the LRZ allow for that resource to qualify for the 50% requirement?
- What level of penalty would MISO impose on LSEs that fail to procure a sufficient level of capacity prior to entering the PRA, when there is sufficient capacity to meet the needs of the LSE in the PRA (both locally and regionally)?
- Some LRZs have an LCR that is approximately 50% of its PRMR. If a LRZ were to have an LCR below 50% of its PRMR, would the 50% threshold be lowered, or would LSEs with that LRZ be required to procure more resources locally beyond the LCR level?
- What other solutions were considered to alleviate the problem this proposal attempts to address? (increased Planning Resource Auction (PRA) price cap to the level of capacity deficiency charge)
- Why has this proposal been added to the RAN initiative? Would MISO be willing to file this proposal in a separate docket at FERC?