

**Organization of MISO States (OMS)
Resources Work Group (RWG)
Response to RASC Feedback Request of November 30, 2022
Submitted on December 30, 2022**

In the November 30, 2022, meeting of the Resource Adequacy Subcommittee (RASC), MISO continued discussion of Reliability-Based Demand Curves (RBDC) with emphasis on four key design elements. Written feedback was requested on the RBDC proposal and design elements.

<https://www.misoenergy.org/stakeholder-engagement/stakeholder-feedback/2022/rasc-reliability-based-demand-curve-proposal-and-design-elements-rasc-2019-8-20221130/>

Feedback:

The OMS Resources Work Group (OMS RWG) appreciates the opportunity to provide feedback to MISO on the Reliability-Based Demand Curve (RBDC) proposal and design elements. **This feedback is from an OMS work group and does not represent a position of the OMS Board of Directors.**

Advanced Fixed Resource Adequacy Plan (AFRAP)

The OMS RWG supports MISO's attention to this element of the RBDC proposal, as getting this mechanism right is extremely important to many OMS members. As previously stated in the sixth bullet point of the Initial Position of the Organization of MISO States on Consideration of a Revised Demand Curve in MISO's Planning Resource Auction ([Revised Demand Curve Position](#)): "The Resource Adequacy Construct must continue to provide Load Serving Entities a mechanism to FRAP, self-supply, or otherwise opt out to meet their reliability needs." The OMS RWG offers the following thoughts on MISO's initial AFRAP proposal.

- The OMS RWG supports MISO's proposal to retain the existing options (FRAP, self-schedule, purchase from PRA, and opt-out) after shifting to the RBDC.
- If MISO moves forward with requiring explicit RERRA approval for LSEs to utilize the AFRAP mechanism, the approval process needs to be designed in such a way as to minimize any administrative burden on each RERRA.
- For some RERRAs/states, a proper balance for this mechanism is important: an AFRAP option should exist, but it should not be structured so lucratively that all eligible LSEs opt to utilize the AFRAP over participating in the MISO PRA.
- For some RERRAs/states, being required to procure capacity above the 1-in-10 requirement is extremely problematic and is a non-starter.
- The OMS RWG understands that MISO proposes a requirement whereby LSEs electing the AFRAP option can sell excess capacity above their capacity requirement, plus x% (still undetermined). However, in any given year, the AFRAP capacity requirement for a particular LSE could be either higher or lower than the cleared margin percentage in the upcoming auction. The RWG notes the ambiguity inherent in the current proposal, as an AFRAP entity may be able to sell either the difference between the auction clearing reserve

margin and the three-year average, nothing, or any excess above their requirement. As such, the RWG recommends that the RASC more fully explore this concept to understand the implications of these different options with respect to the “plus x%” variable.

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The OMS RWG does not currently have any comments on this element of the RBDC proposal.

Auction Co-Optimization

To allow for stakeholders, including OMS members, to better understand this element, the OMS RWG requests that MISO provide a few examples to demonstrate what it is envisioning with co-optimization across the seasons.