Organization of MISO States (OMS)
Resources Work Group
Response to July 12, 2023 RASC Feedback Request
Submitted on July 28, 2023

During the July 12, 2023 meeting of the Resource Adequacy Subcommittee, MISO presented updates to the Reliability Based Demand Curve proposal. MISO requested formal feedback, due July 28th, on the following items:

- Opt-out provisions
- Initial regional RBDC curves
- Draft Tariff language

https://www.misoenergy.org/stakeholder-engagement/stakeholder-feedback/2023/rasc-rbdc-proposal-rasc-2019-8-20230711-12/

The OMS Resources Work Group (OMS RWG) provides this feedback to MISO on its most recent update on the Reliability Based Demand Curve (RBDC) proposal. **This feedback is from an OMS work group and does not represent a position of the OMS Board of Directors.**

Opt-out provision

The OMS RWG appreciates MISO's continued work to refine its proposed RBDC opt-out mechanism. We offer the following comments on the latest updates to the opt-out proposal.

The OMS RWG agrees with aligning the update of X% for the RBDC opt-out and the update of the RBDC curves. Having both items updated on the same timeframe ensures the greatest level of comparability. The OMS RWG requests any information or reasoning to support the decision to update these items on a three-year cycle (rather than a two-year or four-year cycle).

The OMS RWG agrees with the MISO's approach to prohibit grandfathering of X%. Using a previous value for X% for some LSEs may no longer provide comparability to the updated RBDC curves.

The OMS RWG requests more clarity on how voiding the opt-out minimum term obligation will work. During the July 12 RASC meeting, MISO proposed that if the new X% is higher than the previous X% when the LSE first chose to use the opt-out, then those LSEs would have the choice to void the remaining years of their opt-out minimum term obligation. MISO's examples did not account for a scenario where X% goes up some seasons and down in others, and we ask for MISO to clarify its intent if this scenario were to occur. The OMS RWG believe that if X% goes up in any season, the LSE should have the ability to void the remaining years on its opt-out obligation.

Initial regional RBDC curves

The OMS RWG continues to have concerns with the RBDC curves being designed in such a way that they meet the 1-in-10 reliability standard *on average.* As was made clear after the PRA results were released in 2022, state regulators have significant concerns over outcomes that results in the MISO region falling short of meeting the 1-in-10 reliability standard in any year. The RBDC

curves need to be designed in a way where, at a minimum, the PRA clearing price for any affected portion of the MISO footprint that has insufficient capacity to meet the reliability standard is at the cap.

Draft Tariff language

The OMS RWG encourages MISO to provide to stakeholders as soon as practicable the complete set of draft Tariff language, including provisions that objectively describe how the X% will be determined. With the expectation of a FERC filing in the next couple of months, stakeholders will need and are entitled to sufficient time to review the Tariff language and confirm their understanding of how the proposal will work through engagement in the stakeholder process.