Organization of MISO States
Resources Work Group
Response to RASC Feedback Request
Submitted on October 8, 2026

In the September 30, 2026 meeting of the Resource Adequacy Subcommittee (RASC), stakeholders were invited to provide feedback on MISO's proposed Planning Reserve Margin Requirement (PRMR) Allocation framework, including:

- Design proposal update to allocate the PRMR by LSE forecasted demand during coincident peak net load conditions
- MISO's consideration of changing the basis of the PRM% to be based on gross demand during peak net load conditions in the LOLE model

https://www.misoenergy.org/engage/stakeholder-feedback/2026/rasc-prmr-allocation-rasc-2019-2-and-2020-4-20260930/

The OMS Resources Work Groups (OMS RWG) provides this feedback to MISO on its revised PRMR allocation proposal. **This feedback is from an OMS work group and does not represent a position of the OMS Board of Directors.**

Prior RWG Feedback on PRMR Allocation

- Nov 22, 2024; Jan 30, 2025; April 25, 2025; July 25, 2025;
- Feb 2, 2026; April 29, 2026; May 1, 2026; July 24, 2026; Sept 4, 2026.

Lookback vs. Forecast Approach

The OMS RWG appreciates that the co-incident net peak demand forecast (CNPDF) approach has advantages compared to the lookback approach including resolving issues caused by the scaler and potential influence of outlier hours. However, we have several remaining questions and concerns.

PRMR Allocation and the PRA

We understand that both Initial PRMR by LRZ and the subregional PRMR are used as parameters in solving the PRA. These values are currently tied to the LOLE model. Would MISO use the Initial PRMR allocation based on CNPDF (e.g., summing these across LRZ or Planning Area) as parameters instead? Would MISO use the Initial PRMR allocation based on CNPDF to form the subregional RBDCs?

Informing LSEs of Updated Initial PRMR

Once LSEs receive an Initial PRMR, when and how would MISO inform them of an updated Initial PRMR once other LSEs submit updated CPDFs, and presumably CNPDFs? Could MISO also confirm that all components of this proposal will also apply to retail choice LSEs or if any different procedures are needed to allocate CNPD to retail choice LSEs under an EDC?

Data Presented on RA Hours (slide 9)

The OMS RWG requests that MISO address the following questions regarding slide 9.

- Can MISO provide more details about the Y-axis and what "percent of occurrences" means?
- Why are the footprint net peak bars the highest bars in Spring and Fall – shouldn't the highest bar be gross peak?
- Are gross peak and net peak based on actual historical data? If so, how does that compare to CPDFs for those years?

Volatility

Under the previous proposal, there had been discussions about showing on a utility-level basis how YOY PRM would change. We would expect the same demonstration with this proposal to help understand how much volatility in PRMs might be introduced.

Centering PRM on the Model-Identified Peak Net Load

Although we appreciate that centering the PRM on the model-identified peak net load would make negative PRMs less likely, the OMS RWG is concerned that this adjustment could cause confusion where this value may be conflated with load during Critical Hours, which are the values relevant to PRMR and accreditation. These values might be generally similar or they might be meaningfully different. This is particularly more likely in winter if load during Critical Hours would be lower since it would include hours both in morning and evening periods of risk whereas model-identified peak net load would likely just reflect one time period.

We also believe using the model-identified peak net load for PRM could incorrectly lead stakeholders to believe that that an LSE's CNPDF impacts the systemwide PRMR.

LOLE Study Alignment

The OMS RWG has previously asked MISO about alignment between the LOLE study and its allocation approach. This issue remains unaddressed and has been reframed below.

- With the status quo, there is alignment between the allocation method and the model because the LSE contribution to systemwide PRMR is proportional to its CPDF (via how the study would estimate higher load during times of risk based on higher CPDF), and PRMR is then allocated based on CPDF.
- In the current proposal, the LSE load-side contribution to systemwide PRMR is still proportional to its CPDF. The LSE load may contribute differentially to system risk in the model compared to the allocation process.
    - Another way to state this: There *would* be alignment between the allocation and model if MISO used the CNPDFs as the load-side model input and then applied the resulting PRM on top of CNPDF to equally divide the total CNPDF based on PRM (PRMR for LSE = CNPDF for LSE x [1 + PRM]). However, that is not the proposal.
- In accreditation terms, this proposal introduces a method to slice the pie in a way that is more closely tied to risk factors. However, that method would have no impact on the size of the pie (i.e., the load during times of risk in the model).

- Without a link back between the LOLE model and CNPDFs, how will MISO demonstrate on an ongoing basis that CNPDF remains a reasonable way to allocate PRMR?
    - At a minimum, we would expect an annual review of:
        - 1.) the relationship between CPDF and CNPDF;
        - 2.) what the LOLE model expects between gross peak, net peak, and average Critical Hour demand; and
        - 3.) actual gross and net peak load.
    - This would not only help ensure the allocation method remains appropriate but could also open the door to conversations about whether the LOLE model needs to be improved.
- Although we do not necessarily anticipate intentional manipulation of forecasts, we would like to hear MISO describe a potential review process for CNPDF since this proposal would mean it is now possible for an LSE with a large CPDF to receive a much smaller share of PRMR than they would otherwise.

Implementation of this Solution and DLOL

The OMS RWG would like to understand if MISO can implement this solution by PY 2028/29 and if not, what the ramifications would be for having misalignment between DLOL accreditation and PRMR allocation. If this misalignment would negatively impact some LSEs more than others, are there ways to mitigate these impacts while MISO works to align PRMR allocation and DLOL?

Shift in Scope

Even though we see this proposal as an improvement, it is still complex as it would effectively result in LSEs having a PRMR that can shift based on other LSE CNPDFs. That complexity does not appear to be worth a marginal benefit of better aligning PRMR allocation with times of risk, especially as the CNPDF do not improve the LOLE model's ability to accurately represent load during times of risk since they are not a model input.

The OMS RWG would prefer to shift the scope of this initiative to focus on studying the situation. We would support MISO collecting CNPDF and exploring whether these values can be LOLE study inputs and how much allocation based on CNPDF would diverge from the current method. As MISO stated at RASC, MISO expects similar load-ratio shares, which indicates the status quo method may be appropriate to retain, at least in the near-term.