Organization of MISO States (OMS)
Resources Work Group
Response to RASC Feedback Request
Submitted on February 2, 2026

During the January 14, 2026, meeting of the Resource Adequacy Subcommittee (RASC), MISO reviewed progress on methodology for allocation of the Planning Reserve Margin Requirement (PRMR). Feedback is requested on:

- Load Serving Entity (LSE) capabilities to forecast hourly load for non-gross peak hours, e.g., how could the forecasts be checked for accuracy and what mechanisms could help ensure more accurate forecasts
- Proposed bookend approach to provide indicative PRMR allocation shares based on historic settled load data
- Trade-off considerations for PRMR Allocation methodologies using a settled load lookback vs. requesting new LSE forecasts during specified risk conditions

https://www.misoenergy.org/engage/stakeholder-feedback/2026/rasc-prmr-allocation-rasc-2020-4-and-2019-2-20260114/

The OMS Resources Work Group (RWG) provides this feedback to MISO regarding its PRMR Allocation proposals. **This feedback is from an OMS work group and does not represent a position of the OMS Board of Directors.**

Prior Feedback: Nov 22, 2024; Jan 30, 2025; April 25, 2025; July 25, 2025

The OMS RWG appreciates MISO returning to this issue. Before MISO moves forward with any method, the OMS RWG again requests that MISO demonstrate that a change to PRMR allocation is truly necessary. As the OMS RWG has previously suggested, a tight correlation between load ratio share at co-incident peak and during an hour (or hours) representing a time of risk would suggest that retaining the co-incident peak method should be considered in the near-term to provide certainty, while continuing to monitor a need for change.

The OMS RWG believes that either of these PRMR allocation proposals would introduce a new source of uncertainty (i.e., presumably a different allocation percent for each stakeholder as opposed to a uniform PRM). Predictability is important to state regulators who assess the prudence of utilities' planned resource investments. While we recognize risks may shift over time and LSEs' allocations should reflect their contribution to the risks, we are cautious about introducing another source of uncertainty in resource planning processes. The feasibility of the implementation of a new process should also be kept in mind; we advise against a change to PRMR allocation that introduces increased volatility for utilities or otherwise disrupts their ability to predictably plan.

As MISO considers potential additions to Design Objectives for PRMR Allocation proposal development (at slide 5), the OMS RWG recommends adding "Predictability" as a design criterion. LSEs need to be able to plan prudent investments to meet their PRMR allocations.

How to verify or promote accuracy of forecasts for a Centerline RA hour:

The OMS RWG requests that MISO provide additional detail on what would be materially different in MISO's processes for checking accuracy with a co-incident peak hour compared to a Centerline RA hour.

BPM 11 Appendix A includes a "Forecast Documentation Example List." The OMS RWG asks MISO to confirm that the documentation suggested in this Appendix would be sufficient for verification processes.

If MISO were to receive Centerline RA hour forecasts, two comparisons to conduct for a gut check could include:

- To what degree the aggregate load in the submitted forecasts compares to what the LOLE model would suggest would be an expected load, in aggregate, at that hour.
- The average correlation of an LSE's load ratio share at the co-incident peak hour to its load ratio share at the Center Line RA hour.

MISO's proposed bookend approach to provide indicative PRMR allocation shares based on historic settled load data:

Regarding the 50%: If MISO can determine what proportions of emergency LMR and BTMG are typically added back at the co-incident peak hour on average, and then scale both of those proportions in an appropriate way for the Centerline RA Hour, that might lead to a more productive estimate than the 50% option.

We would also suspect that proportions of LMRs deployed in emergencies and added back may be different than proportions of LMR representing intermittent resources.

Trade-off considerations for PRMR Allocation methodologies using a settled load lookback vs. requesting new LSE forecasts during specified risk conditions:

The Centerline RA hour approach should produce an allocation based on an hour of a day in a season that would be likely to experience risk. This conceptually aligns well with DLOL.

If the expectation is that Centerline RA forecasts would be rooted in historic load corresponding to the Centerline RA hour from the co-incident peak day in the year before, this approach would seem likely to continue to incentivize responsiveness to tight conditions. Further information may be necessary if historical loads do not sufficiently represent expected load forecasts, especially resulting from load increases from large load additions. We note that further education and clarification from MISO about how this process would work would be valuable (as would background about expectations regarding data informing how co-incident peak forecasts are currently developed and verified by MISO).

In contrast, the settled load lookback process relies on an average of each LSE's highest loads during "Expected RA Hours." With a broad set of Expected RA Hours, LSEs would be evaluated based on many different hours and days. This style of assessment could introduce noise into the allocation process, as load values experienced in risky conditions could be compared to load values experienced in normal conditions.

- The OMS RWG described concerns with this approach in more detail in feedback from July 2025. As a reminder, one of those concerns is that a method to incorporate large spot load additions has not been suggested.