**Organization of MISO States (OMS)**
**Resources Work Group**
**Response to RASC Feedback Request**
**Submitted on April 29, 2026**

In the April 15, 2026 meeting of the Resource Adequacy Subcommittee (RASC), MISO shared a proposal for allocation of the Planning Reserve Margin Requirement (PRMR) to Load Serving Entities (LSEs). Stakeholders are asked to review design proposals from slide 18 of the posted presentation and provide feedback by April 29.

MISO also requested detailed explanation of any additional proposed volatility analysis that should be performed absent LMR performance data necessary to the final design calculations. MISO's previous volatility analysis is available in the April 9 RASC PRMR Allocation presentation.

https://www.misoenergy.org/engage/stakeholder-feedback/2026/rasc-prmr-allocation-design-rasc-2019-2-and-2020-4-20260415/

The OMS Resources Work Group (RWG) provides this feedback to MISO regarding its 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

**Stability and Predictability**

As MISO and its stakeholders have previously acknowledged, MISO's PRMR allocation methodology must maintain year-over-year stability to avoid unnecessarily disrupting state planning processes. Consistent with prior feedback, the RWG recommends that MISO conduct a thorough stability analysis and meaningfully consider stakeholder suggestions for enhancing stability, predictability, and simplicity.

State regulators prioritize stable PRMR allocations as they enable LSEs to make prudent investments in long-lead time, long-lived assets. When LSEs face volatile capacity obligations, they are often forced into two suboptimal paths: (a) overbuilding capacity to avoid market dependence; or (b) transacting uncertain quantities of capacity at unpredictable prices each year. Both scenarios may expose consumers to unnecessary wholesale costs that are ultimately reflected in higher retail rates.

To foster a reliable planning environment, the RWG recommends that MISO comprehensively evaluate the PRMR, planning inputs, and their interactions to minimize variability and uncertainty to the greatest extent possible. To that end, we raise the following questions:

- Has MISO quantified the levels of variation in the PRMR and related planning inputs (e.g., the PRMR allocation, resource accreditation, and PRM)?
- Has MISO performed an analysis to estimate the impact on individual LSEs due to the potential for PRMR variability?

If so, please share this variance analysis and how that analysis was used to reduce uncertainty, or indicate when an analysis will be conducted and how it will be used. The RWG recommends several analyses in the Appendix below that may help quantify the volatility of allocations.

Related to stability, the RWG requests further explanation for MISO's selection of one year of RA Hours as opposed to three. The RWG generally believes that three years of data would likely reduce volatility by smoothing out RA Hours that are akin to outliers and allowing shifts in RA Hours to transition into the allocation percentages at the same rate as they would by using the same three years of data used under DLOL accreditation.

Similarly, there may be ways to reduce volatility by removing or adjusting the weighting method. For example, heavily weighting a brief event in a non-typical RA hour could skew the allocation.

**North and South RA Hours**
The RWG appreciates the illustrative example provided by MISO and the examples involving the weighting of hours. A more detailed example to show how the weighted RA Hours in MISO North and MISO South are pooled would be appreciated.

With this plan, it appears that the North and South allocation percents could be based entirely on separate sets of hours. The RWG would like to know if MISO has considered any potential implications of that kind of separation.

**Additional Questions**
The RWG raises the following questions to advance the conversation and raise understanding of potential impacts of MISO's PRMR allocation proposal:

- How would MISO handle lost load for the settled load lookback?
- What parameters would determine; when changes in forecasted load would be scaled?
- Would this reform result in changes to elements of the construct that assume a change in PRM would have similar impacts on participants relative to their foreacsts, including:
    - The RBDC adder percent; and
    - State-set PRM.
- Can MISO provide a value to LSEs that need a number to represent a percentage above their forecasted coincident peak demand as an input in their models? The PRM would no longer be representative of this percent.
    - Similarly, can MISO provide estimates of such values to LSEs for outyears?

**Appendix**
To better understand how the potential changes to the PRMR allocation methodology would impact year-over-year valuations, the RWG recommends that MISO conduct the following stability analysis. We would be happy to discuss this proposed analysis with MISO staff:

Calculate how much each LRZ or sub-region's total MW requirement would vary year-over-year by exploring 1-, 2-, and 3-year lookbacks at metered loads for LSEs during the appropriate RA hours by season.

- To simplify this analysis, MISO does not need to correct for load growth, LMRs, or BTMG;
- Demonstrate how much individual LSE requirements would change by reporting normalized values for each season within each year for LSEs;
- Conduct this analysis going back for as many years as practical (i.e., five to seven years if possible) using a moving window to examine the change in requirement in MW by season with the different RA-hour lookback intervals for these different years. For example, five years of data would yield four two-year periods.
- Also consider if extreme events affect requirements as a sensitivity analysis. To do this, MISO could remove the worst day from the data set for each season in each year, and if possible, distinguish between MISO-wide events (e.g., Winter Storm Fern) and localized events (e.g., load-pocket emergency).