Organization of MISO States (OMS)
Resources Work Group
Response to RASC Feedback Request
Submitted on July 24, 2026

In the July 8, 2026 meeting of the Resource Adequacy Subcommittee (RASC), MISO reviewed its updated proposal for allocation of the Planning Reserve Margin Requirement (PRMR) and shared its volatility analysis. Stakeholders were asked to provide feedback on the following:

- Volatility analysis performed by MISO
- Changes to lookback period
- Changes to scaler

https://www.misoenergy.org/engage/stakeholder-feedback/2026/rasc-prmr-allocation-rasc-2020-4-and-2019-2-20260708/

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

The RWG appreciates MISO's work on PRMR allocation and the volatility analysis. We offer the following feedback regarding areas where additional clarification would be beneficial, in addition to highlighting potential concerns.

Concern with weighting the RA hours

- Weighting the RA-hour load could introduce additional volatility as outlier hours could be over-emphasized
- Weighting the RA hours does not align with resource accreditation under DLOL, where hours are only weighted as Tier 2 (80%) and Tier 1 (20%)
    - This means that under DLOL, resource performance would be evaluated relative to how resources generally perform during RA hours, whereas load would emphasize particular RA hours more than others
- This may also result in a potential unintended consequence: LSEs with retail-side demand response programs or time-of-use rates may routinely reduce their load during tight conditions and in turn, contribute to lessening how tight margins are. The more such programs work to reduce tight conditions, the less those RA hours may be weighted in this proposal.

Need for an illustrative example

It would be beneficial to have an example or a workbook to illustrate both the scaling and distribution of the PRMR.

- If MISO proposes to split the PRMR into North and South PRMRs due to separate RA hours, we suggest that this example show this (e.g., 3 LSEs in the North, 3 in the South)
- For each LSE, please show its CPDf and RA hour load for each lookback year and the CPDf in the prompt year

    - Specify which CPDf the prompt year would use, i.e., the CPDf at the time of the LOLE model vs. the PRA
- Show how the scalar would then be applied to the lookback years
- Show how the PRMR share would be calculated for each LSE
- Show how the PRMR share would be multiplied by the system (or subregion) PRMR to get the Initial PRMR
    - Specify if the PRMR for MISO (or subregional PRMR) would be calculated by multiplying the LOLE PRM by the updated CPDf at the time of the PRA or the CPDf at the time of the LOLE model.
- Show how the Final PRMR would be calculated for each LSE where the North and South have different effective PRMs (different RBDC adder percents).

Concern about how the scalar formula would work if an LSE's CPDf in one year is over-estimated due to load not materializing

Could the scalar formula deflate a scaled RAHD quantity if a look-back year had an over-estimated CPDf? We are wondering if this could occur under the following conditions:

- If an LSE over-estimated CPDf in year n-1 due to a new large load that was anticipated but it did not materialize
- For example, the CPDf should have been 500 MW relative to actual load, but the CPDf was 1000 MW.
- The RA Hour load was 490 MW for year n-1
- In prompt year n, the CPDf is again 1000 MW for the new large load
- For the first lookback year, the scaled RAHD would be: 1000MW/1000MW*490MW = 490 MW
- But if the CPDf without the unrealized load was used, this value would be *more*: 1000MW/500MW*490MW = 980 MW
- This means due to over-estimating CPDf in year n-1, there is a reduced RAHD for value for that year (and subsequently when it becomes year n-2 and n-3) compared to the value it would have been with a CPDF that was not over-estimated

We are also curious if MISO has considered whether it would be more reasonable to scale using a ratio of the prompt year CPDf to the actual settled CPD (instead of the lookback year CPDf proposed by MISO)?

Need to resolve how to account for power outages

An unresolved question remains about how to account for reductions in load due to planned or unplanned power outages.

Provide details on the volatility analysis

MISO staff committed to providing additional details about the volatility analysis at the RASC. The RWG appreciates this and suggests that the following be included for the benefit of a shared understanding among stakeholders:

- The number of market participants included in the comparison in total and how these stakeholders are grouped (i.e., the total number of entities) in the CPDF, 1-year lookback, and 3-year lookback
- Which Planning Years were used for the CPDF, 1-year lookback, and 3-year lookback
- Confirmation that the 1-year and 3-year lookback methods incorporated both the RA hour weighting and the scale-up
- Interpretation of the small peaks in the 3-year lookback distribution (slide 6)
- Confirmation that the x-axis in the distributions presented is displaying a percent change in PRMR share, not PRM
- Confirmation that the 1-year vs. 3-year lookback slide shows the absolute value change in PRMR share (slide 4)

Determination of LCR share

The RWG is looking forward to more explanation about the conversation MISO began regarding the LCR. The RWG is not promoting new LCR obligations at the utility level; however, some regulators may find it beneficial to have an informational-only calculated utility LCR share.