Organization of MISO States (OMS)
Resources Work Group
Response to RASC Feedback Request
Submitted on September 4, 2026

In the August 19, 2026 meeting of the Resource Adequacy Subcommittee (RASC), MISO shared its updated proposal for allocation of the Planning Reserve Margin Requirement (PRMR). Stakeholders were asked to provide feedback on the presentation, including:

- Design proposal update to allocate the Planning Reserve Margin Requirement (PRMR) by Planning Area
- Load Serving Entity (LSE) Coincident Peak Demand forecast submissions and alignment with designated load zone commercial pricing nodes
- Coincident Peak Demand Forecasts (CPDf) Resource Adequacy Hour Demand (RAHD) scaler

https://www.misoenergy.org/engage/stakeholder-feedback/2026/rasc-prmr-allocation-rasc-2020-4-and-2019-2-20260819/

The OMS Resources Work Groups (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.**

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.

The OMS RWG appreciates MISO staff's continued work on this topic and openness to stakeholder feedback.

LOLE Study Misalignment

The RWG is concerned that, before PRMR can be fairly allocated based on periods of risk, the LOLE study inputs may first need to be adapted to comprehensively account for changes associated with allocating PRMR based on load during periods of risk. Our understanding is that CPD forecasts are extrapolated to populate load in the LOLE model during non-peak hours and adjusted for weather. Consequently, higher CPD forecasts would result in higher model-expected load during Critical Hours, and ultimately a higher systemwide PRMR. Could MISO explain if this understanding is correct?

If there is no mechanism for load-side inputs to the LOLE model to reflect load during times of risk (e.g., a mechanism through which actual load levels during periods of risk feed back into the model and affect subsequent systemwide PRMR levels), then the load-side drivers of systemwide PRMR identified in the LOLE study would be limited to CPD forecasts.

This raises a potential concern: If LSEs with relatively high CPD forecasts ultimately have relatively low load levels during settled RA hours, would the LOLE model overestimate the

capacity needs attributable to those LSEs by basing their needs during periods of risk on their higher CPD forecasts? If so, could this result in other LSEs effectively subsidizing those LSEs through higher PRMR allocations?

Thank you for helping us better understand this potential misalignment issue.

Tariff Redlines

The definition of the RAHD does not indicate that the settled load is scaled.

The redlines do not establish a date or process for LSEs to be informed of their Initial PRMR.

- LSEs cannot calculate a preliminary Initial PRMR when the PRMs are published in November with the LOLE study without the scaled system RAHD total.
- LSEs cannot calculate an updated Initial PRMR, after changes due to forecasts submitted by LSEs in November are submitted, as those new forecasts would change the scaled system RAHD total.

PRMR Allocation by Planning Area

It appears that, when the terms for calculating the Planning Area PRMR are substituted into the PRMR-by-LSE equation, the Planning Area terms cancel out. As a result, PRMR by LSE is effectively determined by the LSE Settled Load divided by the MISO Settled load multiplied by the system PRMR. It would, therefore, be more straightforward to present LSE PRMR in this form and define the Initial Planning Area PRMR as the sum of the LSE PRMRs for the applicable LRZs.

We think more discussion is needed, however, on what allocated Initial PRMR for LRZs and Planning Areas by RA settled load means for the PRA. Our understanding is 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 settled load Initial PRMRs for LRZ and Planning Area as parameters instead? Would MISO use the settled load Planning Area PRMRs to form the subregional RBDCs?

Remaining Concerns from Prior Feedback

Issues not fully resolved in previous responses:

- How to treat power outages during RA hours;
- The need for more assurance about the level of year-over-year volatility of this proposal compared to the status quo, especially if MISO continues with plans to weight the RA-hours;
    - LSE-specific data would help stakeholders understand the magnitude of the change.
- The scalar formula may require market monitoring to prevent gaming with forecasts.