

PA 341 Section 6W Resource Adequacy Implementation

Eric Stocking, MPSC

April 26, 2017



4-26-17 Agenda

- 12:30 UP SRM Issues
 - Follow up on April 11 UP meeting
 - Brief discussion of written responses to questions
- 1:30 SRM Capacity Demonstration Discussion
 - Staff Presentation
 - Proposal of Staff's Position
 - Discussion/Comments

UP SRM Issues

- Review responses to written questions presented at April 11 UP SRM meeting
 - Lauren Donofrio
- Group discussion/Questions
- Next steps
 - Case Schedules

4-26-17 Agenda

- 12:30 UP SRM Issues
 - Follow up on April 11 UP meeting
 - Brief discussion of written responses to questions
- 1:30 SRM Capacity Demonstration Discussion
 - Background/Timeline
 - Current Capacity Self-Assessments
 - SRM Capacity Demonstration
 - Discussion/Comments

PA 341 Section 6W(8)

- Require... in a format determined by the Commission, that for the planning year beginning 4 years after the current planning year, the electric utility owns or has contractual rights to sufficient capacity to meet its capacity obligations as set by the appropriate independent system operator , or commission, as applicable.

Timeline

Planning Year (June – May)	Initial Capacity Demonstration: Utilities	Initial Capacity Demonstration: Co-ops, Munis, AESs	Expected Commission Order assessing adequacy	Initial SRM charges if applicable
PY 2018/19	12/1/17	2/7/18	April 2018	June 2018
PY 2019/20	12/1/17	2/7/18	April 2018	June 2018
PY 2020/21	12/1/17	2/7/18	April 2018	June 2018
PY 2021/22	12/1/17	2/7/18	April 2018	June 2018
PY 2022/23	12/1/19	2/7/22	April 2020	June 2020
PY 2023/24	12/1/20	2/7/23	April 2021	June 2021

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Current Capacity Demonstration

- U-18197 Capacity Demonstration
 - Template on MPSC website
- MISO Resource Adequacy Requirements
 - Zonal Resource Credit (ZRC)
 - Planning only for upcoming planning year
 - Local Clearing Requirement
 - Sending a price signal
 - Price separation issues
 - Internal risk in capacity import

SRM Capacity Demonstration

- Demonstration of forward ZRC contracts for the applicable planning years?
 - In a format similar to that currently used by Commission Staff
 - Capacity outside of LRZ = Company owns risk of price separation
- Demonstration that ZRCs from any owned generation have not been sold to other entities
 - Currently no long-term MECT, so...
 - Sworn Affidavit from Company executive?

SRM Capacity Demonstration

- If there are deficiencies found and a charge is to be assessed,
 - When should the utility be required to demonstrate to the Commission that it has enough ZRCs to cover additional capacity? Prior to assessing charge?
 - If a charge is assessed to AES customer, the obligation to serve that capacity should reside with the utility, for the time in which the AES is deficient.

SRM Capacity Requirements

- MISO PRM
 - [MISO LOLE Report](#) (p32, p34)
 - 10 year outlook of PRM; Linear Interpolation?
- MISO LCR (1 year)
 - $LCR = (LRR - CIL)$
 - Evaluation of meeting LCR done on zonal basis
- Capacity demonstration for years 2,3,4 shall allow some flexibility for PRA purchases
 - 5%?

- Capacity demonstration should prove ‘owned or contracted’ resources to cover entire capacity obligation
 - 4 years into the future; based on year 1 load
 - No “disappearing load”
- Replacement for MECT?
 - Sworn affidavit guaranteeing that a particular resource will be put forth to cover capacity obligation, no double-counting.
- Imported Capacity
 - Counts. At your own risk. Price separation can accrue additional cost to customers.

Questions

Eric Stocking

(517) 284-8245

stockinge@michigan.gov

