

# Technical Conference

Seasonal Accredited  
Capacity & Capacity  
Demonstrations

**Roger Doherty**

Public Utilities Engineer

November 16, 2022

# Instructions

1. This meeting is being recorded
2. Please be keep microphones muted unless you are speaking.
3. There will be opportunities for question/comments throughout the meeting. Please use the chat and/or the “raise hand” function during the meeting. We will also periodically open it up to those on the phone who wish to make verbal comments.
4. We will be requesting written feedback after the meeting and comments will be posted to the Resource Planning webpage.
5. The presentations for all the meetings will also be posted to the webpage.
6. Contact Naomi Simpson ([simpsonn3@michigan.gov](mailto:simpsonn3@michigan.gov)) if you have technical difficulties during the meeting.

# Purpose

June 23, 2022 Order in Case No. U-21099

“...should FERC approve MISO’s seasonal resource adequacy requirement or should it approve other changes to the MISO resource adequacy construct, the Commission directs the Staff to conduct a technical conference to determine what changes, if any, need to be made to the current capacity demonstration requirements and process and to file a report in this docket outlining any recommended revisions to the capacity demonstration process and requirements following any such technical conference.”

On August 31, 2022, FERC accepted MISO’s proposal to move to seasonal resource adequacy requirements and rejected MISO’s proposal to require a Minimum Capacity Obligation.

# Agenda

10:00 am	Intro	MPSC Staff
10:15 am	MISO Seasonal Accredited Capacity Background	Marc Keyser (MISO)
10:45 am	Break	
10:50 am	Staff Presentation	Roger Doherty (MPSC)
11:45 am	Closing	MPSC Staff
12:00 pm	Adjourn	



# MISO Resource Adequacy Reforms

Marc Keyser



# Break



# Capacity Demonstration Level-Set

# Michigan Capacity Demonstration Background

- State Reliability Mechanism (SRM).
- 2016 PA 341 Section 6w(8).
- Each Load Serving Entity (LSE) demonstrate to the commission that for the planning year beginning 4 years after the beginning of the current planning year, it owns or has contractual rights to sufficient capacity to meet its capacity obligations.
- Original Process & Requirements established in September 15, 2017 in Case No. U-18197.
- Prior Capacity Demonstration Cases – U-18441, U-20154, U-20590, U-20886, & U-21099



# Michigan Capacity Demonstration Background Cont.

- Capacity Obligation based on prompt year PRMR or PLC but adjusted for projected PRM% for the 4<sup>th</sup> year from LOLE Study Report.
- Resource Credit based on most recently available MECT resource data with opportunity for LSEs to justify differences.
- New & Existing Resources
  - Owned Generation
  - Contracted Generation
  - Load Modifying Resources
  - Forward ZRC Contracts
  - PRA Purchases (5%)

# Upcoming Capacity Demonstration

- Case No. U-21225 (opened by June 23, 2022 Order in U-21099).
- Covers Planning Year 2026/27.
- Filings Originally Due December 1, 2022 and February 9, 2023.
- Staff Report Due March 25, 2023.

# Upcoming Capacity Demonstration Cont.

- Staff Memo October 20, 2022 Recommendations...
  - Temporarily change filing date for investor-owned electric utilities to December 21, 2022. Filing date for all other LSEs remains February 9, 2023.
  - Capacity obligation should be the upcoming (PY 2023/24) summer capacity requirement. Resources will be counted at the summer seasonal accredited capacity value they receive for the 2023/24 planning year.
  - Staff to update templates and post to website by November 21, 2022.
- Comments filed on Staff Recommendations.
- Order expected November 18, 2022.

# MISO LOLE Study Report Results

- Planning Year 2023-2024 LOLE Study Report
- PRM UCAP
  - Summer 2023 PRM UCAP of 7.4%
  - Fall 2023 PRM UCAP of 14.9
  - Winter 2023-2024 PRM UCAP of 25.5%
  - Spring 2024 PRM UCAP of 24.5%

# MISO LRZ 7 for PY 2023/2024

	Summer	Fall	Winter	Spring
ICAP (MW)	21,512	21,574	21,710	21,224
UCAP (MW)	20,476	20,269	20,151	19,638
UCAP Adjustment (MW)	3,952	3,848	1,789	1,838
LRR UCAP (MW)	24,428	24,117	21,940	21,475
Peak Demand (MW)	20,855	17,933	13,945	16,157
LRR UCAP per-unit of LRZ Peak Demand	117.1%	134.5%	157.3%	132.9%
ZIA (CIL) (MW)	5,087	4,285	6,340	5,559
PRMR Estimate*	22,398	20,605	17,501	20,115

[Source: Planning Year 2023-2024 LOLE Study Report](#)

\*PRMR Estimated based on Peak Demand and Reserve Margin. Not adjusted for coincidence factor.



# Future Capacity Demonstrations

Beyond 2026/2027 and U-21225



# Key Issues

- A demonstration for each Season?
- LSE Capacity Obligation?
- Resource Capacity Credit?
- Filing Dates?

# A Demonstration For Each Season?

- Initial Staff Proposal
  - One annual filing by each LSE showing capacity obligations and resources for each of the four seasons.



# LSE Capacity Obligation?

- Will forward PRM% be available?
- Initial Staff Proposal
  - Each LSEs capacity obligation for the demonstration year is the same as the capacity obligation that LSE has in the prompt year (upcoming) for each individual season.

# Resource Capacity Credit?

- Initial Staff Proposal
  - By default, resources should receive the same seasonal accredited capacity value that they will receive in the prompt year for each season.
  - LSEs should provide documentation to verify the capacity credit its resources receive.
  - New resources should receive the capacity credit they would reasonably receive as if they were going to be operational in the prompt year.
  - Resource credit should be allowed to deviate from that received in the prompt year with suitable justification provided by the LSE.

# Filing Dates?

- [MISO PRA Timeline](#)
- 2016 PA 341 Section 6w(10)
- Initial Staff Proposal
  - Investor-Owned Electric Utilities file by 5<sup>th</sup> business day in January.
  - All other LSEs file by 7<sup>th</sup> business day in February (no change).
  - Staff Report by 1<sup>st</sup> business day in April.

# Feedback Request

1. How should the capacity obligation of each LSE for the demonstration year be established?
2. How should the capacity credit each resource receives in the demonstration be determined?
3. Should the filing dates for future demonstrations be changed from those specified in the legislation? If so, what should they be changed to?

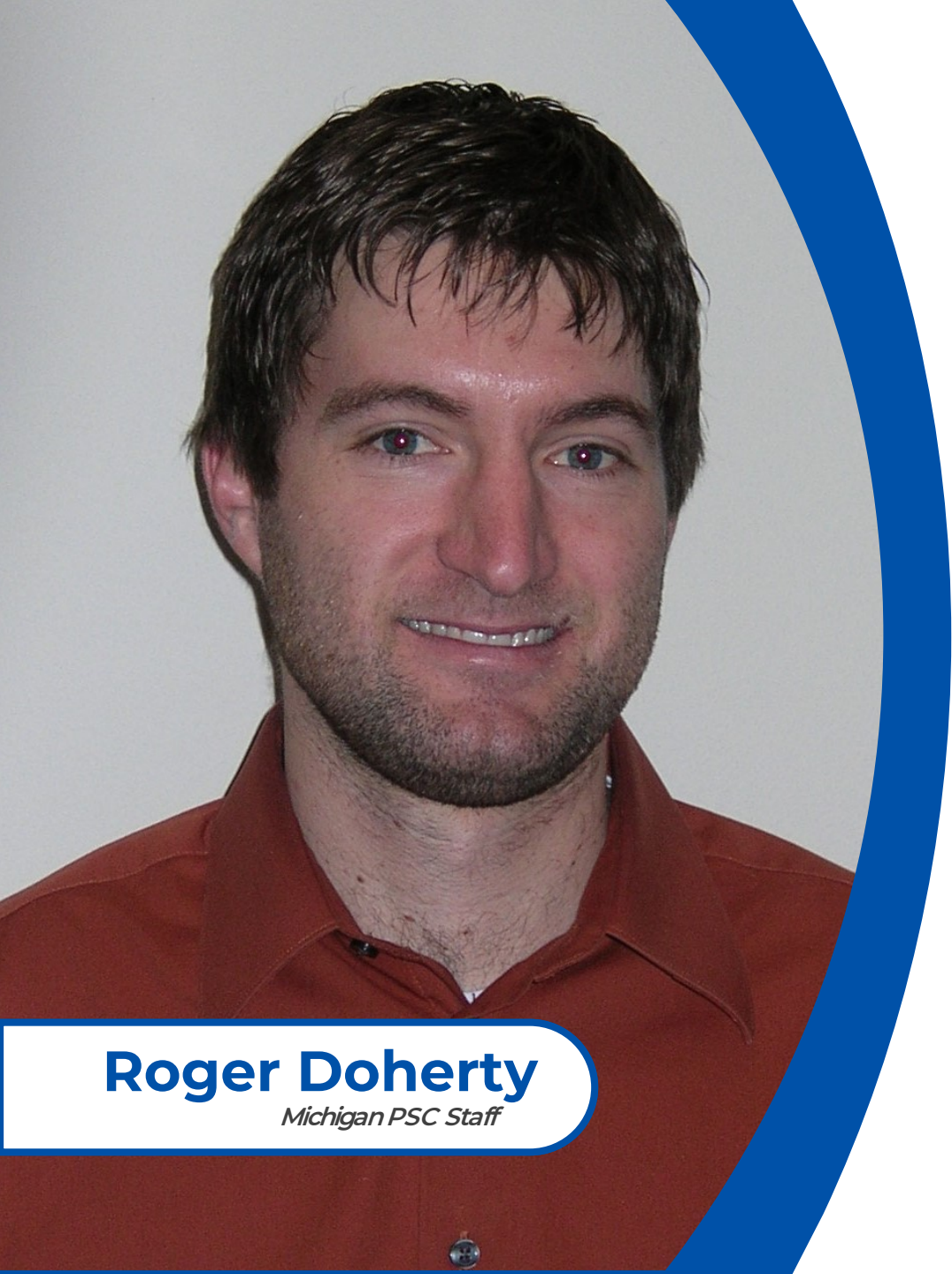
Please submit feedback by December 2, 2022 by emailing [dohertyr1@michigan.gov](mailto:dohertyr1@michigan.gov).

# Next Meeting

- Tentative Date/Time – Tuesday December 20, 2022 at 10am.
  - Review Feedback
  - Stakeholder Presentations
  - Other Issues
    - Forecast Adjustment
    - Auction purchases
    - PJM

# Q & A





# GET IN TOUCH



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**Roger Doherty**

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