

# Technical Conference

Seasonal Accredited  
Capacity & Capacity  
Demonstrations  
Meeting #2

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Manager - Resource  
Adequacy & Forecasting

December 20, 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 Paul Ausum ([ausump@michigan.gov](mailto:ausump@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.

# Meeting #1 Review

November 16, 2022

- MISO Presentation on Seasonal Accredited Capacity
- Capacity Demonstration Process Background
- Key Issues
- Feedback Request

## Today's Agenda

10:00 am	Review Feedback from 1 <sup>st</sup> Meeting	MPSC Staff
10:30 am	Other Capacity Demo Issues	MPSC Staff
11:00 am	Break	
11:05 am	Open Discussion	
11:45 am	Next Steps	MPSC Staff
12:00 pm	Adjourn	

# Meeting #1 Feedback

1. How should the capacity obligation of each LSE for the demonstration year be established?
  - 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.
  - Feedback Themes
    - Match MISO obligation of seasonal peak demand and the available seasonal planning reserve margin.
    - Some feedback that obligation should apply to the summer season only. Will discuss more on question number 4.

# Meeting #1 Feedback Cont.

2. How should the capacity credit each resource receives in the demonstration be determined.
  - Initial Staff Proposal – 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.
  - Feedback Themes
    - General support for Staff proposal.

# Meeting #1 Feedback Cont.

3. Should the filing dates for future demonstrations be changed from those specified in the legislation? If so, what should they be changed to?
  - 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 Themes
    - General support for Staff proposal with option to supplement filing if necessary due to RTO timeline.



# Meeting #1 Feedback Cont.

4. Should LSEs make separate demonstrations (could still be in a single filing) for each season? If not, what alternative do you propose?
  - Initial Staff Proposal - One annual filing by each LSE showing capacity obligations and resources for each of the four seasons.
  - Feedback Themes
    - Split feedback with some entities supporting a summer only requirement and others supporting a filing for each season.

# Other Capacity Demonstration Issues

# Requirements for PJM Entities

- Currently - “meeting PJM’s capacity obligations...will constitute a satisfactory demonstration, and the demonstrating LSE should provide evidence that it has met PJM’s capacity obligations.”
- Initial Staff Proposal – Add some additional language to clarify which requirements apply to which RTOs. PJM entities will continue to meet obligations by showing compliance with PJM resource adequacy construct.

# 5% PRA Allowance

- Historically LSEs have been allowed to demonstrate up to 5% of their capacity obligation by indicating that they will use the PRA to obtain those resources.

Resource Breakdown (%) by Supplier Type PY 2025/26					
Supplier Type	Owned	DR	Contract – PPA	Contract - ZRC	Auction
Muni/Co-Op Aggregate	78.0%	0.0%	14.2%	5.0%	2.8%
AES Aggregate	0.3%	0.2%	9.0%	90.2%	0.2%
Utility Aggregate	76.4%	6.2%	17.2%	0.0%	0.2%

- Initial Staff Proposal – Eliminate the 5% PRA allowance.

# Upcoming Capacity Demonstration Filing

- Case No. U-21225 (opened by June 23, 2022 Order in U-21099).
- Covers Planning Year 2026/27.
- Order November 18, 2022.
- Filings Due December 21, 2022 and February 9, 2023.
- Utilities may supplement 12/21/22 filing if necessary.
- LSEs have the option of either demonstrating for the entire year by using the summer season capacity obligation and resource credit assumptions or by providing separate demonstration for each season based on each respective season's capacity obligations and resource credits.
- Staff Report Due March 25, 2023.

# Availability of Seasonal PLCs?

# Break

# Open Discussion



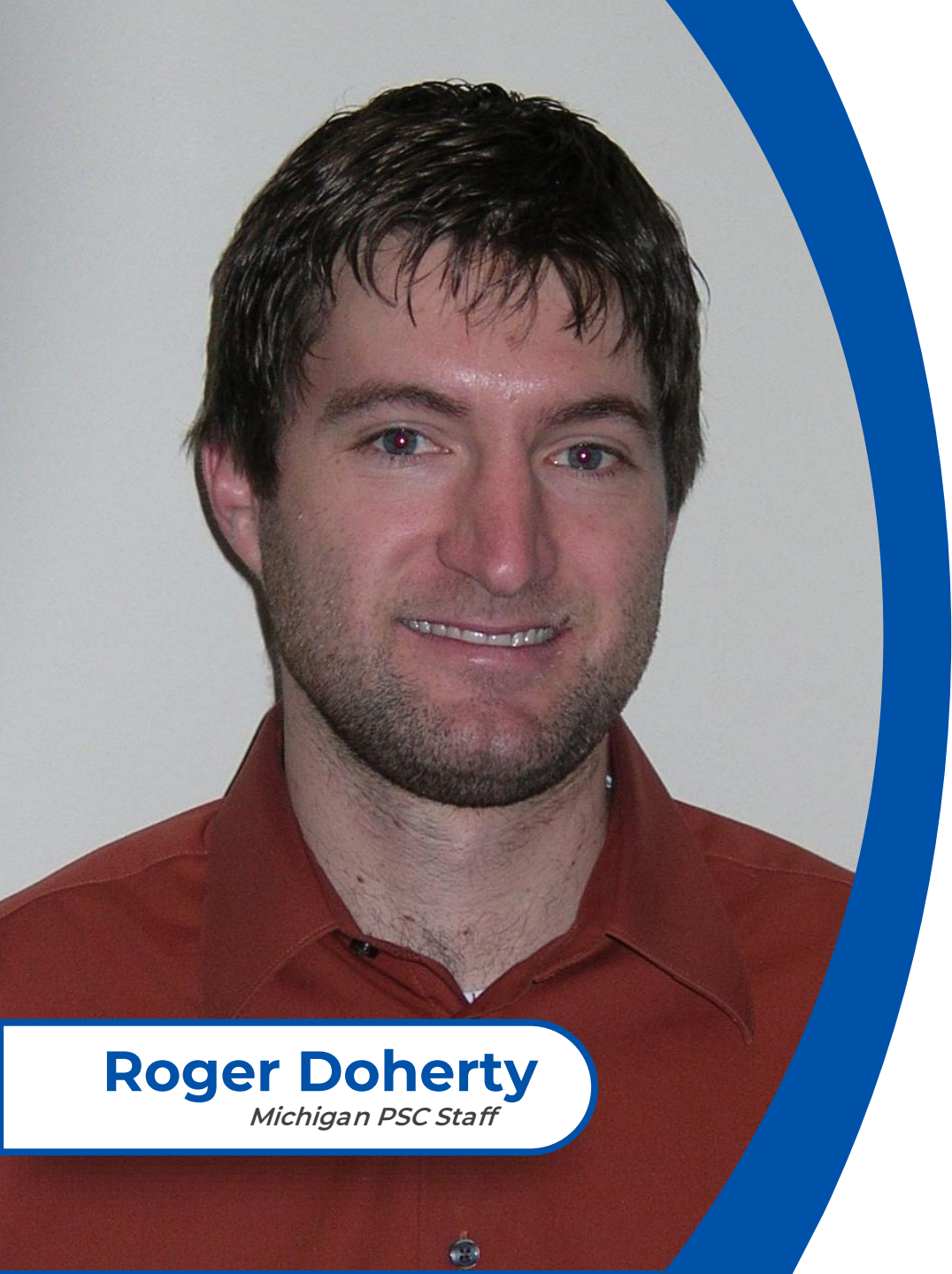
# Feedback Request

1. Are there any recommended changes to the requirements for PJM entities?
2. Should the 5% PRA allowance change? If so, what should it be changed to?

Please submit feedback by January 13, 2023 by emailing [dohertyr1@michigan.gov](mailto:dohertyr1@michigan.gov).

# Next Steps

- No more meetings anticipated.
- Feedback from today's meeting to Staff by January 13, 2023.
- Staff complete and distribute a redline version of the capacity demonstration process and requirements document by January 27, 2023.
- Feedback on the redline capacity demonstration process and requirements document by February 17, 2023.
- Staff report on technical conference and final recommendations filed to docket in U-21099 by March 25, 2023.



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# GET IN TOUCH

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