

OMS Resources Work Group

Annual Report October 2010

Loss of Load Expectation (LOLE) WG – Midwest ISO

- The OMS staff and Chair of the Resources WG monitored the Midwest ISO LOLE WG. Most work was done through input on the monthly webcasts.
- For the Planning Year 2010-2011 the Planning Reserve Margin (PRM) for Load Serving Entities (LSE) was dropped from 12.69% to 11.94%. The PRM for installed generation was 15.4%. Work continued on the load diversity factor and was determined to be 3.00%. The Planning Reserve Margin in UCAP (unforced capacity) was dropped from 5.35% to 4.50%
- Wind capacity was initially given a default 20% capacity credit. Analysis for the upper Midwest using Effective Load Carrying Capability for peak load hours was determined to be 8%.
- Analysis for the Planning Year 2011-2012 is now being completed. The preliminary PRM UCAP is being reduced to 4.00%. The PRM installed generation is expected to go up to 17.4%.
- The plan is for wind to be given a planning reserve credit based on the commercial node injection point on the system. The calculation will be based on the local wind capacity at the peak system load hours.

Supply Adequacy Work Group (SAWG) – Midwest ISO

- The Hot Topic for December at the Midwest ISO Advisory Committee meeting was Resource Adequacy (RA). The Resources WG compiled responses for the presentation and questions/answer period.
- The SAWG requested responses to some question concerning the LSE under-forecast assessment report to state authorities. A survey was sent to the Resources WG and report out to SAWG.
- The Resources WG worked with the Market WG on the FERC Notice of Inquiry on the integration of Variable Energy Resources.
- The Midwest ISO start more discussion of the Resource Adequacy (RA) Construct Improvement Process at the May 6th SAWG meeting. Four states submitted comments. Discussions continued through the summer months. The Resources WG revised the OMS RA Principles which was adopted by OMS Board in August and sent to the Midwest ISO.
- In September, the Midwest ISO revealed a high level RA concept of a 3 to 5 year planning period with a voluntary auction and/or self-supply. One state's staff sent in independent comments. The OMS Board offered a motion for delay at the Market Subcommittee. On October 7th the Midwest revealed a 5 year forward planning period with 100% capacity coverage and a targeted FERC tariff filing on December 8th.

Projections for 2011

- The development of a forward planning construct with bi-lateral contracts, retail choices and independent suppliers will be the primary focus.
- A challenge will be the rapid requests by the Midwest ISO at technical Work Group meetings for comments within a week or so as the design continues to develop. Many import commitment details are missing and thus the financial impacts are not known.