

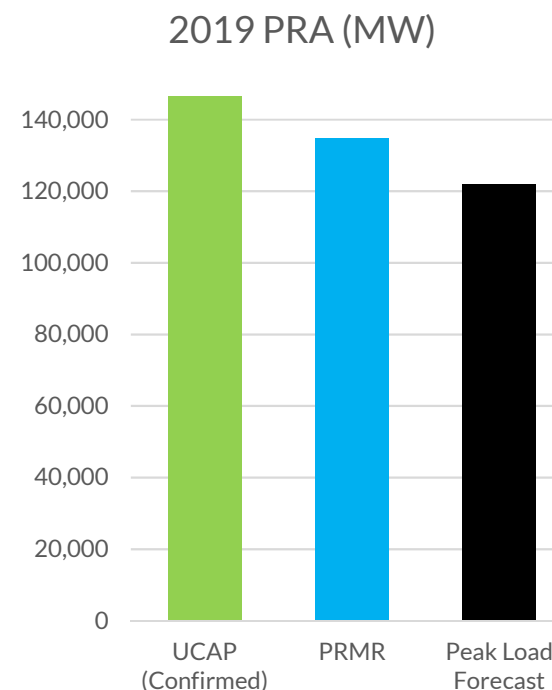


# 2019/2020 Planning Resource Auction (PRA) Results

April 12, 2019

# Summary

- MISO Region has adequate resources to meet its Planning Reserve Margin Requirement of nearly 135,000 MW
- Footprint cleared at **\$2.99/MW-day**
- Zone 7 (MI) cleared at **\$24.30/MW-day**
- Regional generation supply consistent with the 2018 OMS-MISO Survey
- Several offers (~1.5MW) were mitigated by the Independent Market Monitor (IMM) for economic withholding, with a \$0.01/MW-day impact on Zone 7.



# Background

**MISO's Resource Adequacy construct combines regional and local criteria to achieve a least-cost solution for the region**

Multiple options exist for Load-Serving Entities to demonstrate Resource Adequacy:

- Submit a Fixed Resource Adequacy Plan (FRAP)
- Utilize bilateral contracts with another resource owner
- Participate in the Planning Resource Auction (PRA)

The Independent Market Monitor (IMM) reviews the auction results for physical and economic withholding

## Inputs

- Local Clearing Requirement (LCR) = capacity required from within each zone
- MISO-wide reserve margin requirements, which can be shared among the Zones, and Zones may import capacity to meet this requirement above LCR
- Capacity Import/Export Limits (CIL/CEL) = Zonal transmission limitations
- Sub-Regional contractual limitations such as between MISO's South and Central/North Regions

## Outputs

- Commitment of capacity to the MISO region, including performance obligations
- Capacity price (ACP = Auction Clearing Price) for each Zone
- ACP price drives the settlements process
- Load pays the Auction Clearing Price for the Zone in which it is physically located
- Cleared capacity is paid the Auction Clearing Price for the Zone where it is physically located

# Changes Since 2018 Auction

## **TREATMENT OF EXTERNAL RESOURCES (ER18-2363):**

In Oct. 2018, FERC approved MISO's filing to improve consistency between resources outside of MISO and resources external to a Local Resource Zone but within the footprint.

## **NEW REQUIREMENTS FOR LOAD MODIFYING RESOURCES (ER19-650):**

In Feb. 2019, FERC approved part of MISO's Resource Availability and Need initiative related to Load Modifying Resource (LMR) availability. LMRs must now make themselves available for as much of the year as possible and with the shortest-possible notification times.

## **ONGOING FLEET CHANGE:**

The auction results reflect the industry's ongoing shift away from coal-fired generation and increasing reliance on gas-fired resources and renewables, as well as other trends discussed in our [MISO Forward report](#).

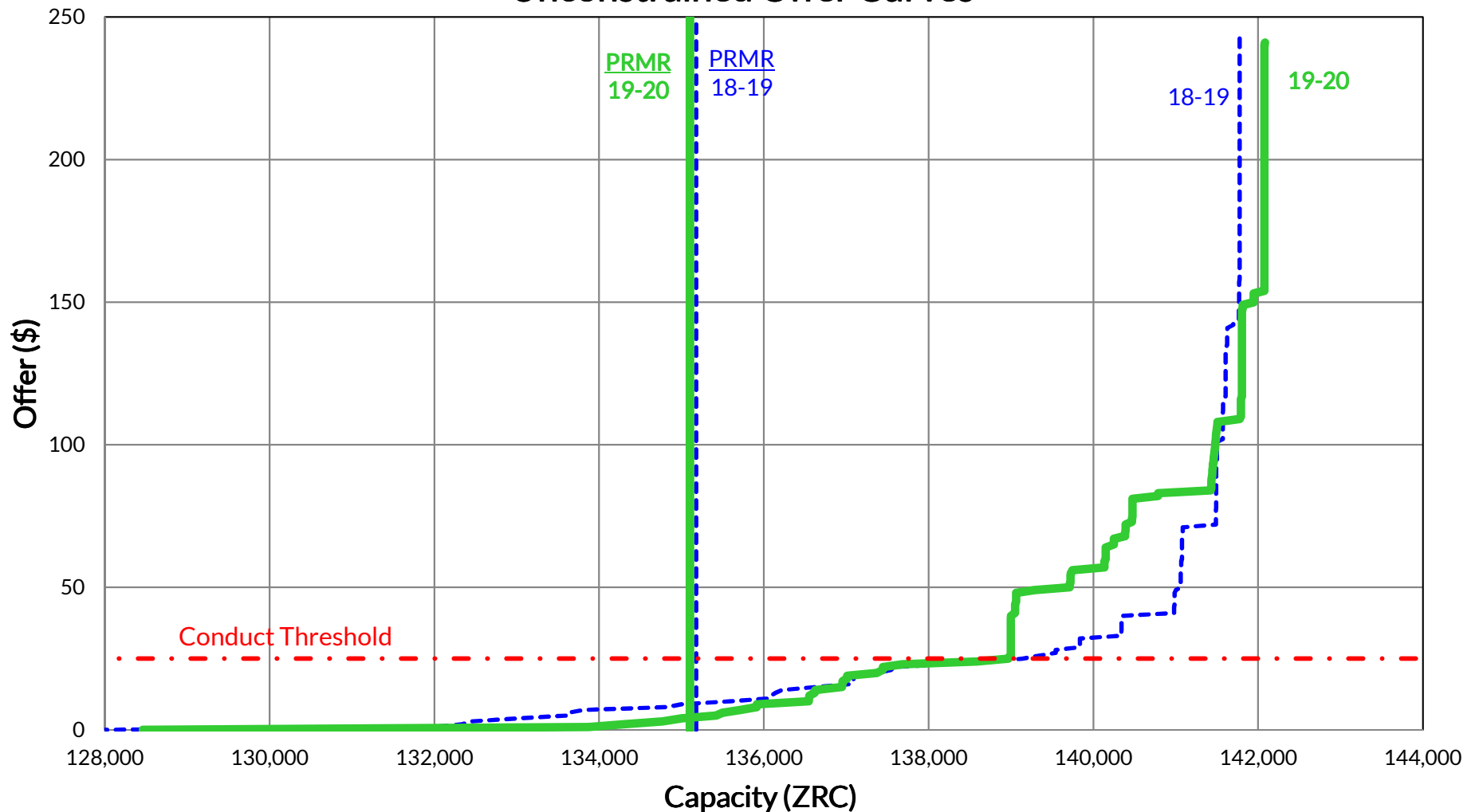
# 2019/2020 Auction Clearing Price Overview

Zone	Local Balancing Authorities	Price \$/MW-Day
1	DPC, GRE, MDU, MP, NSP, OTP, SMP	\$2.99
2	ALTE, MGE, UPPC, WEC, WPS, MIUP	\$2.99
3	ALTW, MEC, MPW	\$2.99
4	AMIL, CWLP, SIPC	\$2.99
5	AMMO, CWLD	\$2.99
6	BREC, CIN, HE, IPL, NIPS, SIGE	\$2.99
7	CONS, DECO	\$24.30
8	EAI	\$2.99
9	CLEC, EES, LAFA, LAGN, LEPA	\$2.99
10	EMBA, SME	\$2.99
ERZ	SPP, PJM, OVEC, LGEE, AECI, SPA, TVA	\$2.99

ERZ = External Resource Zones

# Offer Curve: 2018/19 vs 2019/20

## Unconstrained Offer Curves



# 2019/20 Planning Resource Auction Results

	Z1	Z2	Z3	Z4	Z5	Z6	Z7	Z8	Z9	Z10	ERZ	System
PRMR	18,374.9	13,449.9	9,882.0	9,792.3	8,297.1	18,659.8	21,976.0	7,963.5	21,350.2	4,997.3	N/A	134,743.0
Offer Submitted (Including FRAP)	20,187.3	13,575.1	11,009.4	11,428.8	7,959.7	17,946.9	22,063.2	10,611.8	21,162.4	4,593.0	1,545.0	142,082.6
FRAP	14,318.7	11,278.9	4,124.4	832.1	0.0	1,587.0	12,096.9	489.4	171.9	1,380.3	134.6	46,414.2
Self Scheduled (SS)	3,938.1	2,258.0	6,187.6	6,249.7	7,844.1	13,945.1	9,682.7	9,276.5	18,750.5	2,644.1	1,270.5	82,046.9
Non-SS Offer Cleared	404.4	0.0	79.1	1,523.7	0.0	2,069.4	32.0	443.9	1,232.7	368.9	127.8	6,281.9
Committed (Offer Cleared + FRAP)	18,661.2	13,536.9	10,391.1	8,605.5	7,844.1	17,601.5	21,811.6	10,209.8	20,155.1	4,393.3	1,532.9	134,743.0
LCR	16,588.7	13,017.5	7,960.2	6,222.1	4,860.1	13,226.1	21,811.6	6,116.3	19,525.2	3,048.8	-	N/A
CIL	3,754	1,714	2,896	6,771	5,013	7,067	3,211	4,250	3,631	3,792	-	N/A
ZIA	3,753	1,713	2,987	5,312	5,013	6,924	3,211	4,249	3,631	3,792	-	N/A
Import	0.0	0.0	0.0	1,186.8	453.0	1,058.3	164.4	0.0	1,195.1	604.0	-	4,661.6
CEL	3,373.2	978.7	4,589.7	3,770.2	2,122.0	1,434.5	1,358.0	5,263.1	2,223.6	1,721.0	-	N/A
Export	286.3	87	509.1	0	0	0	0	2,246.3	0	0	1532.9	4,661.6
ACP (\$/MW-Day)	2.99	2.99	2.99	2.99	2.99	2.99	24.30	2.99	2.99	2.99	2.99	N/A

Values displayed in MW UCAP

# Historical Auction Clearing Price Comparison

PY	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	ERZs	
2014-2015	\$3.29	\$16.75					\$16.44		N/A	N/A		
2015-2016		\$3.48		\$150.00		\$3.48		\$3.29		N/A	N/A	
2016-2017	\$19.72	\$72.00					\$2.99				N/A	
2017-2018		\$1.50									N/A	
2018-2019	\$1.00	\$10.00									N/A	
<b>2019-2020</b>		<b>\$2.99</b>					<b>\$24.30</b>		<b>\$2.99</b>			

Conduct Threshold	24.24	23.88	23.95	24.22	24.65	24.05	24.34	23.23	22.37	23.12	24.65
Cost of New Entry	242.36	238.82	239.51	242.16	246.47	240.49	243.37	232.27	223.67	231.15	246.47

- Auction Clearing Prices & are displayed as \$/MW-day
- Conduct Threshold is 10% of Cost of New Entry (CONE)
- Conduct Threshold is \$0 for a generator with a Facility Specific Reference Level



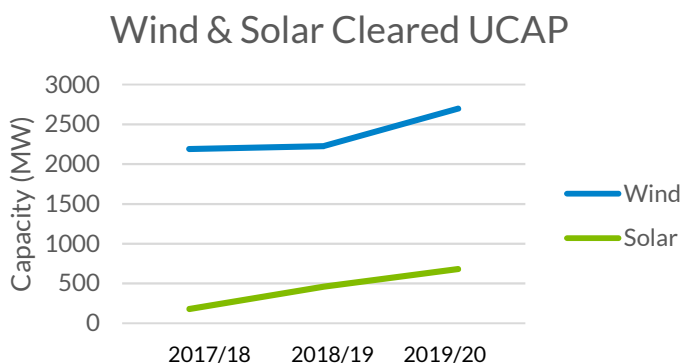
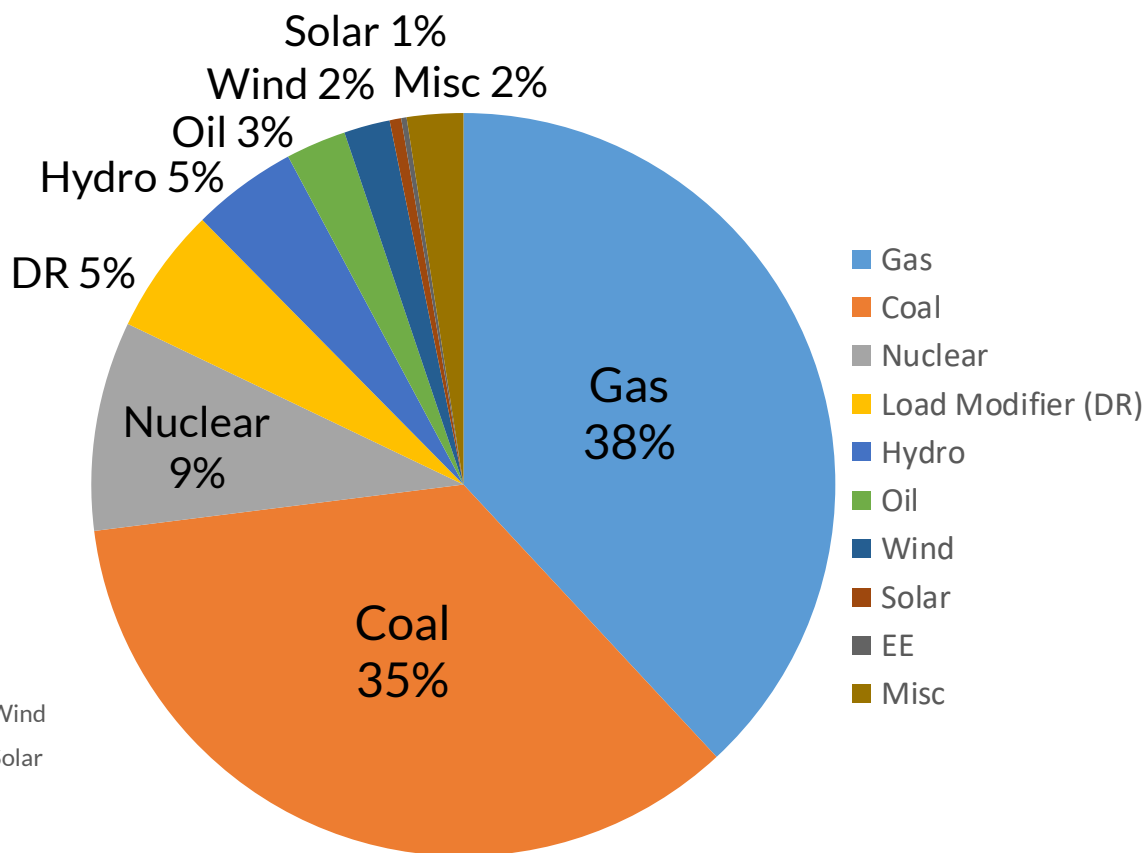
# Supply Offered & Cleared

Planning Resource Type	2018-2019 Offered	2019-2020 Offered	2018-2019 Cleared	2019-2020 Cleared
Generation	126,159	125,290	120,855	119,779
External Resources	3,903	4,402	3,089	3,183
Behind the Meter Generation	4,176	4,202	4,098	4,097
Demand Resources	7,370	7,876	6,964	7,372
Energy Efficiency	173	312	173	312
<b>Total</b>	<b>141,781</b>	<b>142,082</b>	<b>135,179</b>	<b>134,743</b>

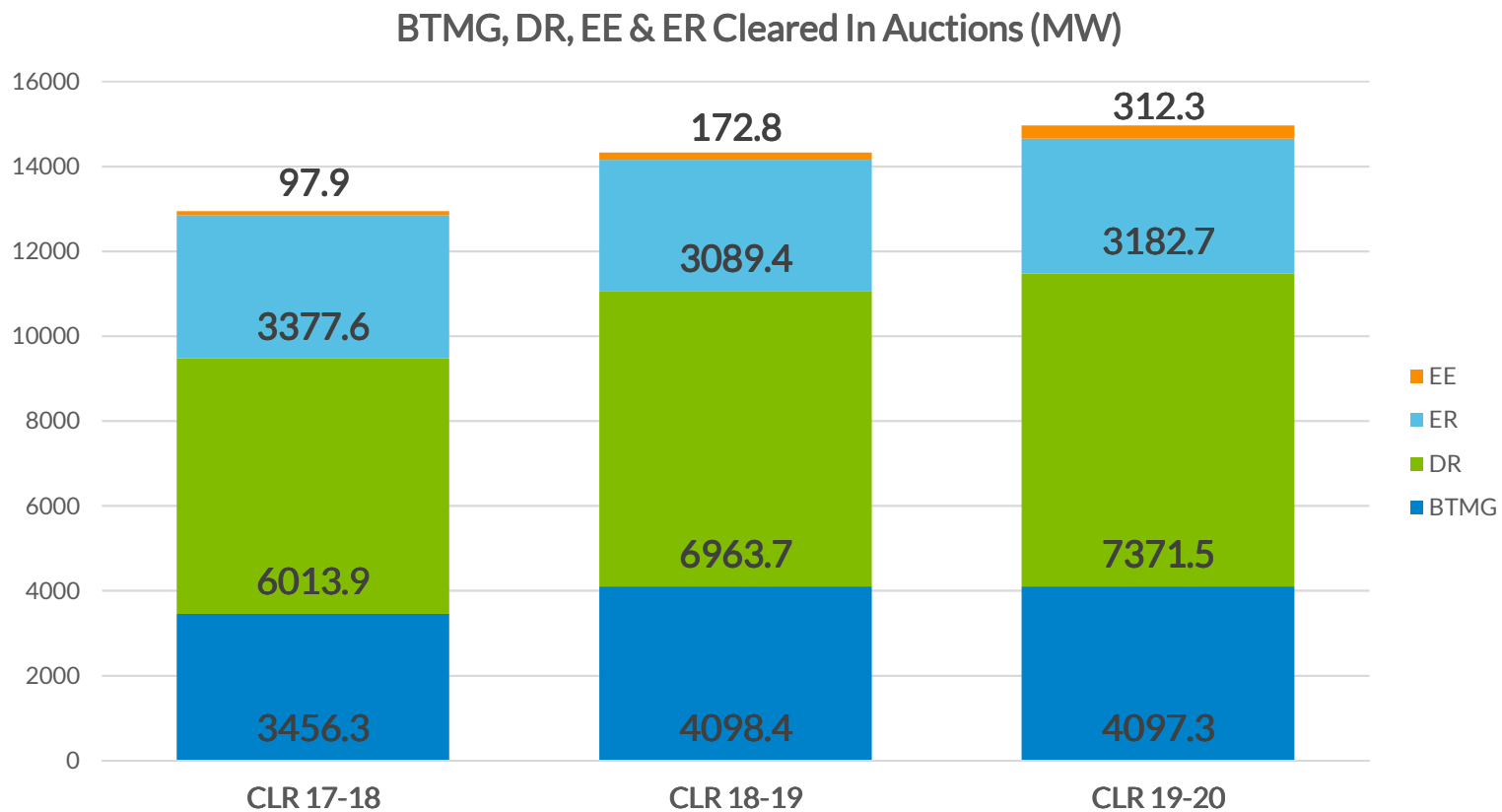
# 2019 Cleared Fuel Type

While solar still comprises a relatively small percentage of the region’s total capacity, 680 MW of solar cleared this year’s auction—an increase of 47% over last year’s mark of 461 MW.

Similarly, 2,698 MW of wind cleared this year, an increase of 21%, or 469 MW, compared to last year.



# Non Traditional Resources



# Next Steps

- APR 15 – Conference call presentation of PRA results
- MAY 8 – Detailed results review at RASC
- MAY 13 – Posting of PRA offer data
- MAY 31 – LSE submit ICAP Deferral info
- JUN 1 – New Planning Year starts

# Appendix

# Acronyms

ACP: Auction Clearing Price

ARC: Aggregator of Retail Customers

BTMG: Behind the Meter Generator

CIL: Capacity Import Limit

CEL: Capacity Export Limit

CONE: Cost of New Entry

DR: Demand Resource

EE: Energy Efficiency

ER: External Resource

ERZ: External Resource Zones

FRAP: Fixed Resource Adequacy Plan

ICAP: Installed Capacity

IMM: Independent Market Monitor

LCR: Local Clearing Requirement

LMR: Load Modifying Resource

LRZ: Local Resource Zone

LSE: Load Serving Entity

PRA: Planning Resource Auction

PRM: Planning Reserve Margin

PRMR: Planning Reserve Margin Requirement

RASC: Resource Adequacy Sub-Committee

SS: Self Schedule

SFT: Simultaneous Feasibility Test

UCAP: Unforced Capacity

ZIA: Zonal Import Ability

ZRC: Zonal Resource Credit



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