



LMR ZRC Replacement

Resource Adequacy Subcommittee

February 26, 2025

Purpose & Key Takeaways



Purpose:

Review proposed criteria for permitting LMRs to replace cleared ZRCs with uncleared ZRCs

Key Takeaways:

- MISO is considering to allow LMR ZRCs replacement in limited circumstances
 - Catastrophic outages
 - RERRA action
 - Ownership change for end-use facility
- MISO is seeking feedback on proposed criteria to allow LMRs to have their ZRCs replaced

LMR ZRC Replacement Feedback Review

Key highlights of Stakeholder feedback on reasonable situations to permit ZRC replacement for LMRs

BTMG-specific replacement scenarios are the most aligned with existing ZRC replacement provisions for generation resources.

- MISO's feedback responses are largely supportive of ZRC replacements for BTMG LMRs facing scenarios similar to those currently outlined in the Tariff.

DR-specific replacement scenarios do not always have direct analogs to existing replacement provisions, and many replacement scenarios exist.

- MISO agrees with some of the scenarios, but others warrant careful consideration. MISO disagrees with suggested changes to contracts mid-Planning Year.

LMRs should be able to replace ZRCs for reasons of failed tests, failed event response, MP-initiated contract termination, etc.

- MISO disagrees with scenarios which would permit MPs from avoiding capacity obligations made during the PRA; participation decisions must be weighed carefully.

Proposed criteria for LMR ZRC replacement

Cleared LMR ZRCs must be replaced with uncleared LMR or non-LMR ZRCs provided one of the following criteria is met:

1. Behind the Meter Generation (BTMG):
 - Catastrophic outage conditions
 - Planned outage longer than 31 days
 - NOTE: Further consideration is needed regarding what type of documentation / evidence should be required for these situations. For BTMGs regularly reporting in CROW, process may be more straightforward.

2. Demand Resource (DR):
 - Change in ownership of end-use facility
 - RERRA action which results in termination of contracts
 - NOTE: Further consideration is needed regarding what type of documentation / evidence should be required for these situations. Additionally, care must be taken to ensure MPs are not provided a route to avoid PRA obligations.

Replacing Cleared ZRCs from LMRs does not remove any penalties or charges for partial or complete failure to perform except for Capacity penalties/disqualifications

Stakeholder Feedback Request

- Please submit feedback on proposed criteria for LMR ZRCs replacement, including suggestions on potential documentation and/or evidence which could be provided to justify legitimate replacement needs.
- **Please submit feedback to this topic (RASC-2024-4) by 3/14/25**
- Feedback requests and responses are managed through the Feedback Tool on the MISO website:
<https://www.misoenergy.org/stakeholder-engagement/stakeholder-feedback/>

Next Steps

- Review additional feedback & present revised criteria
- Draft Tariff language and seek feedback
- Finalize Tariff language
- FERC filing of finalized Tariff language



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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
- CRNCC: Capacity Replacement Non-Compliance Charge
- FRAP: Fixed Resource Adequacy Plan
- GADS: Generating Availability Data System
- GVTC: Generator Verification Test Capacity
- HUC: Historic Unit Consideration
- ISAC: Intermediate Seasonal Accredited Capacity
- IMM: Independent Market Monitor
- LCR: Local Clearing Requirement
- LMR: Load Modifying Resource
- LOLE: Loss of Load Expectation
- LRZ: Local Resource Zone
- LSE: Load Serving Entity
- MECT: Module E Capacity Tool
- MME: Maintenance Margin Exemption
- PRA: Planning Resource Auction
- PRM: Planning Reserve Margin
- PRMR: Planning Reserve Margin Requirement
- RASC: Resource Adequacy Sub-Committee
- RBDC: Reliability Based Demand Curve
- RERRA: Relevant Electric Retail Regulatory Authority
- SAC: Seasonal Accredited Capacity
- SREC: Sub-Regional Export Constraint
- SRIC: Sub-Regional Import Constraint
- TRE: Timely Request Exemption
- UCAP: Unforced Capacity
- ZRC: Zonal Resource Credit