



Loss of Load Expectation (LOLE) Continuing Error

Markets Committee of the
Board of Directors

September 16, 2025

MISO is addressing an error found in the third-party software used to calculate Loss of Load Expectation (LOLE)

Issue & Impact

- MISO identified a third-party software coding error that calculated Loss of Load Expectation (LOLE) using an “all hours” methodology, rather than the Tariff-defined “daily peak hour” methodology.
- The LOLE is a primary input to the demand curves used in the Planning Resource Auction (PRA), which directly influences the clearing price.
- The “all hours” LOLE calculation resulted in the 2025/26 PRA clearing additional capacity at a higher Auction Clearing Price with a total impact of approximately \$280 million.
- Correction of this issue will impact Market Participants who were either long or short on megawatts (MW) in the 2025/26 PRA.

Actions Taken & Next Steps

- Determined the error constituted a “Continuing Error” under its Tariff which required an “appropriate adjustment” to more accurately reflect the correct LOLE and Planning Reserve Margin Requirement for the 2025/26 PRA.
- Made a self-report with FERC describing this issue and notified the IMM and the Board.
- Consistent with prior stakeholder discussions, filed a Tariff change with FERC on August 27, 2025, to formally transition from the daily peak hour to the all-hours LOLE methodology.
- Held two stakeholder meetings to discuss the issue and its impacts and is addressing Market Participants’ concerns about timing for settlement obligation payments.
- Working to strengthen validation and product testing for critical software.

More details can be found in the presentations from the [August 20, 2025, Resource Adequacy Subcommittee](#) and the [September 3, 2025, Settlements User Group](#)