Jointly Owned Generation Resource Commitment Process MSC-2025-8

Proposal

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MISO Market Subcommittee (MSC)

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Purpose and Key Takeaways

- Purpose: Seek adoption of issue MSC-2025-8, Jointly Owned Generation Resource (JOGR) Commitment Process
- Key Takeaways:
  - Cosponsors are Michigan Public Power Agency (MPPA), Lansing Board of Water and Light (LBWL), DTE Electric, MidAmerican Energy (MidAm), and Alliant Energy
  - Although MISO dispatches a JOGR as a single physical unit, MISO evaluates each co-owner's offer separately and commits each separately
  - If fewer than all the offers from the JOGR are committed, perverse outcomes ensue for the single physical unit
  - If MISO made the commitment decision for the entire unit, it would lead to more efficient outcomes
- Appendix
  - Possible solutions for future consideration

Define and Summarize Issue

- Issue Statement: each co-owner of a Jointly Owned Generation Resource (JOGR) can submit separate DA and RT offers, and MISO can commit individual co-owner(s) offer(s) separately
- This can lead to perverse and untenable outcomes, such as clearing one offer with parameters (e.g. EcoMin) that are infeasible for the physical generation resource, as well as cause financial harm to co-owner(s)
- MPPA found four other cosponsors of this issue and is confident there are more affected JOGR co-owners in MISO
- This issue appears to have been known for many years

Potential Benefits of Issue Resolution

- The primary benefit would be matching unit commitment to the physical generation unit—put another way, avoiding commitments that:
  - Contain operating/dispatch parameters that are infeasible for the unit
  - Cause financial harm in order to conform with IMM conduct thresholds
  - Cause inefficient DA/RT market outcomes
- All co-owners of JOGRs in MISO would benefit
- One way to calculate the benefits would be the reduction in:
  - Out-of-market costs (e.g. JOGR make whole payments) AND
  - Financial harm to JOGR co-owners

Potential Roadblocks to Issue Resolution

- The issue cosponsors are unaware of any downside to solving this issue
- The most logical and efficient market solution would require MISO to combine the JOGR offers in its Unit Commitment systems, a potentially touchy subject
- Per the MISO presentation to the Board's Technology Committee on 12/4/25:
  - "The Market System Enhancement (MSE) program transforms MISO's market technology into a more flexible, secure system that allows for faster adoption of new technologies"
  - Reliability Assessment and Commitment (RAC) and Look Ahead Commitment (LAC) are on track for 2026
- By modifying unit commitment to match the characteristics of the physical unit (rather than the current "tail wags dog" approach), MISO would both increase system reliability and generate more accurate data for resource accreditation

Recommended Next Steps

- Recommendation for the Market Subcommittee (MSC) to Adopt Issue√

When the co-owners of a Jointly Owned Generation Resource (JOGR) submit separate Generation Offers in the Day Ahead (DA) and Real Time (RT) Energy and Operating Reserve Markets, only part of one physical generating unit could be committed. In that case, many offer parameters (e.g. Maximum Daily Energy, Hourly Minimum and Maximum Limits (Economic, Regulation, Emergency), Start-Up Offer (Cold, Intermediate, Hot), No-Load Offer) will not correspond to actual operations and costs of the physical unit.

By contrast, “The Transmission Provider will send one Dispatch Instruction signal to the Market Participant designated as operator by the owners of the Jointly Owned Generation Resource for operations purposes only.” Since MISO acknowledges that it is a single unit dispatch, unit commitment should be made in the same manner. If one offer receives a start instruction, the others must receive a start instruction. Whether this is done manually or through an automated process, from a physical capability standpoint, it must be done.

Appendix

Potential Issue Solution(s)

- The cleanest solution would be to link the offers of all the co-owners of the Jointly Owned Generation Resource (in DA and RT), such that the entire physical unit is committed or not, preventing partial commitment of an indivisible physical unit.
- Alternatively, one of the co-owners could submit one offer for the entire unit (in DA and RT), but MISO could settle it as multiple generators by splitting meter reads in the Meter Data Management process.
- Another alternative would be for MISO to manually issue a start-up instruction for the other co-owners' shares of the unit in the event of a partial commitment and make the co-owners whole for their start-up costs.