

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)	
to open a docket for load serving entities in)	
Michigan to file their capacity demonstrations as)	Case No. U-21099
required by MCL 460.6w.)	
_____)	
)	
In the matter, on the Commission's own motion,)	
to address outstanding issues regarding demand)	
response aggregation for alternative electric)	Case No. U-20348
supplier load.)	
_____)	
)	
In the matter, on the Commission's own motion,)	
to request comment on the MIDCONTINENT)	
INDEPENDENT SYSTEM OPERATOR, INC. 's)	Case No. U-21032
implementation of Federal Energy Regulatory)	
Commission Order No. 841 regarding energy)	
storage resources.)	
_____)	
)	
In the matter, on the Commission's own motion,)	
to open a docket for load serving entities in)	
Michigan to file their capacity demonstrations as)	Case No. U-21225
required by MCL 460.6w.)	
_____)	

At the June 23, 2022 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Tremaine L. Phillips, Commissioner

ORDER

Background and Procedural History

Public Act 3 of 1939, as amended by Public Act 341 of 2016 (Act 341), MCL 460.6w(8), requires each electric utility, alternative electric supplier (AES), cooperative electric utility, and municipally owned electric utility to demonstrate to the Commission, in a format determined by the Commission, that each load serving entity (LSE) owns or has contractual rights to sufficient capacity to meet its capacity obligations as set by the appropriate independent system operator (ISO), or the Commission, as applicable.¹ This is known as a state reliability mechanism (SRM) capacity demonstration. Regulated electric utilities' capacity demonstration filings are due by December 1 each year; filings by AESs, cooperatives, and municipally owned electric utilities are due by the seventh business day of February each year. MCL 460.6w(8)(a)-(b). In the September 15, 2017 order in Case No. U-18197 (September 15 order), the Commission adopted a format for the capacity demonstration filings required by MCL 460.6w(8), including templates for reporting and for affidavits.² Each year, the Commission opens a docket for the purpose of receiving those filings, and sets due dates for the filings and for the Commission Staff's (Staff's) report providing an analysis of the sufficiency of each LSE's capacity demonstration. In the July 2, 2021 order in Case Nos. U-21099 *et al.* (July 2 order), the Commission opened the docket in

¹ MCL 460.6w(12)(a) defines the appropriate ISO as the Midcontinent Independent System Operator, Inc. (MISO). MCL 460.6w(11) also states that "nothing in this act shall prevent the commission from determining a generation capacity charge under the reliability assurance agreement, rate schedule FERC [Federal Energy Regulatory Commission] No. 44 of the independent system operator known as PJM Interconnection, LLC [PJM]."

² The filing requirements have been slightly modified in the intervening years. *See*, the September 13, 2018 order in Case No. U-20154. In the March 17, 2019 order in Case No. U-20154, the Commission also approved a protective order for use with capacity demonstration filings. That protective order may also be used in Case Nos. U-21099 and U-21225.

Case No. U-21099 for the purpose of receiving the LSEs' capacity demonstrations for the 2025/2026 planning year (PY)³ and directed the Staff to file its analysis no later than March 25, 2022. Accordingly, the Staff filed the Capacity Demonstration Results Report in Case No. U-21099 (Staff Report) on March 25, 2022, addressing the capacity demonstration for PY 2025/2026. *See*, Case No. U-21099, filing# U-21099-0060.

On May 13, 2022, Spartan Renewable Energy, Inc. (Spartan) filed a motion for clarification, or alternatively, seeking a declaratory ruling from the Commission regarding the Staff Report.

The Staff Report and Spartan's motion are summarized below, with Commission discussion thereafter.

The Staff Report

To begin the Staff Report, the Staff explains that, in keeping with previous years, it held pre-filing consultations with a significant number of LSEs as part of its pre-demonstration process and that all LSEs made timely capacity demonstration filings. The Staff notes that it had several discussions with LSEs regarding the difficulty in procuring capacity but that all LSEs with the exception of Spartan, a matter discussed below, met their required capacity needs. Staff Report, p. 2. Several AESs filed letters indicating that they are not currently serving customers

³ MCL 460.6w(8)(a) states that, if an SRM is to be established, the Commission shall require each electric utility to demonstrate by December 1 of each year that, "for the planning year beginning 4 years after the beginning of the current planning year" the utility owns or has contractual rights to sufficient capacity to meet its load obligations. Thus, the statute requires the capacity demonstrations for four years out from the year the capacity demonstrations are required to be filed. As such, the capacity filings in Case No. U-21099 cover the 2025/2026 PY.

in Michigan.⁴ *Id.* The Staff explains that it conducted an audit of each capacity demonstration filed. *Id.*, p. 3.

In the Staff Report, the Staff provides an overview of zonal adequacy, explaining that Michigan is served by two regional transmission operators (RTOs), MISO and PJM, and that each RTO has different resource adequacy constructs and capacity obligations. The Staff also describes the applicable RTO requirements. *Id.*, pp. 3-4. The Staff makes special note of two key MISO resource requirements: (1) the planning reserve margin requirement (PRMR) and (2) the local clearing requirement (LCR), which is the minimum amount of capacity required to be located within an RTO's local resource zone (LRZ) to meet a specified loss of load standard. The Staff explains that:

[t]he LCR is for the zone as a whole, as opposed to a requirement for individual LSEs. There is no LCR requirement applicable to individual LSEs in Michigan

⁴ The Staff noted that one of the non-serving AESs, Liberty Power Delaware LLC (Liberty), did not file such a letter as required by MCL 460.6w. Liberty is currently involved in a bankruptcy proceeding but filed in the 2021 capacity demonstration in Case No. U-20886 (for PY 2024/2025) indicating that it is not serving customers. Staff Report, p. 2.

pursuant to MCL 460.6w at this time.⁵] The LCR is determined by performing a LOLE [loss of load expectation] analysis on each zone individually to determine the Local Reliability Requirement (LRR), or the resources a zone would need to meet the loss-of-load standard if it were separated from MISO. Separately, an import study is performed to determine the Zonal Import Ability (ZIA) for each zone. For LRZ 7, the ZIA is currently (and historically) equal to the capacity import limit (CIL) and the terms are often treated synonymously. The ZIA is then subtracted from the LRR to determine the LCR.

If an LRZ doesn't have enough resources to meet its LCR or PRMR, the PRA [planning resource auction] clearing price would be set at the Cost of New Entry (CONE) for that year. CONE changes from year to year but for reference, PY 2022/2023 CONE is \$93,770 MW [megawatt]-year (\$256.90 MW-day). The PRA clearing price being set at CONE would have economic ramifications and

⁵ MCL 460.6w(8) requires an LCR as part of the SRM capacity demonstrations. In the September 15 order, the Commission indicated that it would open a contested case to establish the LCR for future capacity demonstrations beginning in 2022 and beyond. September 15 order, pp. 40-42. This order was appealed on two grounds: (1) that the Commission lacked the authority to impose an LCR on individual providers, and (2) that if the Commission has the authority, it must implement the LCR pursuant to a rulemaking under the Administrative Procedures Act of 1969 (APA), MCL 24.201 *et seq.* While the September 15 order was on appeal, the Commission issued an order in Case No. U-18444 establishing a methodology to apply the LCR to individual energy providers. June 28, 2018 order in Case No. U-18444, pp. 122-131. On September 13, 2018, the Commission issued an order granting a motion for stay in Case No. U-18444, putting a hold on the implementation of the LCR pending the outcome of the appeal of the September 15 order. September 13, 2018 order in Case No. U-18444, pp. 9-13. The Michigan Court of Appeals subsequently ruled that the Commission did not have the authority under Act 341 to impose an LCR on individual providers. *In re Reliability Plans of Electric Utilities for 2017-2021*, 325 Mich App 207, 221; 926 NW2d 584 (2018). The Court of Appeals did not address the second point of the appeal, which was that if the Commission did have such authority, the LCR requirement should be implemented through a rulemaking pursuant to the APA. The Michigan Supreme Court reversed the Court of Appeals, finding that the Commission does have the authority pursuant to MCL 460.6w to impose an LCR on individual providers and remanded the case to the Court of Appeals for further review to determine the Commission's compliance with the APA in imposing the LCR. *In re Reliability Plans of Electric Utilities for 2017-2021*, 505 Mich 97, 102; 949 NW2d 73 (2020). On December 3, 2020, the Court of Appeals issued an unpublished per curiam opinion finding that the September 15 order (imposing an LCR on AESs individually in Case No. U-18197) did not equate to administrative rules in violation of the APA and did not exceed the Commission's authority granted by the Legislature. *In re Reliability Plans of Electric Utilities for 2017-2021*, unpublished per curiam opinion of the Court of Appeals, issued December 3, 2020 (Docket Nos. 340600 and 340607). As of the date of this order, the stay in Case No. U-18444 remains in effect, as litigation regarding the LCR requirement is currently pending at the federal level. *See, Energy Michigan, Inc., et al. v Daniel C. Scripps, et al.*, Docket No. 20-12521 (ED Mich).

would provide a signal to stakeholders with responsibilities regarding resource adequacy within the zone. However, it is important to note that MISO's resource adequacy construct is based on probabilistic determinations and failure to meet the requirements of the resource adequacy construct would not mean that the LRZ in question will experience a loss of load event. It simply means the probability of such a loss of load event would exceed the generally accepted criteria that govern the resource adequacy planning process.

Staff Report, p. 4.

The Staff then describes the results of the capacity demonstration for each Michigan LRZ, beginning with LRZ 7. The Staff first explains two provided tables, one showing the annual MISO LOLE report data for LRZ, in which the Staff notes that the decrease in the CIL shown in the table is due to increased retirements and suspensions in LRZ 7. The second table presents a comparison of MISO LCR and PRMR figures for LRZ 7. Staff Report, pp. 5-6. Turning to the capacity demonstration results for LRZ 7, the Staff states that for the prompt year (PY 2022/2023) the zone exceeded its anticipated LCR by 41 ZRCs and that the Staff is aware of additional capacity resources in the zone that were not included in this year's capacity demonstration. Including those undemonstrated resources, the Staff anticipates LRZ 7 to exceed its LCR by approximately 200 ZRCs for the prompt year. *Id.*, p. 7.

As to the compliance year (PY 2025/2026), the Staff specifies that:

[t]he projected PRMR for LRZ 7 for the compliance year (PY 2025/26) is 21,968 ZRCs. Staff determined this number by taking the forecasted peak demand for LRZ 7 in PY 2025/26 (21,003 MW) and accounting for LRZ 7's coincidence factor of 97.39% and the MISO reserve margin of 7.4%. The projected 2025/26 PRMR is fairly consistent with the prompt year PRMR. Using the LOLE Study Report LRR for PY 2025/26 of 23,857 ZRCs and assuming the ZIA remains constant at 3,749, results in a projected LCR of 20,108 ZRCs for LRZ 7 in PY 2025/26.

Id., p. 8. The Staff summarizes these results stating that LRZ 7 will exceed its projected LCR for the compliance year with the caveat that the projections provided in the Staff Report are subject to change because of changes in load forecasts, resource availability and performance, MISO

policies and practice, and other factors. *Id.* For the interim years (PY 2023/2024 and PY 2024/2025), the Staff explains that its projections, which use the same methodology as the compliance year and are inclusive of demonstrated and undemonstrated resources, show a capacity surplus for LRZ 7. Similarly, the Staff notes that these results are subject to change and include several assumptions. *Id.*

Addressing MISO zonal capacity for LRZ 7, the Staff states that when considering only demonstrated resources physically present in LRZ 7, there is an approximate 600 ZRC shortfall for PY 2022/2023 with respect to the PRMR. The Staff expounds further that:

This shortfall can be made up by importing resources from other MISO Zones. The estimated shortfall is well within the capacity import limit, and the MISO region is expected to have enough resources available for import to make up for this shortfall. The resources within the MISO North and Central regions compared to those regions aggregate PRMR has been tightening in recent years. MISO South has surplus capacity but there is a constraint (1,900 MW or 3,000 MW depending on flow direction) applied to capacity transfers from MISO South to MISO Central/North and vice versa¹⁴. The Final Preliminary PRA Data for PY 2022/23 shows a shortfall between the total ZRCs (converted from confirmed UCAP) and the total PRMR for MISO Zones 1-7 (MISO North and MISO Central) of nearly 4,200 ZRCs. Staff expects enough additional resources to be confirmed plus some external resources not in the MISO North and Central regions transfer constraint to allow Zones 1-7 to meet its respective PRMRs. Should this not occur, all of MISO Zones 1-7 would be short capacity (even though each zone could meet its LCR) and the auction would clear at CONE for each zone. This would be the first time this has occurred within MISO.

Id., pp. 8-9 (footnotes omitted). The Staff also explains that the tightening of resources within the entire MISO zone can be attributed to solar supply chain delays. Per the Staff, an additional 10 gigawatts of new solar capacity have executed interconnection agreements but are experiencing delays coming online due to tariffs imposed by the federal government in 2018, allegations of forced labor practices in the Xinjiang province of China, and COVID-19 impacts on manufacturing and shipping. *Id.*, p. 9.

Lastly, the Staff describes some capacity resource changes within LRZ 7. First, as mentioned previously, Spartan did not meet its capacity demonstration requirements. According to the Staff Report, Spartan does not anticipate renewing a contract with a 9.4 MW customer in 2025 and has not procured capacity to meet that load. No other supplier demonstrated by affidavit that it would take up responsibility for that load, thus leaving Spartan responsible for serving that load per MCL 460.6w. However, at the time the Staff Report was filed, the Staff had reason to believe that another supplier may step in to cover that load, and that Spartan and this new supplier would potentially make a supplemental filing later in the year. On that basis, the Staff did not recommend that the Commission open a show cause docket at the time the Staff Report was filed. *Id.*, p. 10. Second, the Staff describes the ongoing upgrades performed by Consumers Energy Company and DTE Electric Company at the Ludington Pumped Storage facility and states that work on the last unit of the facility is expected to conclude in 2022. *Id.* Third, the Staff notes a 142 MW increase of new or expanded utility demand response (DR) that was reported by some LSEs in LRZ 7. The last capacity resource change the Staff lists is the slight decline in DR aggregation that was approved by the Commission to be offered into the 2022 MISO capacity market. *Id.*, p. 11.

With respect to LRZ 2, which encompasses nearly all of Michigan's Upper Peninsula (UP) and parts of Wisconsin, the Staff states that MISO does not define capacity import or export limits between states within the boundaries of the same MISO LRZ. Thus, the Staff explains that because LRZ 2 includes LSEs from Wisconsin that are not subject to the capacity demonstration requirements of MCL 460.6w, the Staff does not have enough data to project a zonal capacity position similar to its analysis of LRZ 7. However, the Staff contends that all Michigan LSEs in LRZ 2 have sufficient resources to meet their capacity requirements. *Id.* Additionally, the Staff

notes that while the 2021 Organization of MISO States (OMS)-MISO Survey showed LRZ 2 just meeting its PRMR for 2026, the zone is projected to meet its PRMR requirements in the coming planning years, and planned solar additions by Upper Michigan Energy Resources Corporation and Upper Peninsula Power Company will have a positive impact on the zone's resource adequacy. *Id.*, p. 12.

The Staff explains that Michigan's third MISO LRZ, LRZ 1, includes a small portion of the UP with three Michigan LSEs. The Staff recounts that, "[t]he 2021 OMS-MISO Survey results indicate an installed capacity surplus of approximately 1,200-2,500 MW for the 2022 planning year and a capacity deficit of 1,400 MW to a surplus of 400 MW in 2026." *Id.* LRZ 1 is projected to have an adequate capacity supply to meet its PRMR for PY 2022/2023. *Id.*

As noted above, a small number of Michigan LSEs, including Indiana Michigan Power Company (I&M), serve load in the PJM RTO footprint. LSEs in PJM can meet capacity obligations through participation in PJM's reliability pricing model base residual auction (BRA) or through PJM's fixed resource requirement (FRR) plan. I&M elects to use the FRR plan and, with the present capacity demonstration, has indicated that it will continue to do so. *Id.*, p. 13. The Staff notes that due to proceedings before FERC, PJM has not held a regular capacity auction since 2018 and that "PJM's current capacity market schedule published in late 2020 held the delivery year 2022/23 BRA in May of 2021, with the 2023/24 auction in late 2021 and early 2022." *Id.*

As to its capacity demonstration for PY 2022/2023, PY 2024/2025, and the compliance year (PY 2025/2026), the Staff indicates that I&M will have sufficient resources to meet PJM's capacity resource requirements. The Staff also notes that, pursuant to the July 12, 2017 order in Case No. U-16090, I&M began enrolling customers in its choice program in February 2019,

which has currently met its cap. Should those choice customers choose to self-supply capacity, that capacity would also need to be included in I&M's FRR plan with PJM. *Id.*, p. 14.

Additionally, pursuant to the Commission's directive in the September 15 order, the Staff Report includes a table that identifies the capacity type (owned, DR, power purchase agreement, ZRC contracts, and auction) for each individual electric provider without revealing the identity of any specific electric provider. The Staff Report also examines DR programs' impacts on capacity, ZRC contracts, and AES load switching. *Id.*, pp. 15-16.

The Staff further details potential future impacts to the capacity demonstration process required by MCL 460.6w. The Staff repeats that there has been a tightening of resources across LRZ 7 due to retirements of large, baseload generation and increased reliance on intermittent resources. As a solution to this tightening of resources, the Staff explains that MISO and FERC have proposed the following solutions: (1) MISO's minimum capacity obligation (MCO), (2) seasonal and accreditation requirements filing, and (3) *Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 172 FERC ¶ 61,247 (2020) (Order 2222). Staff Report, pp. 17-18. The MCO, if approved by FERC, would require MISO LSEs to maintain capacity at least 50% of its PRMR instead of relying on the PRA or be assessed a non-compliance charge.⁶ As to the seasonal and accreditation requirements, the Staff explains that:

In November of 2021, MISO submitted a proposal to FERC Docket No. ER22-495-00034 to revise its Open Access Transmission, Energy and Operating Reserve Markets Tariff. If approved, this tariff revision would establish a seasonal resource adequacy requirement for each summer, fall, winter and spring season. In addition, it would establish a seasonal accredited capacity methodology for certain resources participating in MISO's PRA to align with real

⁶ MISO has requested approval by September 1, 2022, to allow for implementation in the 2023-2024 PRA.

time availability and planned outages.

Id., p. 18. Lastly, for Order 2222, which enables distributed energy resources (DERs) to participate in wholesale markets through aggregation, MISO has indicated that due to the complexity in developing this tariff and a lack of functionality in its current systems, it intends to implement FERC Order No. 2222 in 2030. PJM, in contrast, has sought an implementation date of February 2, 2026. *Id.*

The Staff ends the Staff Report with its conclusions and recommendations expressing its gratitude to the LSEs for their cooperation and timely filings and summarizes that all Michigan LSEs have met their capacity obligations, with the exception of Spartan. The Staff recommends that for future capacity demonstrations, the Commission direct any LSE to supplement its capacity demonstration filing subsequent to any Commission order, regulatory decision, or legal ruling at such a time that a decision is made. The Staff explains its recommendation as follows:

Staff has historically taken the position in capacity demonstrations filings, that the prompt year, at the time of filing, will act as a snapshot in time so the PLC [peak load contribution] and any expansion plan filed with the Commission, or expected to be filed, would be accepted to fulfil [sic] the requirements of MCL 460.6w four years into the future. While Staff continues to believe this works well for the PLC, it sees some issues with utilizing capacity expansion plans that may potentially change based on contested case proceedings. This was especially evident this year where LSEs demonstrated resources in the 2025/2026 planning year that are part of an ongoing, contested proceeding.

Id., p. 19.

Spartan Renewable Energy, Inc.'s Motion for Clarification, Or, Alternatively, a Declaratory Ruling Regarding Staff's Capacity Demonstration Report

In its motion, Spartan requests that the Commission clarify the Staff Report to represent that Spartan was not deficient in its capacity demonstration for failing to procure capacity for a customer that it will not serve in the compliance year, PY 2025/2026. Motion, p. 1. Spartan explains that one of its contracts with a 9.4 MW customer will expire in 2025, and that as such,

Spartan does not consider that customer's load to be included in its "capacity obligations" as it is understood under MCL 460.6w(8)(b). *Id.*, pp. 2-3. Relying on rules of statutory construction,

Spartan argues that:

when an AES does not have an obligation to serve a customer, Section 6w does not require the AES to demonstrate capacity for that customer; instead, the SRM fills that potential gap. The SRM is intended to ensure that a customer relying on the AES's capacity resources pays the cost of the AES's capacity resources, and a customer relying on the capacity resources of the incumbent utility pays the cost of the incumbent utility's capacity resources.

Id., p. 4. Spartan states that, because this is the first time the Commission has been faced with a capacity deficiency situation under Section 6w, the Commission should clarify that a supplier should not be required to demonstrate capacity for a customer whose contract has ended and has received notice that it will no longer be served in the applicable planning year. *Id.*, p. 6. Further, Spartan requests that the Commission accept an affidavit and copy of the contract as evidence that a capacity obligation has terminated and find that the obligation then shifts to the incumbent utility. *Id.* Lastly, Spartan contends that as a matter of policy, the Commission, although it has not done so yet, should direct the incumbent utility to assess the SRM capacity charge to the 9.4 MW customer in order to avoid subsidization of the cost to serve that customer. Spartan also contends that assessing the SRM capacity charge to the customer avoids a disincentive to enter into long-term contracts and aligns with the statutory goals of the SRM. *Id.*, pp. 9-11.

In closing, Spartan requests that the Commission find that: (1) Spartan has demonstrated sufficient capacity for the compliance year of PY 2025/2026; (2) Section 6w does not require an AES to demonstrate capacity for customers that it will not serve in the applicable PY, and (3) the incumbent utility should assess the capacity charge attributable to 9.4 MW customer to that customer. *Id.*, p. 11.

Discussion

To begin, the Commission appreciates the efforts of the Staff in obtaining and analyzing the capacity information needed for this year's capacity demonstrations and for drafting the Staff Report. The Commission also appreciates the cooperation of all Michigan LSEs for their timely capacity demonstration filings. The Commission accepts the Staff Report's findings regarding the resource adequacy in LRZs 1, 2, and 7 and the capacity demonstrations made by the LSEs. The Commission also adopts the recommendation made in the Staff Report with respect to the request for the Commission to direct any LSE to supplement its capacity demonstration filing subsequent to any Commission order, regulatory decision, or legal ruling at such a time that a decision is made. As such, the Commission will leave open the instant docket, Case No. U-21099, if such an update is required.

The Commission also takes this opportunity to comment on aspects of the Staff Report and to update certain items since the Staff Report was filed on March 25, 2022. First, while the Staff Report finds that all Michigan LSEs, with the exception of one, satisfied their capacity demonstration requirements for the 2025/2026 compliance year, the report also notes concerns regarding tightening capacity availability throughout the MISO zones and slimming margins for LRZ 7. *See*, Staff Report, pp. iii, 8, 17. The Commission shares these concerns regarding the tightening of capacity resources given the implications for resource adequacy and the economic and human impacts of capacity shortfalls. As described in last year's capacity demonstration docket, Case Nos. U-20886 *et al.*, LRZ 7 experienced a capacity shortfall that led to the PRA for that zone being set at CONE. *Capacity Demonstration Results: Planning Year 2024/2025* in Case No. U-20886, filing #U-20886-0075, p. 4. While not included in this year's Staff Report due to the MISO 2022/2023 PRA being conducted after the Staff Report was issued, the results

were released on April 14, 2022. The MISO 2022/2023 PRA showed that all zones within the MISO footprint met their LCR, but LRZs 1-7 cleared at CONE, which for 2022/2023 is set at \$236.66 per MW-day. MISO, *2022/2023 Planning Resource Auction (PRA) Results*, available at <https://cdn.misoenergy.org/2022%20PRA%20Results624053.pdf> (last accessed June 22, 2022).

Due to this tightening of resources within MISO's North and Central regions and the results of the MISO 2022/2023 PRA, the Commission finds that it would be prudent to seek input from LSEs and stakeholders on a number of topics related to potential solutions to improving the capacity position of Michigan's LRZs. As such the Commission is initiating a comment period on the following:

1. In the August 8, 2019 order in Case No. U-20348 (August 8 order), the Commission continued the ban on Michigan retail electric customers (either individually or through aggregators) of Commission-jurisdictional electric utilities from bidding DR resources into RTO wholesale markets. August 8 order, p. 23. In the October 29, 2020 order in Case Nos. U-20628 *et al.*, the Commission sought comments on whether to lift this ban on Michigan retail electric customers (either individually or through aggregators) of Commission-jurisdictional electric utilities from bidding DR resources into RTO wholesale markets, but thus far, the Commission has declined to take additional action. In light of the tightening capacity market within the MISO footprint and LRZ 7 in particular, the Commission seeks comment on whether the ban on DR aggregation described in the August 8 order should now be lifted.
2. In the April 8, 2021 order in Case No. U-21032, the Commission sought comment regarding the effect of FERC Order 841,⁷ which requires each RTO and ISO to revise its tariff to establish a participation model consisting of market rules that facilitate the participation of energy storage resources (ESRs) in RTO/ISO markets. In the August 11, 2021 order in the same docket, the Commission encouraged investor-owned utilities to propose pilot programs involving well-designed retail tariffs that facilitate the integration of ESRs into the electric grid and account for the full value stack of ESRs. In the context of the resource adequacy concerns expressed in this order and in the Staff Report, the Commission seeks comment on whether the Commission should now allow the simultaneous participation of ESRs in the wholesale and retail markets.

⁷ *Electric Storage Participation in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 162 FERC ¶ 61,127 (February 15, 2018) (Order 841).

3. The Commission seeks comment on whether it should consider setting a four-year forward capacity obligation under Section 6w of Act 341 that is higher than MISO's prompt year PRMR to encourage the development of additional capacity resources with the aim of protecting the future resource adequacy and reliability of service for Michigan retail electric customers. The Commission seeks specific comment on how such a capacity obligation should be determined and calculated, and how the Commission should proceed in this manner.
4. As stated in the Staff Report, the Commission has not yet imposed an LCR on individual LSEs pursuant to MCL 460.6w. Subsequent to the August 20 order, the Court of Appeals issued a decision in the remanded proceeding finding that the September 15 order (imposing an LCR on AESs individually in Case No. U-18197) did not equate to administrative rules in violation of the APA and did not exceed the Commission's authority granted by the Legislature. *In re Reliability Plans of Electric Utilities for 2017-2021*, unpublished per curium opinion of the Court of Appeals, issued December 3, 2020 (Docket Nos. 340600 and 340607). While the Court of Appeals has upheld the Commission's authority to impose an LCR individually, litigation regarding the individual LCR continues at the federal level, and the stay in Case No. U-18444 remains in effect. However, in light of the resource adequacy concerns expressed in this order and the Staff Report, the Commission seeks comment on whether it should lift the stay in Case No. U-18444 and take further action to set an LCR for Michigan LSEs pursuant to Section 6w for future PYs.
5. The Commission seeks additional comment on what actions or policies may be taken to maximize the benefits to reliability of the state's transmission connections to not only the rest of MISO, but also to PJM and the Ontario Independent Electricity System Operator, including ways to boost those transmission connections.
6. The Commission seeks comment on what improvements should be pursued in RTO markets to better account for and to send better market signals to merchant and/or non-utility owned generators to inform both generation additions and retirements.
7. Considering that some incumbent utilities have tariff provisions that stipulate a waiting period before a choice customer can return to the electric service of the incumbent utility, the Commission seeks comment as to under what conditions or circumstances should a choice customer be automatically transferred back to the incumbent utility (as the provider of last resort) in the event the customer is without an electric service provider, and whether such a transfer provision should be included in utility tariffs.
8. The Commission seeks and encourages comment on any additional measures the Commission should consider to enhance the state's reliability and resource adequacy position.

The Commission will accept comments on these topics until 5:00 p.m. (Eastern time (ET)) on August 1, 2022. Written comments should be mailed to: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, Michigan 48909. Comments submitted in electronic format may be filed via the Commission's E-Dockets website, or for those persons without an E-Dockets account, via e-mail to mpscedockets@michigan.gov. Any person requiring assistance prior to filing comments, may contact the Commission Staff at (517) 241-6180. All comments should reference the above-captioned cases, Case Nos. U-21099 *et al.* All filed comments will become public information available on the Commission's website and subject to disclosure.

In the Staff Report, the Staff described three dockets pending before FERC which may impact future demonstrations, namely: (1) MISO's proposed MCO, which would require an LSE to maintain 50% of its PRMR in lieu of relying on the PRA or be assessed a non-compliance charge; (2) Order 2222, which enables DERs to participate in wholesale markets through aggregation; and (3) MISO's proposed revision of its Open Access Transmission, Energy and Operating Reserve Markets Tariff to establish a seasonal resource adequacy requirement for each summer, fall, winter, and spring season. Staff Report, pp. 17-18. The Commission will continue to monitor each of these dockets and their associated impacts on the capacity demonstration process, and notes that a determination from FERC could be issued at any time. With respect to the seasonal resource adequacy requirement in particular, the Commission finds that further information is required to determine how FERC approval of such a revision to MISO's tariff would affect the Section 6w capacity demonstration process. As such, should FERC approve MISO's seasonal resource adequacy requirement or should it approve other changes to the MISO resource adequacy construct, the Commission directs the

Staff to conduct a technical conference to determine what changes, if any, need to be made to the current capacity demonstration requirements and process and to file a report in this docket outlining any recommended revisions to the capacity demonstration process and requirements following any such technical conference.

Turning to the Staff's findings regarding the capacity demonstration deficiency of Spartan, the Commission agrees and adopts the Staff's findings. However, the Commission declines to adopt the Staff's recommendation not to initiate a show cause proceeding. As indicated in the Staff Report, it was anticipated at the time that another AES would likely pick up the customer that would no longer be served by Spartan in the compliance year and that Spartan and the new supplier would make a supplemental filing to such effect in the instant docket. No such filing has been made to date. Considering the Commission's statutory obligation to ensure that resource adequacy is maintained by Michigan's LSEs, the Commission finds that a show cause proceeding, pursuant to Section 6w of Act 341 and the September 15 order is warranted. Therefore, the Commission shall open a proceeding in Case No. U-21250, in an order to be issued concurrently with this order, for the purpose of allowing Spartan to show cause why it should not be found in violation of the capacity demonstration requirements for the 2025/2026 PY pursuant to Section 6w of Act 341. Because the Commission has adopted the Staff's finding in the Staff Report and has determined a show cause proceeding is appropriate, Spartan's motion for clarification, or, alternatively, a declaratory ruling filed on May 13, 2022, is denied as moot.

Similar to last year's capacity demonstration, the Staff Report noted that many of the capacity demonstrations included updates for PY 2022/2023 through PY 2024/2025, which provided the Staff with additional resource data to update zonal resource adequacy projections for the prompt year, interim years, as well as the compliance year. For the upcoming capacity

demonstration, the Commission directs LSEs to provide capacity resource data for the prompt and interim years in addition to the compliance year 2026/2027 data. The additional data is to be included with the upcoming December 1, 2022 and February 9, 2023 filings in the docket to be opened by this order, Case No. U-21225. The Capacity Demonstration Process and Requirements, attached to this order as Attachment A, shall be used for the December 1, 2022 and February 9, 2023 filings.

The Commission again commends the Staff, MISO, and the LSEs for their efforts, which continue to produce a more streamlined and transparent capacity demonstration process. The Commission looks forward to the continued robust review of capacity resources for future PYs.

THEREFORE, IT IS ORDERED that:

A. The March 25, 2022 Capacity Demonstration Results Report filed in Case No. U-21099 is accepted.

B. Electric utilities required to file capacity demonstrations pursuant to MCL 460.6w(8)(a) for the 2026/2027 planning year shall make that filing no later than 5:00 p.m. (Eastern time) on December 1, 2022, in Case No. U-21225, and load serving entities required to file capacity demonstrations pursuant to MCL 460.6w(8)(b) for the 2026/2027 planning year shall make that filing no later than 5:00 p.m. (Eastern time) on February 9, 2023, in Case No. U-21225, and shall include in their filings capacity resource data for the prompt and interim years as well as the compliance year 2026/2027, as described in this order. The Capacity Demonstration Process and Requirements, attached to this order as Attachment A, shall be used for the December 1, 2022 and February 9, 2023 filings.

C. The Commission Staff shall file a report analyzing the sufficiency of the capacity demonstrations for the 2026/2027 planning year no later than March 25, 2023, in Case

No. U-21225. Any recommended changes to the Capacity Demonstration Process and Requirements shall be attached to the Commission Staff Report filed in Case No. U-21225.

D. The docket in Case No. U-21099 shall remain open for the purpose described in this order, and the docket in Case No. U-21225 is opened for the purpose of receiving the capacity demonstration filings for the 2026/2027 planning year.

E. A proceeding shall be commenced in Case No. U-21250, for Spartan Renewable Energy, Inc. to show cause why it should not be found in violation of the capacity demonstration requirements for the 2025/2026 planning year pursuant to MCL 460.6w(8)(b).

F. The motion for clarification, or, alternatively, a declaratory ruling regarding the Commission Staff's capacity demonstration report filed by Spartan Renewable Energy, Inc. is denied as moot.

G. Any interested person may file comments regarding the topics enumerated in this order. Comments shall be filed no later than 5:00 p.m. (Eastern time) on August 1, 2022.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Tremaine L. Phillips, Commissioner

By its action of June 23, 2022.

Lisa Felice, Executive Secretary

CAPACITY DEMONSTRATION PROCESS AND REQUIREMENTS FOR PLANNING YEAR 2026/27

The Michigan Public Service Commission (MPSC or Commission) will open a docket in 2022 for planning year 2026/27 capacity demonstrations. The Commission order opening the capacity demonstration docket will provide requirements for load serving entities (LSE) to follow in making demonstrations and include the capacity obligations to be applicable for the demonstration year.

The capacity demonstration obligations will be determined in a consistent and transparent manner, based upon the most recently published Loss of Load Expectation (LOLE) study by the Midcontinent Independent System Operator (MISO).

The capacity demonstrations filed in this docket shall include four years of load obligations and owned or contracted resources, similar to the requests that the Commission has made in previous years. The capacity demonstration for year four will be used to determine if the LSE has met its capacity obligations, while the data filed for years one through three will be used for informational purposes only. Each LSE's applicable capacity obligation will be based upon its most recent Planning Reserve Margin Requirement (PRMR), as specified by MISO, and adopted by the Commission.

For the purposes of the capacity demonstrations for the Michigan State Reliability Mechanism (SRM), MCL 460.6w(8), the total capacity obligation to meet for a given LSE shall be the LSEs' PRMR. The PRMR includes a LSE's MISO Coincident Peak Demand adjusted for internal demand response programs netted against load, plus transmission losses and planning reserve margin (PRM) UCAP (unforced capacity) percentage. For LSEs provided a peak load contribution (PLC) value from their Energy Distribution Company (EDC), their capacity obligation to meet shall be their PLC, if it already includes transmission losses, and PRM UCAP percent adjustments.

The applicable MISO PRM UCAP percentages reported in the MISO 2022-2023 LOLE Study are as follows:

Planning Year	2026/27
PRM UCAP	7.5%

The PRM UCAP percentages will be updated annually, or as released by MISO in future LOLE Studies. The PRM UCAP percentages applicable for each demonstration year will be included in the order that opens the capacity demonstration docket and will be updated by MPSC Staff memo to the docket if applicable PRMR updates are published by MISO subsequent to the Commission Order.

The PLC determination for Retail Open Access (ROA) customers should be made through a cooperative process which is consistent with current MISO rules for dispute resolution. These PLC determinations will ultimately drive the total amount of capacity obligation that an Alternative Electric Supplier (AES) will be required to meet in its annual demonstration before the Commission.

Forward Locational Requirement Methodology¹

¹ The September 13, 2018 Order in Case No. U-18444 granted a stay to the effect of the June 28, 2018 order in the same case establishing an individual forward locational requirement.

The process used to determine the forward locational requirements is as follows:

1. Use the methodology from Staff's August 1, 2017 report and MISO's comments in Case No. U-18197 to project the Local Resource Zone's (LRZ) Locational Clearing Requirement (LCR) four years forward using the data provided in the most recent MISO LOLE Study Report.²
 - a. Extrapolate/Interpolate the Peak Demand and Local Reliability Requirement (LRR) UCAP per-unit of LRZ Peak Demand to find values for the needed year.
 - b. Determine the LRZ's LRR by multiplying the zone's peak demand by the LRR UCAP per-unit of LRZ Peak Demand percentage.
 - c. Calculate the forward LCR by subtracting the Capacity Import Limit (held constant from the prompt year) from the LRR.
2. Analyze previously filed confidential and public LSE resource data to project any changes to the amount of existing resources in the zone four years forward.
3. Subtract the projected existing resources in the zone from the zone's LCR to determine the forward locational incremental need.
4. Divided the forward locational incremental need by the zone's Peak Demand. This percent is the forward locational requirement for each LSE for the two year period.
5. Split this percentage evenly to determine the annual percentage applicable to the planning year; 2026/27.
6. The forward locational requirement applicable to each LSE is the annual percentage multiplied by its respective prompt year peak demand applicable for the demonstration.

Zonal Locational Requirements for Planning Year 2026/27:³

MISO Zone 2					
Planning Year	Peak Demand (MW) {A}	LRR UCAP per-unit of LRZ Peak Demand {B}	LRR (MW) {C}={A}*{B}	Zonal Import Ability (MW) {D}	LCR (MW) {E}={C}-{D}
2025/26	13,121	110.9%	14,550	1,923	12,627
2027/28	13,132	110.9%	14,561	1,923	12,638
2026/27	13,127	110.9%	14,557	1,923	12,634

MISO Zone 7					
Planning Year	Peak Demand (MW) {A}	LRR UCAP per-unit of LRZ Peak Demand {B}	LRR (MW) {C}={A}*{B}	Zonal Import Ability (MW) {D}	LCR (MW) {E}={C}-{D}
2025/26	21,003	113.6%	23,857	3,749	20,108
2027/28	20,705	113.6%	23,521	3,749	19,772
2026/27	20,854	113.6%	23,690	3,749	19,941

The zonal locational requirements for future planning years 2027/28 and beyond will be addressed in a future filing as determined by the Commission.

² <https://www.misoenergy.org/api/documents/getbymediaid/80578>.

³ Data taken from current [2022-2023 MISO LOLE report](#), Tables 1-1, 6-2, and 6-3.

Zone 7 Incremental Need and Forward Locational Requirement

The total projected resources in Zone 7 in 2026/27 is based on the capacity demonstration filings in Case No. U-21099 which covered planning years 2022/23 through 2025/26. Adjustments were made to remove behind the meter generation (BTMG) not in the MISO Resource Adequacy Construct, reported retirements, zonal resource credit (ZRC) purchases, resources located outside of the zone, and any double counted units. The resulting total projected resources in Zone 7 for 2026/27 is 21,596 MW. The forward locational requirements for Zone 7 for planning years 2027/28 and beyond will be re-evaluated going forward based upon future directives set by Commission Order.

Zone 2 Forward Locational Requirement

Unlike Zone 7, which is entirely located in the Lower Peninsula of Michigan, Zone 2 includes the Upper Peninsula of Michigan and a large portion of eastern Wisconsin. The MPSC does not have the same level of detail regarding the generation sited in Wisconsin as it does for generation sited in Michigan. Without making any assumptions regarding the future retirement of Zone 2 resources, the 2022-2023 MISO Planning Resource Auction Results show the Total Offers Submitted in Zone 2 of 13,756 ZRCs, which exceeds the projected Zone 2 LCR (13,127 MW) in 2026/27 by 5%. Utilizing the same method as applied to Zone 7 results in an incremental need of zero for Zone 2. Based upon the current surplus of existing resources in Zone 2, the forward locational requirement for LSEs in Zone 2 is zero for planning year 2026/27. Although the current forward locational requirement is zero for LSEs in Zone 2, the adequacy of resources in Zone 2 will continue to be monitored. The PRMR capacity obligations still apply to LSEs in Zone 2 on a four-year forward basis as required by MCL 460.6w. The forward locational requirements for Zone 2 are not subject to biennial reevaluation unless the Commission directs otherwise in a future order.

Zone 1 Forward Locational Requirement

The individual forward locational requirement for LRZ 1 is zero and is not subject to biennial reevaluation unless the Commission directs otherwise in a future order. The PRMR capacity obligations still apply to LSEs in Zone 1 on a four-year forward basis as required by MCL 460.6w.

Resource Demonstrations

The minimum acceptable support for all resources submitted as part of a capacity demonstration include:

- 1) Documentation supporting the MISO zonal location of the resource, and;
- 2) The minimum acceptable support based upon the type of resource that is outlined in the sections below.

Existing generation (owned)

The minimum acceptable support for existing generation that is included in a capacity demonstration include:

- 1) An affidavit from an officer of the company claiming ownership of the unit(s), including a commitment of the unit(s) to LSE load in the applicable Michigan zone four years forward,
- 2) A copy of the existing ZRC qualification of the unit(s) from the MISO Module E Capacity Tracking Tool, and;
- 3) If there are retail tariffs or customer contracts associated with the resources, copies should be provided.

Existing demand response or energy efficiency resources (that have not been netted against load)

The minimum acceptable support for existing demand response resources or energy efficiency resources that have not already been netted against load include:

- 1) An affidavit from an officer of the company outlining the resource(s), including a commitment to maintain at least that same level of resources four years forward,
- 2) A copy of the existing ZRC qualification of the resource(s) from the MISO Module E Capacity Tracking Tool, and;
- 3) If there are retail tariffs or customer contracts associated with the resources, copies should be provided.

New or upgraded generation (owned)

The minimum acceptable support for proposed new generation include:

- 1) An affidavit from an officer of the company outlining the detailed plans for the new generation including milestones such as planned in-service date, expected regulatory approval date(s), planned date to enter the MISO generator interconnection queue, expected date for MISO generator interconnection agreement, construction timeline, etc.,
- 2) Documentation supporting the expected ZRC qualification from MISO for the new unit(s), and;
- 3) If there are retail tariffs or customer contracts associated with the resources, copies should be provided.

For new generation submitted as part of a capacity demonstration, the Commission finds that all of the above data be updated and submitted on an annual basis with each subsequent capacity demonstration until the unit(s) are in service.

New demand response or energy efficiency resources (that have not been netted against load)

The minimum acceptable support for new demand response resources or energy efficiency resources that have not already been netted against load included in a capacity demonstration include:

- 1) An affidavit from an officer of the company outlining the plans for the resource(s), including a commitment to achieve and/or maintain at least that same level of resources four years forward,

- 2) Evidence that the customer's distribution utility has been notified of specific customers participating in the resource,
- 3) Specific plans to have the resource(s) qualified by the independent system operator, and;
- 4) If there are retail tariffs or customer contracts associated with the resources, copies should be provided.

For new demand response or energy efficiency resources submitted as part of a capacity demonstration, the Commission finds that all of the above data be updated and submitted on an annual basis with each subsequent capacity demonstration until the resource(s) are in service. Final qualification / approval from the independent system operator should be submitted in a subsequent demonstration.

Existing generation (capacity contract)

The minimum acceptable support for capacity contracts with existing generation include:

- 1) An affidavit from an officer of the company including a copy of the contract that specifies the unit(s) or pool of generation that is the source of the contract, including the location of the unit(s) or pool. The affidavit should include a commitment to maintain the contracted amount four years forward regardless of any early out clauses in the contract, and;
- 2) A copy of the existing ZRC qualification of the unit(s) or pool from the MISO Module E Capacity Tracking Tool that the LSE obtains from the asset owner and includes with the demonstration filing.

Forward ZRC contracts

The minimum acceptable support for forward ZRC contracts include an affidavit from an officer of the company including a copy of the contract that specifies the zonal location of the ZRCs. The affidavit should include a commitment to maintain the contracted amount four years forward regardless of any early-out clauses in the contract. A forward ZRC contract that does not specify the zonal location of the ZRCs will be deemed insufficient towards meeting any portion of a locational requirement, unless the LSE provides other alternative support for the location of the ZRCs.

Any LSE that utilized a ZRC contract as part of their previous capacity demonstrations must provide prompt-year ZRC transfer documentation (MECT Module E screenshot) or provide Staff with the ability to confidentially review ZRC transfers in person at the Commission office.

Resources submitted in an LSE capacity demonstration to meet forward locational requirements must be located within the same LRZ as the LSE. Evidence demonstrating that a resource located outside of the LSE's zone would count towards meeting the LCR of the LSE's zone should be provided by the demonstrating LSE if applicable. Existing contracts with resources outside of an LSE's zone will count towards meeting forward locational requirements if they are for a period of at least twenty years and the contracts were entered into prior to MISO's implementation of local resource zones on June 1, 2013.

Aggregated EERs, Aggregated Storage, Aggregated DERs

The minimum acceptable support for aggregated energy efficiency resources (EERs), aggregated storage, and aggregated distributed energy resources (DERs) include:

- 1) An affidavit from an officer of the company outlining the resource(s), including a commitment to achieve and/or maintain at least that same level of resource(s) four years forward,
- 2) Documentation from MISO showing ZRC credit in the prompt-year for the resource(s), such as a MISO MECT screenshot, and;
- 3) If there are retail tariffs or customer contracts associated with the resource(s), copies should be provided.

PRA Purchases

The amount of ZRCs planned to be purchased in the MISO Planning Resource Auction (PRA) that will be deemed prudent in an approved capacity demonstration will be limited to the following percentage of the LSE's total PRMR requirement.

Planning Year	2024/25	2025/26	2026/27
PRA Purchases (%)	5%	5%	5%

Utilization of the MISO PRA in interim years

A capacity demonstration filed by an LSE that includes a plan to purchase ZRCs in the PRA four years in the future in excess of the allowable amounts outlined above, will not constitute a demonstration that the LSE owns or has contracted resources to meet its future capacity obligations, unless those ZRCs are tied to specific identified resources that are committed to be offered in the PRA, by contract, on behalf of the LSE for the applicable planning year.

Once the Commission has determined that the capacity demonstration made by an LSE is deemed to be sufficient, it shall not be re-litigated or "trued-up" in the interim years. If, subsequent to its initial satisfactory capacity demonstration, an LSE experiences an unforeseen significant outage at one of its generation assets, or has an unforeseen variation in its total load obligations, these matters will be settled in the PRA. The LSE's initial capacity demonstration will not be re-examined to reconcile projected interim year load obligations or generating resource capacity ratings with actual values that are experienced in that interim year.

Additional Considerations for Capacity Demonstrations

Other types of documentation submitted as part of a capacity demonstration will be evaluated on a case by case basis. Because some of the documentation that is required to be filed in these proceedings is commercially sensitive, competitive information, it shall continue to be treated in a confidential manner, as has been done in the past. The Staff shall file a memo in the docket as directed by the Commission, outlining its findings from the demonstration filings, including a listing of any entities whose demonstration, in Staff's opinion, did not completely pass muster.

In the case where a demonstration filing does not pass Staff's muster, Staff would recommend that the Commission open a contested case docket, whereby the LSE in question could attempt to prove that its capacity demonstration should be deemed acceptable. The outcome of that case would be a Commission order potentially authorizing SRM capacity charges to ROA customer load as well as a respective increase in capacity obligations assigned to the incumbent utility as the Provider of Last Resort for capacity service. Any contested demonstration cases will be opened as soon as practicable following the issuance of the Staff memo and be completed within six months.

If an LSE has met the capacity demonstration requirements, no contested case will be opened, and no further action will be taken regarding any capacity demonstration that has been deemed sufficient by Staff and accepted by the Commission.

Capacity Demonstrations for LSEs in PJM service territory

PJM Interconnection LLC (PJM) has a mandatory forward capacity market for LSEs in its service territory. LSEs in the PJM service territory meet their Independent System Operator capacity obligations either through participation in PJM's Reliability Pricing Model (RPM) Base Residual Auction (BRA) or through PJM's Fixed Resource Requirement (FRR) capacity plan. The PJM capacity market is a three year forward market with the calendar aligned slightly differently than what exists with the MISO capacity market. PJM's tariff requires FRR entities (those that self-supply capacity as Indiana Michigan Power has done since the inception of the RPM construct in 2007) to prove capacity for the 2022/23 delivery year (June 2022 through May 2023) in April 2019. The BRA will be completed in May 2020 for the 2023/24 delivery year.

The timing of PJM LSEs capacity demonstrations to the Commission will remain the same as those expected of MISO LSEs, however, PJM LSEs will be allowed to file an amended capacity demonstration two weeks after the completion of the PJM RPM BRA if the LSE participates in the BRA. The capacity demonstration should include the FRR capacity plan and/or BRA results. Meeting PJM's capacity obligations, including any applicable Percentage Internal Resources Required for the delivery year will constitute a satisfactory demonstration, and the demonstrating LSE should provide evidence that it has met PJM's capacity obligations.

Demonstration Format

In addition to all of the items outlined above, the following forms shall also be utilized by the LSE in filing its demonstration.


PROOF OF SERVICE

STATE OF MICHIGAN)

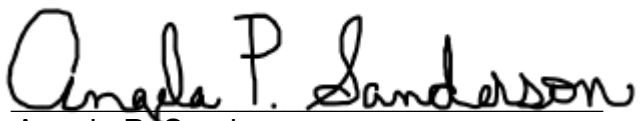
Case No. U-21099 *et al.*

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on June 23, 2022 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 23rd day of June 2022.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2024

Service List for Case: U-21099

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 Indiana Michigan Power Company
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ENGIE Gas & Power f/k/a Plymouth Energy
Energy International Power Marketing dba PowerOne
Nordic Energy Services, LLC
Texas Retail Energy, LLC