

The OMS Resources Work Group (OMS RWG) provides feedback to MISO's Resource Adequacy Subcommittee on the OMS-MISO Survey-Potential New Resources Process Review. The OMS RWG supports the following recommendations to MISO's presentation on December 12, 2017.

Our recommendations are:

1. MISO should add another category for the generation that has completed the DPP Phase 3 and should be allocated a percentage of 75%.
2. MISO should add another category for the generation that has received a Certificate of Need or a Certificate of Public Convenience and Necessity from their state or local regulatory body and should have an allocation of 80%.
3. MISO should gather and present the information in the OMS-MISO survey or at the RASC, on the tracking percentage by resource type in each phase, and by ownership type (either rate-regulated owner or by independent power producer) of the generation in the MISO GIQ on an annual basis.

https://www3.epa.gov/airtoxics/utility/puc_study_march2011.pdf

From Page 19:

Certification

The certification process is utilized by PUCs to ensure that regulated entities are acting in the public interest and adhering to applicable rules and regulations. In the context of electricity generation, certification is often used as a siting tool to screen whether a proposed project is needed and whether it will serve the public interest – e.g., if the project will meet regulatory requirements, enhance reliability and safety, and provide low-cost electricity to ratepayers. Certification is most commonly used to review proposals for new power plants, but in many states, it also applies to other major financial commitments, such as pollution control projects. Often the certification is in the form of a Certificate of Public Convenience and Necessity (CPCN).

In thirty states, the certification process includes consideration of environmental protection. This process may occur through a full-blown regulatory proceeding, or by acknowledging that another state agency with expertise on the issues (e.g., state environmental and public health agencies) has undertaken an appropriate review that will be incorporated into the certificate. For example, Kentucky requires new generation facilities to be certified by the PUC. As part of the process, the project is reviewed by the state's Environmental Cabinet. PUCs may also have a role in reviewing compliance with federal environmental standards. Under Michigan law, for example, the Michigan Commission must ensure that all electrical power-generating facilities in the state comply with all federal rules, regulations, and mercury emissions standards.

Because the certification inquiry often goes beyond rates and recovery, it may be utilized in both regulated and deregulated states. In regulated states, the certification can act as a pre-approval for rate recovery by addressing a number of prudence issues, such as need for the controls, technology selection, and cost. In deregulated states, rate recovery is not on the table. Consequently, issues such as cost tend to be minimized (since the market is expected to dictate whether these are reasonable), and the inquiry may focus on issues such as reliability or other factors. To the extent that certification review does include environmental issues, PUCs may defer to the expertise of state environmental agencies

that are also reviewing the project. The cases studies in Section IV of Maryland and Indiana provide examples of the certification process in the deregulated and the regulated contexts.

Integrated Resource Plans

Integrated resource plans (IRPs) are comprehensive planning tools used by utilities and other energy planners to design reliable and least-cost approaches to providing electric service while addressing the risks and uncertainties in the electric utility business. IRPs are usually developed periodically through a public process that includes PUC staff, other state agencies, customer and industry advocacy groups, project developers, and other stakeholders. The plans include an assessment of both supply-side and demand-side alternatives, a long-run analysis of alternatives, a short-term action plan, full assessment of all risks associated with each alternative, and analysis of external costs such as environmental costs and how those costs may affect resource choices. The value of a resource plan as a pre-approval depends on the extent of the PUCs involvement in developing the plan, whether the PUC provides a formal approval of the plan, and the extent to which the pollution control strategy adheres to the plan in practice.

Table 3. Summary of Timing Analysis Results

	Electricity Regulation	Pre-Construction Certificate	Pre-Approval of Cost Recovery	Average Length of Pre-Approval Case (months)
Alabama	Regulated	Not required	Allowed	N/A
Colorado	Regulated	Not required	Allowed	6.64
Florida	Regulated	Not required	Required	5.53
Georgia	Regulated	Not required	Allowed	6.02
Illinois	Deregulated	Not required	Not Allowed	N/A
Indiana	Regulated	Required	Allowed	9.75
Kentucky	Regulated	Required	Allowed	5.65
Maryland	Deregulated	Required	Not Allowed	8.00
Minnesota	Regulated	Not required	Allowed	9.77
Missouri	Regulated	Not required	Allowed (limited)	5.05
New Jersey	Deregulated	Not required	Not Allowed	N/A
New York	Deregulated	Not required	Not Allowed	N/A
North Carolina	Regulated	Not required	Not Allowed	N/A
Ohio	Partially deregulated	Not required	Not Allowed	N/A
Pennsylvania	Deregulated	Not required	Not Allowed	N/A
Virginia	Regulated	Not required	Not Allowed	N/A
West Virginia	Regulated	Required in some circumstances	Allowed	11.71
Wisconsin	Regulated	Required	Not Allowed	3.79
All States				7.19*

* This is the average of each individual state’s average, not the average of all cases, in order not to weight states with a large number of cases more heavily. The average of all cases was 6.33 months, and the median was 5.95 months.