

## Market Capacity Emergency

- <u>NERC's 2022 Summer Reliability Assessment</u> warns that <u>several parts of North America are at</u> <u>elevated or high risk of energy shortfalls</u> this summer due to predicted above normal temperatures and drought conditions over the western half of the United States and Canada.
- The NERC report statement that there is a high risk of energy emergencies is a technical statement. We use the term "emergency conditions" to refer to conditions other than normal conditions. MISO and its members drill and prepare for energy emergencies and have many tools at our disposal to maintain grid reliability throughout any such conditions.
- The NERC assessment aligns with MISO's <u>summer assessment</u> and <u>capacity auction results</u> which are available in the <u>MISO Media Center</u> along with more information about our summer preparations. These above-average seasonal temperatures contribute to high peak demands as well as potential increases in forced outages for generation and some bulk power system equipment.
- MISO's north and central regions fall in the category of "elevated or high risk" of energy emergencies during peak summer conditions.
- More extreme temperatures, higher generation outages, or low wind conditions expose the MISO North and Central areas to higher risk of temporary operator-initiated load shedding to maintain system reliability.
- While MISO's South Region does not face a similar risk level to its North and Central regions, MISO is always cautious going into the summer and we work with our members to prepare for all situations.
- MISO's preparation for the summer season includes training and conducting exercises with member companies to prepare for the worst-case scenarios and to implement lessons learned and best practices.
- During Real-Time operations, unplanned outages and other variables in any region may require emergency procedures to maintain grid reliability.
- MISO operators rely on emergency procedures to access additional resources that are not available under normal grid conditions.
- One advantage that helps lower the risk of power interruptions is MISO's ability to import electricity from its neighbors (e.g. SPP/PJM/SOCO) when needed and available.
- We continue to communicate with our member utilities every day to coordinate plans for any obstacle such as extreme heat and reliably forecast how much energy homes and businesses will need across the region.



- The summer assessment is not a reason to panic. It's a reason to be concerned.
- We are on the front edge of a new trend where generation retirements are happening faster than generation replacement. The gap between retirements and replacement capabilities and attributes is a growing reliability concern.
- We need controllable, dispatchable resources to complement intermittent resources.
- Our job is to balance generation to load until we can't. Then we balance load to generation.