154 FERC ¶ 61,094
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Cheryl A. LaFleur, Tony Clark,
and Colette D. Honorable.

Midcontinent Independent System Operator, Inc. Docket No. ER16-521-000

ORDER ACCEPTING TARIFF REVISIONS SUBJECT TO CONDITION

(Issued February 12, 2016)

1. On December 14, 2015, Midcontinent Independent System Operator, Inc. (MISO) filed proposed revisions to its Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff) to enhance its resource adequacy provisions by permitting suspended generation resources to participate in the Planning Resource Auction (Auction). As discussed below, we accept the proposed Tariff revisions subject to condition, and require MISO to make a compliance filing within 60 days of the date of this order.

I. Background

2. MISO conducts the Auction annually in the first 10 business days of April and posts the results on the 10th business day of April,[1] approximately six weeks prior to the Planning Year.[2] The Auction selects the least-cost set of Planning Resources[3] needed to

[1] MISO, MISO Resource Adequacy Requirement Calendar for 2016/2017 Planning Year, available at https://www.misoenergy.org/Library/Repository/Report/Resource%20Adequacy/Resource%20Adequacy%20Timeline%202016-17%20PY.pdf.

[2] The Planning Year begins June 1 and extends until May 31 of the following Year. MISO, FERC Electric Tariff, Module A, § 1.P (39.0.0).

[3] A Planning Resource is defined in the Tariff as a capacity resource, energy efficiency resource, or load modifying resource that can be used to satisfy planning reserve margin requirements. MISO, FERC Electric Tariff, Module A, § 1.P (39.0.0).

meet the planning reserve margin requirement of each Local Resource Zone (Zone),[4] while respecting local and sub-regional constraints, and establishes the Auction clearing price for each Zone for the upcoming Planning Year.[5] A market participant whose capacity resource clears in the Auction must submit self-schedules or offers for energy, and contingency reserve if qualified, for the installed capacity value of the capacity resource for each hour of each day during the Planning Year.[6]

3. The Tariff also sets forth the market mitigation measures that the Independent Market Monitor (Market Monitor) shall implement to mitigate the market effects of any conduct that would distort competitive outcomes in the markets and services administered by MISO.[7] Among other things, there is a physical withholding threshold quantity for a market participant of 50 MW of Planning Resources for each Zone and market power mitigation provisions to address economic withholding.[8] With regard to economic withholding, the Tariff establishes the use of a MISO system-wide initial reference level for offers into the Auction, and provides market participants with the option to request facility-specific reference levels.[9]

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[4] A Zone is a geographic area within MISO that is prescribed by MISO to address congestion that limits Planning Resource deliverability. MISO, FERC Electric Tariff, Module A, § 1.L (34.0.0).

[5] MISO, FERC Electric Tariff, Module E-1, § 69A.7.1 (34.0.0).

[6] MISO, FERC Electric Tariff, Module E-1, § 69A.5 (31.0.0).

[7] MISO, FERC Electric Tariff, Module D, § I (30.0.0).

[8] The Market Monitor identifies physical withholding when a market participant has 50 MW or more of Planning Resources in a Zone that the market participant does not offer into the Auction with certain exceptions for market participants with excess capacity including among other things, market participants whose capacity is not economic to sell in the MISO region and market participants whose withholding would not raise prices (i.e., suppliers that do not have market power). MISO, FERC Electric Tariff, Module D, § 64.1.1 (32.0.0).

[9] Facility-specific reference levels are established using the going-forward costs of keeping a generation resource in operation, which are either (1) the annual avoidable costs, including but not limited to mandatory capital expenditures necessary to comply with federal or state environmental, safety or reliability requirements that must be met in order to supply Planning Resources; or (2) the net opportunity costs of foregone sales outside of MISO, net of the costs that would have been incurred as a result of the

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4. Generation resources are eligible to qualify as capacity resources when a market participant that owns or possesses equivalent contractual rights to the resource (1) registers the resource with MISO, (2) demonstrates Generation Verification Test Capacity (GVTC)[10] capability for each Planning Year, (3) submits generator availability data, (4) submits GVTC test results by October 31 prior to the Planning Year, and (5) demonstrates deliverability. However, even if a market participant fails to complete GVTC testing by October 31, the market participant may request GVTC test deferral by providing MISO notice by February 15 that must include the expected GVTC value of the generation resource. GVTC test deferral allows a market participant to offer its generation resource into the Auction without submitting GVTC test results to MISO by October 31. If the generation resource clears the Auction, the market participant is subject to a GVTC Deferral Non-Compliance Charge if (1) the market participant fails to submit the GVTC test results to MISO by the last business day of May, and/or (2) the actual GVTC test results demonstrate fewer MW than the GVTC value submitted in the notice.[11]

5. The Tariff provides that (1) a market participant that owns or operates a generation resource must submit an Attachment Y Notification of Potential Generation Resource or Synchronous Condenser Unit Change of Status (Attachment Y Notification) to notify MISO of any plan to retire or suspend[12] operations of a generation resource at least 26 weeks prior to taking such action; (2) MISO must complete an Attachment Y study to

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foregone sale if it had taken place. MISO, FERC Electric Tariff, Module D, § 64.1.4 (30.0.0). The Tariff also provides that the Market Monitor shall set facility-specific reference levels equal to the resource's annual going-forward costs less the resource's estimated annual net revenues from MISO's energy and ancillary services markets. *Id*. Herein, we will refer to the result of this calculation as the resource's net going-forward costs.

[10] GVTC is the maximum output in MW that a generation resource, external resource, or behind the meter generator can sustain over the specified period of time. MISO, FERC Electric Tariff, Module A, § 1.G (33.0.0).

[11] MISO, FERC Electric Tariff, Module E-1, §§ 69A.3.1.a (34.0.0), 69A.7.9 (35.0.0).

[12] Suspend is the temporary cessation of operation of a generation resource or a synchronous condenser unit for more than two months. MISO, FERC Electric Tariff, Module A, § 1.S (39.0.0). A market participant may request suspension of a generation resource or synchronous condenser unit for a maximum of 36 cumulative months during any five year period. MISO, FERC Electric Tariff, Module C, § 38.2.7 (37.0.0).

evaluate whether the resource is needed for transmission system reliability, and then notify the market participant that the study is complete prior to the release of the study; and (3) the market participant may rescind its Attachment Y Notification (thereby revoking the planned retirement or suspension) within five business days after receiving notice by MISO that the Attachment Y study is complete.[13]

6. MISO and market participants must meet certain requirements such that deliverable, reliable, and adequate Planning Resources are committed to meet the demand requirements.[14] Module E-1 of the Tariff addresses participation of Planning Resources in the Auction and includes a provision that a resource for which a market participant requests a change in status to retire or suspend will not qualify as a Planning Resource effective as of the actual date of the status change to retire or suspend.[15]

II. MISO's Proposal

7. MISO states that its proposal is based on the Market Monitor's recommendation in the 2013 State of the Market Report, which aimed to better align the Auction and the Attachment Y process. Specifically, MISO notes that the Market Monitor asserted that the capacity market includes inefficient barriers to participation in the Auction for units already in suspension and for those units that have filed to suspend or retire a resource. In the 2013 State of the Market Report, the Market Monitor stated that the capacity market would operate more efficiently and facilitate better decisions by market participants if MISO allowed the following:

> [1] Suspended units to participate in the [Auction] and to defer the required testing to establish the resource's capacity value in the same manner that new resources or units with catastrophic outages can defer such testing.
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> [2] Units with Attachment Y requests to participate in the [Auction] and, if they clear, to either a) defer the effective date of the retirement or suspension, or to b) retire or suspend the unit during [the] planning year if MISO determines it is not needed during the period when it would be unavailable. Without this flexibility, such units would have to arrange for substitute capacity for the balance of the planning year and would be out of

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[13] MISO, FERC Electric Tariff, Module C, § 38.2.7 (37.0.0).

[14] MISO, FERC Electric Tariff, Module E-1, § 68A (30.0.0).

[15] MISO, FERC Electric Tariff, Module E-1, § 69A.3.1.h (34.0.0).

> compliance with the Tariff if they are unable to do so. This risk is an inefficient barrier to participating in the [Auction].[16]

8. MISO states that the Market Monitor made a presentation to MISO's Supply Adequacy Working Group in which the presentation stated:

> Market participants that [have a generation resource] . . . in suspended status at the time of the [Auction] should not be disqualified for participation in the [Auction] even if the suspension, as certified in the Attachment Y notice, impacts the subject planning year. The suspended resource should be eligible for deferred GVTC [testing] as currently allowed for new Generation and existing Generation with Catastrophic Outages.[17]

9. MISO states that it recognizes the need for flexibility regarding decisions by owners of generation resources to retire or suspend, and such decisions could be influenced by the results of the Auction. However, MISO asserts that, unlike with suspended generation resources, market participants should not be permitted to modify the effective date of the retirement of a generation resource once MISO has released Attachment Y study findings that the generation resource is not needed to maintain reliability of the transmission system.[18]

10. Thus, MISO proposes revisions to section 69A.3.1.h of Module E-1 of the Tariff to clarify that a suspended generation resource will continue to qualify as a Planning Resource, as follows:

> A Planning Resource for which a Market Participant requests a change in status in accordance with the System Support Resource (SSR) provisions

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[16] Potomac Economics, *2013 State of the Market Report for the MISO Electricity Markets* (June 2014), at 21-22, available at https://www.misoenergy.org/Library/Repository/Report/IMM/2013%20State%20of%20the%20Market%20Report.pdf.

[17] MISO Filing at 1-2 (citing Potomac Economics, *Participation of Units Planned for Retirement or Suspension in the Planning Resource Auctions* (July 2014), available at https://www.misoenergy.org/Library/Repository/Meeting%20Material/Stakeholder/SAWG/2014/20140710/20140710%20SAWG%20Item%2014%20IMM%20PRA%20Att%20Y%20Units.pdf).

[18] *Id.* at 3-4.

> described in Section 38.2.7 will no longer qualify as a Planning Resource effective as of the actual date that the status of the Planning Resource changes to Retire ~~or Suspend~~ pursuant to Section 38.2.7. A Generation Resource that has the status of Suspend pursuant to Section 38.2.7 will continue to qualify as a Planning Resource in accordance with the [Business Process Manual] for resource adequacy.

According to MISO, these revisions will provide market participants with opportunities to efficiently make de-activation and re-activation decisions based on the availability to participate in the Auction. MISO states that a market participant whose suspension of a generation resource is not driven by market economics can coordinate with the Market Monitor to ensure the physical withholding provisions of the Tariff are not applied in that circumstance.[19]

11. MISO also proposes a revision to section 69A.3.1.a of Module E-1 of the Tariff to specify that a suspended generation resource, which is not a dispatchable intermittent resource, that has not completed GVTC testing by the deadlines provided in the Tariff may still be offered into the Auction or used in a Fixed Resource Adequacy Plan, subject to GVTC deferral requirements and charges.

12. MISO further proposes to revise its Tariff to extend the period of time for a market participant to rescind its Attachment Y Notification (and thus to revoke the decision to suspend or retire) from 5 business days to 15 business days after receiving notice by MISO that the Attachment Y study is complete, which would permit a market participant that is expecting to receive notice from MISO of completion of an Attachment Y study just before the Auction to become informed of the Auction results before deciding whether to rescind its Attachment Y Notification. MISO explains that the proposed 15 business days in which the market participant can rescind its Attachment Y Notification exceeds the period of time between the opening of the Auction offer window and the posting of the Auction results.[20]

13. MISO states that a market participant can coordinate with the Market Monitor to set a facility-specific reference level for a suspended generation resource, thereby allowing the market participant to offer the resource into the Auction at a price such that

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[19] *Id.* at 3.

[20] *Id.* at 5-6.

partial clearing of the resource would not result in a financial hardship for the market participant.[21]

14. Finally, MISO notes that its proposed revisions are to Tariff sections that contain language currently pending before the Commission in Docket Nos. ER12-2302-003 and ER14-2605-002. Thus, MISO requests that the Commission accept this filing subject to the outcomes of those pending proceedings.[22]

III. Notice and Responsive Pleadings

15. Notice of MISO's filing was published in the *Federal Register*, 80 Fed. Reg. 79,324 (2015), with interventions and protests due on or before January 4, 2016. Timely motions to intervene were filed by NRG Companies;[23] Entergy Services, Inc., on behalf of Entergy Companies;[24] MidAmerican Energy Company; Exelon Corporation; American Municipal Power, Inc.; and Wisconsin Companies.[25] Illinois Commerce Commission filed a notice of intervention. Consumers Energy Company (Consumers Energy) filed a timely motion to intervene and protest. Potomac Economics, Ltd. (Potomac Economics) filed a motion to intervene out-of-time. On January 19, 2016, MISO filed an answer. On February 3, 2016, Consumers Energy filed an answer to MISO's answer.

16. Consumers Energy alleges that the proposed Tariff revisions require, rather than allow, suspended generation resources to participate in the Auction. Consumers Energy asserts that such a requirement creates significant penalty and cost recovery risks for the owners of such suspended generation resources.[26] For example, Consumers Energy

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[21] *Id.* at 7. MISO states this in its transmittal letter but does not propose any Tariff revisions that would provide for this.

[22] *Id.* at 7 n.22.

[23] For purposes of this proceeding, the NRG Companies consist of NRG Power Marketing LLC and GenOn Energy Management, LLC.

[24] For purposes of this proceeding, the Entergy Companies consist of Entergy Arkansas, Inc.; Entergy Louisiana, LLC; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; and Entergy Texas, Inc.

[25] For purposes of this proceeding, the Wisconsin Companies consist of Wisconsin Public Service Corporation and Wisconsin Electric Power Company.

[26] Consumers Energy Protest at 3.

argues that suspended generation resources are less likely to test at expected capacity for various reasons including that they may be partially dismantled, and thus the proposed Tariff revisions unreasonably subject suspended generation resources to GVTC Deferral Non-Compliance Charges.[27] Consumers Energy asserts that MISO's proposal should be rejected. Alternatively, should the Commission decide against rejecting MISO's proposal, Consumers Energy asks the Commission to (1) preclude the Market Monitor from alleging physical withholding and from subjecting the generation owner of a unit that cannot be operated within the 48-day time frame to penalties for the inability to test at expected capacity; and (2) hold the generation owner harmless if a suspended resource is unable to test at its previously-tested capacity.[28]

17. Consumers Energy also asserts that partial clearance of a suspended unit could have significant cost impacts on the owner, who would incur the costs associated with bringing the entire unit out of suspension. Consumers Energy explains that MISO addresses this concern by stating that owners of suspended units could work with the Market Monitor to develop a facility-specific reference level to allow the unit to be offered into the Auction at a price that allows the unit to be made whole even if the unit only partially clears. Consumers Energy explains that this remedy would allow suspended units to offer into the Auction at prices higher than those at which they would likely otherwise be offered. Consumers Energy asserts that a partially cleared unit would likely be the marginal unit that sets the capacity price for the Zone and, therefore, MISO's remedy would unnecessarily drive up capacity prices in that Zone. Consumers Energy argues that, if suspended units are required to participate in the Auction, they should be allowed to be offered into the Auction on an all-or-nothing basis. Alternatively, Consumers Energy argues that the use of block loading, which would allow a generation resource to be offered into the Auction as a single block on a revenue requirement basis, would allow for the recovery of non-variable capacity expenses for marginal generation resources and address the partial clearing concern.[29]

18. In its answer, MISO asserts that owners of Planning Resources have the option of participating in the Auction, subject to the usual provisions relating to withholding. MISO points to the Tariff, which currently provides that market participants with excess capacity can refuse to offer into the Auction, without being deemed to have engaged in

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[27] *Id.* at 4 (citing MISO, FERC Electric Tariff, Module E-1, 69A.7.9 (35.0.0)).

[28] *Id*. The 48-day time frame reflects the period of time between the date MISO posts the Auction results and the deadline for market participants to submit their deferred GVTC test results. *See supra* PP 2, 4.

[29] Consumers Energy Protest at 5-6.

physical withholding, when their capacity is not economic to sell in the MISO region.[30] According to MISO, in cases where the owner is seeking to suspend a generator for non-economic reasons, it can coordinate with the Market Monitor to ensure that the physical withholding provisions of the Tariff are not applied. MISO, therefore, asserts that its proposal does not require suspended generation resources to be offered into the Auction.[31]

19. MISO argues that its proposal will not result in adverse effects if market participants offer their suspended generation resources in the Auction. With regard to GVTC testing, MISO points to the proposed Tariff revisions in section 69A.3.1.a of Module E-1, which allow suspended generation resources to apply for GVTC deferral, thereby easing any difficulty that suspended generation resources may have in meeting the GVTC testing requirement.[32]

20. With regard to Consumers Energy's concern related to partial clearing, MISO argues that an additional offer based upon a suspended generation resource cannot have an adverse effect on customers when substituted for the infinite offer price that would theoretically be associated with the absence of such an offer. MISO asserts that its proposal aims to provide the opportunity for lower capacity prices for customers by removing a barrier to participation in the Auction.[33]

21. In its answer, Consumers Energy states that the practical effect of MISO's proposed Tariff revisions would be to create a requirement that suspended generation resources participate in the Auction. Consumers Energy asserts that the Tariff provisions regarding physical withholding do not necessarily prevent all uneconomic units from being required to participate in the Auction. According to Consumers Energy, the Tariff "suggests that a unit may only be considered uneconomic if it would have to be offered in

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[30] MISO Answer at 6 (citing MISO, FERC Electric Tariff, Module D, § 64.1.1 (32.0.0)).

[31] *Id.*

[32] *Id.*

[33] *Id.* at 7.

at greater than 10% of [cost of new entry] + the Reference Level."[34] Consumers Energy argues, however, that a unit could be suspended "for economic reasons even if it would not have to be offered in at greater than 10% of [cost of new entry] + the Reference Level."[35]

IV. Discussion

A. Procedural Matters

22. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2015), the notice of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2015), we will grant the late-filed motion to intervene of Potomac Economics given its interest in the proceeding, the early state of the proceeding, and the absence of any undue prejudice or delay.

23. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2015), prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We will accept MISO's and Consumers Energy's answers because they have provided information that assisted us in our decision-making process.

B. Substantive Matters

24. We find that it is reasonable to permit suspended generation resources to participate in the Auction, extend the period of time for a market participant to rescind its Attachment Y Notification from 5 business days to 15 business days after receiving notice by MISO that the Attachment Y study is complete, and allow suspended generation resources to qualify for deferred GVTC testing. Moreover, any suspended generation resource that participates and clears in the Auction will be subject to the same testing and performance requirements as any other generation resource that clears the

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[34] Consumers Energy Answer at 3-4 (citing MISO, FERC Electric Tariff, Module D, § 64.1.2 (35.0.0) ("The [Market Monitor] will identify potential economic withholding that may warrant the mitigation of a Zonal Resource Credit Offer…if the Offer exceeds the sum of 10% of the applicable [cost of new entry] value…and the applicable Reference Level…")).

[35] *Id.* at 4.

Auction.[36] Therefore, we will accept MISO's proposed Tariff revisions to be effective February 12, 2016, as requested, subject to condition as discussed below,[37] and subject to the outcome of Docket Nos. ER12-2302 and ER14-2605.

25. With respect to Consumers Energy's assertion that the proposed Tariff revisions require suspended generation resources to participate in the Auction, the Tariff provides that a market participant with excess capacity can refuse to offer a Planning Resource into the Auction if it is not economic to sell in MISO.[38] MISO's proposal provides that a suspended generation resource will now qualify as a Planning Resource; therefore, a market participant with excess capacity can refuse to offer a suspended generation resource into the Auction if it is not economic to sell in MISO. Furthermore, we disagree with Consumers Energy's suggestion that a suspended generation resource would only be considered uneconomic with respect to offering into the Auction if its offer is greater than "10% of [cost of new entry] + the Reference Level." Consumers Energy is referring to Tariff provisions regarding the threshold for identifying economic withholding, which are separate from the Tariff provisions regarding exemptions from being deemed to have engaged in physical withholding. Nothing in the Tariff provisions regarding physical withholding precludes the Market Monitor from considering a variety of circumstances that would make a suspended generation resource uneconomic to sell in the MISO region.[39]

26. MISO's proposal may provide an additional incentive for a market participant to suspend its generation resources because such decisions may be less costly for the market participant as it could later offer its suspended generation resources into the Auction, thereby giving the market participant an option it did not have before, and potentially allowing the market participant to withhold capacity from the Auction when the market participant determines that doing so would be beneficial to its other Planning Resources.

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[36] *See* MISO, FERC Electric Tariff, Module E-1, §§ 69A.3.1.a (34.0.0), 69A.5 (31.0.0), 69A.7.9 (35.0.0).

[37] The Commission can revise a proposal filed under section 205 of the FPA as long as the filing utility accepts the change. *See City of Winnfield v. FERC*, 744 F.2d 871, 875-77 (D.C. Cir. 1984). The filing utility is free to indicate that it is unwilling to accede to the Commission's conditions by withdrawing its filing.

[38] MISO, FERC Electric Tariff, Module D, § 64.1.1 (32.0.0).

[39] We address any concerns Consumers Energy may have regarding the circumstances under which a suspended generation resource may refuse to offer into the Auction on a non-economic basis in the discussion below.

To ensure that MISO's proposal does not encourage market participants to suspend generation resources that would otherwise remain operational in order to physically withhold those resources from certain future Auctions, we direct MISO to make a compliance filing to revise section 64.1.1 of Module D of its Tariff to provide specific non-economic circumstances under which a market participant can refuse to offer its suspended generation resource into the Auction, within 60 days of the date of this order.[40] This will provide market participants with increased certainty regarding evaluation of potential physical withholding and limit the potential for market participants to suspend generation resources that would otherwise remain operational and be offered into future Auctions (i.e., the 2017/18 Auction and on).[41] It will also address concerns raised by Consumers Energy about suspended resources being required to participate in the Auction to avoid being found to have exercised physical withholding, by specifying when suspended resources can legitimately forgo offering suspended generation resources into the Auction for non-economic reasons.[42]

27. In response to concerns regarding partial clearance of a suspended generation resource in the Auction, MISO states that a market participant can coordinate with the Market Monitor to set a facility-specific reference level for a suspended generation resource that would allow the market participant to offer into the Auction at a price such that partial clearing would not result in a financial hardship. It is unclear how and under what set of assumptions the Market Monitor would establish facility-specific reference levels such that partial clearance would not result in a financial hardship. It appears that MISO's remedy suggests that the Market Monitor would establish facility-specific reference levels for suspended generation resources in excess of the resource's net going-forward costs, which is inconsistent with section 64.1.4 of Module D.[43]

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[40] We note that parties have the opportunity to request waiver of any Tariff provision. *See, e.g., Cal. Indep. Sys. Operator Corp.*, 146 FERC ¶ 61,184 (2014).

[41] We note that the Tariff requires a market participant seeking to suspend a generation resource to provide MISO with its Attachment Y Notifications 26 weeks prior to the date of such suspension. Therefore, our acceptance of MISO's proposal will not provide the opportunity for market participants to suspend additional generation resources prior to the upcoming 2016/17 Auction. As such, the compliance filing need not be accepted in advance of the 2016/17 Auction.

[42] A market participant should be able to rely on relevant provisions of the Tariff when determining whether its unique circumstances exempt it from offering its suspended generation resource into the Auction.

[43] *See supra* note 9.

28. Further, if a suspended generation resource only partially clears in the Auction, it could be the marginal unit that sets the clearing price either for that Zone or across multiple Zones in MISO. We agree with MISO's assertion that the clearing price in such a scenario would be higher without the participation of the suspended generation resource that sets the clearing price, and we are supportive of MISO's proposal to allow such resources to participate in the Auction. However, this does not justify allowing suspended generation resources to be bid into the Auction at prices higher than would otherwise be permissible. Under MISO's plan to address partial clearing of a suspended resource, the clearing price for one or more Zones could be substantially elevated if the suspended generation resource is able to offer into the Auction at prices that exceed its net going-forward costs, as opposed to if the market participant's offer was at its net going-forward costs.

29. We understand that limiting a suspended generation resource's facility-specific reference level to net going-forward costs could prevent the resource from recovering its costs in the event it partially clears its capacity in the Auction. If a market participant can demonstrate to the Market Monitor that the risk of partial clearance makes its suspended generation resource uneconomic to offer into the Auction, then the market participant may refuse to offer that suspended generation resource into the Auction.[44] However, to promote participation of suspended generation resources in future Auctions, we encourage MISO to file Tariff revisions that address the risk that a market participant may not be able to recover its net going-forward costs if its suspended generation resource partially clears the Auction.

30. Finally, in its compliance filing, we direct MISO to make any necessary conforming edits to the Tariff. For example, conforming edits are required to section 64.1.4 of the Tariff because the following provision does not address suspended resources: "Facility-specific Reference Level may be established if a Market Participant provides documentation of Going-Forward Costs *of keeping a Generation Resource in operation*."[45]

<u>The Commission orders</u>:

(A) MISO's proposed Tariff revisions are hereby accepted subject to condition, as discussed in the body of this order.

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[44] As noted above, a market participant with excess capacity can refuse to offer a Planning Resource into the Auction if it is not economic to sell in MISO.

[45] MISO, FERC Electric Tariff, Module D, § 64.1.4 (30.0.0) (emphasis added).

(B) MISO is hereby directed to submit a compliance filing within 60 days of the date of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.