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Xcel Energy

Case No.: PU-15-96

Response To: ND Public Service                      Data Request No.                      2-3  
 Advocacy Staff

Requestor: Richard A. Polich

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Question:

In Table 1, page 6 of Mr. Johnson’s testimony, the reserve margin is shown to be 3.8%. In table 1 of NSP’s 2015 Resource Plan supplement, dated March 16, 2015, the MISO Planning Reserve is shown to be 7.1%. Please explain this discrepancy.

Response:

Table 1 reflects the reserve margin calculations applicable to the 2011 Resource Plan, as well as the December 2011 Resource Plan Update, which applied the MISO Planning Reserve Margin (PRM) effective at that time.

For Planning Year 2013, MISO introduced a new PRM methodology, which also applied a correction for “coincident peak.” Load Serving Entity’s with a system peak not coincident with MISO’s peak receive a coincident factor credit.

Thus the former PRM factor was replaced with two separate factors. The table below demonstrates the overall impact of this methodology change.

Planning Year	Coincident Factor (% of NSP System Peak at time of MISO Peak)	MISO Planning Reserve Margin
PY 2010	NA	3.8%
PY 2011	NA	8.8%
PY 2012	NA	8.8%
PY 2013	95%	6.2%
PY 2014	95%	7.3%
PY 2015	95%	7.1%
PY 2016	95%	7.1%



Establishing a PRM is an annual process. Typically the next year’s value is published on November 1. In August 2014, MISO provided a forecast for future PRM trending. The data indicated the PRM is stable, and would continue to decrease by a few percentage points over the next 10 years.

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Preparer: Mary Morrison  
Title: Resource Planning Analyst  
Department: Resource Planning and Bidding  
Telephone: 612.330.5862  
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