Hybrid Resources Background

- FERC Order 845 allows Interconnection Customers to request interconnection service that is lower than generating facility capacity.

- Existing market rules and models facilitate participation of Hybrid Resources, including:
  - Generating Resources, Dispatchable Intermittent Resources, Stored Energy Resources

- Hybrid working definition:
  - A Generation Facility that has multiple energy production devices that have more than one Fuel Source and participates in MISO Markets as a single asset with Interconnection Service that may be less than the total Generating Facility Capacity.

- FERC Order 841 Electric Storage Resource (ESR) Participation Model will be implemented in June 2022.

- New Hybrid Participation Model is in early phases of development.
Hybrid Resource with Storage Registration Options

Co-located Resources

Separate Resources and Offers

SER Type II, ESR (future) [intends to charge from grid]

The resource wants to participate as a single storage type resource

Order 841 contemplates the possibility of a resource charging from sources other than the RTO grid

Single Integrated Resource

Dispatchable Intermittent Resource (DIR)

The resource wants to participate as a (better) wind or solar resource

GIA requires (new) wind and solar resource to have ability to respond to dispatch

Generating Resource

Resource is dispatchable

Not dependent on fuel forecast
Valuing Storage capabilities in Wholesale Markets

- Improved Ramp capability
  - RTO Market Models typically allow limited Ramp Rate offer options and transition points, leading to conservative representation of physical capabilities. Storage can allow improved ramp capability and modeling, resulting in better performance and higher revenues

- Regulation Maximum Limit vs Energy Maximum Limit
  - Storage can eliminate limitations on Resource Min/Max offer to capture more revenue

- Provide Operating reserves when conventional generation is unavailable
  - Offer regulation, spinning or supplemental reserves, receiving additional revenue

- Increased Capacity Credit for combined resource
Capacity Accreditation for Hybrid Resources

- For Surplus Interconnection, MISO has proposed applying existing accreditation rules for each resource behind the interconnection
  - If total accreditation calculation for both resources utilizing Surplus Interconnection exceeds the Interconnection Service can be split between resources to determine capacity credits
- For Hybrid Resources, MISO is considering accrediting underlying resources separately to assign capacity credits while we develop longer term accreditation based on construct changes and resource performance data
Contact

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Work related to hybrid resources is underway in the following MISO stakeholder forums:

<table>
<thead>
<tr>
<th>Stakeholder Forum</th>
<th>Topic</th>
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<tbody>
<tr>
<td>Resource Adequacy Subcommittee (RASC)</td>
<td>Work on hybrid resource accreditation will begin in the September RASC.</td>
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<tr>
<td>Market Subcommittee (MSC)</td>
<td>MISO will present hybrid registration options under the existing Tariff in the September MSC.</td>
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<tr>
<td>Renewable Integration Impact Assessment (RIIA) Workshop Series</td>
<td>In Phase 2s and 3, the RIIA team is exploring the impacts of battery storage, higher levels of solar, and the introduction of hybrid resources. The next RIIA workshop is tentatively scheduled for end of September.</td>
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<tr>
<td>MTEP21 Workshop Series</td>
<td>A new resource profile designed for utility-scale PV + storage was introduced in the MTEP21 cycle (<a href="#">Futures Whitepaper</a>). Discussions on resource additions and siting are underway in the MTEP workshop series.</td>
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<tr>
<td>Interconnection Process Working Group (IPWG)</td>
<td>MISO is presenting final language on a Tariff revision to clarify the use of existing studies for the Surplus process in the September IPWG.</td>
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