UNITED STATES OF AMERICA
BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY

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Federal Power Act Section 202(c) Emergency Order: Craig Unit 1	))	Order No. 202-26-31
	)	

The State Of Colorado's Request for Rehearing,
Motion To Intervene, And Stay Request

Exhibit L: NERC, *2025-2026 Winter Reliability Assessment* (Nov. 2025)

NERC
NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

2025–2026 Winter Reliability Assessment

November 2025

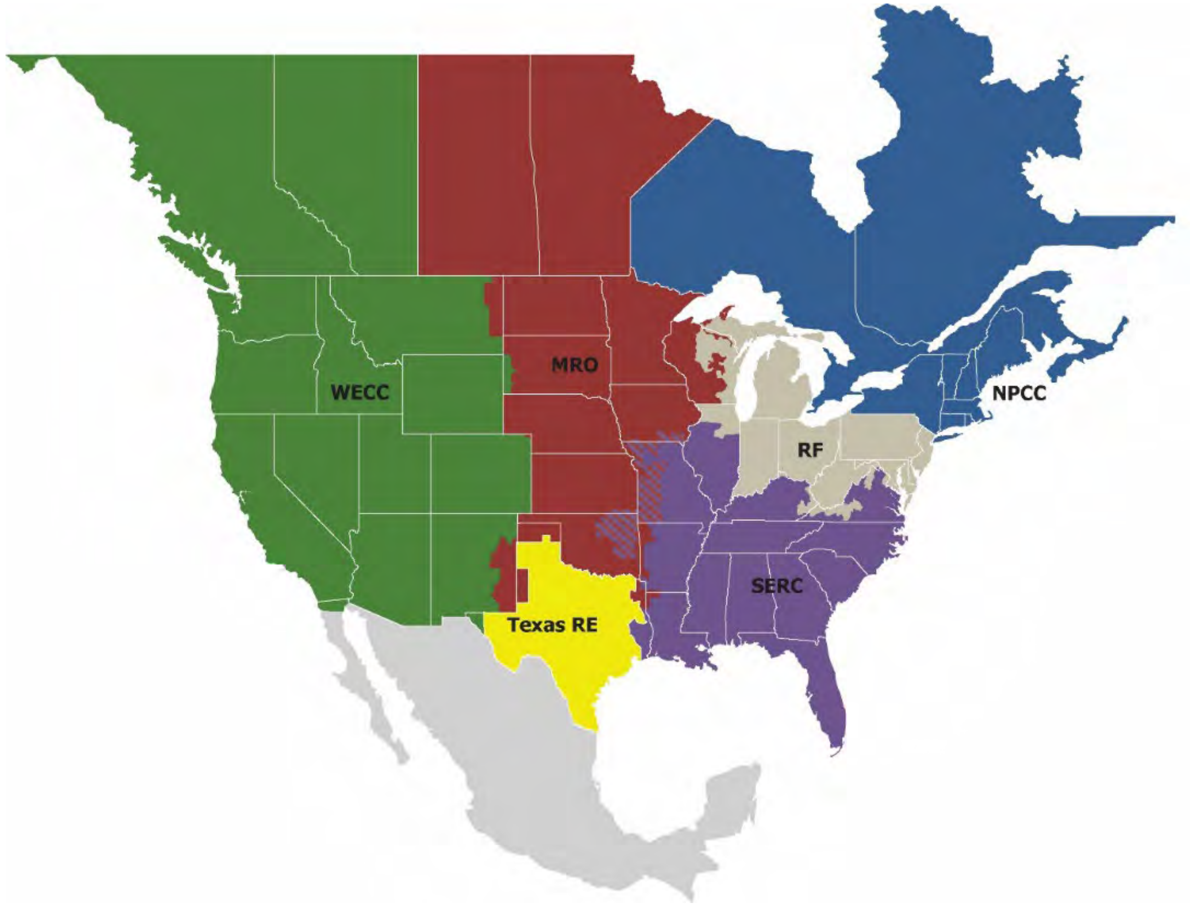
Table of Contents

Preface

Electricity is a key component of the fabric of modern society, and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric. The vision for the ERO Enterprise, which is comprised of NERC and the six Regional Entities, is a highly reliable, resilient, and secure North American bulk power system (BPS). Our mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid.

Reliability | Resilience | Security
Because nearly 400 million citizens in North America are counting on us

The North American BPS is made up of six Regional Entities as shown in the map and corresponding table below. The multicolored area denotes overlap as some load-serving entities participate in one Regional Entity while associated Transmission Owners/Operators participate in another.



MRO	Midwest Reliability Organization
NPCC	Northeast Power Coordinating Council
RF	ReliabilityFirst
SERC	SERC Reliability Corporation
Texas RE	Texas Reliability Entity
WECC	Western Electricity Coordinating Council

About this Assessment

NERC's *2025–2026 Winter Reliability Assessment* (WRA) identifies, assesses, and reports on areas of concern regarding the reliability of the North American BPS for the upcoming winter season. In addition, the WRA presents peak electricity demand and supply changes and highlights any unique regional challenges or expected conditions that might affect the reliability of the BPS.

The reliability assessment process is a coordinated evaluation between the Reliability Assessment Subcommittee, the Regional Entities, and NERC staff with demand and resource projections obtained from the assessment areas.

This report reflects an independent assessment by the ERO Enterprise (i.e., NERC and the six Regional Entities) and is intended to inform industry leaders, planners, operators, and regulatory bodies so that they are better prepared to ensure BPS reliability. This report also provides an opportunity for industry to discuss plans and preparations to ensure reliability for the upcoming winter period.

Key Findings

This WRA covers the upcoming three-month (December–February) winter period, providing an evaluation of the generation resource and transmission system adequacy necessary to meet projected winter peak demands and operating reserves. This assessment identifies potential reliability issues of interest and regional risks. The following findings are the ERO Enterprise's independent evaluation of electricity generation and transmission capacity as well as the potential operational concerns that may need to be addressed for the upcoming winter.

Two trends affecting resource adequacy across the BPS for the upcoming winter are rising electricity demand forecasts and a continued shift in the resource mix characterized by the retirement of thermal generators and growth in battery resources. After years of flat or low (~1%) peak demand growth, the aggregate peak demand for all NERC assessment areas has risen by 20 GW (2.5%) since the previous winter. Nearly all assessment areas are reporting year-on-year demand growth; some are forecasting increases near 10%. Total BPS resources have also increased since last winter, but by a smaller amount of 9.4 GW. This number includes the net change in generating capacity as well as additional demand response. These demand and resource changes are described in **Escalating Winter Demand** and **Resource Trends** sections.

The following findings are derived from NERC and the ERO Enterprise's independent evaluation of electricity generation and transmission capacity as well as potential operating concerns that should receive attention for Winter 2025–2026:

1. **All areas are assessed as having adequate resources for normal winter peak-load conditions (i.e., the area's 50-50 peak forecast). However, more extreme winter conditions extending over a wide area could result in electricity supply shortfalls.** Prolonged, wide-area cold snaps can drive sharp increases in electricity demand and threaten reliable BPS generation and the availability of fuel supplies for natural-gas-fired generation. Four severe arctic storms have descended to cover much of North America since 2021, causing regional demand for electricity and heating fuel to soar and exposing generation and fuel infrastructure in temperate areas to freezing conditions.[1] The following areas face risks of electricity supply shortfalls during periods of more extreme conditions this winter (see **Figure 1**):
    - **NPCC-Maritimes**: The peak demand forecast has fallen slightly (-1.6%) in the NPCC-Maritimes assessment area, contributing to higher reserves compared to the 2024–2025 winter. Maritimes is projected to have an Anticipated Reserve Margin (ARM) of 16.9%, which is 270 MW below the area's Reference Margin Level of 20% . New Brunswick has long-term energy contracts that can be used to mitigate resource adequacy challenges through the purchase of energy on a day-ahead basis. NPCC's all-hours probabilistic assessment for the NPCC Region included the simulation of both a base case (i.e., normal 50/50 demand) and highest peak load scenario (having an approximate 7% chance of occurring), for both an expected and a low-likelihood, reduced-resource condition. The preliminary results of this assessment indicate that operators in Maritimes are likely to require emergency operating mitigations and/or energy emergency alerts (EEA) during above-normal demand or low-resource output conditions.
    - **NPCC-New England**: A lower peak demand forecast and additional resources from demand response and firm imports offset recent generator retirements, resulting in little change to the NPCC-New England ARM for this winter. New England continues to closely monitor regional energy adequacy, particularly during extended cold snaps where constrained natural gas pipelines contribute to rapid depletion of stored fuel supplies. ISO-NE's deterministic winter scenario analysis shows limited exposure to energy shortfalls this winter. In New England, winter energy concerns are highest in scenarios when stored fuels are rapidly depleted; during these periods, timely replenishment is critical to minimizing the potential for energy shortfalls.
    - **SERC-East**: The winter peak demand forecast has increased by 700 MW (1.6%) since last winter, while winter firm capacity has declined, resulting in lower reserves. SERC-East has changed from a summer-peaking area to potentially peaking during both summer and winter. This is due to the continued addition of solar photovoltaic (PV) generation that shaves off summer peak demand and a trend toward electrification of heating that drives up winter peak demand. All-hours probabilistic analysis from SERC found some load-loss hours (<0.1 hrs) and small amounts of expected unserved energy, with the highest risk occurring during above-normal peak demand and early morning hours when solar output is absent.
    - **SERC-Central:** Additional demand response and flat load growth since last winter is offsetting declining resource capacity (down 1,120 MW), resulting in little change to the ARM at 30.5%. There are adequate resources for normal winter peak demand; however, higher levels of demand that can occur during extreme cold temperatures can result in insufficient reserves that operators would need to manage with non-firm imports and potential energy emergencies.
    - **Texas RE-ERCOT:** Strong load growth from new data centers and other large industrial end users is driving higher winter electricity demand forecasts and contributing to continued risk of supply shortfalls. For the upcoming winter season, Texas RE-ERCOT is expected to continue facing reserve shortage risks during the peak load hour and high-

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[1] See detailed reports on the January 2024 and January 2025 Arctic Storms, Winter Storm Elliott, and Winter Storm Uri.

net-load hours, particularly under extreme load conditions that accompany freezing temperatures. Elevated forced outage of thermal resources and reduced output from intermittent resources during these conditions exacerbates the risk of supply shortfalls. In winter, peak demands typically occur before sunrise and after sunset coinciding with the unavailability of solar generation making the system dependent on wind generation and dispatchable resources. Data centers are altering the daily load shape due to their round-the-clock operating pattern, lengthening peak demand periods. Additional battery storage and demand-response resources since last winter help mitigate shortfall risks. However, with the continued flattening of the load curve, maintaining sufficient battery state of charge will become increasingly challenging for extended periods of high loads, such as a severe multi-day storm like Winter Storm Uri.

- **WECC-Basin**: There is sufficient capacity in the area for expected peak conditions; however, Balancing Authorities (BA) are likely to require external assistance during extreme winter weather that causes thermal plant outages, adverse wind turbine conditions, and natural gas fuel supply issues for area internal resources. External assistance may not be available during region-wide extreme winter conditions. With an expected winter peak demand of 11.1 GW, under an extreme combination of generator derates and outages, the region could be short 1.6 GW before imports. Forecasted net internal demand has increased 1% since last year, with little change in winter capacity. Note that the WECC-Basin assessment area includes Utah, southern Idaho, and a portion of western Wyoming. In prior WRA reports, this part of the BPS was included as part of the WECC-NW assessment area. The *2025–2026 WRA* includes a new assessment area map for the Western Interconnection. The new assessment area boundaries provide reliability risk information in more geographic detail for the United States and Mexico.
- **WECC-NW**: Like WECC-Basin, there is sufficient capacity in the area for expected peak conditions; however, BAs are likely to require external assistance during extreme winter weather that causes thermal plant outages and adverse wind turbine conditions for area internal resources. External assistance may not be available during region-wide extreme winter conditions. Winter peak demand for the area is forecast to be 2.9 GW higher (9.3%) compared to last year. Over 3 GW of new resources have been in development for the assessment area this year, primarily battery storage, solar PV, and wind resources. Delays that threaten timely completion of these resource additions will make the area more reliant on imports to meet peak demand.

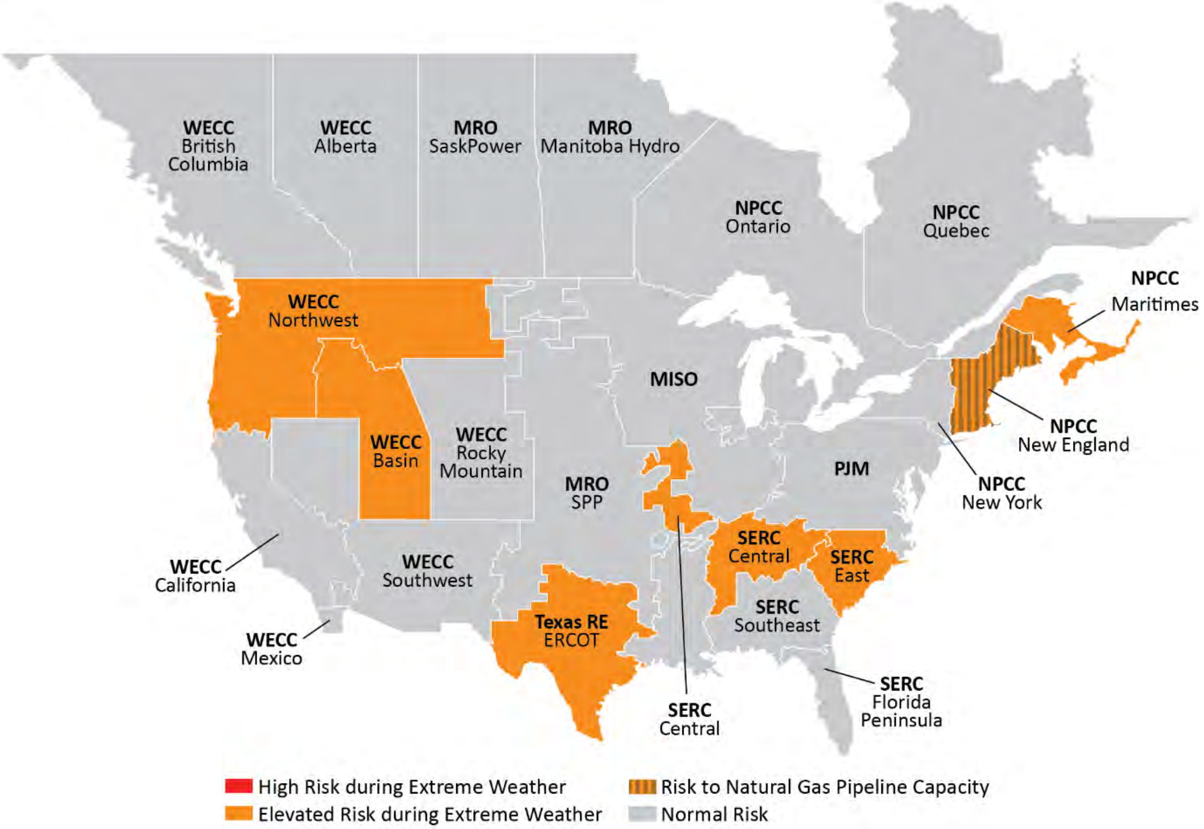

Figure 1: Winter Reliability Risk Area Summary

2. **The performance of natural gas production and supply infrastructure during peak winter conditions will again have a significant effect on BPS reliability.** Natural gas is an essential fuel for electricity generation in winter. Winter fuel supplies for thermal generators must be readily available during the periods of high electricity and natural gas demand that accompany extreme cold weather. Yet these periods are the most challenging for natural-gas-fired Generator Operators to obtain sufficient fuel and delivery. Natural gas production often falls off in extreme winter temperatures as supply infrastructure is affected by freezing issues, and Generator Operators that fail to secure firm fuel delivery are frequently unable to access fully subscribed pipelines. Evidence from the past two winters indicates notable improvement in the delivery of natural gas to BPS generators since winter storms Elliott and Uri with overall less natural gas production decline during cold weather and fewer natural gas infrastructure

force majeures.[2] Still, natural gas infrastructure freeze protection mitigations are voluntary for the natural gas industry in most of North America, resulting in uneven application of protections and continued supply risks during extreme conditions. Furthermore, timing misalignments between the natural gas and electric markets continue to challenge generator fuel procurement in advance of severe winter conditions that occur over winter holiday weekends. As winter approaches, NERC encourages all entities across the gas-electric value chain—from production to the burner tip—to take all necessary preparations for extreme cold and keep natural gas flowing and the lights on.

3. **Cold weather Reliability Standards first introduced in 2023 have been improved prior to the upcoming winter and address recommendations from winter storms Elliott and Uri.** In September 2025, the Federal Energy Regulatory Commission (FERC) approved EOP-012-3 with an effective date of October 1, 2025, concluding the development of Reliability Standards for generator cold weather preparedness.[3] The EOP-012 Reliability Standard contains requirements for generator freeze protection measures, cold weather preparedness plans, and operator training. Among the improvements in the new version are enhanced and expanded requirements to ensure that Generator Owners (GO) are implementing corrective actions to address known issues affecting their ability to operate in cold weather in a timely manner. NERC collects data on the winterization of generating units, which, in conjunction with NERC's monitoring of BPS performance and analysis of cold weather events, helps determine the effectiveness of Reliability Standards. NERC submitted to FERC its first annual *Cold Weather Data and Analysis* informational filing in October 2025.[4] Based on the data reported this year, 96% of the total net winter capacity reported extreme cold weather temperatures (ECWT) at or below 32 degrees Fahrenheit, triggering winter preparedness measures under the Cold Weather Preparedness Standard, and 99% of total net winter capacity in the continental US reporting the ability to operate at the calculated ECWT. As the first such report, this *Cold Weather Data and Analysis* filing provides a benchmark for future analysis.

Recommendations

To reduce the risks of energy shortfalls on the BPS this winter, NERC recommends the following:

- Reliability Coordinators (RC), BAs, and Transmission Operators (TOP) in the elevated risk areas identified in the key findings should review seasonal operating plans and the protocols for communicating and resolving potential supply shortfalls in anticipation of potentially high generator outages and extreme demand levels. Operators should review NERC's Resources on Cold Weather Preparations.
- GOs should complete winter readiness plans and checklists prior to December, deploy weatherization packages well in advance of approaching winter storms, and frequently check and maintain cold weather mitigations while conditions persist.
- BAs should be cognizant of the potential for short-term load forecasts to underestimate load in extreme cold weather events and be prepared to take early action to implement protocols and procedures for managing potential reserve deficiencies. Proactive issuance of winter advisories and other steps directed at generator availability contributed to improved reliability during cold weather events of the past two winters.
- RCs and BAs should implement generator fuel surveys to monitor the adequacy of fuel supplies. They should prepare their operating plans to manage potential supply shortfalls and take proactive steps for generator readiness, fuel availability, load curtailment, and sustained operations in extreme conditions.
- Generator Owners/Operators of natural-gas-fired units should maintain awareness of potential extreme cold weather developing over holiday weekends and the implications for fuel planning and procurement that may result given the natural gas purchase close dates that precede long holiday weekends.
- State and provincial regulators can assist grid owners and operators in advance of and during extreme cold weather by maintaining awareness of BA, natural gas pipeline, and gas local distribution company (LDC) operational public announcements and notices, amplifying public appeals for electricity and natural gas conservation, and supporting requested environmental and transportation waivers.

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[2] See *January 2025 Arctic Events | A System Performance Review*, April 2025

[3] See NERC's Statement on FERC September Open Meeting for summary and link to FERC's order.

[4] See 2025 Cold Weather Data Collection and Analysis Informational Filing

Risk Highlights

Escalating Winter Demand

Winter electricity demand is rising at the fastest rate in recent years, particularly in areas where data center development is occurring. After several years of low (~1%) growth, total internal demand for the BPS is forecast to increase by 20.2 GW (2.5%) over last winter's forecast. The changes in forecasted net internal demand for each assessment area are shown in **Figure 2** below.[5] Assessment areas develop these forecasts based on historical load and weather information as well as future projections. Most assessment areas are projecting an increase in peak demand. SaskPower, PJM, the U.S. Southeast, and parts of the U.S. West have the largest increase in peak demand forecasts.

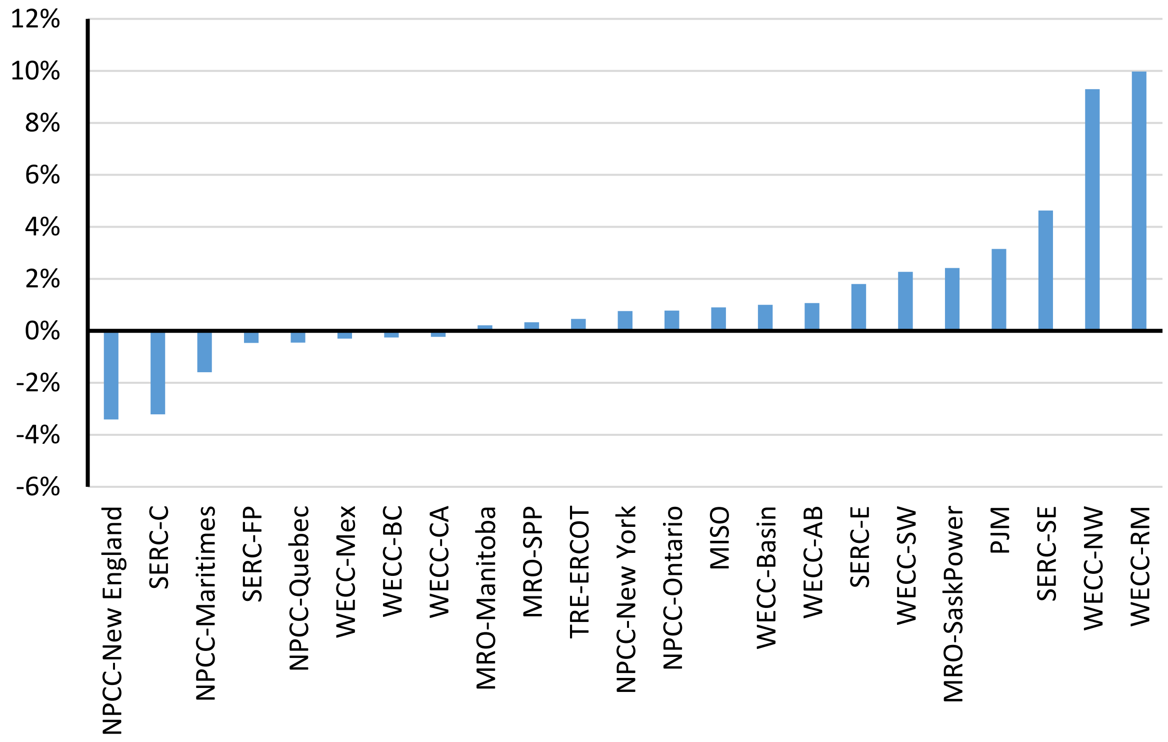

Figure 2: Change in Net Internal Demand—Winter 2025–2026 Forecast Compared to Winter 2024–2025 Forecast

Resource Trends

BPS resources are growing, but at a slower rate than demand is rising. Battery and solar facilities were the leading resource types added to the BPS since last winter. Solar resources, however, often do not supply output during hours of peak winter demand. Growth in demand response is also contributing to BPS resources for the upcoming winter. **Table 1** shows the total change in BPS resources since last winter. For battery, solar, and wind resources, the table includes change in both nameplate (installed) capacity as well as the change in on-peak demand capacity, which is the capacity that resources are expected to provide in their area during the time of peak demand. For assessment-area specific information see **Variable Energy Resource Contributions** section.

Table 1: BPS Resource Change from Winter 2024–2025 to Winter 2025–2026

Resource	Net Change Nameplate Capacity (MW)	Net Change Peak Demand Capacity (MW)
Total Generator Capacity		1,335
Battery	19,659	11,121
Solar	11,097	1,176
Wind	-562	-14,238
Thermal and Hydro		3,276
Demand Response		8,112
Total Resources		9,447

Total BPS resources for serving winter peak demand, including generating capacity and demand response, have increased since last winter by 9,447 MW. Sizeable additions in battery resources and some new natural gas-fired generators contribute to the increase in resource capacity. However, the increase is offset by lower on-peak capacity values for wind resources, which are the result of revised valuations of wind resource capability at peak demand hours in some areas.[6] As a result, BPS generator capacity for winter peak demand makes up only a small portion of the total BPS increase. Generation accounts for 1,335 MW of the total 9,445 MW increase, while the larger share comes from demand response programs. Area specific information on demand response is provided in the **Demand and Resource Tables**.

The recent trend in resource additions is contributing to higher risk of electricity supply shortfalls in winter. BA operators are likely to face higher winter demand without a comparable increase in supply resources. Furthermore, the types of resources that are growing the most-- battery resources and

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[5] See **Data Concepts and Assumptions** section for demand definitions.

[6] Since last winter, ERCOT and MISO have implemented new methods for determining capacity contributions that result in lower wind and solar resources contributions at peak demand. See ERCOT's Resource Adequacy page and MISO's *Planning Year 2025-2026 Wind and Solar Capacity Credit Report*.

demand response—have unique characteristics that operators will need to account for and could limit the use of these resources in extreme winter conditions. Battery energy is reliable when it can be dispatched and has sufficient charge for the period it is needed, yet little time to recharge can be expected during extreme winter weather. System operators will need good visibility on battery state of charge and should anticipate that some extreme winter events will cause these resources to become depleted when needed. Demand response is limited by contract terms, which typically specify how often and for how long the resource may be used. Other resource types are also challenged in winter (see **Thermal Generator Fuel Adequacy and Security**). As BAs grapple with higher demand in most parts of the BPS, they will do so with resources that are becoming increasingly complex to dispatch especially in winter.

Thermal Generator Fuel Adequacy and Security

The performance of the thermal generator fleet remains critical to winter BPS operations. Winter fuel supplies for thermal generators must be readily available during periods of high demand and extreme cold weather. Generally, fuel adequacy for the thermal generating fleet is bolstered through strategic infrastructure investments and fuel stockpiling that increases the certainty of having fuel on hand that can be converted to electricity when needed. Because of this, winter performance of thermal generators is inextricably linked to extraction, processing, storage, and delivery infrastructure for a variety of fuels. Fuel supply risks have been noted in recent years' WRAs related to coal and natural gas availability and illustrate the interconnected nature of these critical energy infrastructure systems.

BPS stakeholders across North America note multiple fuel-related issues that are being monitored entering the winter season. For example, while coal represents a waning share of the overall resource mix, it continues to play an important role in meeting demand during extreme winter weather events, and oil inventories at dual-fuel gas-oil generators lessen risks related to natural gas deliverability in infrastructure-constrained regions, especially during the winter. Notably, it is infeasible or prohibitively costly to stockpile natural gas locally at power plants, and this exposes the BPS to the risk profile of the constituent systems that comprise the supply and delivery of this just-in-time fuel.

Natural Gas Generator Fuel Supplies

Natural gas generators remain a crucial part of on-peak resources meant to meet winter electricity demand across much of North America. While many Generator Owners and Operators secure backup fuel supplies at critical gas-fired generators, particularly in the northeastern United States and Florida, large contributions to the on-peak winter resource mix by single-fuel natural-gas-fired generators remain across North America (see **Figure 3**).

Natural gas generator performance can be threatened when natural gas supplies are insufficient or when natural gas infrastructure is unable to maintain the flow of fuel to critical generators. Grid operators continue to acknowledge and enhance their winter planning processes to firm up their fuel supplies and guard against natural gas disruptions, but winter storms Uri and Elliott demonstrated that combinations of natural gas flow restrictions and supply insufficiency can occur regardless of whether cold temperatures are common or uncommon in the region and can affect more than one BA area concurrently.

Many BPS areas that regularly experience cold weather events, like New England, have adopted mitigating technologies to lessen the impact of natural gas shortages through generator dual-fuel capability and stored backup fuel. In those areas, prolonged cold weather events present a risk of rapid depletion of stored backup fuel. Robust regional and distributed storage investments and winter planning for timely fuel replenishment are critical to minimizing potential energy shortfalls in the operational time frame in these areas.

Natural gas and electricity infrastructures have the added complexity of interdependence. Electricity is used to power some facilities, such as compressor stations and processing plants that make up natural gas infrastructure. These interdependencies mean that reliability events that originate on one system have the potential to affect the other and worsen the overall event magnitude or duration.

Natural gas infrastructure freeze protection mitigations are voluntary for the natural gas industry in most of North America. Texas is an exception, where the Railroad Commission of Texas adopted rules to require critical natural gas facilities to implement weather-related emergency preparation measures.[7] Lack of consistent standards for natural gas infrastructure protections will result in uneven application of freeze protections and continued supply risks during extreme conditions in many areas.

These considerations have driven higher levels of coordination to ensure sustained reliable operation of the natural gas and electricity systems. While a FERC and ERO staff review of system performance during the January 2025 arctic events[8] details improvements in electric and natural gas coordination since winter storms Uri and Elliott, the review also identifies continuing gaps between the electricity and natural gas industries that remain entering the 2025–2026 Winter season. These include natural gas scheduling challenges during winter holiday weekends, market time frame and process incompatibility, and electric power entities' lack of visibility into operational impact data from natural gas producers and suppliers.

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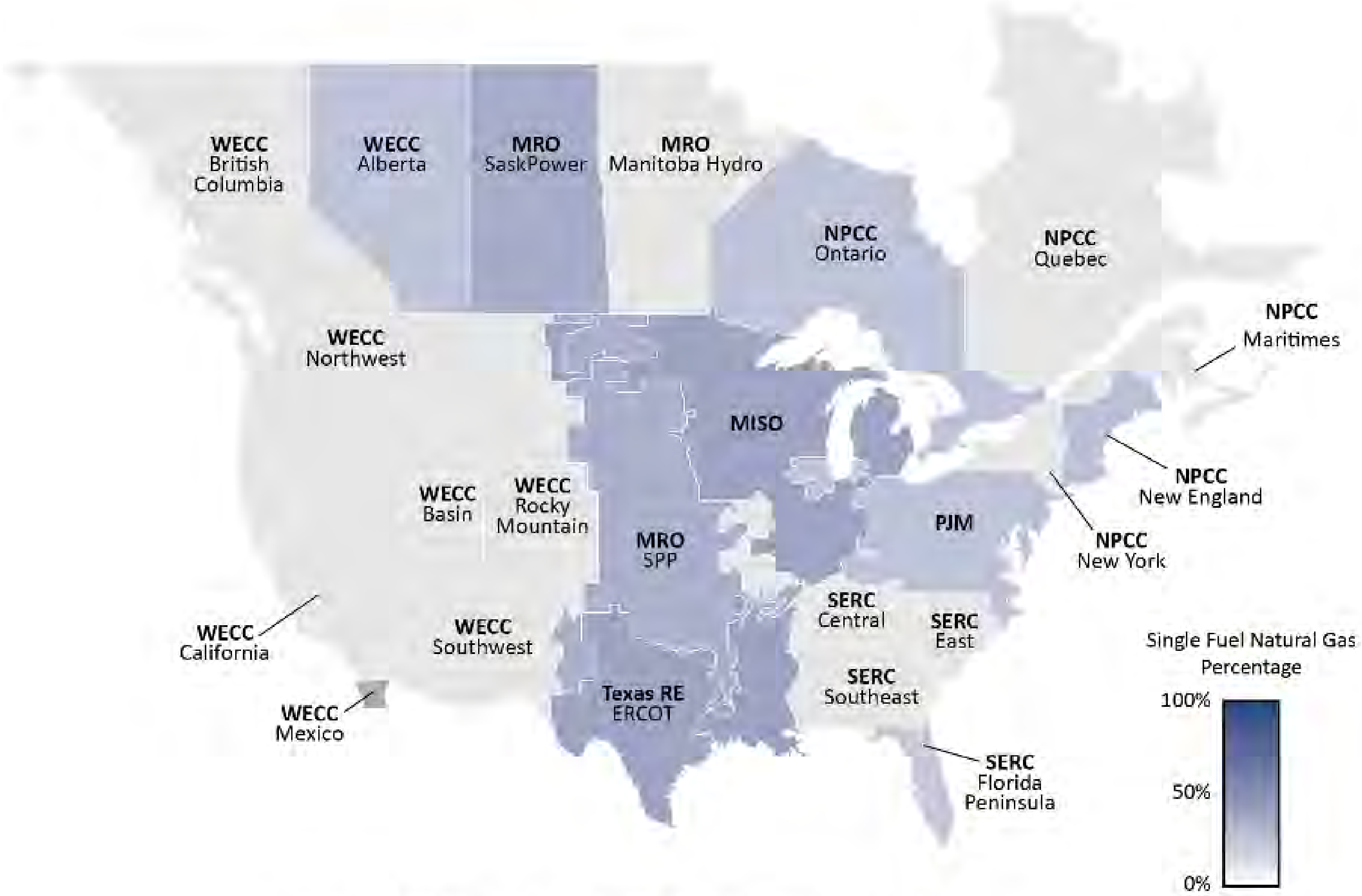
[7] See Railroad Commission of Texas weatherization rule.

[8] FERC, NERC Issue Report on System Performance During the January 2025 Arctic Weather | Federal Energy Regulatory Commission

The U.S. Energy Information Administration (EIA)[9] anticipates a slightly milder winter than last year across much of the United States, especially in the Northeast, leading to a projection that households will consume approximately 2% less natural gas than last winter. Working natural gas storage inventories are about 5% above the previous five-year average in the United States heading into the winter season. The EIA attributes this relative surplus in part to robust production this summer and lower-than-expected natural gas consumption by power generators.



Note: Areas with less than 20% natural gas are shown in light gray.

Single-Fuel Natural-Gas-Fired Generation

	Winter Capacity (GW)	Contribution to Total Winter Resource Mix
MISO	63.9	38%
TRE-ERCOT	53.0	38%
WECC-MX	2.2	34%
MRO-SaskPower	2.5	34%
SPP	33.4	32%
NPCC-New England	12.1	24%
PJM	60.9	23%
WECC-AB	13.9	23%
NPCC-Ontario	8.0	23%
SERC-FP	45.6	21%
WECC-CA	35.9	18%
WECC-SW	21.5	17%
WECC-Basin	4.9	16%
WECC-RM	6.2	14%
SERC-C	17.0	13%
SERC-SE	21.5	13%
WECC-NW	8.7	12%
SERC-E	11.3	9%
NPCC-New York	5.0	8%
NPCC-Maritimes	0.5	7%
MRO-Manitoba	0.3	4%
WECC-BC	0.1	1%
NPCC-Quebec	0.0	0%

Figure 3: Single-Fuel Natural-Gas-Fired Generation Capacity Contribution to the 2025–2026 Winter Generation Mix

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[9] See the U.S. Energy Information Administration's Winter Fuels Outlook 2025–26

Risk Assessment Discussion

NERC assesses the risk of electricity supply shortfall in each assessment area for the upcoming season by considering Planning Reserve Margins, seasonal risk scenarios, probability-based risk assessments, and other available risk information. NERC provides an independent assessment of the potential for each assessment area to have sufficient operating reserves under normal conditions as well as above-normal demand and low-resource output conditions selected for the assessment. A summary of the assessment approach is provided in Table 2.

Table 2: Seasonal Risk Assessment Summary

Category	Criteria[1]
High Potential for insufficient operating reserves in normal peak conditions	- Planning Reserve Margins do not meet Reference Margin Levels (RML); or - Probabilistic indices exceed benchmarks, e.g., loss of load hours (LOLH) of 2.4 hours over the season; or - Analysis of the risk hour(s) indicates resources will not be sufficient to meet operating reserves under **normal peak-day demand and outage scenarios**[2]
Elevated Potential for insufficient operating reserves in above-normal conditions	- Probabilistic indices are low but not negligible (e.g., LOLH above 0.1 hours over the season); or - Analysis of the risk hour(s) indicates resources will not be sufficient to meet operating reserves under **extreme peak-day demand with normal resource scenarios** (i.e., typical or expected outage and derate scenarios for conditions);[2] or - Analysis of the risk hour(s) indicates resources will not be sufficient to meet operating reserves under **normal peak-day demand with reduced resources** (i.e., extreme outage and derate scenarios)[3]
Normal Sufficient operating reserves expected	- Probabilistic indices are negligible - Analysis of the risk hour(s) indicates resources will be sufficient to meet operating reserves under normal and extreme peak-day demand and outage scenarios[4]

Table Notes:

[1] The table provides general criteria. Other factors may influence a higher or lower risk assessment.

[2] **Normal resource scenarios** include planned and typical forced outages as well as outages and derates that are closely correlated to the extreme peak demand.

[3] **Reduced resource scenarios** include planned and typical forced outages and low-likelihood resource scenarios, such as extreme low-wind scenarios, low-hydro scenarios during drought years, or high thermal outages when such a scenario is warranted.

[4] Even in normal risk assessment areas, extreme demand and extreme outage scenarios that are not closely linked may indicate risk of operating reserve shortfall.

Assessment of Planning Reserve Margins and Operational Risk Analysis

Anticipated Reserve Margins (ARM), which provide the Planning Reserve Margins for normal peak conditions, as well as reserve margins with typical forced outage levels and for the most extreme seasonal risk scenarios are provided in Table 3.

Table 3: Seasonal Risk Scenario On-Peak Reserve Margins

Assessment Area	Anticipated Reserve Margin	Reserve Margin with Typical Outages	Reserve Margin with Higher Demand, Outages, Derates in Extreme Conditions
MISO	49.5%	22.3%	3.7%
MRO-Manitoba	13.7%	11.4%	6.1%
MRO-SaskPower	35.1%	29.0%	16.1%
MRO-SPP	56.5%	29.4%	16.9%
NPCC-Maritimes	16.9%	12.5%	-4.7%
NPCC-New England	58.9%	45.4%	8.7%
NPCC-New York	78.2%	52.4%	16.2%
NPCC-Ontario	28.6%	21.8%	13.2%
NPCC-Québec	15.2%	15.1%	5.0%
PJM	35.6%	24.8%	15.6%
SERC-C	30.5%	22.4%	-0.9%
SERC-E	21.9%	17.5%	3.0%
SERC-FP	41.7%	28.3%	25.6%
SERC-SE	39.7%	24.7%	17.7%
TRE-ERCOT	36.0%	25.2%	-20.0%
WECC-AB	35.2%	32.4%	10.0%
WECC-Basin	29.6%	19.7%	-21.1%
WECC-BC	25.9%	25.8%	15.4%
WECC-CA	82.3%	73.7%	57.9%
WECC-Mex	83.1%	79.4%	52.9%
WECC-NW	30.9%	29.5%	-8.5%
WECC-RM	61.7%	53.2%	10.0%
WECC-SW	104.4%	90.1%	50.1%

Seasonal risk scenarios for each assessment area are presented in the **Regional Assessments Dashboards** section. The on-peak reserve margin and seasonal risk scenario charts in each dashboard provide potential winter peak demand and resource condition information. The reserve margins on the right side of the dashboard pages provide a comparison to the previous year's assessment. The seasonal risk scenario charts present deterministic scenarios for further analysis of different demand and resource levels with adjustments for normal and extreme conditions. The assessment areas determined the adjustments to capacity and peak demand based on methods or assumptions that are summarized in the seasonal risk scenario charts; more information about these dashboard charts is provided in the **Data Concepts and Assumptions** section.

The seasonal risk scenario charts can be expressed in terms of reserve margins: In **Table 3**, each assessment area's ARMs are shown alongside the reserve margins for a typical generation outage scenario (where applicable) and the extreme demand and resource conditions in their seasonal risk scenario.

Areas highlighted in orange in **Figure 1** above have been identified as having resource adequacy or energy risks for the winter and are included in the **Key Findings** section's discussion that follows. The typical outage reserve margin includes anticipated resources minus the capacity that is likely to be in maintenance or forced outage at peak demand. If the typical maintenance or forced-outage margin is the same as the ARM, it is because an assessment area has already factored typical outages into the anticipated resources. The extreme conditions margin includes all components of the scenario and represents the most severe operating conditions of an area's scenario. Note that any reserve margin below zero indicates that the resources fall below demand in the scenario.

In addition to the peak demand and seasonal risk hour scenario charts, the assessment areas provided a resource adequacy risk assessment that was probability-based for the winter season. Results are summarized in **Table 5**. The risk assessments account for the hour(s) of greatest risk of resource shortfall. For most areas, the hour(s) of risk coincides with the time of forecasted peak demand; however, some areas incur the greatest risk at other times based on the varying demand and resource profiles. Various risk metrics are provided and include loss of load expectation (LOLE), loss of load hours (LOLH), expected unserved energy (EUE), and the probabilities of energy emergency alert (EEA) declarations (see **Table 4** for a description of EEA levels).

Table 4: Energy Emergency Alert Levels

EEA Level	Description	Circumstances
EEA 1	All available generation resources in use	• The BA is experiencing conditions in which all available generation resources are committed to meet firm load, firm transactions, and reserve commitments and is concerned about sustaining its required operating reserves. • Non-firm wholesale energy sales (other than those that are recallable to meet reserve requirements) have been curtailed.
EEA 2	Load management procedures in effect	• The BA is no longer able to provide its expected energy requirements and is an energy-deficient BA. • An energy-deficient BA has implemented its operating plan(s) to mitigate emergencies. • An energy-deficient BA is still able to maintain minimum operating reserve requirements.
EEA 3	Firm load interruption is imminent or in progress	• The energy-deficient BA is unable to meet minimum operating reserve requirements.

Energy Emergency Alerts

The combination of above-normal generation outages, low resource output, and peak loads as occurred during the extreme cold weather events of Winter Storm Uri in 2021 and Winter Storm Elliott in 2022 are ongoing winter reliability risks. When supply resources in an area fall below expected demand and operating reserve requirements, BAs may need to employ EEAs to maintain balance between available capacity and energy and real-time demand. A description of each EEA level is provided above.

Table 5: Probability-Based Risk Assessment

Area	Type of Assessment	Results and Insight from Assessment
MISO	Deterministic	MISO does not provide a probabilistic assessment for the WRA. MISO applies a deterministic look at expected system conditions, looking at generation availability under typical and extreme outages and looking at a typical 50/50 load forecast and an extreme 90/10 load forecast. For the upcoming winter season, under an extreme outage and extreme 90/10 load forecast, this is the riskiest scenario for the MISO footprint. This scenario produces the shortest actual reserve margin for January.
MRO-Manitoba	Probabilistic study for the NERC Probabilistic Assessment (ProbA)	Probabilistic analysis for the 2024 ProbA summarized in NERC’s 2024 *Long-Term Reliability Assessment* (LTRA) found no load-loss or unserved energy hours for 2026.
MRO-SaskPower	Probability-based capacity adequacy assessment	SaskPower’s probabilistic assessment for the 2025–2026 Winter indicates that risk of shortfalls is lower than the previous winter. LOLH for an elevated risk scenario for the 2025–2026 Winter season is 0.08 hours. The month with the highest LOLH is December (0.05 hours).
MRO-SPP	NERC 2024 ProbA	Probabilistic analysis for the 2024 ProbA summarized in NERC’s 2024 LTRA found no load-loss or unserved energy hours for 2026.
NPCC	NPCC conducted an all-hour probabilistic reliability assessment that included detailed neighbor modeling and consisted of a base case and severe case examining low resources, reduced imports, and higher loads. The assessment evaluates the probabilistic indices of LOLE, LOLH, and EUE. The highest peak load scenario has an approximately 7% probability of occurring.	
NPCC-Maritimes	The Maritimes Area low-likelihood resource case assumed: wind derated by 50% for every hour in December through February and a 50% natural gas capacity curtailment for December through February (dual-fuel units assumed reverting to oil) and reduced transfer capabilities.	The preliminary assessment indicates that established operating procedures are not sufficient to maintain a balance between electricity supply and demand. Under highest peak load levels, the Maritimes Area shows a notable likelihood of utilizing its operating procedures such as reducing 30-minute reserves, initiating interruptible loads, and reducing 10-minute reserves to maintain system reliability during the upcoming winter period.
NPCC-New England	The New England Area low-likelihood resource case assumed: 500 MW of additional maintenance outages, ~4,513 MW of gas-fired generation unavailable due to fuel supply constraints, and 50% reduced import capabilities of external ties.	The preliminary results of this assessment indicate that operating procedures were not needed to maintain a balance between electricity supply and demand
NPCC-New York	The New York Area low-likelihood resource case assumed: ~500 MW of extended maintenance in southeastern New York, 600 MW of cable transmission reduction across HVdc facilities, and ~5,000 MW of generation unavailable due to fuel delivery issues.	The preliminary results of this assessment indicate that operating procedures were not needed to maintain a balance between electricity supply and demand. No cumulative LOLE, LOLH or EUE risks were indicated over the December–February winter period, for all the scenarios modeled.
NPCC-Ontario	An energy assessment for the Ontario Assessment Area was conducted for two scenarios: firm resources and firm demand with expected weather, and planned resources with planned demand with expected weather.	No cumulative LOLH or EUE risks were identified over the entire November-to-April winter season for both scenarios modeled.

Table 5: Probability-Based Risk Assessment

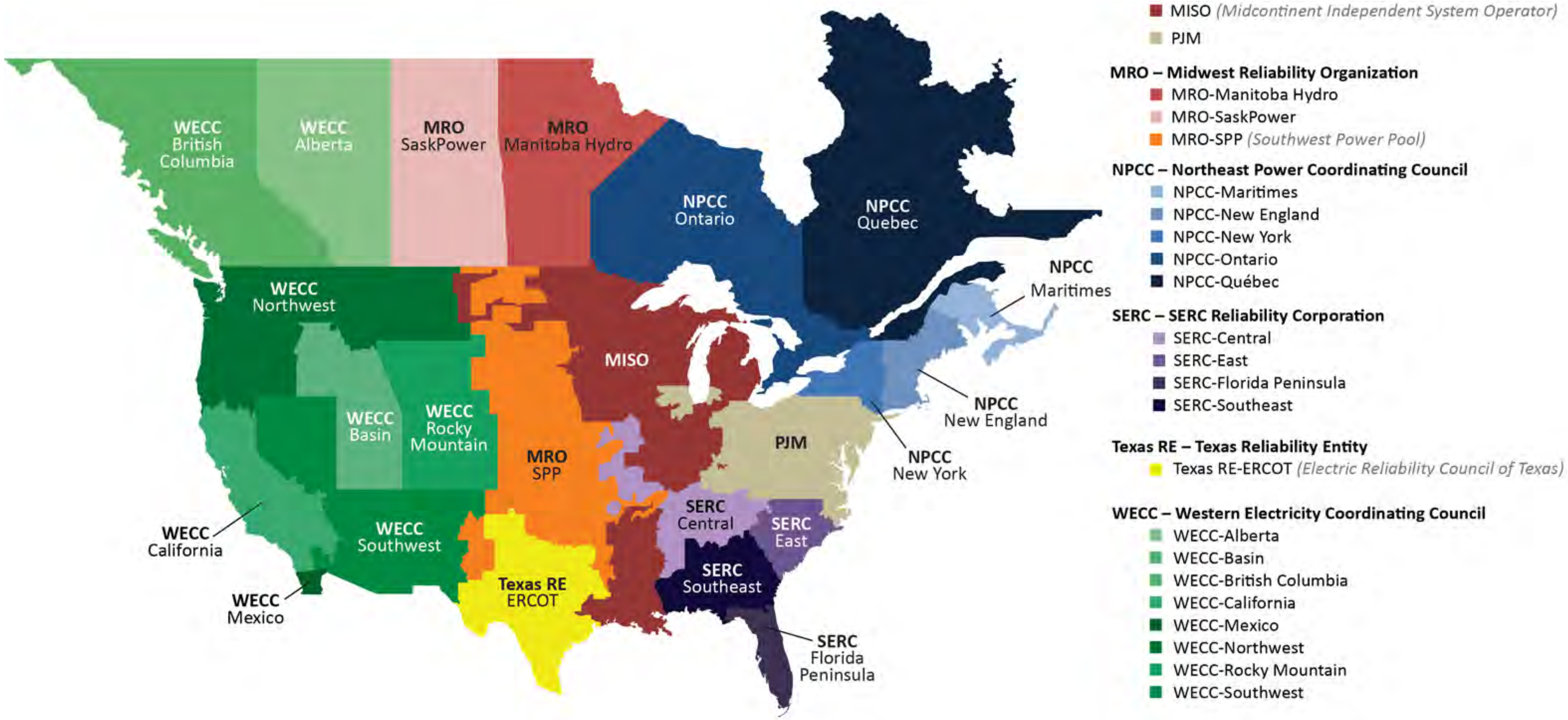
Area	Type of Assessment	Results and Insight from Assessment
NPCC-Québec	The Québec Area low-likelihood resource case assumed 1,000 MW of generation reductions.	The preliminary results of this assessment indicate that established operating procedures are sufficient to maintain a balance between electricity supply and demand if needed. No cumulative LOLE, LOLH or EUE risks were indicated over the December–February winter period for all the scenarios modeled
PJM	Probabilistic study for the NERC Probabilistic Assessment (ProbA)	Probabilistic study for 2025–2026 Winter is not provided for the WRA. PJM performed probabilistic analysis for 2026-2027 winter as part of the 2024 ProbA summarized in NERC's 2024 LTRA. The results of this study indicate risk of load loss (<0.1 hours) and unserved energy during winter months. For the upcoming winter, load-loss hours are expected to be less than this value because forecasted load is lower and anticipated resource capacity is higher than the case studied for the 2024 ProbA.
SERC	Based on the 2024 NERC Probabilistic Assessment (ProbA) base-case result. SERC's assessment used 38 years of historical load shapes to assess the resource adequacy of years 2026 and 2028, primarily based on data from the 2024 Long Term Reliability Assessment (LTRA).	
SERC-Central		Probabilistic analysis for the 2024 ProbA summarized in NERC's 2024 LTRA found no load-loss or unserved energy hours for 2026.
SERC-East		Probabilistic analysis for the 2024 ProbA summarized in NERC's 2024 LTRA found a small number of load-loss hours (<0.1) and EUE (61 MWh / 1 ppm) for 2026.
SERC-Florida Peninsula		Probabilistic analysis for the 2024 ProbA summarized in NERC's 2024 LTRA found negligible load-loss hours and EUE.
SERC-Southeast		Probabilistic analysis for the 2024 ProbA summarized in NERC's 2024 LTRA found no load-loss or unserved energy hours for 2026.
Texas RE-ERCOT	ERCOT Probabilistic Reserve Risk Model	ERCOT's probabilistic risk assessment indicates a 2% probability of having to declare EEAs during the January forecasted winter peak day (which coincides with the highest reserve shortage risk) and a controlled load shed probability of 1.8%. ERCOT defines low-risk hours as when the probability of an EEA is less than 10%.
WECC	The resource adequacy work performed at WECC used the Multi-Area Variable Resource Integration Convolution (MAVRIC) model for the 2025 LTRA. The MAVRIC model is a convolution-based probabilistic model and is WECC's chosen method for developing probability metrics used for assessing demand and variable resource availability in every hour. In the resource adequacy environment, the reports produced support NERC's seasonal assessments, LTRA, and ProbA.	
WECC-AB		The results of the probabilistic assessment reveal no EUE or LOLH for Winter 2025–2026.
WECC-Basin		The results of the probabilistic assessment reveal no EUE or LOLH for Winter 2025–2026.
WECC-BC		The results of the probabilistic assessment reveal no EUE or LOLH for Winter 2025–2026.

Table 5: Probability-Based Risk Assessment

Area	Type of Assessment	Results and Insight from Assessment
WECC-CA		The results of the probabilistic assessment reveal no EUE or LOLH for Winter 2025–2026.
WECC-Mexico		The results of the probabilistic assessment reveal no EUE or LOLH for Winter 2025–2026.
WECC-Rocky Mountain		The results of the probabilistic assessment reveal no EUE or LOLH for Winter 2025–2026.
WECC-NW		The results of the probabilistic assessment reveal no EUE or LOLH for Winter 2025–2026. Results for a case where new resource additions are not completed for the upcoming winter found some EUE and LOLH.
WECC-SW		The results of the probabilistic assessment reveal no EUE or LOLH for Winter 2025–2026.

Regional Assessments Dashboards

The following assessment area dashboards and summaries were developed based on data and narrative information collected by NERC from the six Regional Entities on an assessment area basis. Guidelines and definitions are in the **Data Concepts and Assumptions** table. On-Peak Reserve Margin bar charts show the ARM compared to a reference margin level (RML) that is established for each area to meet resource adequacy criteria. Prospective Reserve Margins can give an indication of additional on-peak capacity but are not used for assessing adequacy. The operational risk analysis shown in the following regional assessments dashboard pages provides a deterministic scenario for understanding how various factors that affect resources and demand can combine to impact overall resource adequacy. For each assessment area, there is a risk-period scenario graphic; the left blue column shows anticipated resources (from the **Demand and Resource Tables**), and the two orange columns at the right show the two demand scenarios of the normal peak net internal demand (from the **Demand and Resource Tables**) and the extreme winter peak demand determined by the assessment area. The middle red or green bars show adjustments that are applied cumulatively to the anticipated resources. Adjustments may include reductions for typical generation outages (maintenance and forced not already accounted for in anticipated resources) and additions that represent the quantified capacity from operational tools (if any) that are available during scarcity conditions but have not been accounted for in the WRA reserve margins. Resources throughout the scenario are compared against expected operating reserve requirements that are based on peak load and normal weather. The cumulative effects from extreme events are also factored in through additional resource derates or low-output scenarios. In addition, results from a probability-based resource adequacy assessment are shown in the Highlights section of each dashboard. Methods vary by assessment area and provide further insights into the risk conditions forecasted for this upcoming winter period.



MISO

The Midcontinent Independent System Operator, Inc. (MISO) is an independent, not-for-profit organization responsible for operating the bulk electric power system and administering wholesale electricity markets across 15 U.S. states and the Canadian province of Manitoba. MISO ensures the reliable delivery of electricity to approximately 45 million people by managing regional transmission operations as well as energy and ancillary services markets and advising on long-term resource planning. The MISO footprint includes 39 Local BAs and more than 550 market participants. MISO operates one of the world's largest organized electricity markets, with its members operating a system that consists of over 77,000 miles of transmission lines and approximately 1,888 generating units. The peak electricity demand on the MISO system currently occurs during the summer season. MISO's footprint lies across three regional entities (MRO, RF, and SERC), but MRO is responsible for coordinating data and information submitted for NERC's reliability assessments.

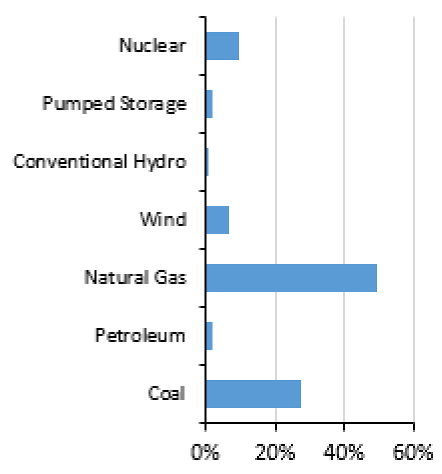
- MISO expects limited risk in the 2025–26 Winter season as MISO was able to procure 6.1% more resources through the annual planning reserve auction than required by its minimum resource adequacy target. A further 3.3 GW of resources were available but not chosen to be committed for the winter season.
- Some risk has been identified for this upcoming winter season. In a high generation outage and high winter load scenario reliability is expected to be maintained by reliance upon operational mitigations that include non-firm energy transfers into the system, energy-only resources not subject to a must-offer requirement that may still offer into the energy markets, load-modifying resources, and internal transfers that exceed the Sub-Regional Import/Export Constraint (SRIC/SREC) between the MISO North/Central and South areas.
- MISO continues to coordinate with neighboring RCs and BAs to improve situational awareness and vet any needs for energy transfers to address extreme system conditions.
- MISO continues to survey and coordinate with its members on winter preparedness and fuel sufficiency.
- MISO has implemented a seasonal resource adequacy construct and seasonal unit accreditation to better affirm adequate supply in all seasons.

On-Peak Reserve Margin[10]

Risk Scenario Summary

Expected resources meet operating reserve requirements under assessed demand scenarios. Above-normal winter peak load combined with generator outages from freezing or fuel supply issues and low wind output result in the need to employ operating mitigations (i.e., demand response and transfers).

On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario

Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy at peak demand hour

Demand Scenarios: 50/50 net internal demand and additional demand during extreme weather conditions (e.g., Winter Storm Enzo) using member submitted data and historical load data

Typical Maintenance Outages: Rolling three-year winter average of peak-day maintenance and planned outages

Typical Forced Outages: Three-year average of all peak-day outages that were not planned

Resource Derates for Extreme Conditions: Represents derates aligning with the most extreme hour of each of the past 3 years,

Operational Mitigations: Non-firm energy transfers into the system, energy-only resources that do not have a must-offer requirement, or internal transfers that exceed the SRIC/SREC between the MISO North/Central and South regions

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[10] The MISO Risk Scenario Assessment for the 2025-26 Winter Season is not directly comparable to that for the 2024-25 Winter Season as methodology improvements have been implemented.

MRO-Manitoba Hydro

Manitoba Hydro is a provincial Crown corporation and one of the largest integrated electricity and natural gas distribution utilities in Canada. Manitoba Hydro is a leader in providing renewable energy and clean-burning natural gas. Manitoba Hydro provides electricity to approximately 608,500 electric customers in Manitoba and natural gas to approximately 293,000 customers in southern Manitoba. Its service area is the province of Manitoba, which is 251,000 square miles. Manitoba Hydro is winter-peaking. Manitoba Hydro is its own Planning Coordinator (PC) and Balancing Authority (BA). Manitoba Hydro is a coordinating member of MISO, which is the RC for Manitoba Hydro.

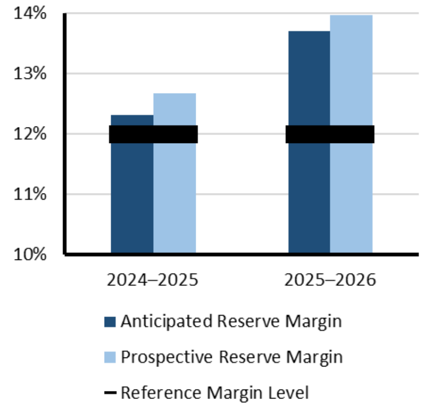
Highlights

- Manitoba Hydro is not anticipating any operational challenges and/or emerging reliability issues in its assessment area for Winter 2025–2026.
- Manitoba Hydro expects to reliably supply its internal demand and export obligations even under continued drought conditions.
- Manitoba Hydro is experiencing well below-average water supply conditions; however, the Manitoba Hydro system is designed and operated such that reliable operations can be maintained under extreme drought.
- The ARM for Winter 2025–26 exceeds the 12% RML.

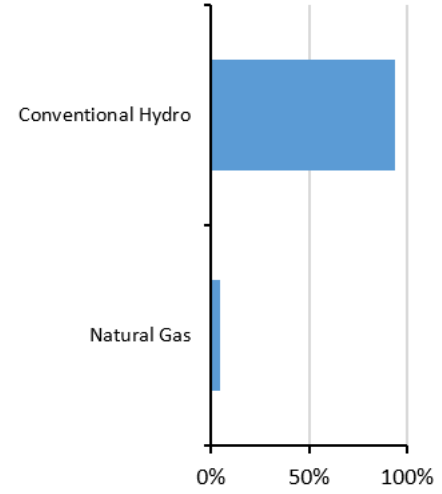
Risk Scenario Summary

Expected resources meet operating reserve requirements under the assessed scenarios.

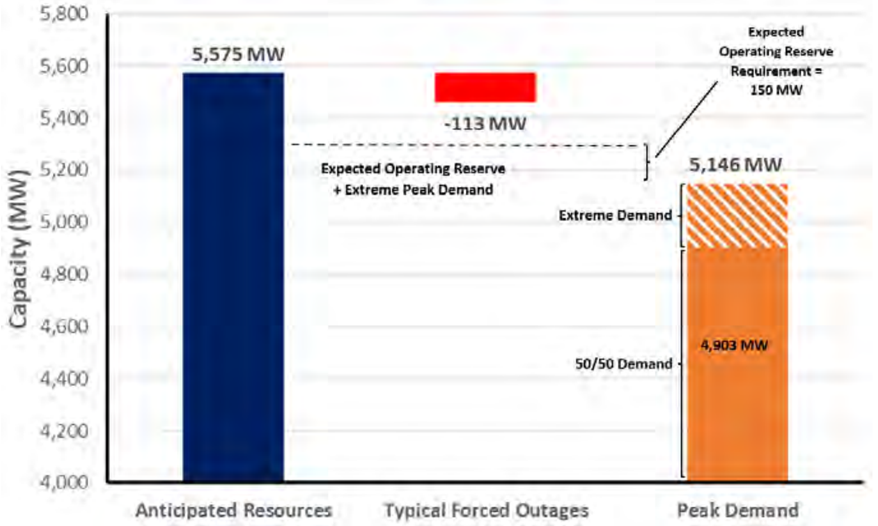
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy at peak demand hour

Demand Scenarios: Net internal demand (50/50) and (90/10) demand forecast using 30 years of weather data

Typical Forced Outages: Accounts for average forced outages

MRO-SaskPower

MRO-SaskPower is an assessment area that covers the Canadian province of Saskatchewan. The province has a geographic area of 651,900 square kilometers (251,700 square miles) and a population of just over 1.1 million people. The Saskatchewan Power Corporation (SaskPower) is the PC and RC for the province of Saskatchewan and is the principal supplier of electricity in the province. SaskPower is a provincial Crown corporation and, under provincial legislation, is responsible for the reliability oversight of the Saskatchewan Bulk Electric System (BES) and its interconnections. Overall, SaskPower operates nearly 14,816 circuit-km of transmission lines, 65 high-voltage switching stations, and 191 distribution substations. Peak electricity demand on the SaskPower system currently occurs during the winter season.

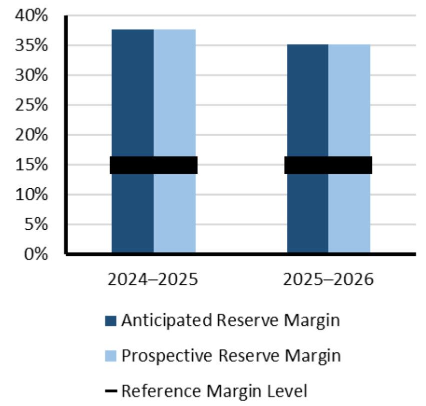
Highlights

- Saskatchewan experiences its peak load during the winter months due to extreme cold weather.
- Based on the planned maintenance, typical forced outages from historical data, and expected renewable generation under the normal and extreme demand conditions, SaskPower does not anticipate any reliability issues during the 2025–2026 Winter.
- During extreme winter conditions, SaskPower would utilize available demand-response programs, short-term power transfers from neighboring utilities, maintenance rescheduling, and/or short-term load interruptions to manage the situation.

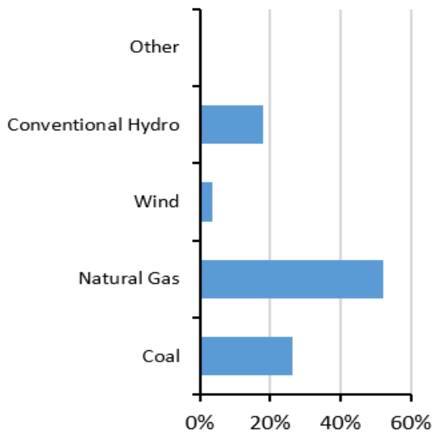
Risk Scenario Summary

Expected resources meet operating reserve requirements under the assessed scenarios.

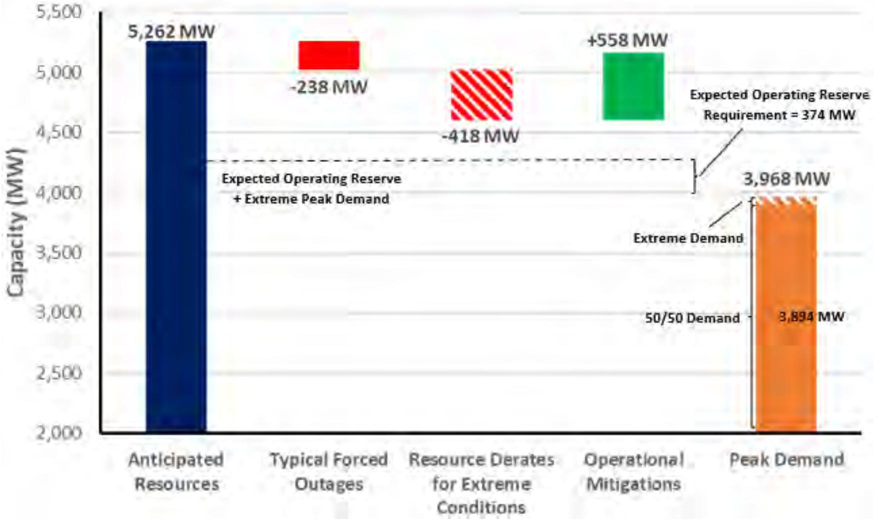
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy at peak demand hour

Demand Scenarios: Based on the historical load variability, SaskPower calculates a probability density function for load to simulate various scenarios that include extreme conditions.

Typical Forced Outages: Estimated using SaskPower forced outage model

Resource Derates for Extreme Conditions: Wind capacity is derated by 96% due to the cut-out of most wind farms below -30°C. Solar generation is expected to be fully unavailable under extreme conditions.

Operational Mitigations: Includes the non-firm import capability (360 MW) and generators in layup status (167 MW) that can be brought online with one to five days' notice; additional demand-side resources are estimated based on other demand response programs and non-firm loads that require 15 minutes to 2 hours of notification

MRO-SPP

SPP's footprint covers 546,000 square miles and encompasses all or parts of Arkansas, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming. The SPP long-term assessment is reported based on the PC footprint, which touches parts of the MRO Regional Entity and the WECC Regional Entity. The SPP assessment area footprint has approximately 61,000 miles of transmission lines, 756 generating plants, and 4,811 transmission-class substations, and it serves a population of more than 18 million.

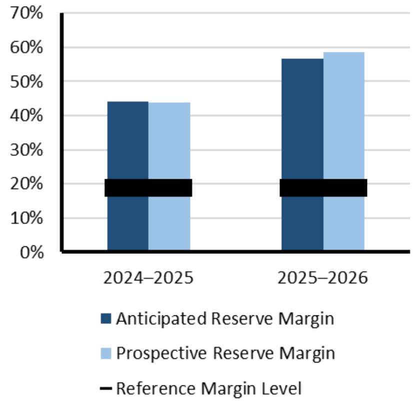
Highlights

- SPP anticipates that planning reserves are adequate for the upcoming winter season even as SPP continues to set new winter season load records.
- SPP does not anticipate any emerging reliability issues impacting the area for the 2025–2026 Winter season but realizes that interruptions to fuel supply combined with higher penetration of variable energy resources could create unique operation challenges.
- SPP continues to work at enhancing communications and operator preparedness with neighboring regions to address potential electric deliverability issues associated with extreme weather events.
- To minimize conservative operations, EEAs, and mid-range forecast error uncertainty response in wind forecasts, SPP implemented several new operational mitigation processes and procedures to deal with high-impact real-time areas of reliability concern.
- SPP has proposed numerous resource adequacy initiatives, including addressing EUE standards, fuel assurance, winter planning reserve margins, outage policies, demand response, and accreditation; all were recently approved by FERC.

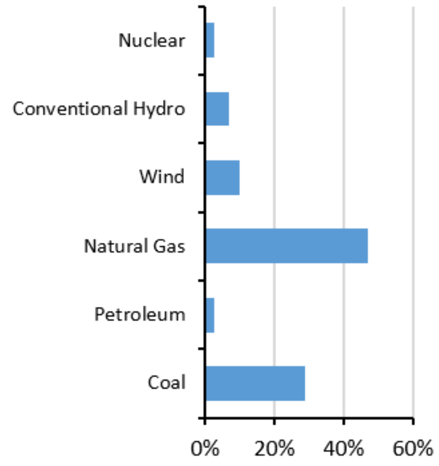
Risk Scenario Summary

Expected resources meet operating reserve requirements under the assessed scenarios.

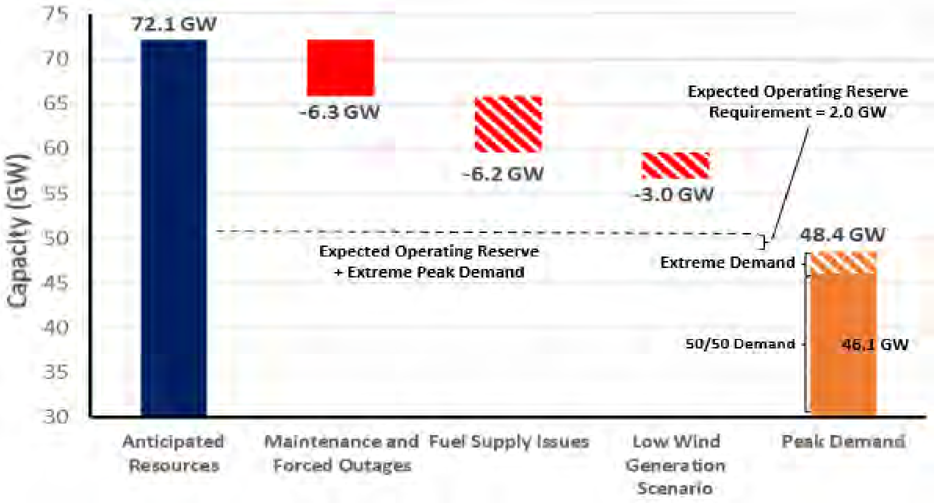
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy at peak demand hour

Demand Scenarios: Net internal demand (50/50) and extreme demand forecast using historical data

Maintenance and Forced Outages: A capacity derate of 6.3 GW for maintenance outages, forced outages, and performance in extreme weather based on historical data

Fuel Supply Issues: BA derate of 6.2 GW based on MW capacity of gas-fired generators experiencing fuel supply issues in winter storm Elliott.

Low Wind Generation Scenario: 3 GW of wind potentially off-line when temperatures fall below their cold weather performance packages

NPCC-Maritimes

NPCC-Maritimes is an assessment area that covers the Canadian Maritime provinces—New Brunswick, Nova Scotia, and Prince Edward Island—and the northernmost portion of the U.S. state of Maine. The area covers approximately 150,000 square kilometers (58,000 square miles) and has a total population of nearly 1.9 million people. The New Brunswick Power Corporation (NB Power) is the balancing authority for New Brunswick, Prince Edward Island, and the northern portion of Maine. Nova Scotia Power Inc. (NSPI) is the balancing authority for Nova Scotia. NB Power's system is electrically interconnected with NPCC-Québec and NPCC-New England, and the electric systems in the provinces of Nova Scotia and Prince Edward Island have ties with New Brunswick but no direct ties with other assessment areas. Peak electricity demand in NPCC-Maritimes occurs during the winter season.

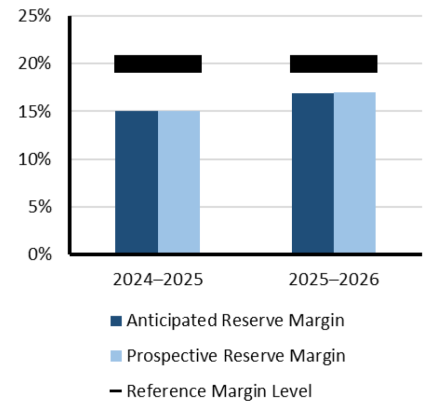
Highlights

- The Maritimes has a diversified mix of capacity resources fueled by oil, coal, hydro, nuclear, natural gas, wind, dual-fuel oil/gas, tie benefits, and biomass with no one type making up more than about 27% of the total capacity in the area.
- The Maritimes has long-term energy contracts in place for its winter supply and can purchase additional energy in the day-ahead and in real time as required.
- As part of the winter planning and preparation process, dual-fueled units will have sufficient supplies of heavy fuel oil stored on site to enable sustained operation in the event of natural gas supply interruptions.

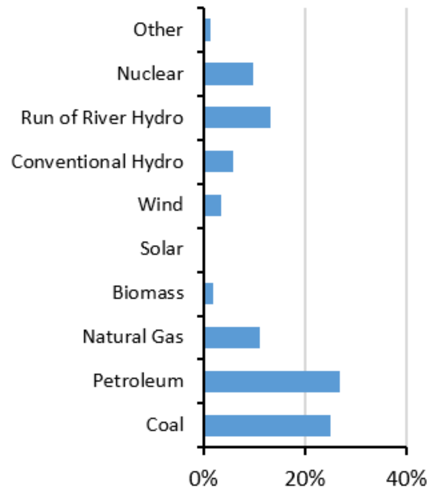
Risk Scenario Summary

Expected resources do not meet operating reserve requirements under normal peak-demand scenarios. Normal winter peak load and outage conditions could result in the need for operating mitigations (i.e., demand response, transfers, appeals) and EEAs. NPCC probabilistic analysis indicates some risk of unserved energy and LOLH under high demand or low resource scenarios.

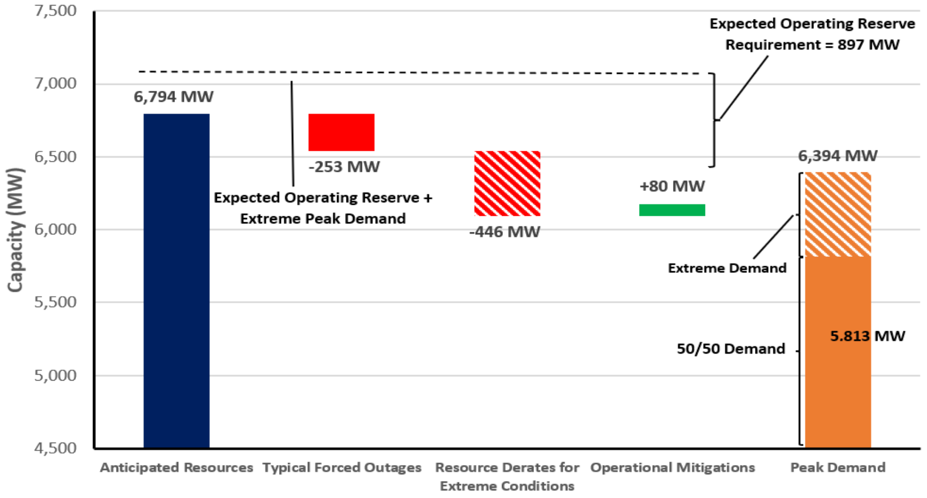
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy at peak demand hour

Demand Scenarios: Scenario peak load with adjustment calculated by adding a 10% margin of error to the peak internal demand forecast taken from the *Long-Term Reliability Assessment* (LTRA) for the 2025–2026 Winter period (aligns with the all-time winter peak, which occurred on February 4, 2024)

Typical Forced Outages: Based on historical operating experience

Resource Derates for Extreme Conditions: Based on ambient temperature thermal derates, wind derated to zero, as well as natural gas capacity derated by 50% due to supply issues

Operational Mitigations: Based on emergency operations and planning procedures in place including fuel switching

NPCC-New England

NPCC-New England is an assessment area consisting of the states of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont that is served by ISO New England (ISO-NE) Inc. ISO-NE is a regional transmission organization that is responsible for the reliable day-to-day operation of New England's bulk power generation and transmission system, administration of the area's wholesale electricity markets, and management of the comprehensive planning of the regional BPS.

The New England BPS serves approximately 14.5 million customers over 68,000 square miles.

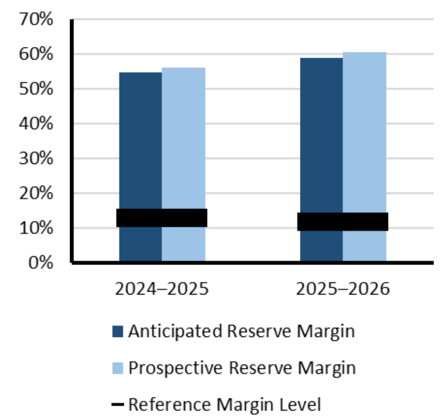
Highlights

- ISO-NE expects to meet its regional resource adequacy requirements this 2025–2026 Winter operating period without calling upon operating procedures to maintain a balance between electricity supply and demand.
- A standing concern is whether there will be sufficient energy available to satisfy electricity demand during an extended cold spell given the existing resource mix, fuel delivery infrastructure, and expected fuel arrangements without considerable effort to replenish stored fuels (i.e., fuel oil and liquefied natural gas (LNG)).
- ISO-NE expects to have sufficient capacity resources to meet the 2025–2026 50/50 and 90/10 winter peak demand forecast of 19,616 MW and 21,125 MW, respectively, for the weeks beginning January 10, January 17, and January 24.
- ISO-NE has recently developed the Regional Energy Shortfall Threshold (REST) as an effort to quantify the tolerable risk of energy shortfall during extreme events. Within the 0.25% highest-risk scenarios, the REST thresholds are 3.0% normalized EUE over 72-hour periods and 18.0 hours over 21-day periods.
    - ISO-NE does not anticipate exceeding the REST criteria for Winter 2025–2026.

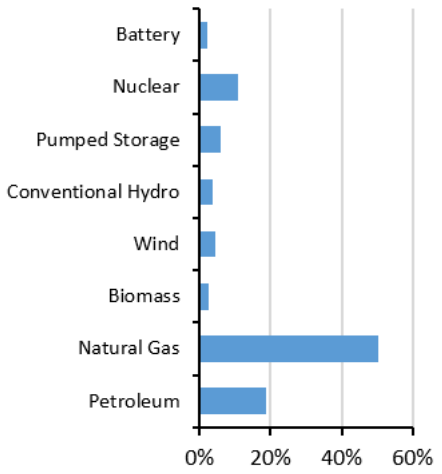
Risk Scenario Summary

Expected resources meet operating reserve requirements under assessed demand scenarios. Above-normal winter peak load combined with high generator outages could result in the need for operating mitigations (i.e., demand response and transfers). Prolonged extreme cold weather events that result in depletion of stored fuels can lead to resource shortfalls.

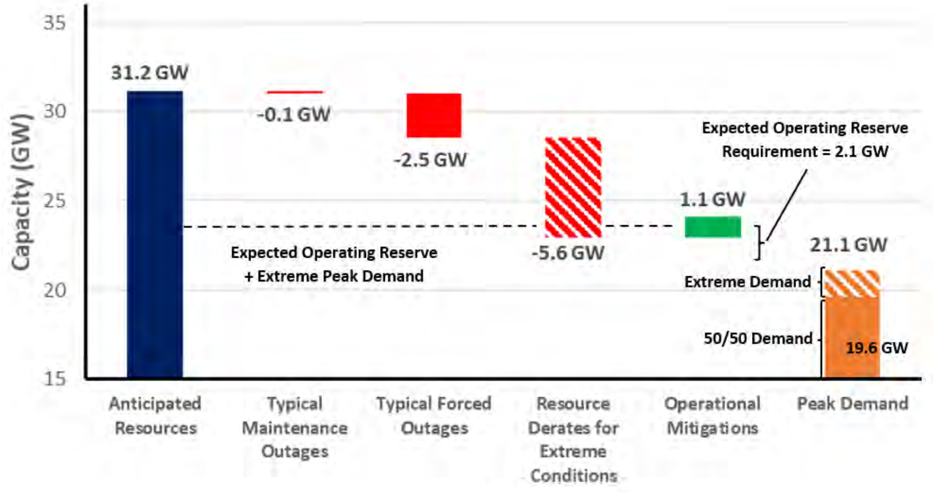
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy at peak demand hour

Demand Scenarios: Peak net internal demand (50/50) and (90/10) extreme demand forecast capturing the region's coldest day in the last 30 years using current and future load models

Typical Maintenance Outages: Based on historical weekly averages

Typical Forced Outages: Based on seasonal capacity of each resource as determined by ISO-NE

Resource Derates for Extreme Conditions: Represent a case that is beyond the (90/10) conditions based on historical observation of force outages and additional reductions for generation at risk due to natural gas supply and cold weather-related outages

Operational Mitigations: Based on load and capacity relief assumed available from invocation of ISO-NE operating procedures

NPCC-New York

NPCC-New York is an assessment area consisting of the New York ISO (NYISO) service territory. NYISO is responsible for operating New York's BPS, administering wholesale electricity markets, and conducting system planning. NYISO is the only BA within the state of New York. The BPS in New York encompasses over 11,000 miles of transmission lines and 760 power generation units and serves 20.2 million customers. For this WRA, the established RML is 15%. Wind, grid-connected solar PV, and run-of-river totals were derated for this calculation. However, New York requires load-serving entities to procure capacity for their loads equal to their peak demand plus an Installed Reserve Margin (IRM). The IRM requirement represents a percentage of capacity above peak load forecast and is approved annually by the New York State Reliability Council. The council approved the 2025–2026 IRM at 24.4%.

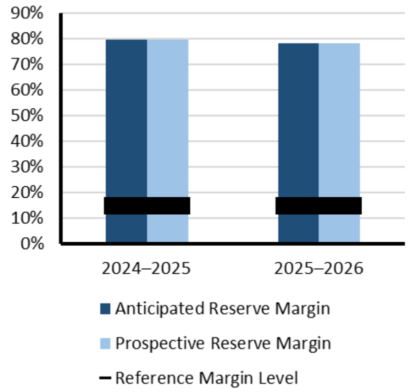
Highlights

- New York is presently a summer-peaking area, and no emerging reliability issues are anticipated during the 2025–26 Winter assessment period.
- Expected resources meet operating reserve requirements under the assessed demand and resource scenarios. A scenario involving an extended cold snap that causes above-normal demand and diminished natural gas supplies would result in low but sufficient reserves.
- The preliminary results of the NPPCC winter probabilistic assessment indicate that operating procedures are not needed to maintain a balance between electricity supply and demand. No cumulative LOLE, LOL,H or EUE risks were indicated over the December–February winter period for all the scenarios modeled.

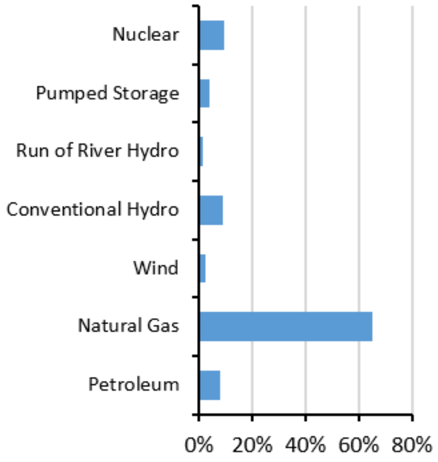
Risk Scenario Summary

Expected resources meet operating reserve requirements under the assessed demand and resource scenarios.

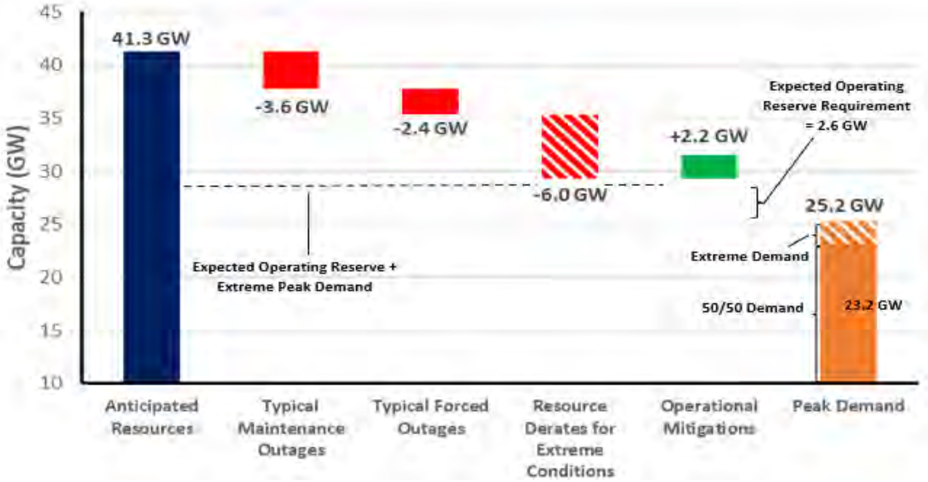
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy at peak demand hour

Demand Scenarios: Net internal demand (50/50) and (90/10) demand forecast

Typical Maintenance Outages: Based on planned scheduled maintenance

Typical Forced Outages: Based on 5–year averages from GADS data.

Resource Derates for Extreme Conditions: Potential natural gas generation at risk if non-firm supply is unavailable in a period of extended cold weather. Based on a 2025 analysis, approximately 6,307 MW of gas generation with non-firm fuel supplies could be unavailable.

Operational Mitigations: Based on NYISO operating procedures

NPCC-Ontario

NPCC-Ontario is an assessment area that covers the Canadian province of Ontario. The province of Ontario covers more than 1 million square kilometers (415,000 square miles) and has a population of almost 16 million people. The Independent Electricity System Operator (IESO) is the balancing authority for the province of Ontario. NPCC-Ontario is electrically interconnected with NPCC-Québec, MRO-Manitoba, MISO, and NPCC-New York. Peak electricity demand in NPCC-Ontario occurs during the summer season.

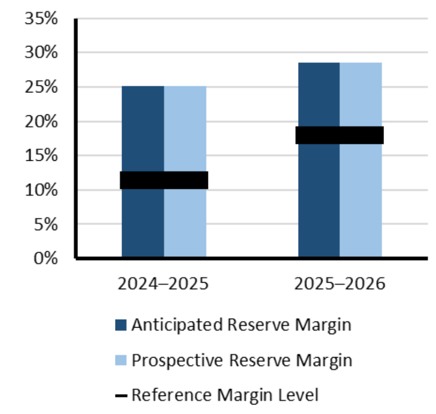
Highlights

- As Ontario is a summer-peaking province, there is typically a lower risk of reliability issues during the winter than the summer. However, Ontario regularly experiences extreme cold weather in the winter.
- NPCC-Ontario is well prepared for Winter 2025–2026, and IESO expects that the electric system will remain reliable with reserve margins well above required levels.
- Operators and forecasters in Ontario work closely with neighboring jurisdictions to manage extreme weather events.
- Natural-gas-fired generators in Ontario are supplied by pipelines with access to the Enbridge Gas Dawn Hub and its associated storage facilities, which significantly reduces natural gas deliverability and reliability concerns by connecting those systems to several major gas transportation corridors, enabling access to multiple supply basins.

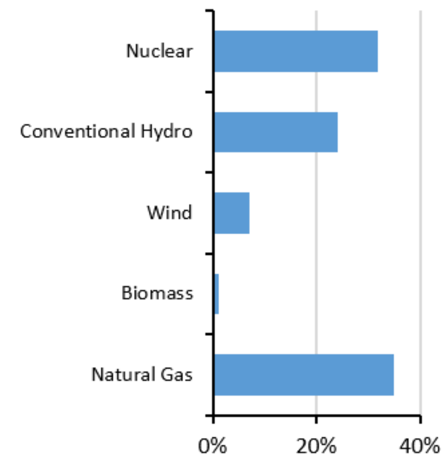
Risk Scenario Summary

Expected resources meet operating reserve requirements under the assessed scenarios.

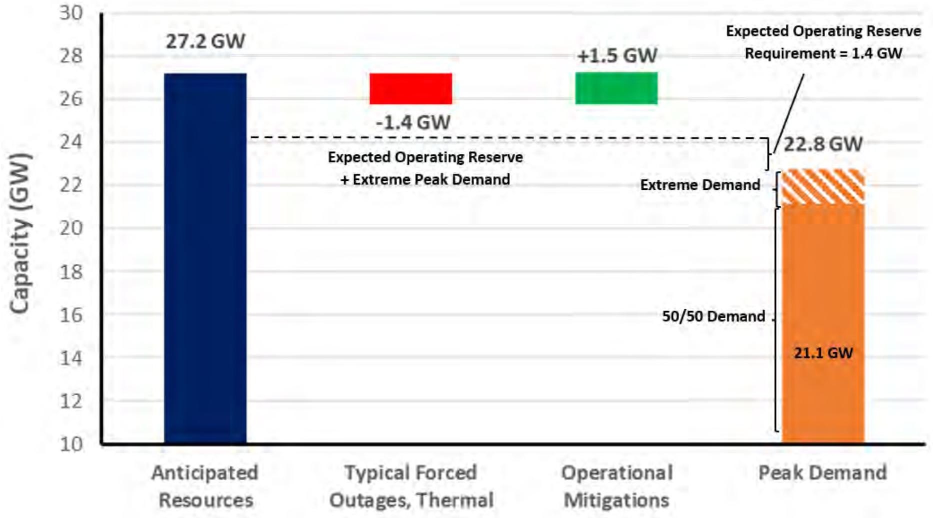
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy at peak demand hour

Demand Scenarios: Net internal demand (50/50 forecast) and highest weather-adjusted daily demand from 31 years of winter demand history

Typical Forced Outages, Thermal: Based on analysis of a rolling five-year history of actual forced outage data.

Operational Mitigations: Imports anticipated from **neighbors** during emergencies

NPCC-Québec

NPCC-Québec is an assessment area that covers the Canadian province of Québec. The province of Québec covers over 1.5 million square kilometers (nearly 600,000 square miles) and has a population of 9 million people. Hydro-Québec is the BA for the province of Québec. The Québec BPS is one of the four electric Interconnections in North America. It is a predominately hydroelectric-generation-based system that is electrically interconnected with NPCC-Ontario, NPCC-New York, NPCC-New England, and NPCC-Maritimes. Peak electricity demand in NPCC-Québec occurs during the winter season.

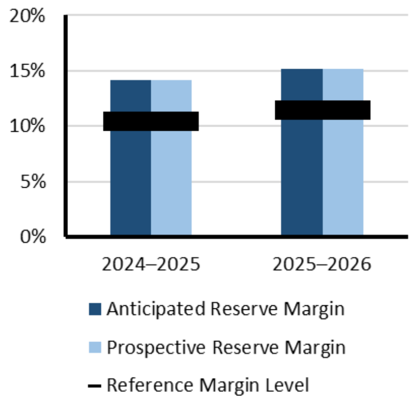
Highlights

- NPCC-Québec projects adequate capacity margins above its reference reserve requirements and that system resource adequacy will be maintained for the province for the 2025–26 Winter assessment period.
- No hydropower performance issues are expected during extreme cold because of design criteria for cold weather.
- No fuel supply or transportation issues are anticipated for the upcoming winter season.
- While a slight decrease in net firm transfers has occurred since last winter (-89 MW), significant increases in demand-side management programs (+450 MW year-over-year) have been realized over the same period and are expected to compensate for this winter's modest expected load growth.

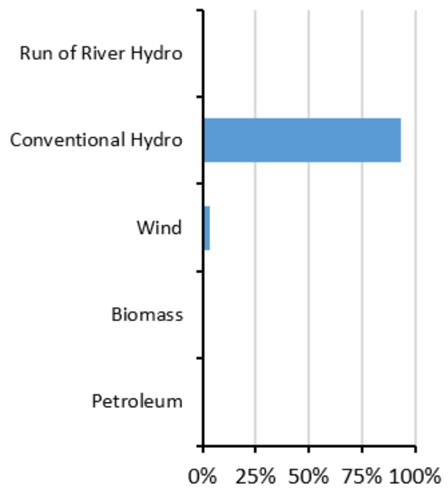
Risk Scenario Summary

Expected resources meet operating reserve requirements under the assessed scenarios.

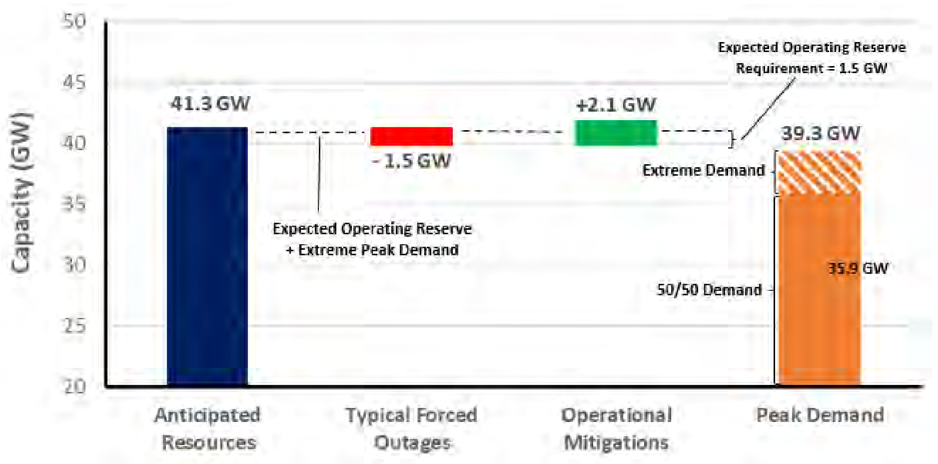
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy at hour ending 8:00 a.m.

Demand Scenarios: Demand forecasts include demand-side resources. The demand side resources are the same for the 50/50 and extreme demand scenarios. The extreme load forecast is determined at two standard deviations higher than the mean, which has a 6.06% probability of occurrence.

Extreme Derates: Maintenance outages and other deratings are already included in existing-certain capacity calculation. Wind capacity is 64% derated

Typical Forced Outages: Unplanned outages are 1,500 MW.

Operational Mitigations: Operational mitigations include imports from neighboring areas and reduction of reserves

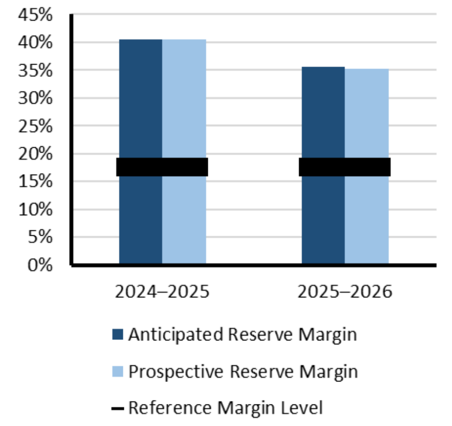
PJM

PJM Interconnection is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia. PJM's footprint covers approximately 369,054 square miles and with an approximate population of 67 million people. PJM is the area's BA, Transmission and Resource Planner, interchange authority, TOP, transmission service provider, and RC. PJM is electrically interconnected with MISO, NPCC-New York, SERC-Central, and SERC-East. Peak electricity demand in PJM occurs during the summer season.

Highlights

- Due to the low penetration of limited and variable resources in PJM relative to PJM's peak load, the hour with highest loss-of-load risk remains the hour with highest forecasted demand.
- PJM is expecting little capacity adequacy risk during Winter 2025–2026 and expects around 35% installed reserves, which is above the target IRM of 17.7% necessary to meet the 1-day-in-10-years LOLE criterion.
- Last winter, PJM hit a new all-time winter peak, but generator preparations anticipating congestion and tight capacity projections led to sufficient reserves throughout the demand event and PJM's transmission system performed well.
- The decrease in reserves from Winter 2024–2025 is due to load increases and retirement of generation without like (non-solar dispatchable) replacement generation.

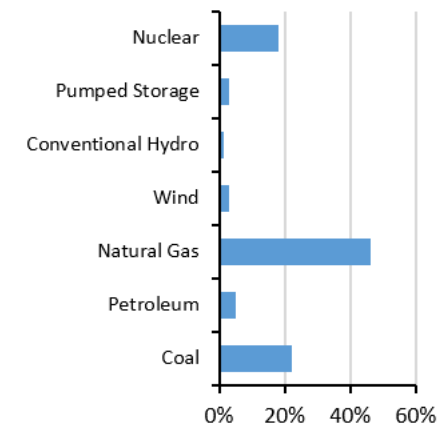
On-Peak Reserve Margin



Risk Scenario Summary

Expected resources meet operating reserve requirements under the assessed scenarios.

On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario

Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy at peak demand hour

Demand Scenarios: Net internal demand (50/50) and (90/10) demand forecast

Typical Forced Outages: Based on historical data and trending

Resource Derates for Extreme Conditions: Reduced thermal capacity contributions due to performance in extreme conditions

Operational Mitigations: accounts for an estimated value based on operational / emergency procedures

SERC-Central

SERC-Central is an assessment area within the SERC Regional Entity. SERC-Central includes all of Tennessee and portions of Georgia, Alabama, Mississippi, Missouri, and Kentucky. Historically a summer-peaking area, SERC-Central is beginning to have higher peak demand forecasts in winter. SERC is one of the six companies across North America that are responsible for the work under FERC-approved delegation agreements with NERC. SERC-Central is specifically responsible for the reliability and security of the electric grid across the Southeastern and Central areas of the United States. This area covers approximately 630,000 square miles and serves a population of more than 91 million. The SERC Regional Entity includes 36 BAs, 28 planning entities, and 6 RCs.

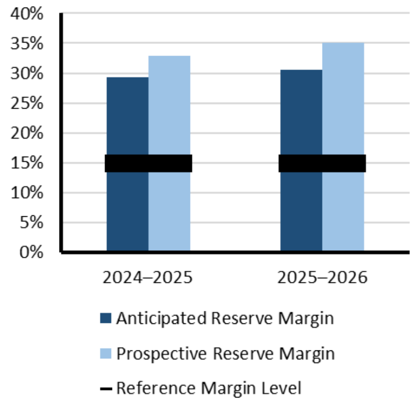
Highlights

- SERC-Central is transitioning from a summer-peaking area to a dual-peaking system.
- For the 2025–2026 Winter, SERC-Central projects a sufficient level of resources to serve the expected load under median weather and typical system operating conditions, based on the 2024 NERC ProbA base-case results.
- Most entities across SERC-Central report that fuel security is strong since it is supported by firm natural gas contracts, storage resources, and reliable pipeline capacity. Coal inventories are projected to remain within operational ranges necessary to meet winter demand.
- Following lessons from Winter Storm Elliott, one SERC-Central entity raised its winter Planning Reserve Margin target to 26% and updated preparedness programs with improved heat trace capabilities.

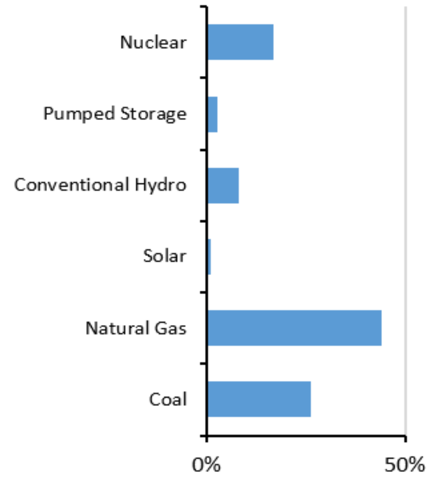
Risk Scenario Summary

Expected resources meet operating reserve requirements under normal peak demand. A severe cold weather event that extends to the south could lead to energy emergencies as operators face sharp increases in generator forced outages and electricity demand. Above-normal winter peak load and outage conditions could result in the need for operating mitigations (i.e., demand response and transfers) and EEAs. Load shedding is unlikely but may be needed under wide-area cold weather events.

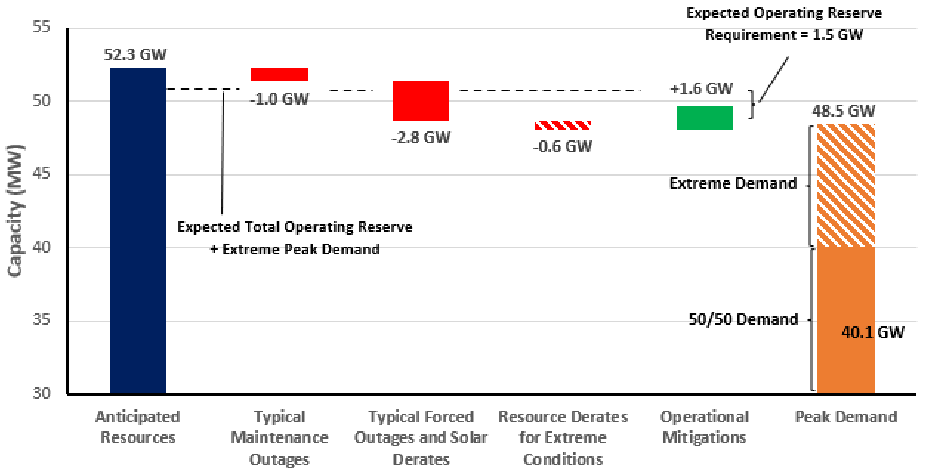
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy at peak demand hour

Demand Scenarios: Net internal demand (50/50) and (90/10) demand forecast using 30 years of historical data

Typical Maintenance Outages: Data collected through a survey of members for expected outages during December through February

Typical Forced Outages and Solar Derate: Includes any weighted average forced-outage rates on-peak that are not factored into the anticipated resources calculation . Also, solar resources are derated to account for peak demand occurrence during darkness.

Resource Derates for Extreme Conditions: Entity-provided values for low likelihood extreme conditions

Operational Mitigations: A total of over 1.6 GW based on operational/emergency procedures

SERC-East

SERC-East is an assessment area within the SERC Regional Entity. SERC-East includes North Carolina and South Carolina. Historically a summer-peaking area, SERC-East is beginning to have higher peak demand forecasts in winter. SERC is one of the six Regional Entities across North America that are responsible for the work under FERC-approved delegation agreements with NERC. SERC is specifically responsible for the reliability and security of the electric grid across the Southeastern and Central United States. The SERC Regional Entity covers approximately 630,000 square miles with a population of more than 91 million. The SERC Regional Entity includes 36 BAs, 28 Planning Authorities (PA), and 6 RCs.

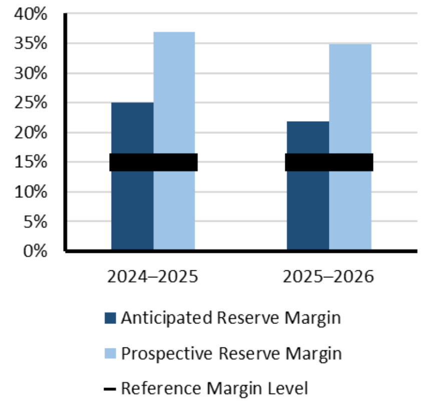
Highlights

- SERC-East is transitioning from a summer-peaking area to potentially peaking during both summer and winter. This shift is attributed to the continued addition of solar PV generation, which reduces summer peak demand, and a trend toward electrification of heating, which drives up winter peak demand.
- For the 2025–2026 Winter, the SERC-East region projects a sufficient level of resources to serve the expected load under median weather and typical system operating conditions, based on the 2024 NERC ProbA base-case results.
- Fuel supplies and transportation remain stable, and entities anticipate maintaining adequate coal and oil inventories with no reported changes to fuel procurement or operator plans for the upcoming winter.
- Probabilistic Base Case Results (Median Weather): EUE is 61.95 MWh and LOLH is 0.06 hours/year. EUE values are likely due to higher winter peaks and/or lower supply of capacity that can meet early winter morning demand.
- Mitigation measures for extreme conditions include voltage reduction (25–50 MW) and load-shedding programs that cover up to 30% of system load.

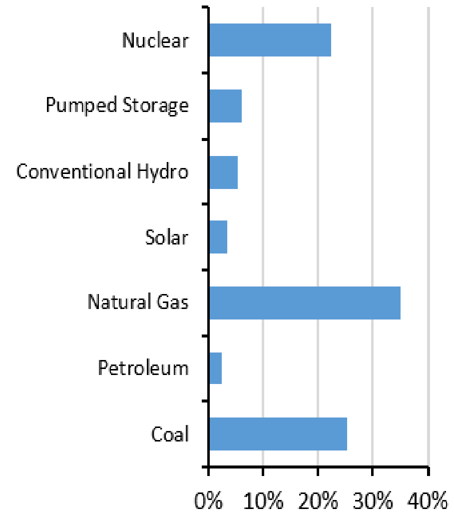
Risk Scenario Summary

Expected resources meet operating reserve requirements under normal demand scenarios. A severe cold weather event extending to the south could lead to energy emergencies as operators face sharp increases in generator forced outages and electricity demand. Above-normal winter peak load and outage conditions could result in the need for operating mitigations (i.e., demand response and transfers) and EEAs. Load shedding is unlikely but may be needed under wide-area cold weather events.

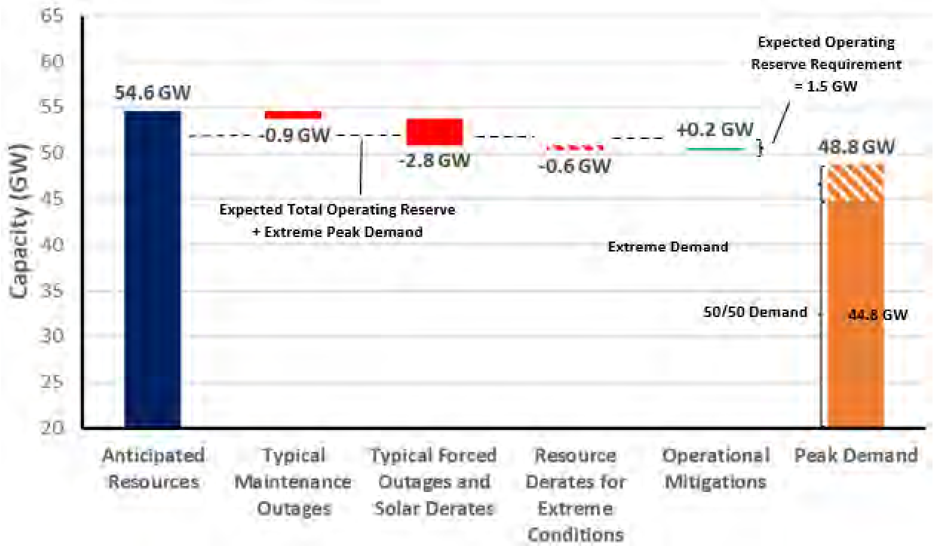
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy at peak demand hour

Demand Scenarios: Net internal demand (50/50) and (90/10) demand forecast

Typical Maintenance Outages: Data collected through a survey of members for outages during December through February

Typical Forced Outages and Solar Derate: Weighted average forced-outage rates on-peak are factored into the anticipated resources calculation. Also, solar resources are derated to account for peak demand occurrence during darkness.

Resource Derates for Extreme Conditions: Maximum historical generation outages (excluding 2022–2025)

Operational Mitigations: A total of 0.2 GW based on operational/emergency procedures

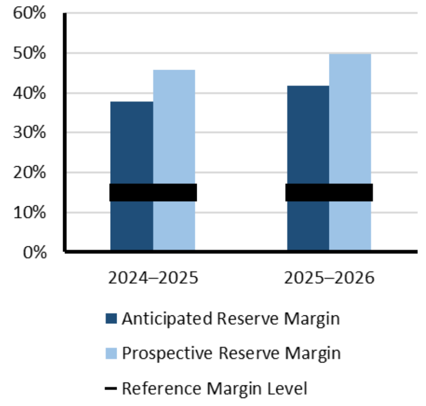
SERC-Florida Peninsula

SERC-Florida Peninsula is a summer-peaking assessment area within SERC. SERC is one of the six Regional Entities across North America that is responsible for the work under FERC-approved delegation agreements with NERC. SERC is specifically responsible for the reliability and security of the electric grid across the Southeastern and Central United States. The SERC Regional Entity area covers approximately 630,000 square miles with a population of more than 91 million. The SERC Regional Entity includes 36 BAs, 28 PAs, and 6 RCs.

Highlights

- SERC-Florida Peninsula is a summer-peaking assessment area.
- Florida Peninsula entities have not identified any emerging reliability issues for the upcoming 2025–26 Winter season with an ARM projected at 39%, well above the RML, while the 2024 NERC ProbA base-case results project a sufficient level of resources to serve the expected load under median weather and typical system operating conditions (EUE is 1.09 MWh and LOLH is 0.00 hours/year).
- Many entities report strong fuel security, supported by firm natural gas contracts, storage resources, reliable pipeline capacity, and actively managed coal and oil inventories, which are projected to remain within operational ranges to meet winter demand.
- Florida Peninsula entities do not assume non-firm external assistance from neighboring areas during extreme conditions.

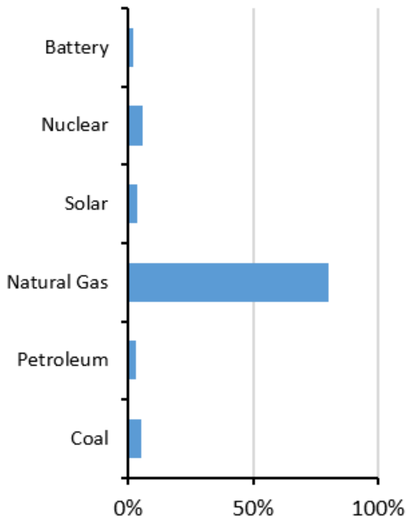
On-Peak Reserve Margin



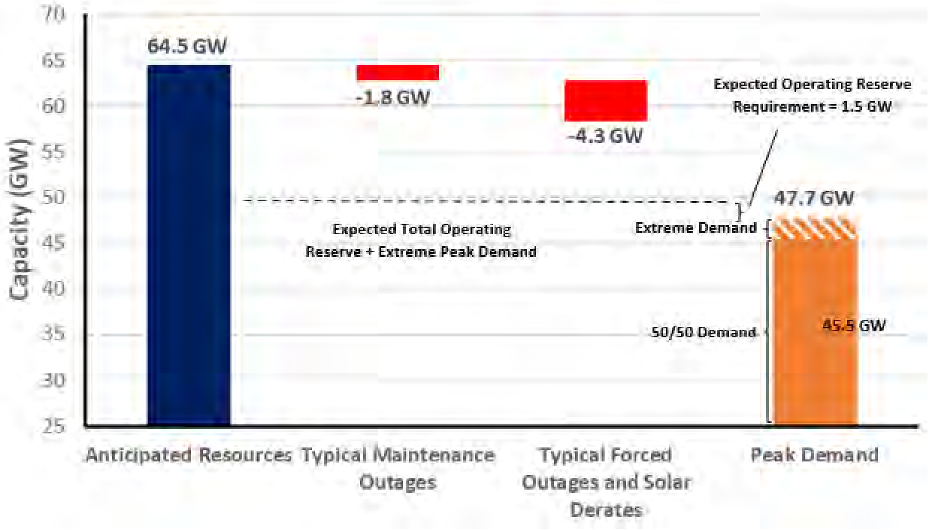
Risk Scenario Summary

Expected resources meet operating reserve requirements under the assessed scenarios.

On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy at peak demand hour

Demand Scenarios: Net internal demand (50/50) and (90/10) demand forecast using 30 years of historical data

Typical Maintenance Outages: Data collected through a survey of members for outages during December through February

Typical Forced Outages and Solar Derate: Weighted average forced-outage rates on-peak are factored into the anticipated resources calculation. Also, solar resources are derated to account for peak demand occurrence during darkness.

Resource Derates for Extreme Conditions: Entity-provided values for low likelihood extreme conditions

SERC-Southeast

SERC-Southeast is a summer-peaking assessment area within the SERC Regional Entity. SERC-Southeast includes all or portions of Georgia, Alabama, and Mississippi. SERC is one of the six Regional Entities across North America that is responsible for the work under FERC-approved delegation agreements with NERC. SERC is specifically responsible for the reliability and security of the electric grid across the Southeastern and Central United States. The SERC Regional Entity covers approximately 630,000 square miles with a population of more than 91 million. The SERC Regional Entity includes 36 BAs, 28 PAs, and 6 RCs.

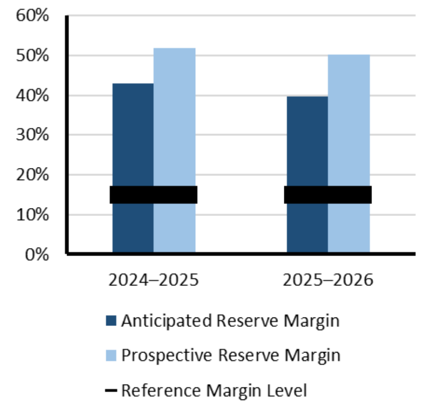
Highlights

- SERC-Southeast is trending towards becoming slightly winter-peaking.
- For the 2025–2026 Winter, SERC-Southeast entities report no emerging reliability concerns and expect to have adequate resources, supported by firm natural gas transportation contracts, diverse fuel portfolios, and sufficient on-site coal inventories to serve the expected load under typical system operating conditions. The 2024 NERC ProbA base-case results in EUE and LOLH are both 0.00.
- While most SERC-Southeast BAs expect to have adequate resources, supported by firm natural gas transportation contracts, diverse fuel portfolios, and sufficient on-site coal inventories, one BA highlights potential risks related to natural gas transportation capacity, citing high pipeline utilization, competition for delivered gas, and ratable flow requirements. Mitigation strategies include securing third-party gas supply, adding dual-fuel capability, and implementing coal inventory management.
- Entities have made refinements such as replacing specific 230 kV circuit breakers and increasing monitoring frequencies for critical plant systems after January 2025 winter events.

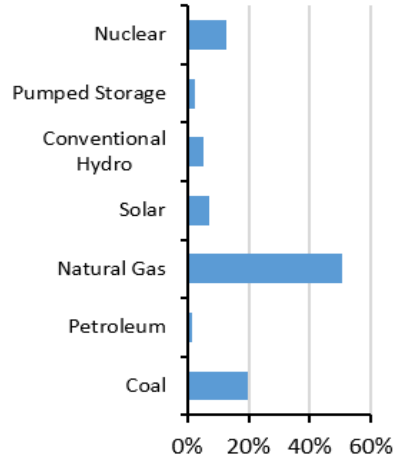
Risk Scenario Summary

Expected resources meet operating reserve requirements under the assessed scenarios.

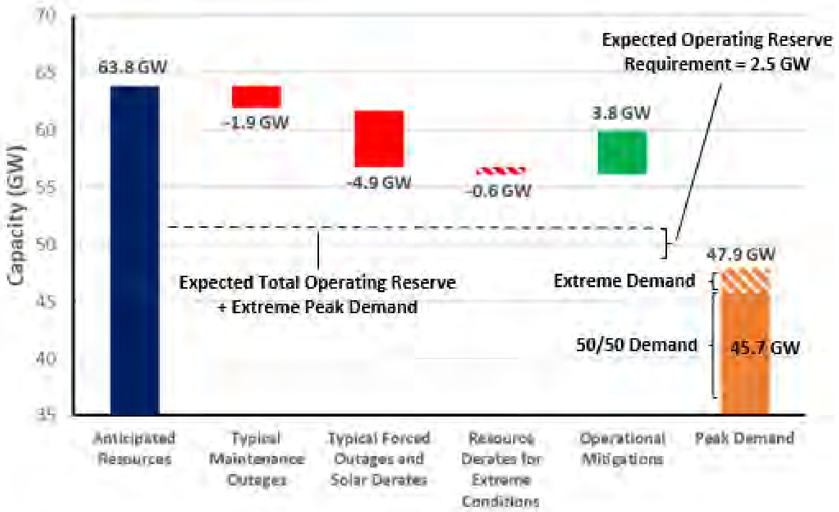
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy at peak demand hour

Demand Scenarios: Net internal demand (50/50) and (90/10) demand forecast using 30 years of historical data

Typical Maintenance Outages: Data collected through a survey of members for outages during December through February

Typical Forced Outages and Solar Derate: Weighted average forced-outage rates on-peak are factored into the anticipated resources calculation. Also, solar resources are derated to account for peak demand occurrence during darkness.

Resource Derates for Extreme Conditions: Maximum historical generation outages

Operational Mitigations: A total of 3.8 GW based on operational/emergency procedures

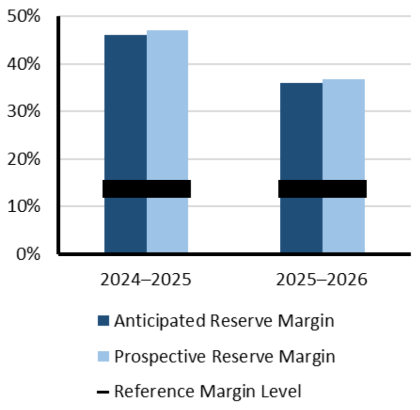
Texas RE-ERCOT

ERCOT is the ISO for the ERCOT Interconnection and is located entirely in the state of Texas; it operates as a single BA. It also performs financial settlement for the competitive wholesale bulk-power market and administers retail switching for nearly 8 million premises in competitive choice areas. ERCOT is governed by a board of directors and subject to oversight by the Public Utility Commission of Texas and the Texas Legislature. ERCOT is summer-peaking and covers approximately 200,000 square miles, connects over 54,100 miles of transmission lines, has over 1,250 generation units, and serves more than 27 million customers. Texas RE is responsible for the Regional Entity functions described in the Energy Policy Act of 2005 for ERCOT. On November 3, 2022, the Public Utility Commission of Texas issued an order directing ERCOT to assume the duties and responsibilities of the reliability monitor for the Texas power grid.

Highlights

- Given expected system conditions, an ARM of 36% and RML of 13.75%, ERCOT expects to have sufficient operating reserves for the peak hour ending 8:00 a.m.
- ERCOT does not expect any significant fuel supply issues for the winter.
- ERCOT has conducted 2,028 generation resource and transmission service provider (TSP) winter weatherization inspections since Winter 2021–2022.
- Winter peak demands typically occur before sunrise and after sunset when solar generation is not available. Significant battery storage mitigates these risks.
- ERCOT's probabilistic risk assessment indicates a 2% probability of having to declare EEAs during the January forecasted winter peak day (which coincides with the highest reserve shortage risk) and a controlled load shed probability of 1.8%. ERCOT defines low-risk hours as when the probability of an EEA is less than 10%.
- Increased load growth in west Texas combined with "no solar" and low wind conditions can cause transmission lines into this area to become heavily loaded. ERCOT has introduced improved dynamic line ratings that allow for greater transfers at colder temperatures and periods of low irradiance.

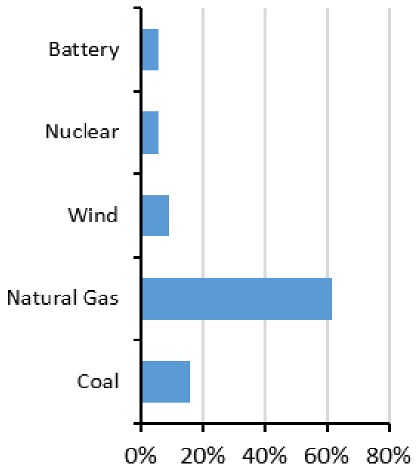
On-Peak Reserve Margin



Risk Scenario Summary

Expected resources meet operating reserve requirements under normal peak-demand scenarios. Above-normal winter peak load and outage conditions could result in the need for operating mitigations (i.e., demand response and transfers) and EEAs. Load shedding is unlikely but may be needed under wide-area cold weather events.

On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario

Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy at peak demand hour

Demand Scenarios: Presumes weather conditions comparable to Winter Storm Uri. The adjustment is calculated as the difference between the 100th percentile and 50th percentile values from ERCOT's Probabilistic Reserve Risk Model (PRRM) simulated load outcome distribution for hour ending 8:00 a.m.

Typical Maintenance Outages: Based on historical winter data and consideration of ERCOT's allowed maximum system daily planned outage capacity

Typical Forced Outages: Based on a probability distribution created using historical ERCOT Outage Scheduler data for the last three Januarys.

Resource Derates for Extreme Conditions: Weather-related thermal and wind outages based on Winter Storm Uri levels, adjusted for reductions due to weatherization standards. Also includes high non-weather-related outages.

Operational Mitigations: Additional potential capacity from switchable generation and imports

WECC-Alberta

WECC-Alberta is an assessment area that covers the Canadian province of Alberta. The province has a geographic area of 661,848 square kilometers (255,541 square miles) and a population of almost 5 million people. The Alberta Electric System Operator (AESO) is the province's Planning Entity and RC responsible for safe, reliable, and economic operation of the Alberta Interconnected Electric System. AESO is a non-profit corporation that operates a system that includes approximately 26,000 kilometers of transmission lines and connects approximately 426 qualified generating units and nearly 250 market participants through a wholesale market. Alberta's transmission system has three interties with neighboring areas: Saskatchewan (see MRO-SaskPower), British Columbia (see WECC-British Columbia), and Montana (see WECC-Northwest). Peak electricity demand on the AESO system currently occurs during the winter season.

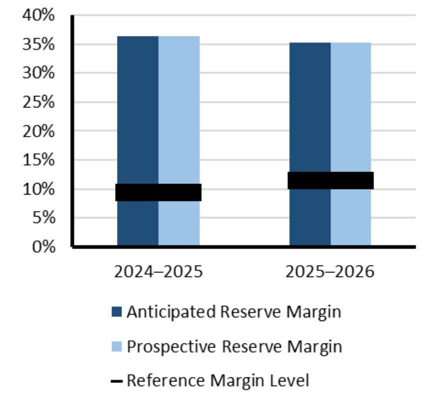
Highlights

- At an extreme winter peak of 12,982 MW, with extreme forced outages at 530 MW and derates for extreme conditions bringing wind energy availability down by 1,800 MW and hydroelectricity by 88 MW, the required reserves are 759 MW and are sufficiently met, even with low availability.
- Demand is expected to increase 1.1% from last winter with the existing-certain installed capacity having increased 23%.
- Solar availability is down because 1,000 MW of PV moved from originally expecting to come on-line in 2024 as Tier 1 resources to Tier 2s mostly anticipated to come on-line in 2025, but with less certainty.

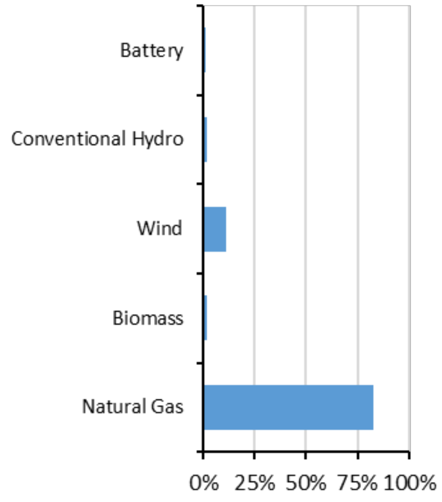
Risk Scenario Summary

Expected resources meet operating reserve requirements under assessed scenarios.

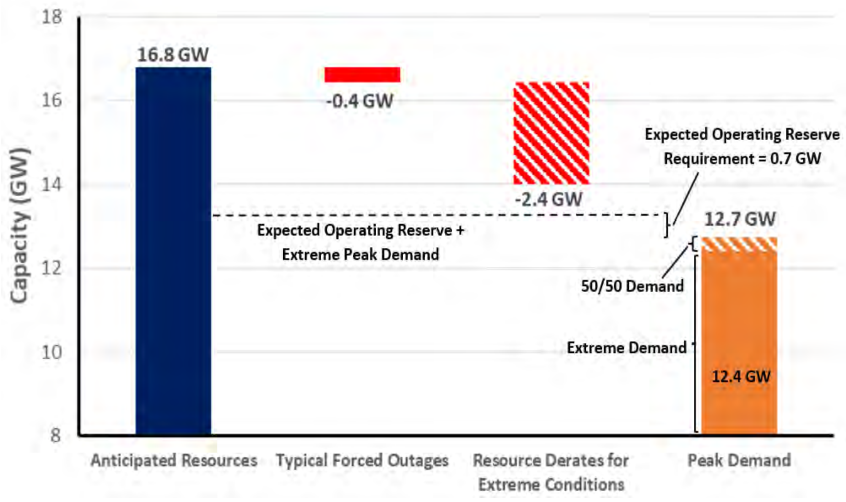
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy is on the peak demand hour

Demand Scenarios: Net internal demand is the expected (50th percentile) peak and the 90th percentile of peak demand is the extreme forecast

Typical Forced Outages: Calculated using historical GADS data

Resource Derates for Extreme Conditions: Thermal, wind, and solar are based on the hourly energy availability curves' probability distributions' 10th percentiles for the risk period

WECC-Basin

WECC-Basin is a summer-peaking assessment area in the WECC Regional Entity that includes Utah, southern Idaho, and a portion of western Wyoming, covering Idaho Power and PacifiCorp's eastern BA area. The population of this area is approximately 5.4 million. It has 15,910 miles of transmission. WECC is responsible for coordinating and promoting BES reliability in the Western Interconnection. WECC's 329 members include 40 BAs, representing a wide spectrum of organizations with an interest in the BES. Serving an area of nearly 1.8 million square miles and more than 84.5 million customers, it is geographically the largest and most diverse Regional Entity. *Note: The 2025-26 WRA includes a new assessment area map for the U.S. Western Interconnection. The new assessment area boundaries provide more geographic detail of reliability risk information. WECC-Basin is a new assessment area in 2025 that was part of WECC-NW in the 2024–25 WRA.*

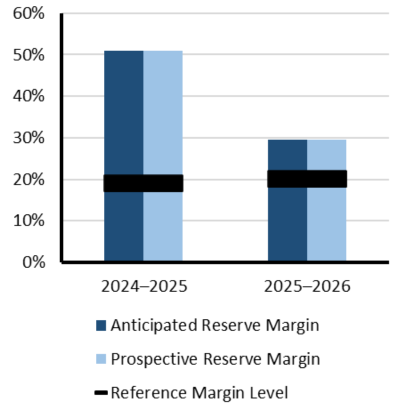
Highlights

- At an extreme winter peak of 11.1 GW under an extreme combination of derates and outages, the region could be short 1.0 GW before imports and is expected to need to rely on transfers.
- Net internal demand is expected to increase 1% since last year, with total internal demand up 1.8% being offset by a doubling of controllable and dispatchable demand response.
- Tier 1 resources have declined and do not appear to be offset by increases in existing-certain generation resource capacity. Nameplate wind has increased by almost 18% and solar by almost 30%. Hydro is also up over 7% in total installed capacity.
- Reliance on imports is expected to be required to maintain resource adequacy during extreme peak demand and extreme derate conditions.

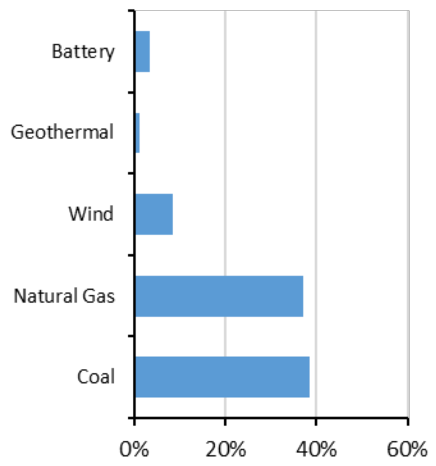
Risk Scenario Summary

Expected resources meet operating reserve requirements under normal peak demand scenarios. Above-normal peak demand combined with high generator outages in extreme conditions results in the need for external assistance to maintain reserves.

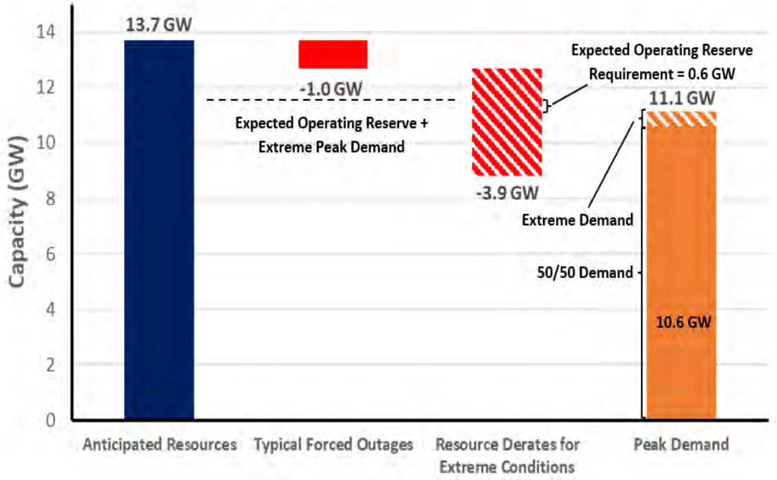
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy is on the peak demand hour

Demand Scenarios: Net internal demand is the expected (50th percentile) peak and the 90th percentile of peak demand is the extreme forecast

Typical Forced Outages: Calculated using historical GADS

Extreme Derates: Thermal, wind, and solar are based on the hourly energy availability curves' probability distributions' 10th percentiles for the risk period

WECC-British Columbia

WECC-British Columbia is an assessment area that covers the Canadian province of British Columbia. The province has a geographic area of 944,735 square kilometers (364,764 square miles) and a population of just over 5 million people. BC Hydro is the Planning Entity and RC for the province of British Columbia and is the principal supplier of electricity for the province. BC Hydro is a provincial Crown corporation and, under provincial legislation, is responsible for the oversight of the British Columbia BES and its interconnections. BC Hydro operates an integrated system supported by 30 hydroelectric plants, approximately 80,000 kilometers of transmission and distribution lines, and 125 contracts with independent power producers. BC Hydro's transmission system has two interties with neighboring areas: the U.S. state of Washington (see WECC-Northwest) and Alberta (see WECC-Alberta). Peak electricity demand on the BC Hydro system currently occurs during winter.

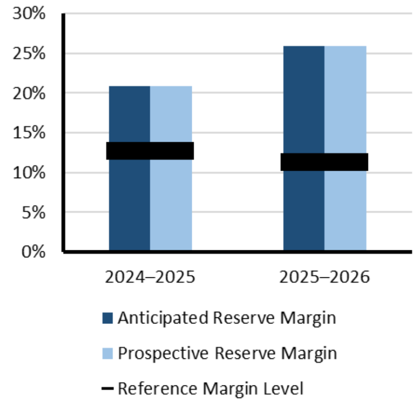
Highlights

- Peak demand is expected to remain about the same as last winter.
- There are about 200 MW more (47%) planned Tier 1 resources for this winter than last.
- Solar nameplate capacity has increased from 2 MW to 17 MW since last winter and hydroelectric nameplate capacity is up more than 5%, or 1,366 MW.

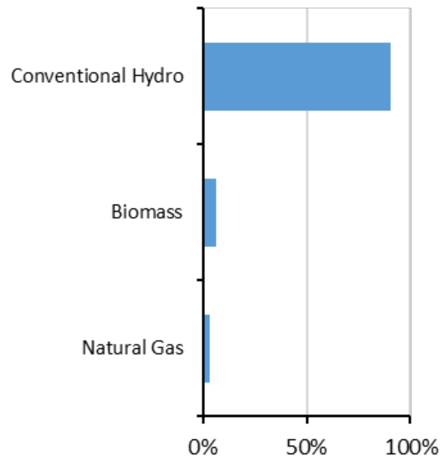
Risk Scenario Summary

Expected resources meet operating reserve requirements under normal and extreme demand scenarios.

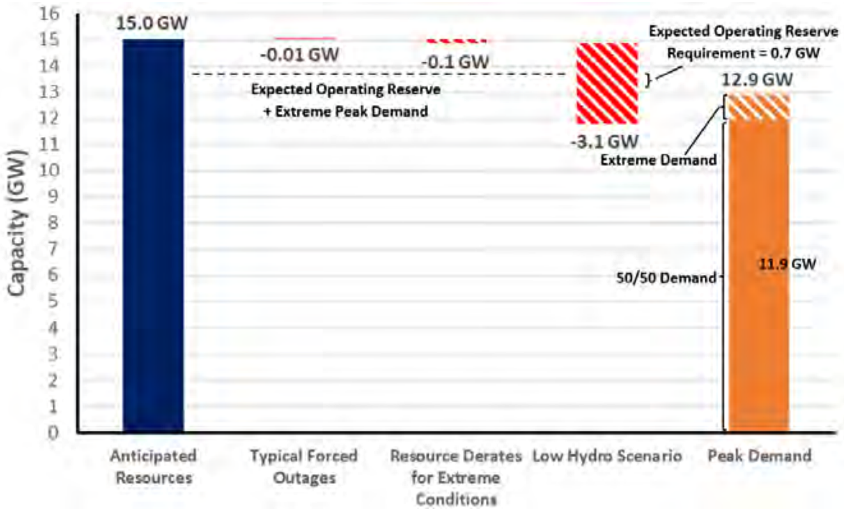
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy is on the peak demand hour

Demand Scenarios: Net internal demand is the expected (50th percentile) peak and the 90th percentile of peak demand is the extreme forecast

Typical Forced Outages: Calculated using historical GADS

Resource Derates for Extreme Conditions: Thermal, wind, and solar are based on the hourly energy availability curves' probability distributions' 10th percentiles for the risk period

Low Hydro Scenario: Estimated derate for lower hydro output

WECC-California

WECC-California is a summer-peaking assessment area in the Western Interconnection that includes most of California and a small section of Nevada. The assessment area has a population of over 42.5 million people. The area includes the California ISO, the Los Angeles Department of Water and Power, the Turlock Irrigation District, and the Balancing Area of Northern California. It has 32,712 miles of transmission. WECC is responsible for coordinating and promoting BES reliability in the Western Interconnection. WECC's 329 members include 40 BAs, representing a wide spectrum of organizations with an interest in the BES. Serving an area of nearly 1.8 million square miles and more than 84.5 million customers, it is geographically the largest and most diverse Regional Entity. *Note: The 2025–26 WRA includes a new assessment area map for the U.S. Western Interconnection. The new assessment area boundaries provide more geographic detail of reliability risk information. WECC-Basin is a new assessment area in 2025 that was part of WECC-NW in the 2024–25 WRA.*

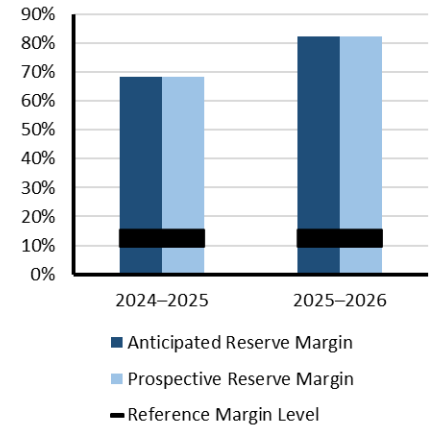
Highlights

- Operating reserve margins are met before imports in all winter resource availability scenarios.
- On-peak demand is expected to remain about the same as last winter. Demand-side management is down about 10%.
- Existing-certain capacity is up almost 5%, while planned Tier 1 resources are up more than 2 GW. The total wind nameplate capacity is up almost 27% and solar almost 13%. Hydro is down 4%.
- No reliance on imports is expected to be required to maintain resource adequacy for Winter 2025–2026.

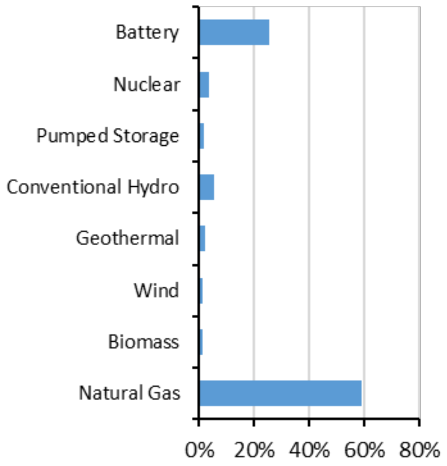
Risk Scenario Summary

Expected resources meet operating reserve requirements under assessed scenarios.

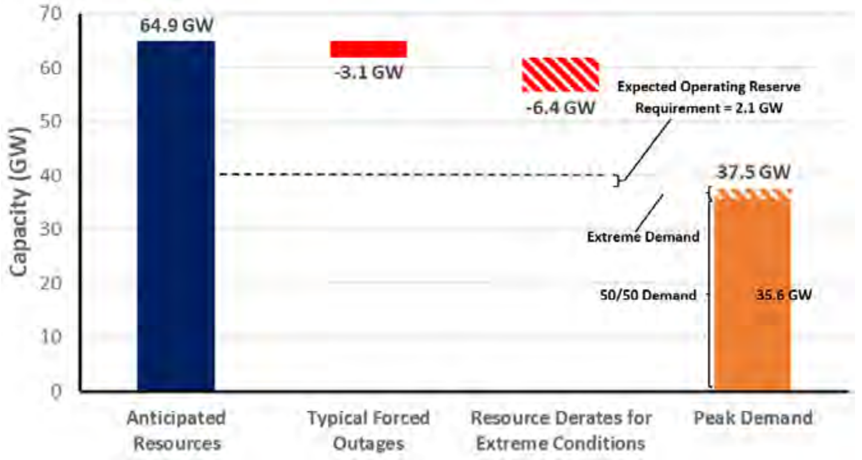
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy is on the peak demand hour

Demand Scenarios: Net internal demand is the expected (50th percentile) peak and the 90th percentile of peak demand is the extreme forecast

Typical Forced Outages: Calculated using historical GADS

Resource Derates for Extreme Conditions: Thermal, wind, and solar are based on the hourly energy availability curves' probability distributions' 10th percentiles for the risk period

WECC-Mexico

WECC-Mexico is a summer-peaking assessment area in the Western Interconnection that includes the northern portion of the Mexican state of Baja California, which has a population of 3.8 million people and includes CENACE. It has 1,568 miles of transmission. WECC is responsible for coordinating and promoting BES reliability in the Western Interconnection. WECC's 329 members include 40 BAs, representing a wide spectrum of organizations with an interest in the BES. Serving an area of nearly 1.8 million square miles and more than 84.5 million customers, it is geographically the largest and most diverse Regional Entity. *Note: The 2025–26 WRA includes a new assessment area map for the U.S. Western Interconnection. The new assessment area boundaries provide more geographic detail of reliability risk information. WECC-Basin is a new assessment area in 2025 that was part of WECC-NW in the 2024–25 WRA.*

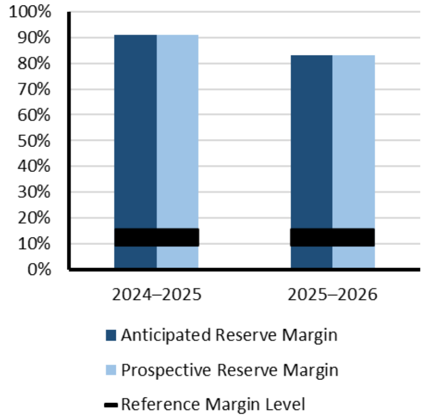
Highlights

- As a summer-peaking region, operating reserve margins are met before imports in all scenarios.
- Planned Tier 1 resources are down 100% to zero as expected resources have either been brought on-line to move into existing or, in the case of some natural gas, have been delayed until 2026 and moved into Tier 2.
- The existing-certain on peak reserve margin is down by 5.2%, and the anticipated and prospective reserve margins are down by 7.8%; however, since Mexico is heavily summer-peaking, the 83% reserve margin still exceeds the RML of 12.5%, which remains unchanged.

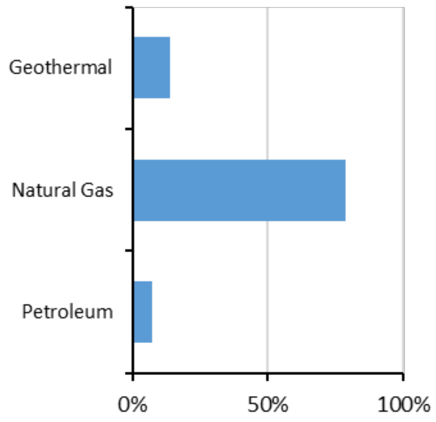
Risk Scenario Summary

Expected resources meet operating reserve requirements under assessed scenarios.

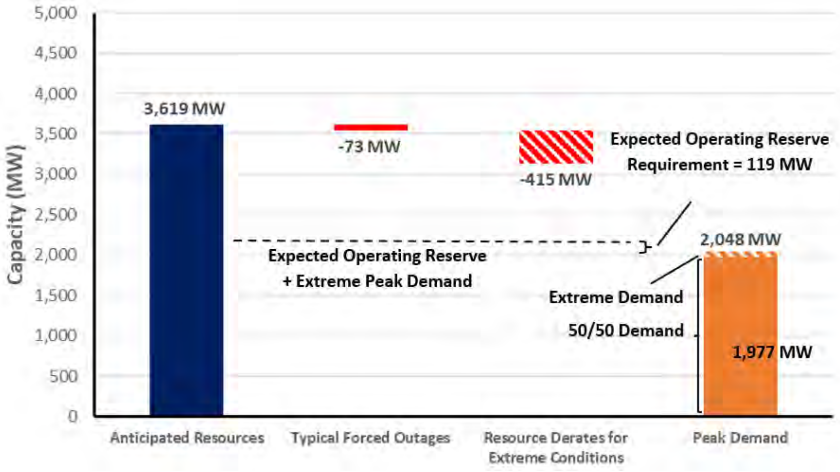
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy is on the peak demand hour

Demand Scenarios: Net internal demand is the expected (50th percentile) peak and the 90th percentile of peak demand is the extreme forecast

Typical Forced Outages: Calculated using historical GADS

Resource Derates for Extreme Conditions: Thermal, wind, and solar are based on the hourly energy availability curves' probability distributions' 10th percentiles for the risk period

WECC-Northwest

WECC-Northwest is a winter-peaking assessment area in the WECC Regional Entity. The area includes Montana, Oregon, and Washington and parts of northern California and northern Idaho. The population of the area is approximately 13.6 million. It has 32,751 miles of transmission. WECC is responsible for coordinating and promoting BES reliability in the Western Interconnection. WECC's 329 members include 40 BAs, representing a wide spectrum of organizations with an interest in the BES. Serving an area of nearly 1.8 million square miles and more than 84.5 million customers, it is geographically the largest and most diverse Regional Entity. *Note: The 2025–26 WRA includes a new assessment area map for the U.S. Western Interconnection. The new assessment area boundaries provide more geographic detail of reliability risk information. WECC-Basin is a new assessment area in 2025 that was part of WECC-NW in the 2024–25 WRA.*

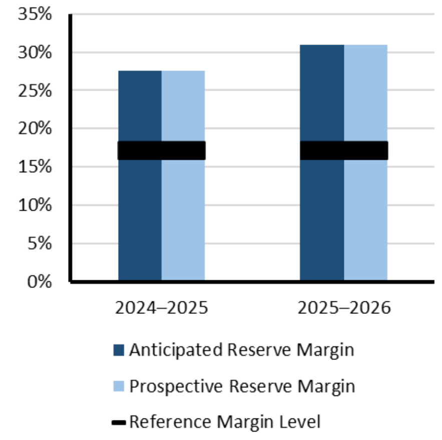
Highlights

- The Northwest has historically been a mixed season-peaking region.
- Operating reserve margins are expected to be met after imports in all winter scenarios.
- Total and net internal demand are up 9.3% with the primary drivers being data centers, residential electrification, transportation electrification, and semiconductor manufacturing.
- Large coal unit retirements and conventional hydro unit retirements are attributable to the reduction in existing certain capacity of 10.5%; however, planned Tier 1 resources have soared over 580%, from 463 MW to over 3 GW.
- Nameplate wind capacity is up over 3 GW (26%) and solar nameplate capacity is up nearly 2,690 MW (134%), which has also increased the solar availability on the peak hour.
- An increase in firm imports is seen in the model, 6.1 GW, absorbing the reduction in existing certain capacity of 4 GW.

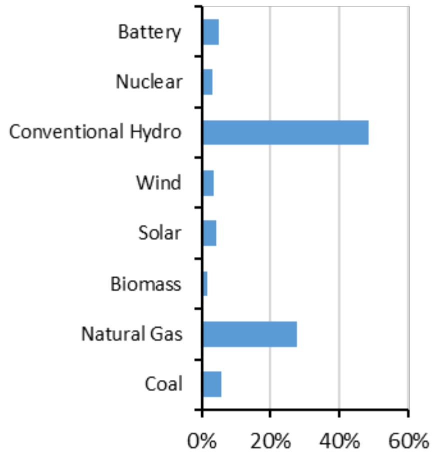
Risk Scenario Summary

Expected resources meet operating reserve requirements under normal peak demand scenarios. Above-normal peak demand combined with high generator outages in extreme conditions results in the need for external assistance to maintain reserves.

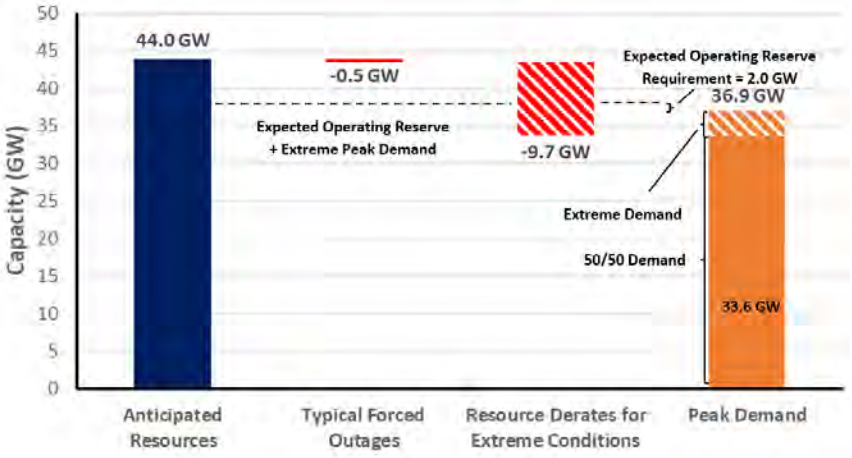
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy is on the peak demand hour

Demand Scenarios: Net internal demand is the expected (50th percentile) peak and the 90th percentile of peak demand is the extreme forecast

Typical Forced Outages: Calculated using historical GADS

Resource Derates for Extreme Conditions: Thermal, wind, and solar are based on the hourly energy availability curves' probability distributions' 10th percentiles for the risk period. This value includes 6.8 GW of hydro derates.

WECC-Rocky Mountain

WECC-Rocky Mountain is a summer-peaking assessment area in the Western Interconnection that includes Colorado, most of Wyoming, and parts of Nebraska and South Dakota. The population of the area is approximately 6.7 million. It covers the balancing areas of the Public Service Company of Colorado and the Western Area Power Administration's Rocky Mountain Region. It has 18,797 miles of transmission. WECC is responsible for coordinating and promoting BES reliability in the Western Interconnection. WECC's 329 members include 40 BAs, representing a wide spectrum of organizations with an interest in the BES. Serving an area of nearly 1.8 million square miles and more than 84.5 million customers, it is geographically the largest and most diverse Regional Entity. *Note The 2025–26 WRA includes a new assessment area map for the U.S. Western Interconnection. The new assessment area boundaries provide more geographic detail of reliability risk information. WECC-Basin is a new assessment area in 2025 that was part of WECC-NW in the 2024–25 WRA.*

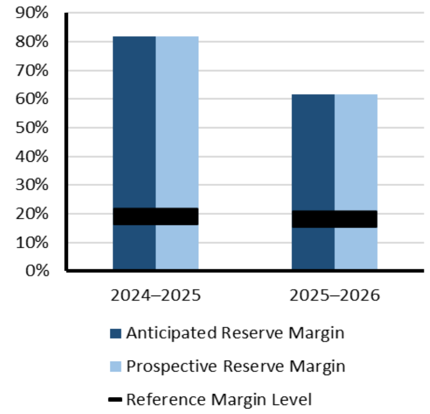
Highlights

- In Rocky Mountain, operating reserve margins are expected to be met before imports in all winter scenarios.
- Total and net internal demand are up almost 1%. The primary drivers are data centers and commercial and industrial customer growth.
- Planned Tier 1 resources are up over 84%, from almost 200 MW to over 365 MW. Solar nameplate capacity is up 27%; however, on-peak solar energy availability is down 100% due to the shift to after sunset. Expected hydro on peak energy availability is also down by around a quarter on the peak hour. Existing-Certain, Anticipated, and Prospective Reserve Margins are all down by over 20% on the peak hour; however, the region still maintains resource adequacy with margins hovering around 60% compared to the RML of 18%.
- No reliance on imports is expected to be required to maintain resource adequacy under combined extreme peak and extreme derated conditions.

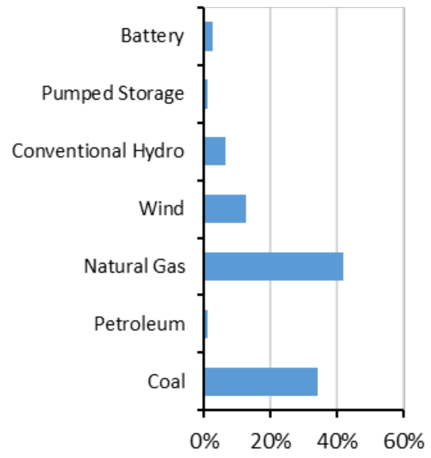
Risk Scenario Summary

Expected resources meet operating reserve requirements under assessed scenarios.

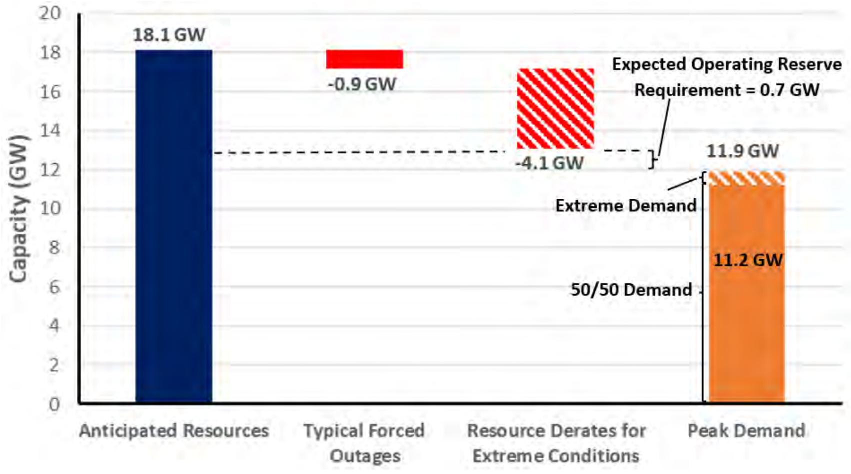
On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario



Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy is on the peak demand hour

Demand Scenarios: Net internal demand is the expected (50th percentile) peak and the 90th percentile of peak demand is the extreme forecast

Typical Forced Outages: Calculated using historical GADS

Resource Derates for Extreme Conditions: Thermal, wind, and solar are based on the hourly energy availability curves' probability distributions' 10th percentiles for the risk period

WECC-Southwest

WECC-Southwest is a summer-peaking assessment area in the Western Interconnection that includes all of Arizona and New Mexico, most of Nevada, and small parts of California and Texas. The area has a population of approximately 13.6 million. It has 23,084 miles of transmission. WECC is responsible for coordinating and promoting BES reliability in the Western Interconnection. WECC's 329 members include 40 BAs, representing a wide spectrum of organizations with an interest in the BES. Serving an area of nearly 1.8 million square miles and more than 84.5 million customers, it is geographically the largest and most diverse Regional Entity. *Note The 2025–26 WRA includes a new assessment area map for the U.S. Western Interconnection. The new assessment area boundaries provide more geographic detail of reliability risk information. WECC-Basin is a new assessment area in 2025 that was part of WECC-NW in the 2024–25 WRA.*

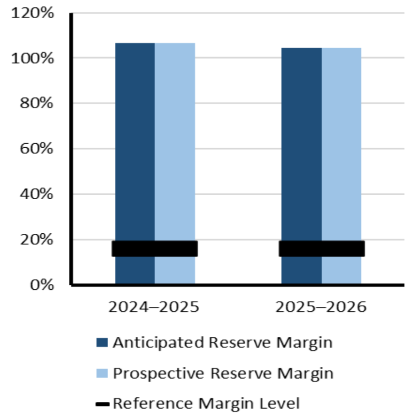
Highlights

- The Southwest is anticipated to be resource adequate under all winter expected and extreme energy availability and demand scenarios before imports.
- Total internal demand is expected to be up 1.5% and net internal demand up 2.3% since last winter. The primary drivers for load growth are data centers and industrial and residential electrification. Controllable and dispatchable demand response is down nearly half, by 163 MW.
- Planned Tier 1 resources are down over 19% as some have moved into existing certain, which is up almost 3%, over 1 GW, and other projects have experienced delays.
- Wind nameplate is up 12%, 470 MW, correlating to on-peak energy availability from wind increasing almost 11%, by 114 MW, while solar nameplate is up 27% or over 2.5 GW.

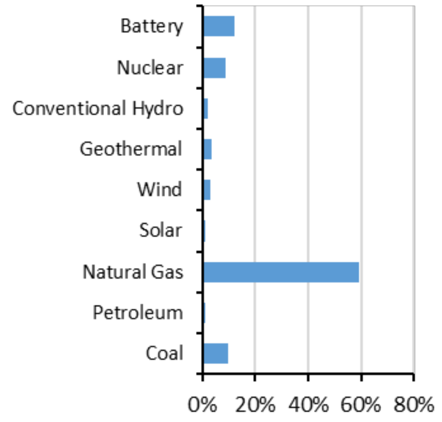
Risk Scenario Summary

Expected resources meet operating reserve requirements under assessed scenarios.

On-Peak Reserve Margin



On-Peak Resource Mix



2025–2026 Winter Risk Period Scenario

Scenario Description (See Data Concepts and Assumptions)

Risk Period: Highest risk for unserved energy is on the peak demand hour

Demand Scenarios: Net internal demand is the expected (50th percentile) peak and the 90th percentile of peak demand is the extreme forecast

Typical Forced Outages: Calculated using historical GADS

Resource Derates for Extreme Conditions: Thermal, wind, and solar are based on the hourly energy availability curves' probability distributions' 10th percentiles for the risk period

Data Concepts and Assumptions

The table below explains data concepts and important assumptions used throughout this assessment.

General Assumptions

- Reliability of the interconnected BPS is comprised of both adequacy and operating reliability:
    - Adequacy is the ability of the electric system to supply the aggregate electric power and energy requirements of the electricity consumers at all times while taking into account scheduled and reasonably expected unscheduled outages of system components.
    - Operating reliability is the ability of the electric system to withstand sudden disturbances, such as electric short-circuits or unanticipated loss of system components.
- The reserve margin calculation is an important industry planning metric used to examine future resource adequacy.
- All data in this assessment is based on existing federal, state, and provincial laws and regulations.
- Differences in data collection periods for each assessment area should be considered when comparing demand and capacity data between year-to-year seasonal assessments.
- A positive net transfer capability would indicate a net importing assessment area; a negative value would indicate a net exporter.

Demand Assumptions

- Electricity demand projections, or load forecasts, are provided by each assessment area.
- Load forecasts include peak hourly load[11] or total internal demand for the summer and winter of each year.[12]
- Total internal demand projections are based on normal weather (50/50 distribution)[13] and are provided on a coincident[14] basis for most assessment areas.
- Net internal demand is used in all reserve margin calculations, and it is equal to total internal demand then reduced by the amount of controllable and dispatchable demand response projected to be available during the peak hour.

Resource Assumptions

Resource planning methods vary throughout the North American BPS. NERC uses the categories below to provide a consistent approach for collecting and presenting resource adequacy. Because the electrical output of variable energy resources (VER) (e.g., wind, solar PV) depends on weather conditions, their contribution to reserve margins and other on-peak resource adequacy analysis is less than their nameplate capacity.

Anticipated Resources:

- **Existing-Certain Capacity**: Included in this category are commercially operable generating units or portions of generating units that meet at least one of the following requirements when examining the period of peak demand for the summer season: unit must have a firm capability and have a power purchase agreement with firm transmission that must be in effect for the unit; unit must be classified as a designated network resource; and/or, where energy-only markets exist, unit must be a designated market resource eligible to bid into the market.
- **Tier 1 Capacity Additions**: This category includes capacity that either is under construction or has received approved planning requirements.
- **Net Firm Capacity Transfers (Imports minus Exports)**: This category includes transfers with firm contracts.

Prospective Resources: Includes all anticipated resources plus the following:

Existing-Other Capacity: Included in this category are commercially operable generating units or portions of generating units that could be available to serve load for the period of peak demand for the season but do not meet the requirements of existing-certain.

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[11] https://www.nerc.com/pa/Stand/Glossary%20of%20Terms/Glossary_of_Terms.pdf used in NERC Reliability Standards

[12] The summer season represents June–September and the winter season represents December–February.

[13] Essentially, this means that there is a 50% probability that actual demand will be higher and a 50% probability that actual demand will be lower than the value provided for a given season/year.

[14] Coincident: This is the sum of two or more peak loads that occur in the same hour. Noncoincident: This is the sum of two or more peak loads on individual systems that do not occur in the same time interval; this is meaningful only when considering loads within a limited period of time, such as a day, a week, a month, a heating or cooling season, and usually for not more than one year. SERC calculates total internal demand on a noncoincidental basis.

Reserve Margin Descriptions

Planning Reserve Margin: This is the primary metric used to measure resource adequacy; it is defined as the difference in resources (anticipated or prospective) and net internal demand then divided by net internal demand and shown as a percentage.

Reference Margin Level: The assumptions and naming convention of this metric vary by assessment area. The RML can be determined using both deterministic and probabilistic (based on a 0.1/year loss-of-load study) approaches. In both cases, this metric is used by system planners to quantify the amount of reserve capacity in the system above the forecasted peak demand that is needed to ensure sufficient supply to meet peak loads. Establishing an RML is necessary to account for long-term factors of uncertainty involved in system planning, such as unexpected generator outages and extreme weather impacts that could lead to increase demand beyond what was projected in the 50/50 load forecasted. In many assessment areas, an RML is established by a state, provincial authority, ISO/Regional Transmission Organization (RTO), or other regulatory body. In some cases, the RML is a requirement. RMLs may be different for the summer and winter seasons. If an RML is not provided by an assessment area, NERC applies 15% for predominantly thermal systems and 10% for predominantly hydro systems.

Seasonal Risk Scenario Chart Description

Each assessment area performed an operational risk analysis that was used to produce the seasonal risk scenario charts in the **Regional Assessments Dashboards**. The chart presents deterministic scenarios for further analysis of different resource and demand levels: The left blue column shows anticipated resources, and the two orange columns at the right show the two demand scenarios of the normal peak net internal demand and the extreme summer peak demand—both determined by the assessment area. The middle red or green bars show adjustments that are applied cumulatively to the anticipated resources, such as the following:

- Reductions for typical generation outages (i.e., maintenance and forced outages that are not already accounted for in anticipated resources)
- Reductions that represent additional outage or performance derating by resource type for extreme, low-probability conditions (e.g., drought condition impacts on hydroelectric generation, low-wind scenario affecting wind generation, fuel supply limitations, or extreme temperature conditions that result in reduced thermal generation output)
- Additional capacity resources that represent quantified capacity from operational procedures, if any, that are made available during scarcity conditions

Not all assessment areas have the same categories of adjustments to anticipated resources. Furthermore, each assessment area determined the adjustments to capacity based on methods or assumptions that are summarized below the chart. Methods and assumptions differ by assessment area and may not be comparable.

The chart enables evaluation of resource levels against levels of expected operating reserve requirement and the forecasted demand. Furthermore, the effects from extreme events can also be examined by comparing resource levels after applying extreme scenario derates and/or extreme summer peak demand.

Resource Adequacy

The ARM, which is based on available resource capacity, is a metric used to evaluate resource adequacy by comparing the projected capability of anticipated resources to serve forecast peak demand.[15] Large year-to-year changes in anticipated resources or forecast peak demand (net internal demand) can greatly impact Planning Reserve Margin calculations. NPCC-Maritimes marginally does not meet its RML for the upcoming winter. Other than NPCC-Maritimes, all assessment areas have sufficient ARMs to meet or exceed their RML for the 2025 winter as shown in **Figure 4**.

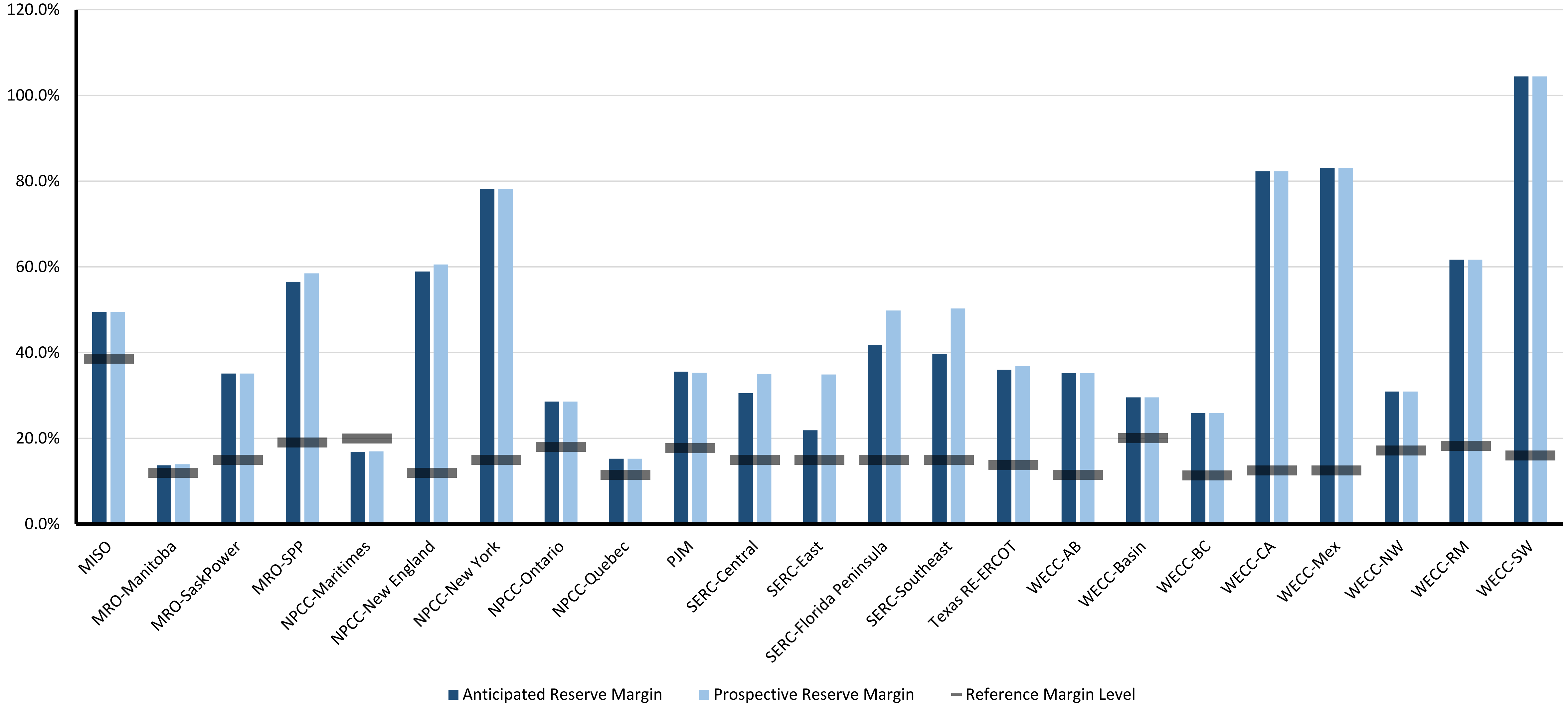

Figure 4: Winter 2025–2026 Anticipated / Prospective Reserve Margins Compared to Reference Margin Level

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[15] Generally, anticipated resources include generators and firm capacity transfers that are expected to be available to serve load during electrical peak loads for the season. Prospective resources are those that could be available but do not meet criteria to be counted as anticipated resources. Refer to the **Data Concepts and Assumptions** section for additional information on Anticipated/Prospective Reserve Margins, anticipated/prospective resources, and RMLs.

Changes from Year-to-Year

Figure 5 provides the relative change in the forecast ARMs from the 2024–2025 Winter to the 2025–2026 Winter. All areas except NPCC-Maritimes remain above their RMLs for 2025–2026 Winter. The Canadian winter-peaking systems, which include MRO-Manitoba, MRO-SaskPower, NPCC-Maritimes, NPCC-Québec, WECC-Alberta, and WECC-British Columbia, may have reserve margins that are near RMLs but are unlikely to experience high outage rates from their winterized generators. Additional details are provided in the **Data Concepts and Assumptions** section.

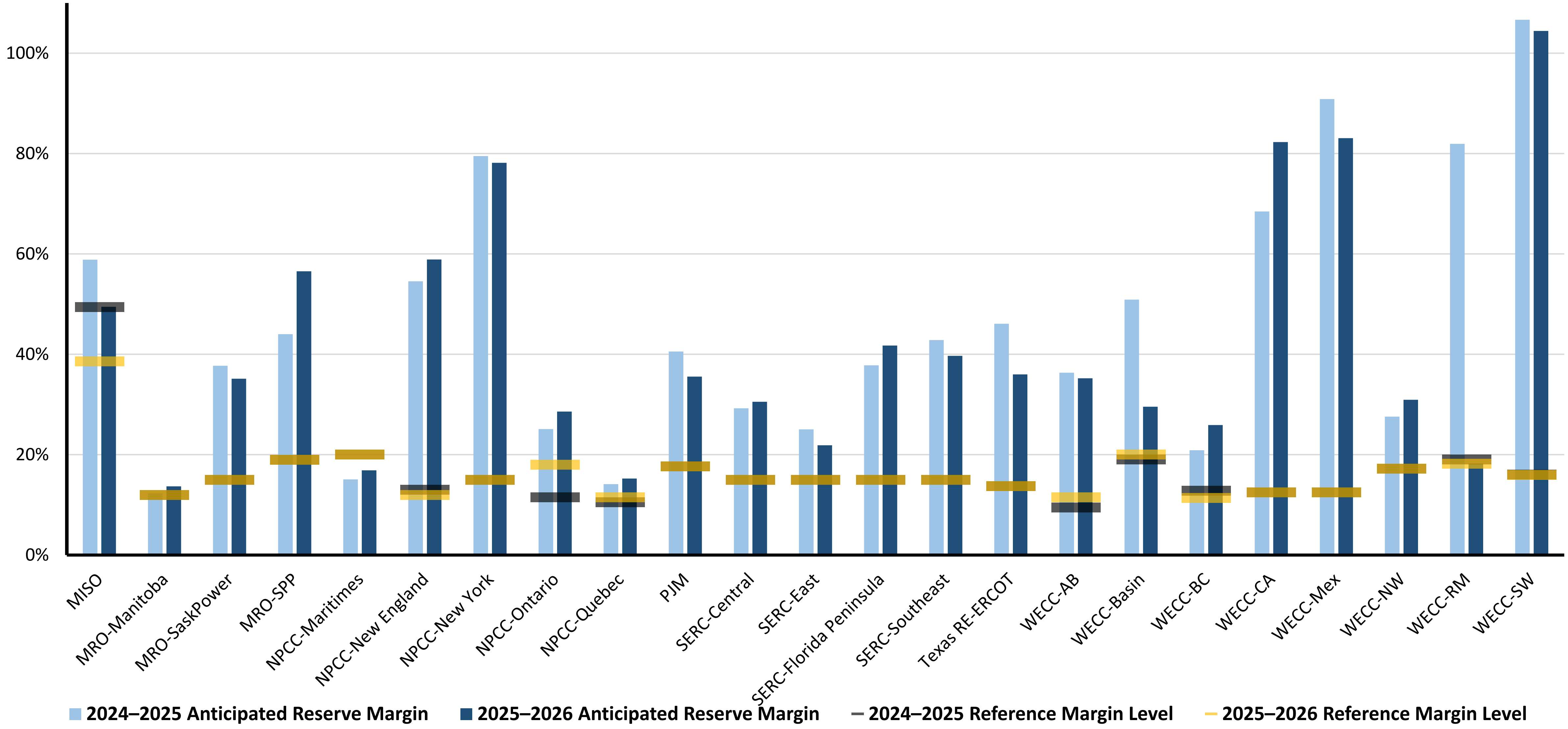

Figure 5: Winter 2024–2025 and Winter 2025–2026 Anticipated Reserve Margins Year-to-Year Change

Demand and Resource Tables

Peak demand and supply capacity data (i.e., resource adequacy data) for each assessment area are as follows in each table.

MISO			
Demand, Resource, and Reserve Margins	**2024–2025 WRA[16]**	**2025–2026 WRA**	**2024–2025 vs. 2025–2026**
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	102,353	105,249	2.8%
Demand Response: Available	6,219	8,250	32.7%
Net Internal Demand	96,134	96,999	0.9%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	150,407	142,880	-5.0%
Tier 1 Planned Capacity	122	0	0.0%
Net Firm Capacity Transfers	2,310	2,113	-8.5%
Anticipated Resources	152,717	144,993	-5.1%
Existing-Other Capacity	0	0	0.0%
Prospective Resources	152,839	144,993	-5.1%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	58.9%	49.5%	-9.4
Prospective Reserve Margin	59.0%	49.5%	-9.5
Reference Margin Level	49.4%	38.6%	-10.8

MRO-SPP			
Demand, Resource, and Reserve Margins	**2024–2025 WRA**	**2025–2026 WRA**	**2024–2025 vs. 2025–2026**
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	45,788	47,168	3.0%
Demand Response: Available	1,128	1,091	-3.3%
Net Internal Demand	45,926	46,077	0.3%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	67,252	71,074	5.7%
Tier 1 Planned Capacity	0	1087	0.0%
Net Firm Capacity Transfers	-1,116	-32	-97.1%
Anticipated Resources	66,136	72,129	9.1%
Existing-Other Capacity	0	0	0.0%
Prospective Resources	66,090	73,029	10.5%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	44.0%	56.5%	12.5
Prospective Reserve Margin	43.9%	58.5%	14.6
Reference Margin Level	19.0%	19.0%	0.0

MRO-SaskPower			
Demand, Resource, and Reserve Margins	**2024–2025 WRA**	**2025–2026 WRA**	**2024–2025 vs. 2025–2026**
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	3,852	3,944	2.4%
Demand Response: Available	50	50	0.0%
Net Internal Demand	3,802	3,894	2.4%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	4,946	4,972	0.5%
Tier 1 Planned Capacity	0	0	0.0%
Net Firm Capacity Transfers	290	290	0.0%
Anticipated Resources	5,236	5,262	0.5%
Existing-Other Capacity	0	0	0.0%
Prospective Resources	5,236	5,262	0.5%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	37.7%	35.1%	-2.6
Prospective Reserve Margin	37.7%	35.1%	-2.6
Reference Margin Level	15.0%	15.0%	0.0

MRO-Manitoba Hydro			
Demand, Resource, and Reserve Margins	**2024–2025 WRA**	**2025–2026 WRA**	**2024–2025 vs. 2025–2026**
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	4,814	4,903	1.8%
Demand Response: Available	0	0	0.0%
Net Internal Demand	4,814	4,903	1.8%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	5,924	5,688	-4.0%
Tier 1 Planned Capacity	10	0	-100.0%
Net Firm Capacity Transfers	-527	-113	-78.5%
Anticipated Resources	5,407	5,575	3.1%
Existing-Other Capacity	18	13	-26.8%
Prospective Resources	5,425	5,588	3.0%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	12.3%	13.7%	1.4
Prospective Reserve Margin	12.7%	14.0%	1.3
Reference Margin Level	12.0%	12.0%	0.0

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[16] MISO-provided updated data post 2024-25 WRA publication.

NPCC-Maritimes

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–2025 vs. 2025–2026
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	6,167	6,061	-1.7%
Demand Response: Available	259	248	-4.4%
Net Internal Demand	5,907	5,813	-1.6%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	6,647	6,704	0.9%
Tier 1 Planned Capacity	6	88	0.0%
Net Firm Capacity Transfers	145	1	-99.0%
Anticipated Resources	6,798	6,794	-0.1%
Existing-Other Capacity	0	0	0.0%
Prospective Resources	6,798	6,800	0.0%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	15.1%	16.9%	1.8
Prospective Reserve Margin	15.1%	17.0%	1.9
Reference Margin Level	20.0%	20.0%	0.0

NPCC-New York

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–2025 vs. 2025–2026
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	23,800	24,200	1.7%
Demand Response: Available	802	1,027	28.1%
Net Internal Demand	22,998	23,173	0.8%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	40,522	40,080	-1.1%
Tier 1 Planned Capacity	0	0	0.0%
Net Firm Capacity Transfers	759	1,203	58.5%
Anticipated Resources	41,281	41,283	0.0%
Existing-Other Capacity	0	0	0.0%
Prospective Resources	41,281	41,283	0.0%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	79.5%	78.2%	-1.3
Prospective Reserve Margin	79.5%	78.2%	-1.3
Reference Margin Level	15.0%	15.0%	0.0

NPCC-New England

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–2025 vs. 2025–2026
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	20,651	20,056	-2.9%
Demand Response: Available	343	440	28.2%
Net Internal Demand	20,308	19,616	-3.4%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	30,030	29,935	-0.3%
Tier 1 Planned Capacity	194	0	-100.0%
Net Firm Capacity Transfers	1,161	1,235	6.4%
Anticipated Resources	31,385	31,170	-0.7%
Existing-Other Capacity	306	322	5.2%
Prospective Resources	31,691	31,492	-0.6%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	54.5%	58.9%	4.4
Prospective Reserve Margin	56.1%	60.5%	4.5
Reference Margin Level	13.0%	12.0%	-1.0

NPCC-Ontario

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–2025 vs. 2025–2026
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	21,898	22,013	0.7%
Demand Response: Available	915	868	-5.2%
Net Internal Demand	20,982	21,146	0.9%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	26,652	27,319	2.5%
Tier 1 Planned Capacity	0	294	#DIV/0!
Net Firm Capacity Transfers	-450	-420	-6.7%
Anticipated Resources	26,202	27,193	3.8%
Existing-Other Capacity	0	0	0.0%
Prospective Resources	26,202	27,193	3.8%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	25.1%	28.6%	3.5
Prospective Reserve Margin	25.1%	28.6%	3.5
Reference Margin Level	11.5%	18.0%	6.5

NPCC-Québec

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–2025 vs. 2025–2026
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	40,512	40,799	0.8%
Demand Response: Available	4,451	4,902	10.9%
Net Internal Demand	36,061	35,897	-0.4%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	41,560	41,698	0.3%
Tier 1 Planned Capacity	73	61	0.0%
Net Firm Capacity Transfers	-479	-390	-18.6%
Anticipated Resources	41,154	41,368	0.5%
Existing-Other Capacity	-479	0	0.0%
Prospective Resources	41,154	41,368	0.5%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	14.1%	15.2%	1.1
Prospective Reserve Margin	14.1%	15.2%	1.1
Reference Margin Level	10.5%	11.5%	1.0

SERC-Central

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–2025 vs. 2025–2026
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	42,895	42,875	0.0%
Demand Response: Available	1,497	2,809	87.6%
Net Internal Demand	41,397	40,067	-3.2%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	51,578	50,454	-2.2%
Tier 1 Planned Capacity	0	0	0%
Net Firm Capacity Transfers	1,922	1,847	-3.9%
Anticipated Resources	53,500	52,301	-2.2%
Existing-Other Capacity	1,498	1,810	20.8%
Prospective Resources	54,998	54,111	-1.6%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	29.2%	30.5%	1.3
Prospective Reserve Margin	32.9%	35.1%	2.2
Reference Margin Level	15.0%	15.0%	0.0

PJM

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–2025 vs. 2025–2026
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	136,328	140,827	3.3%
Demand Response: Available	5,616	5,998	6.8%
Net Internal Demand	130,712	134,829	3.1%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	179,216	178,335	-0.5%
Tier 1 Planned Capacity	0	0	0.0%
Net Firm Capacity Transfers	4,502	4,448	-1.2%
Anticipated Resources	183,718	182,783	-0.5%
Existing-Other Capacity	0	0	0.0%
Prospective Resources	183,718	182,452	-0.7%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	40.6%	35.6%	-5.0
Prospective Reserve Margin	40.6%	35.3%	-5.2
Reference Margin Level	17.7%	17.7%	-12.3

SERC-East

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–2025 vs. 2025–2026
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	45,005	45,703	1.6%
Demand Response: Available	982	888	-9.6%
Net Internal Demand	44,023	44,815	1.8%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	54,379	54,460	0.1%
Tier 1 Planned Capacity	72	11	-84.3%
Net Firm Capacity Transfers	593	150	-74.7%
Anticipated Resources	55,045	54,622	-0.8%
Existing-Other Capacity	5,209	5,832	12.0%
Prospective Resources	60,254	60,453	0.3%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	25.0%	21.9%	-3.2
Prospective Reserve Margin	36.9%	34.9%	-2.0
Reference Margin Level	15.0%	15.0%	0.0

SERC-Florida Peninsula

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–2025 vs. 2025–2026
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	48,494	48,628	0.3%
Demand Response: Available	2,780	3,127	12.5%
Net Internal Demand	45,714	45,501	-0.5%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	62,579	63,502	1.5%
Tier 1 Planned Capacity	15	692	4510.0%
Net Firm Capacity Transfers	400	300	-25.0%
Anticipated Resources	62,994	64,494	2.4%
Existing-Other Capacity	3,673	3,671	0.0%
Prospective Resources	66,667	68,165	2.2%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	37.8%	41.7%	3.9
Prospective Reserve Margin	45.8%	49.8%	4.0
Reference Margin Level	15.0%	15.0%	0.0

SERC-Southeast

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–2025 vs. 2025–2026
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	45,308	47,056	3.9%
Demand Response: Available	1,638	1,365	-16.7%
Net Internal Demand	43,670	45,691	4.6%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	62,805	63,339	0.9%
Tier 1 Planned Capacity	765	0	-100.0%
Net Firm Capacity Transfers	-1,192	489	-141.0%
Anticipated Resources	62,378	63,828	2.3%
Existing-Other Capacity	3,920	4,847	23.7%
Prospective Resources	66,298	68,675	3.6%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	42.8%	39.7%	-3.1
Prospective Reserve Margin	51.8%	50.3%	-1.5
Reference Margin Level	15.0%	15.0%	0.0

Texas RE-ERCOT

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–2025 vs. 2025–2026
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	73,193	77,387	5.7%
Demand Response: Available	5,447	9,330	71.3%
Net Internal Demand	67,746	68,057	0.5%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	98,712	89,977	-8.8%
Tier 1 Planned Capacity	239	1351	464.9%
Net Firm Capacity Transfers	20	1,235	6075.0%
Anticipated Resources	98,971	92,562	-6.5%
Existing-Other Capacity	0	0	0.0%
Prospective Resources	99,691	93,137	-6.6%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	46.1%	36.0%	-10.1
Prospective Reserve Margin	47.2%	36.9%	-10.3
Reference Margin Level	13.75%	13.8%	0.0

WECC-AB

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–2025 vs. 2025–2026
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	12,280	12,411	1.1%
Demand Response: Available	0	0	0.0%
Net Internal Demand	12,280	12,411	1.1%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	13,535	16,658	23.1%
Tier 1 Planned Capacity	3206	124	-96.1%
Net Firm Capacity Transfers	0	0	0.0%
Anticipated Resources	16,740	16,782	0.3%
Existing-Other Capacity	0	0	0.0%
Prospective Resources	16,740	16,782	0.3%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	36.3%	35.2%	-1.1
Prospective Reserve Margin	36.3%	35.2%	-1.1
Reference Margin Level	9.5%	11.5%	2.0

WECC-Basin

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–2025 vs. 2025–2026
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	10,568	10,758	1.8%
Demand Response: Available	85	170	100.0%
Net Internal Demand	10,483	10,588	1.0%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	13,213	13,183	-0.2%
Tier 1 Planned Capacity	2,605	533	-79.5%
Net Firm Capacity Transfers	0	0	0%
Anticipated Resources	15,817	13,717	-13.3%
Existing-Other Capacity	0	0	0.0%
Prospective Resources	15,817	13,717	-13.3%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	50.9%	29.6%	-21.3
Prospective Reserve Margin	50.9%	29.6%	-21.3
Reference Margin Level	19.0%	20.0%	1.0

WECC-CA

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–2025 vs. 2025–2026
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	36,441	36,281	-0.4%
Demand Response: Available	743	666	-10.4%
Net Internal Demand	35,698	35,615	-0.2%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	55,380	57,923	4.6%
Tier 1 Planned Capacity	4,757	6,997	47.1%
Net Firm Capacity Transfers	0	0	0.0%
Anticipated Resources	60,138	64,920	8.0%
Existing-Other Capacity	0	0	0.0%
Prospective Resources	60,138	65,920	8.0%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	68.5%	82.3%	13.8
Prospective Reserve Margin	68.5%	82.3%	13.8
Reference Margin Level	12.5%	12.5%	0.0

WECC-BC

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–2025 vs. 2025–2026
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	11,966	11,936	-0.3%
Demand Response: Available	0	0	0.0%
Net Internal Demand	11,966	11,936	-0.3%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	13,870	14,389	3.7%
Tier 1 Planned Capacity	433	637	47.0%
Net Firm Capacity Transfers	164	0	-100.0%
Anticipated Resources	14,467	15,026	3.9%
Existing-Other Capacity	0	0	0.0%
Prospective Resources	14,467	15,026	3.9%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	20.9%	25.9%	5.0
Prospective Reserve Margin	20.9%	25.9%	5.0
Reference Margin Level	12.8%	11.4%	-1.5

WECC-Mexico

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–2025 vs. 2025–2026
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	1,983	1,977	-0.3%
Demand Response: Available	0	0	0%
Net Internal Demand	1,983	1,977	-0.3%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	3,733	3,619	-3.0%
Tier 1 Planned Capacity	52	0	-100.0%
Net Firm Capacity Transfers	0	0	0%!
Anticipated Resources	3,784	3,619	-4.4%
Existing-Other Capacity	0	0	0.0%
Prospective Resources	3,784	3,619	-4.4%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	90.8%	83.1%	-7.8
Prospective Reserve Margin	90.8%	83.1%	-7.8
Reference Margin Level	12.5%	12.5%	0

WECC-Northwest

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–25 vs. 2025–26
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	30,748	33,604	9.3%
Demand Response: Available	30	30	0.0%
Net Internal Demand	30,718	33,574	9.3%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	38,729	34,671	-10.5%
Tier 1 Planned Capacity	463	3,152	581.5%
Net Firm Capacity Transfers	0	6,136	100%!
Anticipated Resources	39,192	43,959	12.2%
Existing-Other Capacity	0	0	0.0%
Prospective Resources	39,192	43,959	12.2%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	27.6%	30.9%	3.3
Prospective Reserve Margin	27.6%	30.9%	3.3
Reference Margin Level	17.2%	17.2%	0.0

WECC-Rocky Mountain

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–25 vs. 2025–26
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	10,481	11,501	9.7%
Demand Response: Available	282	285	1.1%
Net Internal Demand	10,199	11,216	10.0%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	18,356	17,768	-3.2%
Tier 1 Planned Capacity	199	366	84.3%
Net Firm Capacity Transfers	0	0	0%
Anticipated Resources	18,555	18,134	-2.3%
Existing-Other Capacity	0	0	0.0%
Prospective Resources	18,555	18,134	-2.3%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	81.9%	61.7%	-20.3
Prospective Reserve Margin	81.9%	61.7%	-20.3
Reference Margin Level	19.0%	18.2%	-0.8

WECC-Southwest

Demand, Resource, and Reserve Margins	2024–2025 WRA	2025–2026 WRA	2024–25 vs. 2025–26
Demand Projections	**MW**	**MW**	**Net Change (%)**
Total Internal Demand (50/50)	20,844	21,147	1.5%
Demand Response: Available	340	177	-47.9%
Net Internal Demand	20,504	20,970	2.3%
Resource Projections	**MW**	**MW**	**Net Change (%)**
Existing-Certain Capacity	38,991	40,135	2.9%
Tier 1 Planned Capacity	3,381	2,733	-19.2%
Net Firm Capacity Transfers	0	0	0.0%
Anticipated Resources	42,372	42,868	1.2%
Existing-Other Capacity	0	0	0.0%
Prospective Resources	42,372	42,868	1.2%
Reserve Margins	**Percent (%)**	**Percent (%)**	**Annual Difference**
Anticipated Reserve Margin	106.6%	104.4%	-2.2
Prospective Reserve Margin	106.6%	104.4%	-2.2
Reference Margin Level	16.0%	16.0%	0.0

Variable Energy Resource Contributions

Because the electrical output of VERs (e.g., wind, solar PV) depends on weather conditions, on-peak capacity contributions are less than nameplate capacity and may vary widely year to year based on the identified risk hour. In many areas, winter demand peaks in the early morning hours or early evening resulting in little or no electrical resource output from solar PV resources and wide variability in wind availability. The following table shows the capacity contribution of existing wind and solar PV resources at the identified risk hour for each assessment area. Resource contributions are also aggregated by Interconnection and across the entire BPS.

BPS Variable Energy Resources On-Peak Capacity Contributions by Assessment Area

	Wind			Solar			Run of River Hydro		
Assessment Area/Interconnection (* - includes all hydro)	Nameplate Wind (MW)	Expected Wind (MW)	Expected Share of Nameplate (%)	Nameplate Solar PV (MW)	Expected Solar (MW)	Expected Share of Nameplate (%)	Nameplate Hydro (MW)	Expected Hydro (MW)	Expected Share of Nameplate (%)
MISO	30,247	8,772	29%	13,726	686	5%	2,351	1,404	60%
MRO-Manitoba Hydro	259	52	20%	0	0	0%	202	0	0%
MRO-SaskPower	816	433	53%	30	0	13%	884	703	80%
MRO-SPP	35,714	7,198	20%	1,197	457	38%	114	72	63%
NPCC-Maritimes	1,635	241	15%	155	10	6%	1,357	1,283	95%
NPCC-New England	2,675	455	17%	3,620	0	0%	3,742	1,453	39%
NPCC-New York	2,586	737	29%	627	0	0%	974	596	61%
NPCC-Ontario	4,943	1,971	40%	478	0	0%	0	0	0%
NPCC-Québec	4,024	1,426	35%	10	0	0%	445	445	100%
PJM*	13,318	5,463	41%	15,732	1	0%	8,134	7,900	97%
SERC-Central	1,324	370	28%	1,576	455	29%	4,991	4,027	81%
SERC-East	0	0	0%	7,068	1,792	25%	3,010	2,951	98%
SERC-Florida Peninsula	0	0	0%	12,058	2,151	18%	0	0	0%
SERC-Southeast	0	0	0%	8,670	4,461	51%	3,258	3,258	100%
Texas RE-ERCOT	40,629	7,833	19%	35,609	660	2%	579	566	98%
WECC-AB*	5,712	1,919	34%	2,206	0	0%	894	285	32%
WECC-Basin*	5,932	1,148	19%	3,853	62	2%	2,667	1,473	55%
WECC-BC*	747	85	11%	17	0	0%	17,752	13,560	76%
WECC-CA*	9,382	682	7%	28,328	0	0%	15,740	4,572	29%
WECC-Mex	40	4	11%	350	0	0%	0	0	0%
WECC-NW*	14,744	1,319	9%	4,695	1,556	33%	32,915	18,502	56%
WECC-RM*	5,681	2,265	40%	3,521	0	0%	3,251	1,327	41%
WECC-SW*	4,303	1,182	27%	12,139	391	3%	3,117	948	30%
EASTERN INTERCONNECTION	93,517	25,692	27%	64,937	10,013	15%	29,017	23,647	81%
QUÉBEC INTERCONNECTION	4,024	1,426	35%	10	0	0%	445	445	100%
TEXAS INTERCONNECTION	40,629	7,833	19%	35,609	660	2%	579	566	98%
WECC INTERCONNECTION	46,541	8,605	19%	55,108	2,008	4%	76336	40667	53%
INTERCONNECTION TOTAL:	**184,711**	**43,556**	**23%**	**155,664**	**12,685**	**8%**	106,377	65,325	61%

Review of Winter 2024–2025 Capacity and Energy Performance

The meteorological winter across the contiguous United States had an average temperature of 34.1 degrees F—1.9 degrees above average—ranking in the warmest third of NOAA's historical record. Total winter precipitation in the US was 5.87 inches, 0.92 of an inch below average, ranking in the driest third of the December–February climate record.[17] Most of Canada experienced temperatures at least 2°C above the baseline average with the Maritime provinces, southern Ontario, and the Canadian west coast recording temperature departures nearer the baseline average while a small region in southern Saskatchewan recorded temperatures just slightly below the baseline average.[18]

In February 2025, FERC and NERC and its Regional Entities launched a joint review of the BPS' performance during the January 2025 arctic events, which comprised Winter Storms Blair, Cora, Demi, and Enzo.[19] The week of January 19–25, 2025 was the third coldest winter week (spanning Sunday through Saturday) across the United States since 2000. Between January 21 and 22, 2025, natural gas demand peaked at 150 Bcf/day, electric demand peaked at 683 GW, and unplanned outages peaked at 71,022 MW. Nevertheless, during the January 2025 arctic events, manual load shed was not required. The January 2025 arctic events had lower observed hourly wind chill temperatures in pockets of the Northeast, the Louisiana Gulf, California, and the Southwest compared to Winter Storms Uri, Elliott, Gerri, and Heather. During the January 2025 arctic events, the most extreme storm relative to typical weather was Winter Storm Enzo—a Gulf and Southern storm. On January 20, 2025, a burst of snow, sleet, and freezing rain developed across Texas and Louisiana late in the day. A mixture of sleet and freezing rain fell from Austin to San Antonio and to the southernmost point of Texas. By the early morning hours of January 21, 2025, for the first time in history, a blizzard warning was issued for southwest Louisiana and the southeastern-most point of Texas. Snow fell in Gulf cities in Texas, southern Mississippi, southern Alabama, and western Florida. On January 21, 2025, Baton Rouge recorded 7.6 inches of snowfall, making it the city's snowiest day since recordkeeping began in 1892, while New Orleans saw its snowiest day on record, with a total of 8.0 inches. Temperatures plunged to single digits in Louisiana. Temperatures in some parts of the state fell to levels not seen in more than 125 years.

The review team engaged with 10 electric entities across the Eastern and Texas Interconnections to gather the information necessary to provide a high-level overview of the BPS' performance during the cold weather events. Based on the data and interviews that the team reviewed, electric generators appear to have performed better during the January 2025 arctic events because of additional generator commitments, improved preparedness, increased situational awareness, and the implementation of lessons learned from previous extreme cold weather events and prior report recommendations. The natural gas system also performed better overall, serving record levels of natural gas demand and experiencing only minor production declines and short-duration force majeure events.

On October 1, 2025, NERC submitted to the Federal Energy Regulatory Commission its first *Cold Weather Data Annual Report*. This report includes a review of forced outage data from GADS for the winter 2024–2025 period indicating performance consistent with historical performance as reported in NERC's annual *State of Reliability* report. This is within the normal range of capacity that occurs across the fleet. During the Winter 2024–2025 period, the highest amount of capacity in a forced outage state for all reasons occurred on January 20, 2025, with 68,519 MW across all regions. The outages occurring over January 20, 2025, were analyzed as part of the joint FERC, NERC, and Regional Entity *2025 System Performance Review*. The joint FERC, NERC, and Regional Entity *2025 System Performance Review* found a reduction in peak coincident unplanned generator outages for the four 2025 winter storms reviewed compared to past winter storms; however, this review also noted that it was not an exact comparison due to prior winter storms having different characteristics.

Eastern Interconnection–Canada and Québec Interconnection

No EEAs were needed during the previous winter season. One entity plans to make a slight increase to the demand-response program based on last winter's operations.

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[17] Despite Arctic air outbreaks, U.S. had warm, dry winter on average | National Oceanic and Atmospheric Administration

[18] Climate Trends and Variations Bulletin – Winter 2024/2025 - Canada.ca

[19] https://www.ferc.gov/media/report-january-2025-arctic-events-system-performance-review-ferc-nerc-and-its-regional

Eastern Interconnection–United States

Several entities indicated that generators performed better during the January 2025 arctic events than in previous winter storms. For example, TVA stated that generator performance within its footprint was stable, with minimal natural gas delivery issues. Southeastern RC detailed that no major fuel-related outages occurred. FRCC noted that generator performance was strong during this period. The significant characteristics of Winter Storm Enzo in the Southern and Gulf states were freezing precipitation and snow accumulation, especially in regions where those conditions rarely occur. In FRCC, only the northern portion of Florida experienced severe arctic weather including freezing precipitation and snowfall (record-setting, in some cities) that were abnormal for the region even though certain northern cities have faced cold temperatures in the past. In Florida, entities experienced energy emergencies caused by extended generation outages from hurricanes Milton and Helene, compounded by unusually high loads from cold weather. Entities were able to serve native load and firm delivery obligations, though non-firm sales were curtailed during certain events. ISO-NE, NYISO, and PJM all generally described the January 2025 arctic events as having cold temperatures but overall weather conditions that were similar to a winter without a major storm.

MISO emerged from Winter 2024–2025 without turning to emergency procedures despite the wide-ranging winter storms from January 6 to 9 and again from January 20 to 22. Generators continue to prioritize scheduling planned or maintenance outages to the shoulder seasons of fall and spring to maximize unit availability for the winter season. Also, extreme cold weather outage adders were added to the LOLE model to make sure that winter storm risks are included in planning. In PJM, demand reached a new all-time winter peak on January 22, 2025, of 143,714 MW with sufficient reserves. PJM did call an EEA1 on January 22, 2025, however reserves remained adequate. PJM had less than 3% load forecast error over the peak days of the January cold weather events. Reliability cases were conducted, and units with extended start times were evaluated and started early to ensure units were on-line before extreme cold weather settled in. PJM had a 9.24% forced outage rate on the peak day, a relatively low forced outage rate for the weather experienced. There were also very few gas production problems; however, market issues prevented proper scheduling because of the four-day holiday weekend.

In SERC-Central, entities reported only limited impacts from Winter 2024–2025 coldest weather and made minor adjustments. One entity declared conservative operations ahead of peak conditions but experienced no emergencies. One entity raised its winter Planning Reserve Margin target to 26% following lessons learned from Winter Storm Elliott. Corrective actions were implemented due to isolated equipment issues, including improved heat trace capabilities and adding heat trace equipment to the cold weather critical component list. During the previous winter season, some SERC-Florida Peninsula entities experienced energy emergencies caused by extended generation outages from hurricanes Milton and Helene, compounded by unusually high loads from cold weather. Despite these challenges, entities were able to serve native load and firm delivery obligations, though non-firm sales were curtailed during certain events.

Texas Interconnection–ERCOT

There were no energy emergencies for the Texas RE-ERCOT region last winter and no conditions that prompted changes in operating procedures. Winter Storm Kingston, which occurred in February 2025, was the only storm where ERCOT utilized firm fuel supply service resources (FFSS), a firm-fuel product that provides additional grid reliability and resiliency during extreme cold weather and compensates generation resources that meet a higher resiliency standard. A maximum FFSS deployment of 470 MW occurred on February 19 between the hours 13:10 and 17:02. Two other storms, Enzo and Cora, impacted ERCOT in January 2025, but these storms did not cause any system reliability issues.

Western Interconnection

Between January 11 and 17, 2024, a prolonged Arctic outbreak impacted British Columbia, Alberta, and the U.S. Pacific Northwest, driving record electricity demand and widespread reliability challenges. Four U.S. Northwest BAs and one Canadian BA declared energy emergencies, underscoring two core vulnerabilities: Inadequate capacity during evening peak hours (4 to 8 p.m.) and Insufficient fuel supply (limited hydro availability) across multiple days.

Although temperatures were comparable to the December 2022 cold snap, WECC-Northwest peak demand rose two percentage points to 6% over then, with BC Hydro and AESO both setting new all-time records. The U.S. Northwest relied heavily on imports—averaging 4,745 MW during peaks and 5,241 MW across all hours, mostly from the Southwest and Rockies. California remained a net importer, providing little relief. Market prices in the Northwest reached or neared caps across most hours, indicating persistent scarcity rather than short-term peaks. Overall, the January 2024 event illustrated capacity alone does not ensure resilience. Sustained energy availability with interregional flexibility (both physical and market-based) will be key to maintaining reliability through the 2025–2026 and future winter seasons.

2024–2025 Winter Demand and Generation Summary at Peak Demand

Assessment Area	Peak Demand Date	Peak Demand Hour	Demand[1] (MW)	WRA Peak Demand Scenarios[2] (MW)	Generation[1] (MWh)	Transfers[1] (MW)	Wind – Actual[1] (MWh)	Wind – Expected[3] (MW)	Solar – Actual[1] (MWh)	Solar – Expected[3] (MW)	Forced Outages Summary[4] (MW)
MISO	Jan. 21	18:00	108,888*	96,134 100,395	101,655	-977	18,468	16,761	0	519	17,010
MRO-Manitoba Hydro	Jan. 20	08:00	5.132	4,814 5,060	5,292	-277	142	52	N/A	0	146
MRO-SaskPower	Dec. 18	18:00	3,785	3,802 3,897	3,641	-231	664	368	0	3	0
MRO-SPP	Feb. 20	08:00	47,981	45,926 47,054	40,898	-1,424	4,886	4,783	255	36	9,272
NPCC-Maritimes	Jan. 22	07:00	5,810	5,907 6,498	4,266	-1,174	368	261	3	5	*
NPCC-New England	Jan. 21	18:00	19,607	20,308 21,814	17,686	-1,896	285	329	4	23	624
NPCC-New York	Jan. 22	19:00	23,521	22,998 24,023	18,932	-4,589	654	728	0	0	4,835

2024–2025 Winter Demand and Generation Summary at Peak Demand											
Assessment Area	**Peak Demand Date**	**Peak Demand Hour**	**Demand[1] (MW)**	**WRA Peak Demand Scenarios[2] (MW)**	**Generation[1] (MWh)**	**Transfers[1] (MW)**	**Wind – Actual[1] (MWh)**	**Wind – Expected[3] (MW)**	**Solar – Actual[1] (MWh)**	**Solar – Expected[3] (MW)**	**Forced Outages Summary[4] (MW)**
NPCC-Ontario	Jan. 22	18:00	21,940	20,951 22,179	24,250	2,990	3,693	1,914	0	0	*
NPCC-Québec	Jan. 22	08:00	37,178	36,061 39,545	39,514	-766	1,463	1,449	0	0	*
PJM	Jan. 22	09:00	144,420	130,712 144,939	152,142	7,731	3,704	3,620	3,076	1	8,663
SERC-C	Jan. 22	08:00	47,815	41,397 47,062	40,898	-6,921	563	176	214	455	1,538
SERC-E	Jan. 23	08:00	47,130	44,023 47,662	41,810	-5,323	0	0	145	2,526	1,830
SERC-FP	Jan. 25	08:00	43,974	45,714 54,239	41,702	-557	0	0	362	1,684	2,824
SERC-SE	Jan. 22	08:00	46,490	43,670 45,116	48,227	1,741	0	0	592	3,861	2,210

2024–2025 Winter Demand and Generation Summary at Peak Demand											
Assessment Area	**Peak Demand Date**	**Peak Demand Hour**	**Demand[1] (MW)**	**WRA Peak Demand Scenarios[2] (MW)**	**Generation[1] (MWh)**	**Transfers[1] (MW)**	**Wind – Actual[1] (MWh)**	**Wind – Expected[3] (MW)**	**Solar – Actual[1] (MWh)**	**Solar – Expected[3] (MW)**	**Forced Outages Summary[4] (MW)**
TRE-ERCOT	Feb. 20	08:00	80,560	73,193[5]	79,960	-191	9,397	15,697	1,586	15	5,742
				90,405[5]							
WECC-AB	Dec. 18	17:00	12,241	12,280	12,711	-470	3,175	1,867	4	0	*
				12,635							
WECC-BC	Feb 3	18:00	11,359	11,996	11,415	44	70	279	0	0	839
				12,749							
WECC-CA/MX	Dec. 12	15:00	35,555	35,359	31,925	-4,669	4,021	569	11,547	0	1,627
				36,823							
WECC-NW	Feb. 12	08:00	54,278	58,001	48,437	-920	2,607	7,876	1,494	2,198	3,281
				62,230							
WECC-SW	Feb. 13	16:00	22,969	16,177	25,087	2,117	2,741	1,065	1,599	182	1,496
				17,777							
Highlighting Notes:			Actual peak demand in the highlighted areas met or exceeded extreme scenario levels				Actual wind output in highlighted areas was significantly below seasonal forecast.		Actual solar output in highlighted areas was significantly below seasonal forecast.		Actual forced outages above or below forecast by factor of two

2024–2025 Winter Demand and Generation Summary at Peak Demand											
Assessment Area	**Peak Demand Date**	**Peak Demand Hour**	**Demand[1] (MW)**	**WRA Peak Demand Scenarios[2] (MW)**	**Generation[1] (MWh)**	**Transfers[1] (MW)**	**Wind – Actual[1] (MWh)**	**Wind – Expected[3] (MW)**	**Solar – Actual[1] (MWh)**	**Solar – Expected[3] (MW)**	**Forced Outages Summary[4] (MW)**

Table Notes:

[1] Actual demand, wind, and solar values for the hour of peak demand in U.S. areas were obtained from EIA From 930 data. For areas in Canada, this data was provided to NERC by system operators and utilities.

[2] See NERC *2024–2025* WRA demand scenarios for each assessment area. Values are the normal winter peak demand forecast and an extreme peak demand forecast that represents a 90/10, or once-per-decade, peak demand. Some areas use other basis for extreme peak demand.

[3] Expected values of wind and solar resources from the *2024–2025 WRA*.

[4] Values from NERC Generator Availability Data System for the 2024–2025 winter hour of peak demand in each assessment area. Highlighted areas had actual forced outages that were more than twice the value for typical forced outage rates used in the 2024–2025 winter risk period scenarios in the *2024–2025 WRA*.

[5] Texas RE-ERCOT peak demand scenarios are obtained by adding expected demand response (5.4 GW for winter 2024-2025) to the demand scenarios found on p. 29 of the 2024-2025 WRA.

*Canadian assessment areas report to the NERC Generator Availability Data System on a voluntary basis, which can contribute to the absence of some values in certain assessment areas.

Errata

December 2025

- Corrections made to the VER Table (page 50): Hydro values for WECC NW, Western Interconnection Total, and Total

UNITED STATES OF AMERICA
BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY

	)	
Federal Power Act Section 202(c)	)	Order No. 202-26-31
Emergency Order: Craig Unit 1	)	
	)	

The State Of Colorado's Request for Rehearing, Motion To Intervene, And Stay Request

Exhibit M: Department, *Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid* (July 2025)

U.S. DEPARTMENT
of ENERGY

Resource Adequacy Report

Evaluating the Reliability and Security of the United States Electric Grid

July 2025

Acknowledgments

This report and associated analysis were prepared for DOE purposes to evaluate both the current state of resource adequacy as well as future pressures resulting from the combination of announced retirements and large load growth.

It was developed in collaboration with and with assistance from the Pacific Northwest National Laboratory (PNNL) and National Renewable Energy Laboratory (NREL). We thank the North American Electric Reliability Corporation (NERC) for providing data used in this study, the Telos Corporation for their assistance in interpreting this data, and the U.S Energy Information Administration (EIA) for their dissemination of historical datasets. In addition, thank you to NREL for providing synthetic weather data created by Evolved Energy Research for the Regional Energy Deployment System (ReEDS) model.

DOE acknowledges that the resource adequacy analysis that was performed in support of this study could benefit greatly from the in-depth engineering assessments which occur at the regional and utility level. The DOE study team built the methodology and analysis upon the best data that was available. However, entities responsible for the maintenance and operation of the grid have access to a range of data and insights that could further enhance the robustness of reliability decisions, including resource adequacy, operational reliability, and resilience.

Historically, the nation’s power system planners would have shared electric reliability information with DOE through mechanisms such as EIA-411, which has been discontinued. Thus, one of the key takeaways from this study process is the underscored “call to action” for strengthened regional engagement, collaboration, and robust data exchange which are critical to addressing the urgency of reliability and security concerns that underpin our collective economic and national security.

Table of Contents

List of Figures

List of Tables

Additional figures and tables in appendices

List of Acronyms

AI	Artificial Intelligence
CAISO	California Independent System Operator
DOE	U.S. Department of Energy
EIA	Energy Information Administration
EO	Executive Order
EPRI	Electric Power Research Institute
ERCOT	Electric Reliability Council of Texas
EUE	Expected Unserved Energy
FERC	Federal Energy Regulatory Commission
GADS	Generating Availability Data System
ISO	Independent System Operator
ISO-NE	ISO New England Inc.
ITCS	Interregional Transfer Capability Study
LBNL	Lawrence Berkeley National Laboratory
LOLE	Loss of Load Expectation
LOLH	Loss of Load Hours
LTRA	Long-Term Reliability Assessment
MISO	Midcontinent Independent System Operator
NERC	North American Electric Reliability Corporation
NREL	National Renewable Energy Laboratory
NYISO	New York Independent System Operator
PJM	PJM Interconnection, LLC
PNNL	Pacific Northwest National Laboratory
ReEDS	Regional Energy Deployment System
RTO	Regional Transmission Organization
SERC	SERC Reliability Corporation
TPR	Transmission Planning Region
USE	Unserved Energy

Background to this Report

On April 8, 2025, President Trump issued Executive Order 14262, "Strengthening the Reliability and Security of the United States Electric Grid.” EO 14262 builds on EO 14156, “Declaring a National Emergency (Jan. 20, 2025),” which declared that the previous administration had driven the Nation into a national energy emergency where a precariously inadequate and intermittent energy supply and increasingly unreliable grid require swift action. The United States’ ability to remain at the forefront of technological innovation depends on a reliable supply of energy and the integrity of our Nation’s electrical grid.

EO 14262 mandates the development of a uniform methodology for analyzing current and anticipated reserve margins across regions of the bulk power system regulated by the Federal Energy Regulatory Commission (FERC). Among other things, EO 14262 requires that such methodology accredit generation resources based on the historical performance of each generation resource type. This report serves as DOE’s response to Section 3(b) of EO 14262 by delivering the required uniform methodology to identify at-risk region(s) and guide reliability interventions. The methodology described herein and any analysis it produces will be assessed on a regular basis to ensure its usefulness for effective action among industry and government decision-makers across the United States.

Executive Summary

Our Nation possesses abundant energy resources and capabilities such as oil and gas, coal, and nuclear. The current administration has made great strides—such as deregulation, permitting reform, and other measures—to enable addition of more energy infrastructure crucial to the utilization of these resources. However, even with these foundational strengths, the accelerated retirement of existing generation capacity and the insufficient pace of firm, dispatchable generation additions (partly due to a recent focus on intermittent rather than dispatchable sources of energy) undermine this energy outlook.

Absent decisive intervention, the Nation's power grid will be unable to meet projected demand for manufacturing, re-industrialization, and data centers driving artificial intelligence (AI) innovation. A failure to power the data centers needed to win the AI arms race or to build the grid infrastructure that ensures our energy independence could result in adversary nations shaping digital norms and controlling digital infrastructure, thereby jeopardizing U.S. economic and national security.

Despite current advancements in the U.S. energy mix, this analysis underscores the urgent necessity of robust and rapid reforms. Such reforms are crucial to powering enough data centers while safeguarding grid reliability and a low cost of living for all Americans.

Key Takeaways

- **Status Quo is Unsustainable**. The status quo of more generation retirements and less dependable replacement generation is neither consistent with winning the AI race and ensuring affordable energy for all Americans, nor with continued grid reliability (ensuring "resource adequacy"). Absent intervention, it is impossible for the nation's bulk power system to meet the AI growth requirements while maintaining a reliable power grid and keeping energy costs low for our citizens.

- **Grid Growth Must Match Pace of AI Innovation**. The magnitude and speed of projected load growth cannot be met with existing approaches to load addition and grid management. The situation necessitates a radical change to unleash the transformative potential of innovation.

- **Retirements Plus Load Growth Increase Risk of Power Outages by 100x in 2030**. The retirement of firm power capacity is exacerbating the resource adequacy problem. 104 GW of firm capacity are set for retirement by 2030. This capacity is not being replaced on a one-to-one basis and losing this generation could lead to significant outages when weather conditions do not accommodate wind and solar generation. In the "plant closures" scenario of this analysis, annual loss of load hours (LOLH) increased by a factor of a hundred.

- **Planned Supply Falls Short, Reliability is at Risk**. The 104 GW of retirements are projected to be replaced by 209 GW of new generation by 2030; however, only 22 GW would come from firm baseload generation sources. Even assuming no retirements, the model found increased risk of outages in 2030 by a factor of 34.

- **Old Tools Won't Solve New Problems.** Antiquated approaches to evaluating resource adequacy do not sufficiently account for the realities of planning and operating modern power grids. At a minimum, modern methods of evaluating resource adequacy need to incorporate frequency, magnitude, and duration of power outages; move beyond exclusively analyzing peak load time periods; and develop integrated models to enable proper analysis of increasing reliance on neighboring grids.

This report clearly demonstrates the need for rapid and robust reform to address resource adequacy issues across the Nation. Inadequate resource adequacy will hinder the development of new manufacturing in America, slow the re-industrialization of the U.S. economy, drive up the cost of living for all Americans, and eliminate the potential to sustain enough data centers to win the AI arms race.

Developing a Uniform Methodology

DOE's resource adequacy methodology assesses the U.S. electric grid's ability to meet future demand through 2030. It provides a forward-looking snapshot of resource adequacy that is tied to electricity supply and new load growth, systematically exploring a range of dimensions that can be compared across regions. As detailed in the methodology section of this report, the model is derived from the North American Electric Reliability Corporation (NERC) Interregional Transfer Capability Study (ITCS) which leverages time-correlated generation and outages based on actual historic data.[1] A deterministic approach[2] simulates system stress in all hours of the year and incorporates varied grid conditions and operating scenarios based on historical events:

- **Demand for Electricity – Assumed Load Growth:** The methodology accounts for the significant impact of data centers, particularly those supporting AI workloads, on electricity demand. Various organizations' projections for incremental data center electricity use by 2030 range widely (35 GW to 108 GW). DOE adopted a national midpoint assumption of 50 GW by 2030, aligning with central projections from Electric Power Research Institute (EPRI)[3] and Lawrence Berkeley National Laboratory (LBNL).[4] This 50 GW was allocated regionally using state-level growth ratios from S&P's forecast,[5] reflecting infrastructure characteristics, siting trends, and market activity; and, mapped to NERC Transmission Planning Regions (TPRs).

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1. This model differs from traditional peak hour reliability assessments in that it explicitly simulates grid performance hour-by-hour across multiple weather years with finer geographic detail and optimized inter-regional transfers, and explores various retirement and build-out scenarios. Furthermore, the DOE approach integrates weather-synchronized outage data.
2. Deterministic approaches evaluate resource adequacy using relatively stable or fixed assumptions about the representation of the power system. Probabilistic approaches incorporate data and advanced modeling techniques to represent uncertainty that require more computing power. Deterministic was chosen for this analysis for transparency and to model detailed historic system conditions.
3. EPRI, "Powering Intelligence: Analyzing Artificial Intelligence and Data Center Energy Consumption," March 2024, https://www.epri.com/research/products/3002028905.
4. Shehabi, A., et al., "2024 United States Data Center Energy Usage Report," https://escholarship.org/uc/item/32d6m0d1.
5. S&P Global – Market Intelligence, "US Datacenters and Energy Report," 2024.

An additional 51 GW of non-data center load was modeled using NERC data, historical loads (2019-2023), and simulated weather years (2007-2013), adjusted by the Energy Information Administration's (EIA) 2022 energy forecast, with interpolation between 2024 and 2033 to estimate 2030 demand.

- **Supply of Electricity – Assumed Generation Retirements and Additions:** Between the current system and the projected 2030 system, the model considers three scenarios for generator retirements and additions. These scenarios were selected to describe the metrics of interest and how they change during certain assumptions of generation growth and retirements.

The resource adequacy standard (or criterion) is the measure that defines the desired level of adequacy needed for a given system. Conceptually, a resource adequacy criterion has two components—metrics and target levels—that determine whether a system is considered adequate. Comprehensive resource adequacy metrics[6] are incorporated in this analysis to capture the magnitude and duration of system stress events:

- **Magnitude of Outages – Normalized Unserved Energy (NUSE):** Measures the amount of unmet electrical energy demand because of insufficient generation or transmission, typically measured in megawatt hours (MWh).

  While USE describes the absolute amount of energy not delivered, it is less useful when comparing systems of different size or across different periods. Normalizing, by dividing by total load over a whole period (for example, a year) allows comparison of these metrics across different system sizes, demand levels, and periods of analysis. For example, 100 MWh of USE in a small, isolated microgrid can be more impactful than 100 MWh of USE in a larger regional grid that serves millions of people. USE is normalized by dividing by total load:

$$\frac{100\ MWh\ (of\ unserved\ energy)}{10{,}000{,}000\ MWh\ (of\ total\ energy\ delivered\ in\ a\ year)} x100 = 0.001\ percent$$

Although the use of NUSE is not standardized in the U.S. today,[7] several system operators domestically and across the world have begun using NUSE as a useful metric.

- **Duration of Outages – Loss of Load Hours (LOLH):** Measures the expected duration of power outages when a system's load exceeds its available generation capacity. At the core, LOLH helps assess how frequently and for how long the power system is likely to experience insufficient supply, providing a picture of reliability in terms of time. LOLH is calculated as both a total and average value per year, in addition to the maximum percentage of load lost in any given hour per year.

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6. In the interest of technical accuracy, and separate from their contextualization in the main text, NUSE is more precisely a measure of volume that is expressed as a percentage. Similarly, 2.4 hours of LOLH represents the cumulative sum of distinct periods of load loss, not a singular, continuous duration.

7. There is no common planning criterion for this metric in North America. NERC's Long-Term Reliability Assessment employs a normalized expected unserved energy (NEUE) metric to define target risk levels for each region. Grid operators, such as ISO-NE, have also considered NUSE in energy adequacy studies. For example, see ISO-NE, "Regional Energy Shortfall Threshold (REST): ISO's Current Thinking Regarding Tail Selection," April 2025, https://www.iso-ne.com/static-assets/documents/100022/a09_rest_april_2025.pdf.

Reliability Standard

DOE's methodology recognizes that the traditional 1-in-10 loss of load expectation (LOLE) criterion is insufficient for a complete assessment of resource adequacy and risk profile. This antiquated criterion is not calculated uniformly and fails to adequately account for crucial factors such as the duration and magnitude of potential outages.[8] To provide a comprehensive understanding of system reliability and, specifically, to complement current resource adequacy standards while informing the creation of new criteria, the methodology uses the following reliability standard:

- **Duration of Outages:** No more than 2.4 hours of lost load in an individual year.[9] This translates into one day of lost load in ten years to meet the 1-in-10 criteria.
- **Magnitude of Outages:** No more than an NUSE of 0.002%.[10] This means that the total amount of energy that cannot be supplied to customers is 0.002% of the total energy demanded in a given year.

Achieving Reliability Standard

- **Perfect Capacity Surplus/Deficit:** Defined as the amount of generation capacity (in MW) a region would need to achieve specified threshold conditions. Based on these thresholds, this standard helps answer the hypothetical question of how much more (or less) power plant capacity is needed for a power system to be considered "perfectly reliable" according to pre-defined standards. This methodology employs this perfect capacity metric to identify the amount of capacity needed to remedy potential shortfalls (or excesses) in generation.

Key Results Summary

This analysis developed three separate cases for 2030. The "**Plant Closures"** case assumes all announced retirements occur plus mature generation additions based on NERC's Tier 1 resources category,[11] which encompasses completed and under-construction power generation projects, as well as those with firm-signed and approved interconnection service or power purchase agreements. The "**No Plant Closures"** case assumes no retirements plus mature additions. A "**Required Build**" case further compares the impacts of retirements on perfect capacity additions needed to return 2030 to the current system level of reliability.

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8. While 1-in-10 analyses have evolved, industry experts have raised concerns about its effectiveness to address future system risks. Concerns include energy constraints that arise from intermittent resources, increasing battery storage, limited fuel supplies, and the shifting away of peak load periods from times of supply shortfalls.

9. The "1-in-10 year" reliability standard for electricity grids means that, on average, there should be no more than one day (24 hours) of lost load over a ten-year period. This translates to a maximum of 2.4 hours of lost load per year.

10. This analysis targets NUSE below 0.002% for each region because this is the target NERC uses to represent high risk in resource adequacy analyses. Estimates used in industry and analyzed recently range from 0.0001% to 0.003%.

10. Mature generation additions are based on NERC's 2024 LTRA Tier 1 resources, which assume that only projects considered very mature in the development pipeline will be built. For example, Tier 1 additions are those with signed interconnection agreements or power purchase agreements, or included in an integrated resource plan, indicating a high degree of certainty in their addition to the grid. Full details of the retirement and addition assumptions can be found in the methodology section of this report.

DOE ran simulations using 12 different years of historical weather. Every hour was based on actual data for wind, solar, load, and thermal availability to stress test the grid under a range of realistic weather conditions. The benefit of this approach is that it allows for transparent review of how actual conditions manifest themselves in capacity shortfalls. For all scenarios, LOLH and NUSE are calculated and used to compare how they change based on generation growth, retirements, and potential weather conditions.

- **Current System:** Supply of power (generation) and demand for power (load) consistent with 2024 NERC Long-Term Reliability Assessment (LTRA), including 2023 actual generation plus Tier 1 additions for 2024.

- **Plant Closures:** This case assumes 104 GW of announced retirements based on NERC estimates including approximately 71 GW of coal and 25 GW of natural gas, which closely align with retirement numbers in EIA's 2025 Annual Energy Outlook. In addition, this case assumes 100% of 2024 NERC LTRA Tier 1 additions totaling 209 GW are constructed by 2030. This includes 20 GW of new natural gas, 31 GW of additional 4-hour batteries, 124 GW of new solar and 32 GW of incremental wind. Details of the breakdown can be found in Appendix A.

- **No Plant Closures:** This case adds all the Tier 1 NERC additions but assumes no retirements.

- **Required Build:** To understand how much capacity may need to be added to reach reliability targets, the analysis adds hypothetical perfect capacity (which is idealized capacity that has no outages or profile) until a NUSE target of 0.002% is realized in each region. This scenario includes the same assumptions about retirements as our Plant Closures scenario described above.

As shown in the figures and tables below, the model shows a significant decline in all reliability metrics between the current system scenario and the 2030 Plant Closures scenario. Most notably, there is a hundredfold increase in annual LOLH from 8.1 hours per year in the current case to 817 hours per year in the 2030 Plant Closures. In the worst weather year assessed, the total lost load hours increase from 50 hours to 1,316 hours.

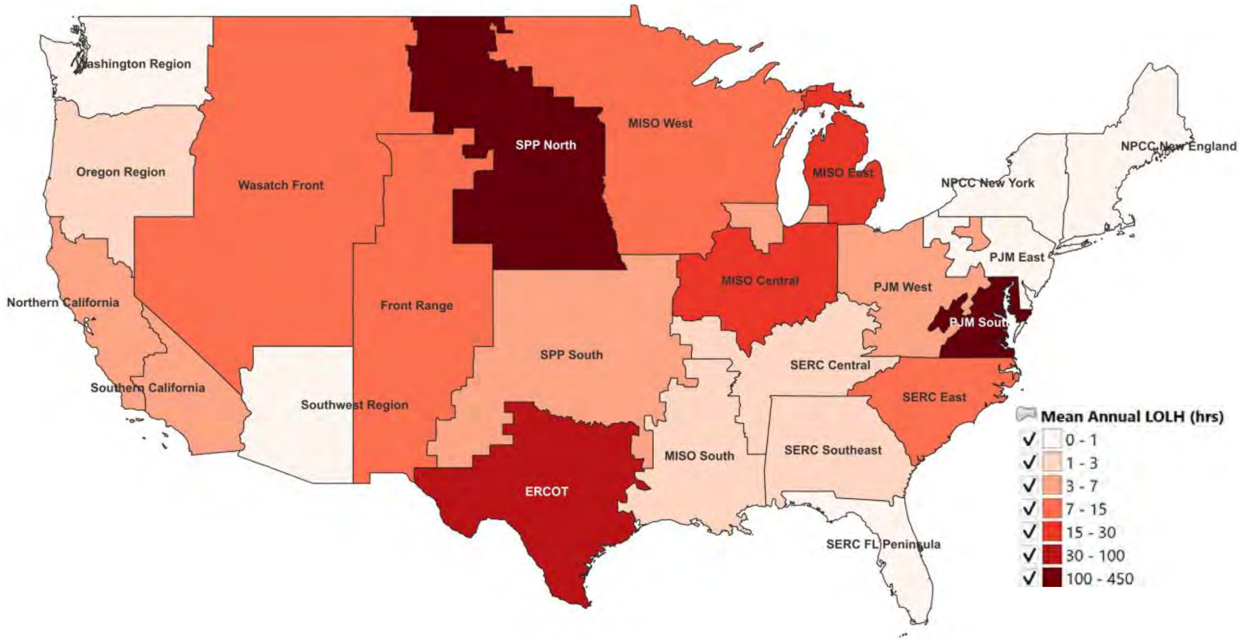

Figure 1. Mean Annual LOLH by Region (2030) – Plant Closures

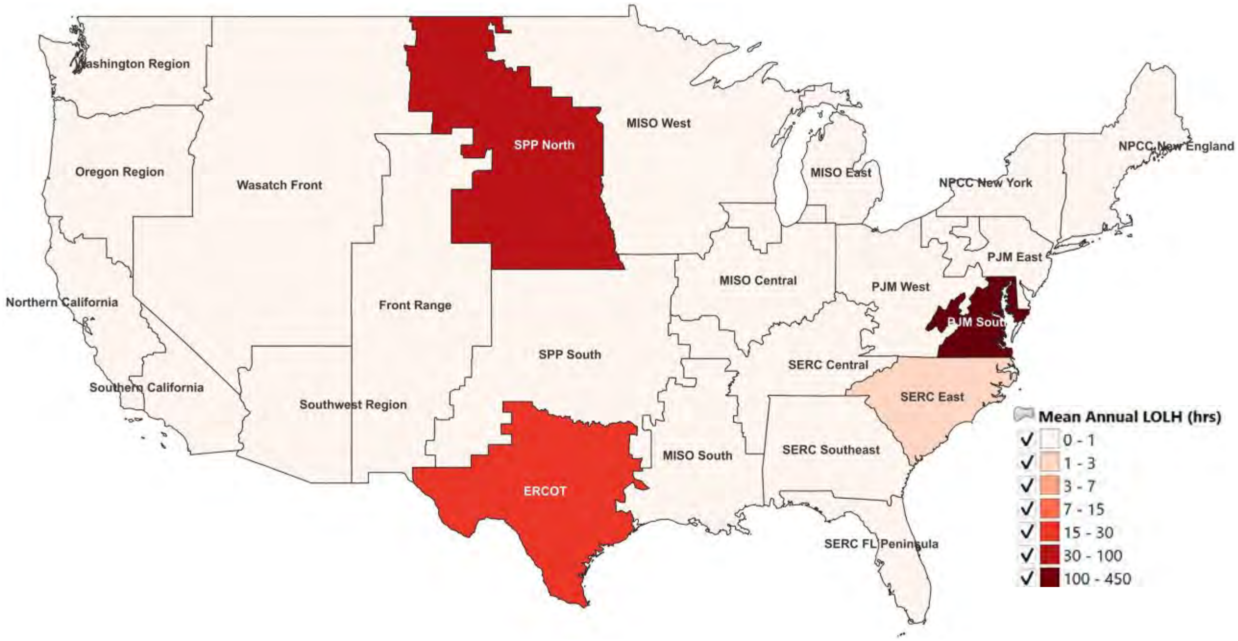

Figure 2. Mean Annual LOLH by Region (2030) – No Plant Closures

Table 1. Summary Metrics Across Cases

Reliability Metric		2030 Projection		
	Current System	Plant Closures	No Plant Closures	Required Build
AVERAGE OVER 12 WEATHER YEARS				
Average Loss of Load Hours	8.1	817.7	269.9	13.3
Normalized Unserved Energy (%)	0.0005	0.0465	0.0164	0.00048
WORST WEATHER YEAR				
Annual Loss of Load Hours	50	1316	658	53
Normalized Unserved Load (%)	0.0033	0.1119	0.0552	0.002

Current System Analysis

Analysis of the current system shows all regions except ERCOT have less than 2.4 hours of average loss of load per year and less than 0.002% NUSE. This indicates relative reliability for most regions based on the average indicators of risk used in this study. In the current system case, ERCOT would be expected to experience on average 3.8 LOLH annually going forward and a NUSE of 0.0032%. When looking at metrics in the worst weather years, regions meet or exceed additional criteria. All regions experienced less than 20% of lost load in any hour.

However, PJM, ERCOT,[12] and SPP experienced significant loss of load events during 2021 and 2022 winter storms Uri and Elliot which translated into more than 20 hours of lost load. This results in a concentration of lost load within certain years such that some regions exceeded 3-hours-per-year of lost load. It is worth noting that in the case of PJM and SPP, the current system model shortfalls occurred within subregions rather than for the entire ISO footprint.

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[12] ERCOT has since winterized its generation fleet and did not suffer any outages during Winter Storm Elliot.

2030 Model Results

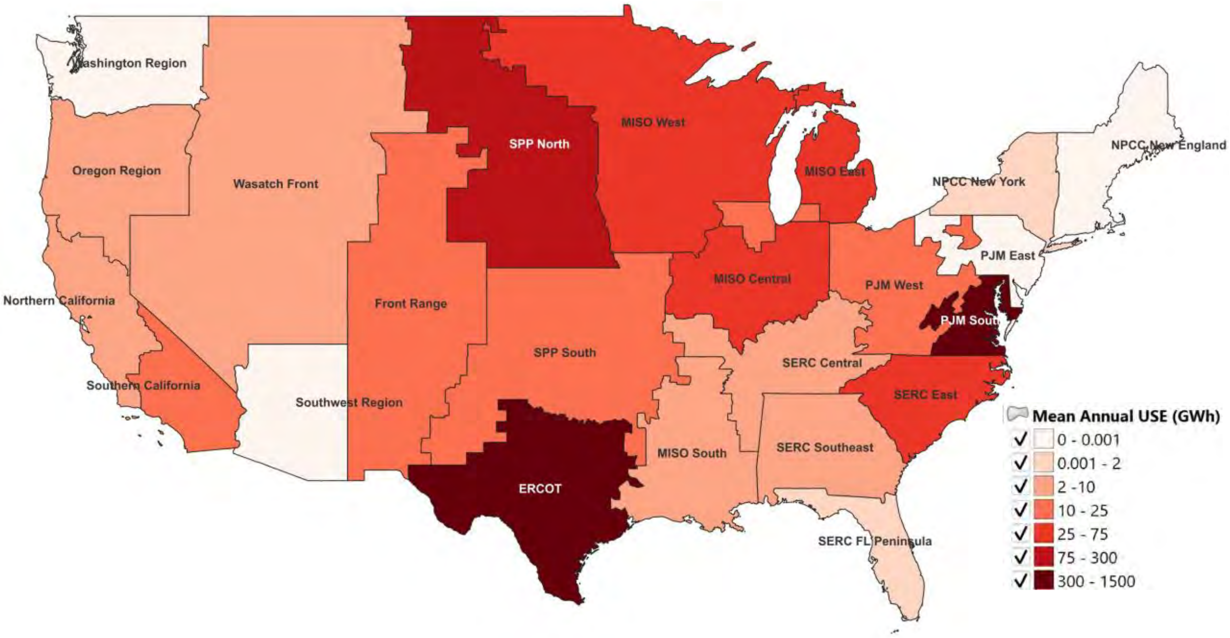


Figure 3. Mean Annual NUSE by Region (2030) -Plant Closures

Key Findings – Plant Closures Case:

- **Systemwide Failures**: All regions except ISO-NE and NYISO failed reliability thresholds. These two regions did not have additional AI/data center (AI/DC) load growth modeled.
- **Loss of Load Hours (LOLH)**: Ranged from 7 hours/year in CAISO to 430 hours/year in PJM.
- **Load Shortfall Severity**: Max shortfall reached as high as 43% of hourly load in PJM; 31% in CAISO.
- **Normalized Unserved Energy**: Normalized values ranged from 0.0032% (non-CAISO West) to 0.1473% (PJM), far exceeding thresholds of 0.002%.
- **Extreme Events**: Most regions experienced ≥3 hours of unserved load in at least one year. PJM had 1,052 hours in its worst year.
- **Spatial Takeaways**: Subregions in PJM, MISO, and SERC met thresholds—indicating possible benefits from transmission—but SPP and CAISO failed in all subregions.

Key Findings – No Plant Closures Case:

- **Improved System Performance**: Most regions avoided loss of load events. PJM, SPP, and SERC still experienced shortfalls.
- **Regional Failures**:

- **PJM**: 214 hours/year average, 0.066% normalized unserved energy, 644 hours in worst year, max 36% of load lost.

- **SPP**: 48 hours/year average, 0.008% normalized unserved energy, max 19% load lost.

- **ERCOT**: 20 average hours, 0.028% normalized unserved energy, 101 max hours/year, peak shortfall of 27%.

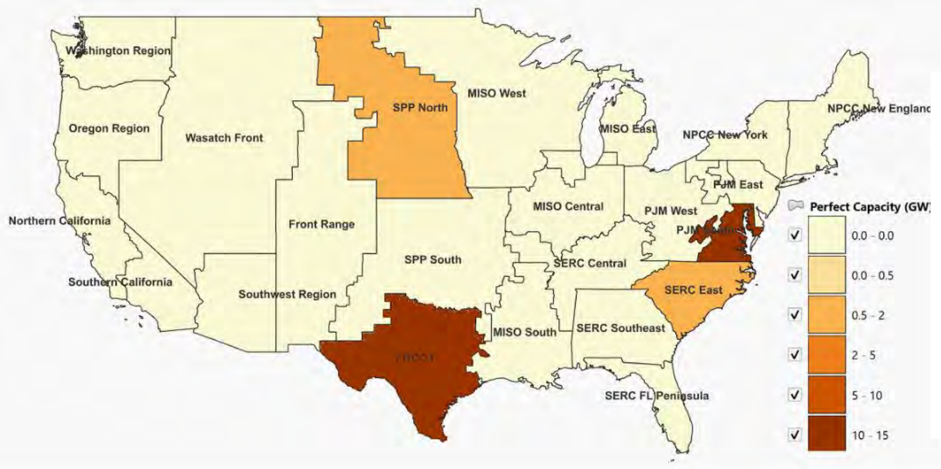
- **SERC-East**: Generally adequate (avg. 1 hour/year, 0.0003% NUSE), but Elliot storm in 2022 caused 42 hours of shortfall.

The overall takeaway is that avoiding announced retirements improves grid reliability, but shortfalls persist in PJM, SPP, ERCOT, and SERC, particularly in winter.

Required Build

This required build analysis quantifies "hypothetical capacity," defined as power that is 100% reliable and available that is needed to resolve the shortfalls. Known in industry as "perfect capacity," this metric is utilized to avoid the complex decision of selecting specific generation technologies, as that is ultimately an optimization of reliability against cost considerations. Nevertheless, it serves as a valuable indicator, illustrating either the magnitude of a resource gap or the scale of large load that will be unable to interconnect. For the Required Build case, this hypothetical capacity was calculated by adding new generating resources to each region until a target of 0.002% of NUSE is reached.

The table below shows the tuned perfect capacity results. For the current system, this analysis identifies an additional 2.4 MW of capacity to meet the NUSE target for PJM, which experiences shortfalls due to the winter storm Elliot historical weather year. By 2030, without considering any generation retirements, an additional 12.5 GW of generating capacity is needed across PJM, SPP, and SERC to reduce shortfalls.



	2024-Current System (MW)	2030-No Plant Closures (MW)
PJM	2400	10,500
SERC-E		500
SPP-N		1,500
ERCOT	1600	10500
Total	4000	23000

Perfect Capacity/Additions

Figure 4. Tuned Perfect Capacity (MW) By Region

1 Modeling Methodology

The methodology uses a zonal PLEXOS[13] model with hourly time-synchronous datasets for load, generation, and interregional transfer for the 23 U.S. subregions (referred to as TPRs in this study)[14] including ERCOT (see Figure 5 below). While ERCOT operates outside of FERC's general jurisdiction,[15] it provides a valuable case for understanding broader reliability and resource adequacy challenges in the U.S. electric grid, and FPA Section 202(c) allows DOE to issue emergency orders to ERCOT.

We base this analysis on actual weather and power plant outage data from 2007 to 2023 using NERC's ITCS[16] base dataset. DOE specifically decided to start this analysis with the ITCS dataset since it is a complete representation of the interconnected electrical system for the lower 48 and it has been thoroughly reviewed by industry experts in a public and transparent process. DOE has in turn made modifications to the dataset to fit the needs of this study. The contents of this section focus on those modifications which DOE implemented for purposes of this study.

PLEXOS is an industry-trusted simulation tool used for energy optimization, resource adequacy, and production cost modeling. This study leverages PLEXOS' ability to exercise an hourly production cost model to determine the balance between loads, generation, and imports for each region. Modeling was carried out using a deterministic approach that evaluates whether a power system has sufficient resources to meet projected demand under a pre-defined set of conditions which correspond to the past few years of real-world events. The model ultimately determines the amount of unmet load if generation resources and imports are not sufficient for meeting the load in each discrete time period.

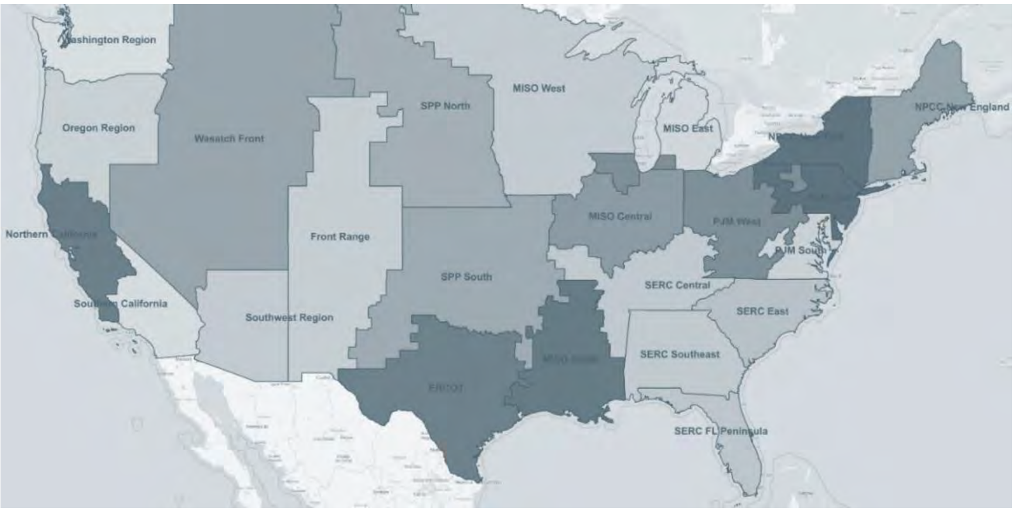


Figure 5. TPRs used in NERC ITCS

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[13] Energy Exemplar, "PLEXOS," https://www.energyexemplar.com/plexos.

[14] The TPRs match the regional subdivisions in the NERC ITCS study, itself based on FERC's transmission planning regions.

[15] Transmission within ERCOT is intrastate commerce. 16 U.S.C. § 824(b)(1) (provisions applying to "the transmission of electric energy in interstate commerce").

[16] NERC "Integrated Transmission and Capacity System (ITCS)," accessed June 25, 2025, https://www.nerc.com/pa/RAPA/Pages/ITCS.aspx.

This methodology developed a current model and series of scenarios to explore how different assumptions impact resource adequacy. This sensitivity analysis includes assumptions regarding load growth, generation build-outs and retirements, and transfer capabilities. By comparing the results of the current model with the scenario results, we can assess how generation retirements and load growth affect future generation needs.

The assessment uses data from 2007–2013 (synthetic weather data) and 2019–2023 (historical data). A brief summary of the methodological assumptions is provided here, with additional details available in the relevant appendixes.

- **Solar and Wind Availability** – Created from historical output from EIA 930 data, with bias correction of any nonhistorical data to match regional capacity factors, as calibrated to EIA 930 data.[17] Synthetic years used 2018 technology characteristics from NREL based on the Variable Energy Potential (reV) model, then mapped to synthetic weather year data. See Appendix A for more details.

- **Thermal Availability** – Calculated according to NERC LTRA capacity data, adjusted for historical outages and derates, primarily with GADS data. GADS data does not capture historical outages caused by fuel supply interruptions.[18]

- **Hydroelectric Availability** – Historical outputs are processed by NERC to establish monthly power rating limits and energy budgets, but energy budgets are not enforced in alignment with how they were treated in the ITCS. The team evaluated performance under different energy budget restrictions, but did not find significant differences during peak hours, justifying NERC ITCS assumptions that hydroelectric resources could generally be dispatched to peak load conditions. Later work may benefit from exploring drought scenarios or combinations of weather and hydrological years, where energy budgets may be significantly decreased.

- **Outages and Derates** – Data for the actual data period (2019–2023) are based on historical forced outage rates and deratings. Outage and deratings data for the synthetic period (2007–2013) are based on the historical relationships observed between temperature and outages (see Appendix G of the NERC ITCS Final Report for more information).

- **Load Projections and AI Growth** – Load growth through 2030 is assumed to match NERC 2024 ITCS projections, scaling the 12 weather years to meet 2030 projections. Additional AI and data center load is then added according to reports from EPRI and S&P regarding potential futures.

- **Transfer Capabilities and Imports/Exports -** Each subregion is treated as a "copper plate," with the transfer capacity between each subregion defined by the availability of transmission pathways. It is an approximation that assumes all resources are connected to a single point, simplifying the transmission system within the model. Subregions are generally assumed to exhaust their own capacity before utilizing capacity available from their neighbors. Once the net remaining capacity is at or below 10 percent of load, the subregion begins to use capacity from a neighbor.

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17. See ITCS Final Report, Appendix F, for the method that was implemented to scale synthetic weather years 2007–2013.
18. See ITCS Final Report, Appendix G, for outage and derate methods.

  - Imports are assumed to be available up to the minimum total transfer capacity and spare generation in the neighboring subregion.
  - To the extent the remaining capacity after transmission and demand response falls below the 6 percent or 3 percent needed for error forecasting and ancillary services, depending on the scenario, the model projects an energy shortfall. See "Outputs" in the appendix for more details.
  - To ensure that transfers are dispatched only after local resources are exhausted, a wheeling charge of $1,000 is applied for every megawatt-hour of energy transferred between regions through transmission pathways.

- **Storage** – In alignment with the NERC ITCS methodology, storage was split into pumped hydro and battery storage. Pumped hydro was assumed to have 12 hours duration at rated capacity with 30% round-trip losses, while battery storage was assumed to have four hours and 13% round-trip losses. Storage is dispatched as an optimization to minimize USE and demand response usage under various constraints and is recharged during periods of surplus energy.
- **Demand Response –** Demand Response (DR) is treated as a supply-side resource and dynamically scheduled after all other regional resources and imports are exhausted. It is modeled with both capacity (MW) and energy (MWh) limitations and assumed to have three hours of availability at capacity but could be spread across more than three hours up to the energy limit. DR capacity was based on LTRA Form A data submissions for "Controllable and Dispatchable Demand Response – Available", or firm, controllable DR capacity.
- **Retirements** – Retirements as per the NERC LTRA 2024 model. To disaggregate generation capacity from the NERC assessment areas to the ITCS regions, EIA 860 plant level data are used to tabulate generation retirement or addition capacity for each ITCS region and NERC assessment area. Disaggregation fractions are then calculated by technology based on planned retirements through 2030. See Appendix B for further information. Retirements are categorized into two categories:
  1. *Announced Retirements*: Includes both confirmed retirements and announced retirements. Confirmed retirements are generators formally recognized by system operators as having started the official retirement process and are assumed to retire on their expected date. To go from LTRA regions to ITCS regions, weighting factors are derived in the same way as in the generation set, based on EIA retirement data. In addition to confirmed retirements, announced retirements are generators that have publicly stated retirement plans that have not formally notified system operators and initiated the retirement process. This disaggregation method for announced retirements mirrors used for confirmed retirements.[19]
  2. *None*: Removes all retirements (after 2024) for comparison. Delaying or canceling some near-term retirements may not be feasible, but this case can help determine how much retirement contributes to some of the adequacy challenges in some regions.

- **Additions** – Assumes only projects that are very mature in the pipeline (such as those with a signed interconnection agreement) will be built. This data is based on projects

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[19] If announced retirements were less than or equal to confirmed retirements, the model adjusted the announced retirement to equal confirmed.

designated as Tier 1 in the NERC 2024 LTRA and are mapped to ITCS regions with EIA 860-derived weighting factors similar to those described for the retirements above. See Appendix A for further information.

- **Perfect Capacity Required** - Estimates perfect capacity (which is idealized capacity that has no outages or profile and is described in Section 2) until we reach a pre-defined reliability target. We used a metric of NUSE given the deterministic nature of the model, to be consistent with evolving metrics, and to be consistent with NERC's recent LTRAs. We targeted NUSE of below 0.002% for each region.

1.1 Modeling Resource Adequacy

This model calculates several reliability metrics to assess resource adequacy. These metrics were calculated using PLEXOS simulation outputs, which report the USE (in MWh) for all 8,760 hourly periods in each of the 12 weather years:

- **USE** refers to the amount of electricity demand that could not be met due to insufficient generation and/or transmission capacity. Several USE-derived indicators were considered:
    - *Normalized USE (percentage %):* The total amount of unserved load over 12 years of weather data, normalized by dividing by total load, and reported as a percentage.[20]
    - *Mean Annual USE (GWh)*: The 12-year average of each region's total USE in each weather year. This mean value represents the average annual USE across weather variability.
    - *Mean Max Unserved Power (GW)*: The 12-year average of each region's maximum USE value in each weather year. This mean value characterizes the typical non-coincident peak stress on system reliability.
    - *% Max Unserved Power*: The Mean Max Unserved Power expressed as a percentage of the average native load during those peak unserved hours for each region. This percentage value provides a normalized measure of the severity of peak unserved events relative to demand.
    - *Total number of customers without power*. The Mean Max Unserved Power expressed as the equivalent number of typical U.S. persons assuming a ratio of 17,625 persons/MW lost. This estimation contextualizes the effects of the outage on average Americans.
- **Loss of Load Hours (LOLH)** refers to the number of hours during which the system experiences USE (i.e., any hour with non-zero USE). Two LOLH-based indicators were considered:

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[20] NUSE can be reported as parts per million or as a percentage (or parts per hundred); though for power system reliability, this would include several zeros after the decimal point.

- *Mean Annual LOLH*: for each weather year and *TPR*, we count the total number of hours with USE across all 8,760 hours, and we then take the average of those 12 totals. *Annual LOLH Distribution* is represented in box and whisker plots for 12 samples, each sample corresponding to a unique weather year.

- *Max Consecutive LOLH (hours)*[21]: The longest continuous period with reported USE in each weather year.

It should be noted that USE is not an indication that reliability coordinators would allow this level of load growth to jeopardize the reliability of the system. Rather, it represents the unrealizable AI and data center load growth under the given assumptions for generator build outs by 2030, generator retirements by 2030, reserve requirements, and potential load growth. These numbers are used as indicators to determine where it may be beneficial to encourage increased generation and transmission capacity to meet an expected need.

This study does not employ common probabilistic industry metrics such as EUE or LOLE due to their reliance on probabilistic modeling. Instead, deterministic equivalents are used.

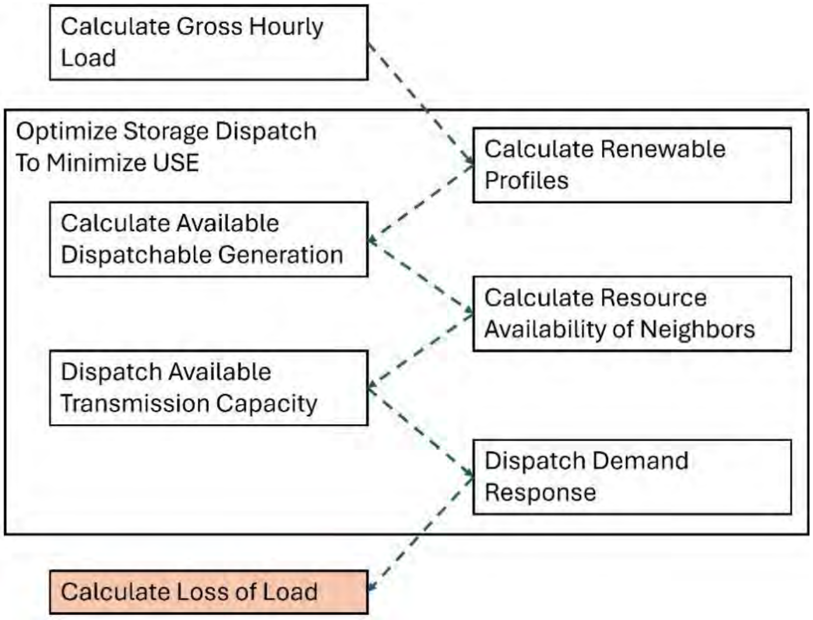

Figure 6. Simplified Overview of Model

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[21] One caveat on the maximum consecutive LOLH and max USE values is in how storage is dispatched in the model. Storage is dispatched to minimize the overall USE and is indifferent to the peak depth or the duration of the event. This may construe some of the max USE and max consecutive LOLH values to be higher than if storage was dispatched to minimize these values.

1.2 Planning Years and Weather Years

For the planning year (2030), historical weather year data are applied based on conditions between 2007 and 2024 to calculate load, wind and solar generation, and hydro generation. Dispatchable capacity (including dispatchable hydro capacity) is calculated through adjustment of the 2024 LTRA capacity data for historical outages from GADS data. Storage assets are scheduled to arbitrage hourly energy margins or else charge during periods of high energy margins (surplus resources) and discharge during periods of lower energy margins.

1.3 Load Modeling

Data Center Growth

Several utilities and financial and industry analysts identify data centers, particularly those supporting AI workloads, as a key driver of electricity demand growth. Multiple organizations have developed a wide range of projections for U.S. data center electricity use through 2030 and beyond, each using distinct methodologies tailored to their institutional expertise.

These datasets were used to explore reasonable boundaries for what different parts of the economy envision for the future state of AI and data center (AI/DC) load growth. For the purposes of this study, rather than focusing on any specific analysis, a more generic sweep was performed across AI/DC load growth and the various sensitivities that fit within those assumptions, as summarized below:

- McKinsey & Company projects ~10% annual growth in U.S. data center electricity demand, reaching 2,445 TWh by 2050. Their model blends internal scenarios with public signals, including announced projects, capital investment, server shipments, and chip-level power trends, supported by third-party market data.

- Lawrence Berkeley National Laboratory (LBNL) uses a bottom-up approach based on historical and projected IT equipment shipments, paired with assumptions on power draw, utilization, and infrastructure efficiency (PUE, WUE). Their projections through 2028 account for AI hardware adoption, operational shifts, and evolving cooling technologies.

- EPRI combines public data, expert input, and historical trends to define four national growth scenarios, low to higher, for 2023–2030, reflecting data processing demand, efficiency improvements, and AI-driven load impacts.

- S&P Global merges technology and power-sector models, evaluating grid readiness and facility growth under varying demand scenarios. Their forecasts consider AI adoption, efficiency trends, grid and permitting constraints, on-site generation, and offshoring risk, resulting in a wide range of outcomes.

These projections show wide variation, with 2030 electricity demand ranging from approximately 35 GW to 68 GW of average load. Given this uncertainty, including differences in hardware intensity, thermal management, siting assumptions, and behind-the-meter generation, the modeling team adopted a national midpoint assumption of approximately 50 GW by 2030.

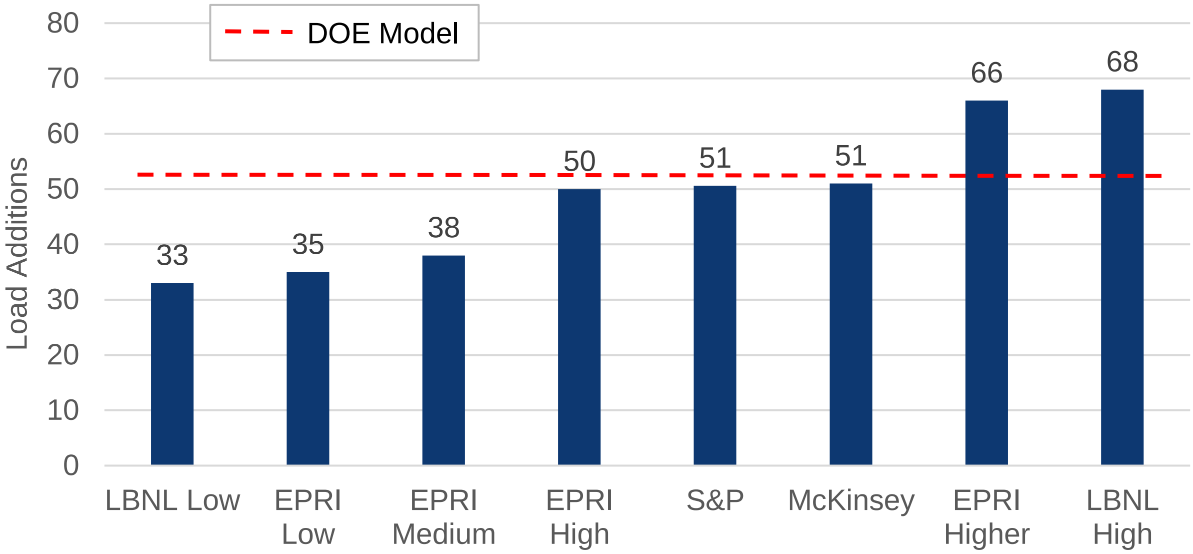

Figure 7. 2024 to 2030 Projected Data Center Load Additions

Figure 7 above displays a benchmark reflecting roughly the median across major studies and aligns with central projections from EPRI and LBNL. Using a single planning midpoint avoids double counting and enables consistent load allocation across national transmission and resource adequacy models. [Note: this figure was updated on October 27, 2025 to address a correction to the S&P projection.]

Data Center Allocation Method

To allocate the 50 GW midpoint regionally, the team used state-level growth ratios from S&P's forecast. These ratios reflect factors such as infrastructure, siting trends, and projected market activity. The modeling team mapped the state-level projections to NERC TPRs, ensuring transparent and repeatable regional allocation. While other methods exist, this approach ensured consistency with the broader modeling framework.

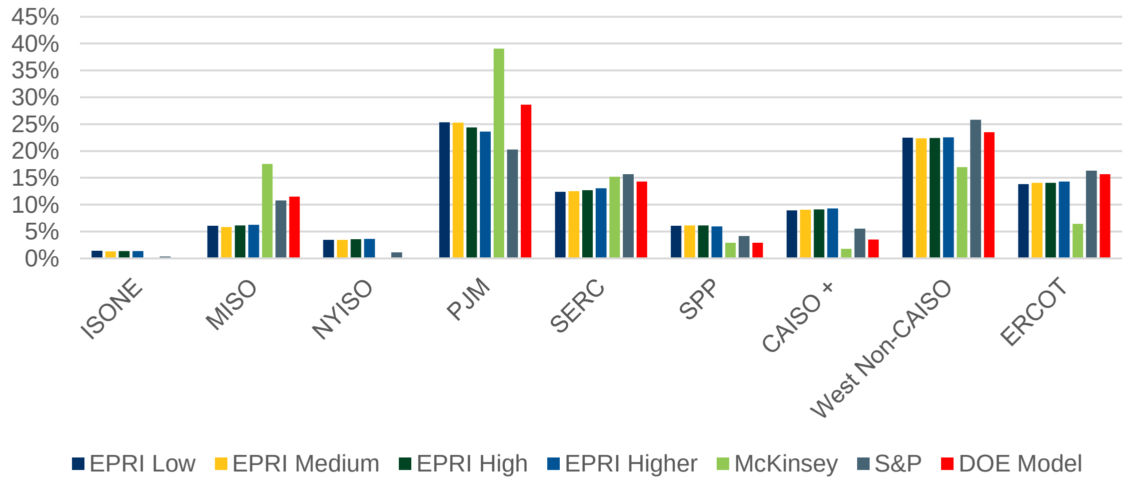

Figure 8. New Data Center Build (% Split by ISO/RTO) (2030 Estimated)

Non-Data Center Load Modeling

The current electricity demand projections were built from NERC data, using historical load (2019–2023) and simulated weather years (2007–2013). These were adjusted based on the EIA's 2022 energy forecast. To estimate 2030 demand, the team interpolated between 2024 and 2033, scaling loads to reflect energy use and seasonal peaks. NERC provided datasets to address anomalies and include behind-the-meter and USE.

Given the rapid emergence of AI/DC loads, additional steps were taken to account for this category of demand. It is difficult to determine how much AI/DC load is already embedded in NERC LTRA forecast, for example, the 2024 LTRA saw more than 50GW increase from 2023, signaling a major shift in utility expectations. To benchmark existing AI/DC contribution, DOE assumed base 2023 AI/DC load equaled the EPRI low-growth case of 166 TWh.

Overall Impact on Projected Peak Load

As a result of the methods applied above, the average year co-incident peak load is projected to grow from a current average peak of 774 GW to 889 GW in 2030. This represents a 15% increase or 2.3% growth rate per year. Excluding the impact of data centers, this would amount to a 51GW increase from 774 GW to 826 GW which represents a 1.1% annual growth rate.

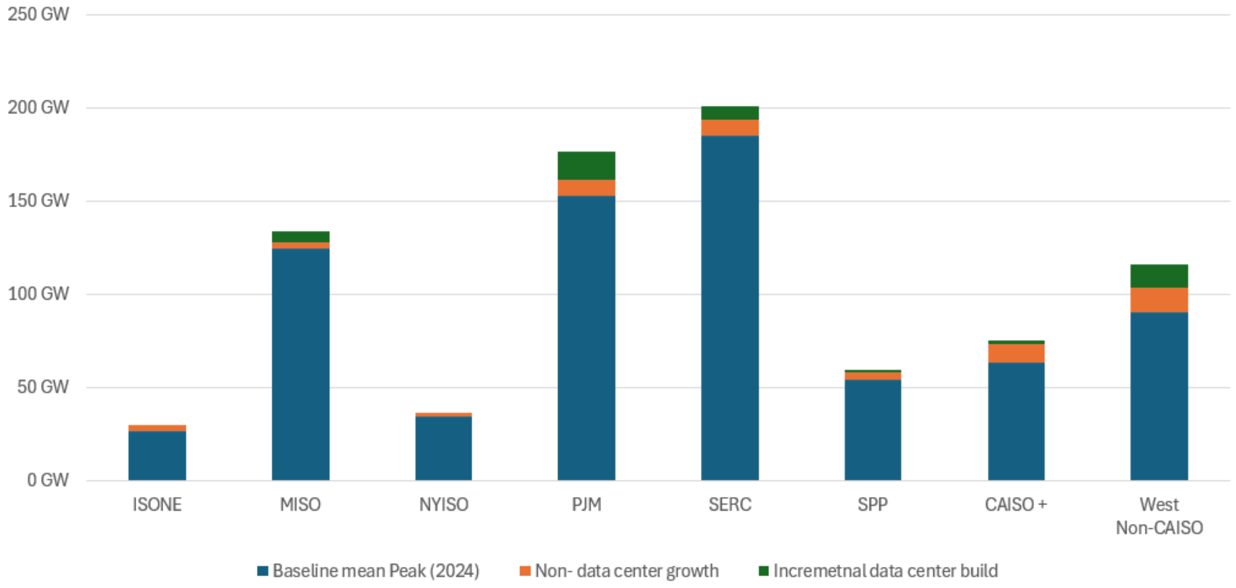

Figure 9. Mean Peak Load by RTO (Current Case vs 2030 Case)

1.4 Transfer Capabilities and Import Export Modeling

The methodology assumes electricity moves between subregions, when conditions start to tighten. Each region has a certain amount of capacity available, and the methodology determines if there is enough to meet the demand. When regions reach a “Tight Margin Level” of 10% of capacity, i.e., if a region’s available capacity is less than 110% of load, it will start transferring from other regions if capacity is available. A scarcity factor is used to determine which regions to transfer from and at what fraction – those with a greater amount of reserve capacity will transfer more. A region is only allowed to export above when it is above the Tight Margin Level.

Total Transfer Capability (TTC) was used and is the sum of the Base Transfer Level and the First Contingency Incremental Transfer Capability. These were derived from scheduled interchange tables or approximated from actual line flows. It should be noted that the TTC does not represent a single line, but rather multiple connections between regions. It is similar to path limits used by many entities but may have different values.

Due to data and privacy limitations, the Canadian power system was not modeled directly as a combination of generation capacity and demand. Instead, actual hourly imports were used from nearly 20 years of historical data, along with recent trends (generally less transfers available during peak hours), to develop daily limits on transfer capabilities. See Appendix B for more details on Canadian transfer limits.

1.5 Perfect Capacity Additions

To understand how much capacity may need to be added to reach approximate reliability targets, we tuned two scenarios by adding hypothetical perfect capacity to reach the reliability threshold based on NUSE.[22] Today, NERC uses a threshold of 0.002% to indicate regions are at high risk of resource adequacy shortfalls. In addition, several system operators, including the Australia Energy Market Operator and Alberta Electric System Operator, are using NUSE thresholds in the range of 0.001% to 0.003%. Several U.S. entities are considering lower thresholds for U.S. power systems in the range of 0.0001% to 0.0002%. [23]

For this analysis, we target NUSE below 0.002% for each region to align with NERC definitions. We iteratively ran the model, hand-tuning the "perfect capacity" to be as small as possible while reaching NUSE values below 0.002% in all regions.[24] As the work was done by hand with a limited number of iterations (15), this should not be considered the minimum possible capacity to accomplish these targets. Further, because the perfect capacity can be located in various places, there would be multiple potential solutions to the problem. These scenarios represent the approximate quantity of perfect capacity each region would require (beyond announced retirements and mature generation additions only) that would lead to Medium or Low risk based on the NERC metrics for USE.

Due to some regions with zero USE, the tuned cases do not reach the same level of adequacy, where the national average is 0.00045% vs. 0.00013%. Due to transmission and siting selection of perfect capacity, there could be many solutions.

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22. We are not using the standard term "expected unserved energy" because we are not running a probabilistic model, so we do not have the full understanding of long-term expectations

23. MISO, "Resource Adequacy Metrics and Criteria Roadmap," December 2024. https://cdn.misoenergy.org/Resource%20Adequacy%20Metrics%20and%20Criteria%20Roadmap667168.pdf.

24. NERC, "Evolving Criteria for a Sustainable Power Grid," July 2024. https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/Evolving_Planning_Criteria_for_a_Sustainable_Power_Grid.pdf.

2 Regional Analysis

This section presents more regional details on resource adequacy according to this analysis. For each of the nine Regional Transmission Organizations (RTOs) and sub-regions, comprehensive summaries are provided of reliability metrics, load assumptions, and composition of generation stacks.

2.1 MISO[25]

In the current system model and the No Plant Closures cases, MISO did not experience shortfall events. MISO's minimum spare capacity in the tightest year was negative, showing that adequacy was achieved by importing power from neighbors. In the Plant Closures case, MISO experienced significant shortfalls, with key reliability metrics exceeding each of the threshold criteria defined for the study.

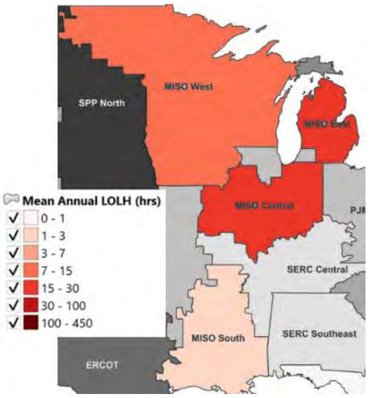

Table 2. Summary of MISO Reliability Metrics

Reliability Metric		2030 Projection		
	Current System	Plant Closures	No Plant Closures	Required Build
AVERAGE OVER 12 WEATHER YEARS				
Average Loss of Load Hours	-	37.8	-	-
Normalized Unserved Energy (%)	-	0.0211	-	-
Unserved Load (MWh)	-	157,599	-	-
WORST WEATHER YEAR				
Max Loss of Load Hours in Single Year	-	124	-	-
Normalized Unserved Load (%)	-	0.0702	-	-
Unserved Load (MWh)	-	524,180	-	-

Load Assumptions

MISO's peak load was roughly 130 GW in the current model and projected to increase to roughly 140 GW by 2030. Approximately 6 GW of this relates to new data centers being installed (12% of U.S. total).

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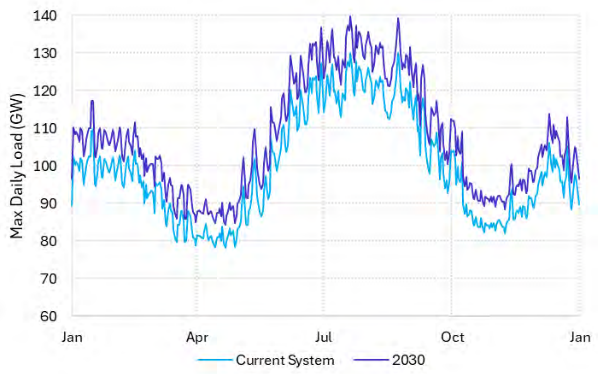
[25] Following the initial data collection for this report, MISO issued its 2025 Summer Reliability Assessment. Based on that report, NERC revised evaluations from its 2024 LTRA and reclassified the MISO footprint from being an 'elevated risk' to 'high risk' in the 2028–2031 timeframe, depending on new resource additions/retirements. While DOE's analysis is based on the previously reported figures, DOE is committed to assessing the implications of updated data on overall resource adequacy and providing technical updates on findings, as appropriate.



Subregion	2024	2030
MISO-W	37,913	40,981
MISO-C	35,387	39,243
MISO-S	36,476	38,596
MISO-E	23,167	23,758
Total	**130,136**	**139,846**

Figure 10. MISO Max Daily Load in the Current System versus 2030

Generation Stack

Total installed generating capacity for 2024 was approximately 207 GW.[26] In 2030, 21 GW of new capacity was added leading to 228 GW of capacity in the No Plant Closures case. In the Plant Closures case, 32 GW of capacity was retired such that net retirements in the Plant Closures case were -11 GW, or 196 GW of overall installed capacity on the system.

Subregion	Current System	2030 Plant Closures	2030 No Plant Closures
MISO-W	71,612	67,453	77,605
MISO-C	51,982	47,735	58,823
MISO-S	54,511	52,756	59,710
MISO-E	29,213	28,105	32,255
Total	**207,319**	**196,049**	**228,393**

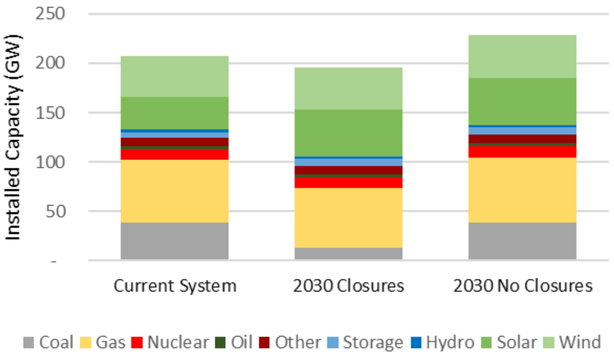


Figure 11. MISO Generation Capacity by Technology and Scenario

MISO's generation mix was comprised primarily of natural gas, coal, wind, and solar. In 2024, natural gas comprised 31% of nameplate, wind comprised 20%, coal 18%, and solar 14%. In 2030, most retirements come from coal and natural gas while additions occur for solar, batteries, and wind. In addition, the model assumed 3 GW of rooftop solar and 8 GW of demand response.

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26. The total installed capacity numbers reported in this regional analysis section do not reflect the generating capability of all resources during stress conditions.

Table 3. Nameplate Capacity by MISO Subregion and Technology (MW)

	Coal	Gas	Nuclear	Oil	Other	Storage	Hydro	Solar	Wind	Total
2024	**37,914**	**64,194**	**11,127**	**2,867**	**8,717**	**5,427**	**2,533**	**32,826**	**41,715**	**207,319**
MISO-W	12,651	13,608	2,753	1,491	2,613	200	777	8,109	29,411	**71,612**
MISO-C	15,050	10,307	2,169	494	2,211	1,272	769	12,361	7,350	**51,982**
MISO-S	5,493	31,052	5,100	589	2,469	54	845	8,315	596	**54,511**
MISO-E	4,720	9,227	1,105	292	1,424	3,901	143	4,042	4,359	**29,213**
Additions	**0**	**2,535**	**0**	**330**	**0**	**1,929**	**0**	**14,354**	**1,926**	**21,074**
MISO-W	0	537	0	172	0	374	0	3,552	1,358	**5,993**
MISO-C	0	407	0	57	0	934	0	5,103	339	**6,841**
MISO-S	0	1,226	0	68	0	9	0	3,868	27	**5,199**
MISO-E	0	364	0	34	0	611	0	1,831	201	**3,042**
Closures	**(24,913)**	**(6,597)**	**0**	**(324)**	**(140)**	**(16)**	**(83)**	**0**	**(272)**	**(32,345)**
MISO-W	(8,313)	(1,398)	0	(168)	(56)	0	(25)	0	(192)	**(10,152)**
MISO-C	(9,889)	(1,059)	0	(56)	(7)	(3)	(25)	0	(48)	**(11,088)**
MISO-S	(3,609)	(3,191)	0	(67)	(55)	(0)	(28)	0	(4)	**(6,954)**
MISO-E	(3,102)	(948)	0	(33)	(21)	(13)	(5)	0	(28)	**(4,150)**

2.2 ISO-NE

In the current system model and the No Plant Closures case, ISO-NE did not experience shortfall events. The region maintained adequacy throughout the study period through reliance on imports. In the Plant Closures case, ISO-NE still did not exceed any key reliability thresholds, despite moderate retirements. This finding is partly due to the absence of additional AI or data center load growth modeled in the region. Accordingly, no additional perfect capacity was deemed necessary by 2030 to meet the study's reliability standards.

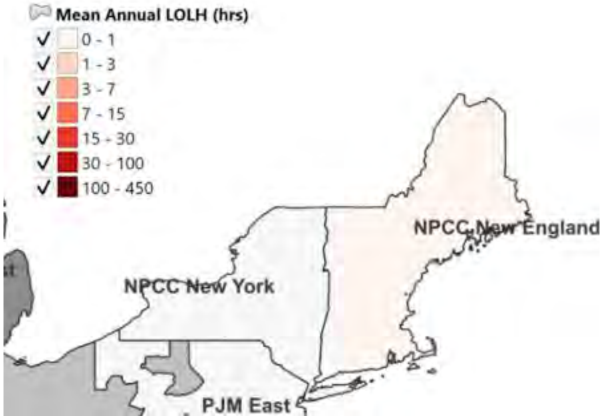
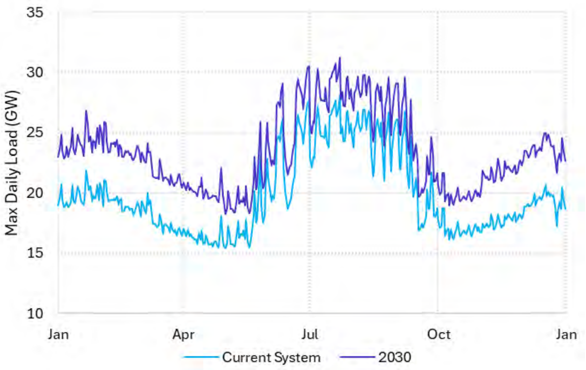


Table 4. Summary of ISO-NE Reliability Metrics

Reliability Metric	Current System	2030 Projection		
		Plant Closures	No Plant Closures	Required Build
AVERAGE OVER 12 WEATHER YEARS				
Average Loss of Load Hours	-	-	-	-
Normalized Unserved Energy (%)	-	-	-	-
Unserved Load (MWh)	-	-	-	-
WORST WEATHER YEAR				
Max Loss of Load Hours in Single Year	-	-	-	-
Normalized Unserved Load (%)	-	-	-	-
Unserved Load (MWh)	-	-	-	-
Max Unserved Load (MW)	-	-	-	-

Load Assumptions

ISO-NE's peak load was roughly 28 GW in the current model and projected to increase to roughly 31 GW by 2030. No additional AI/DCs were projected to be installed.



Subregion	2024	2030
ISO-NE	28,128	31,261
Total	**28,128**	**31,261**

Figure 12. ISO-NE Max Daily Load in the Current System versus 2030

Generation Stack

Total installed generating capacity for 2024 was approximately 40 GW. In 2030, 5.5 GW of new capacity was added leading to 45.5 GW of capacity in the No Plant Closures case. In the Plant Closures case, 2.7 GW of capacity was retired such that net generation change in the Plant Closures case was +11 GW, or 42.8 GW of overall installed capacity on the system.

Subregion	Current System	2030 Plant Closures	2030 No Plant Closures
ISO-NE	39,979	42,845	45,534
Total	**39,979**	**42,845**	**45,534**

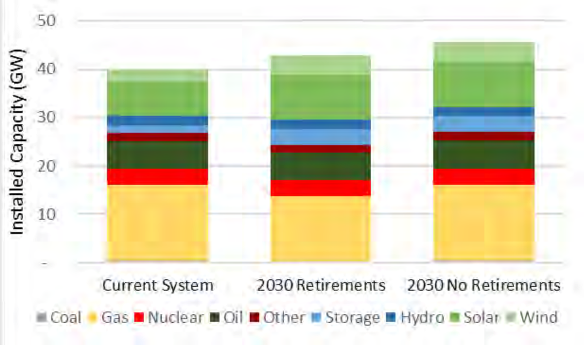


Figure 13. ISO-NE Generation Capacity by Technology and Scenario

ISO-NE's generation mix was comprised primarily of natural gas, solar, oil, and nuclear. In 2024, natural gas comprised 39% of nameplate, solar comprised 17%, oil 14%, and nuclear 8%. In 2030, most retirements come from coal and natural gas while additions occur for solar, storage, and wind. The model assumed nearly 2 GW of rooftop solar and 1.6 GW of energy storage.

Table 5. Nameplate Capacity by ISO-NE Subregion and Technology (MW)

	Coal	Gas	Nuclear	Oil	Other	Storage	Hydro	Solar	Wind	Total
2024	**541**	**15,494**	**3,331**	**5,710**	**1,712**	**1,628**	**1,911**	**7,099**	**2,553**	**39,979**
ISONE	541	15,494	3,331	5,710	1,712	1,628	1,911	7,099	2,553	**39,979**
Additions	**0**	**90**	**0**	**181**	**0**	**1,607**	**0**	**2,183**	**1,495**	**5,555**
ISONE	0	90	0	181	0	1,607	0	2,183	1,495	**5,555**
Closures	**(534)**	**(1,875)**	**0**	**(203)**	**(77)**	**0**	**0**	**0**	**0**	**(2,690)**
ISONE	(534)	(1,875)	0	(203)	(77)	0	0	0	0	**(2,690)**

2.3 NYISO

In both the current system model and the No Plant Closures case, NYISO maintained reliability and did not exceed any shortfall thresholds. Adequacy was preserved through reliance on imports. In the Plant Closures case, NYISO experienced shortfalls but average annual LOLH remaining well below the 2.4-hour threshold and NUSE under the 0.002% standard. The worst weather year produced only 6 hours of lost load and a peak unserved load of 914 MW. Given the modest impact of retirements and no additional AI/data center load modeled, the study concluded that NYISO would not require additional perfect capacity to remain reliable through 2030.

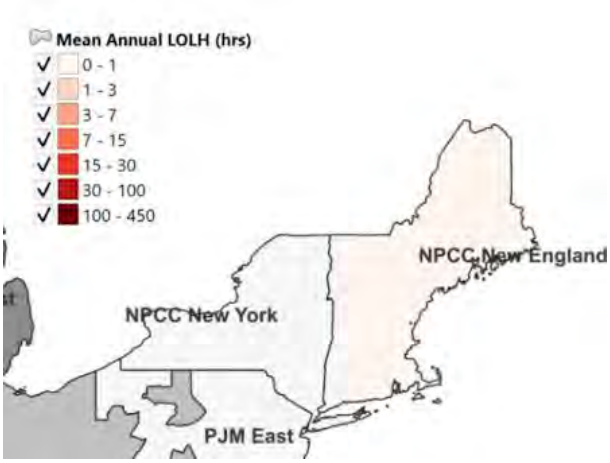
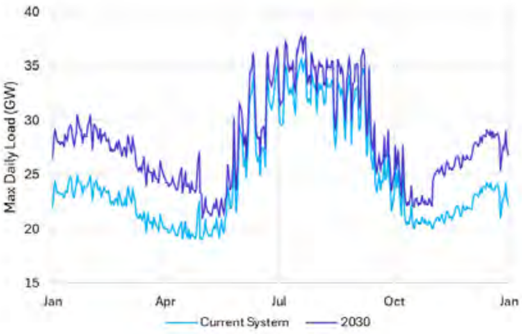


Table 6. Summary of NYISO Reliability Metrics

Reliability Metric		2030 Projection		
	Current System	Plant Closures	No Plant Closures	Required Build
AVERAGE OVER 12 WEATHER YEARS				
Average Loss of Load Hours	0.2	0.5	-	-
Normalized Unserved Energy (%)	0.00001	0.0001	-	-
Unserved Load (MWh)	18	209	-	-
WORST WEATHER YEAR				
Max Loss of Load Hours in Single Year	2	6	-	-
Normalized Unserved Load (%)	0.0001	0.0013	-	-
Unserved Load (MWh)	216	2,505	-	-
Max Unserved Load (MW)	194	914	-	-

Load Assumptions

NYISO's peak load was roughly 36 GW in the current system model and projected to increase to roughly 38 GW by 2030. No additional AI/DCs were projected to be installed.



Subregion	2024	2030
NYISO	35,669	37,844
Total	35,669	37,844

Figure 14. NYISO Max Daily Load in the Current System versus 2030

Generation Stack

Total installed generating capacity for 2024 was approximately 46 GW. In 2030, 5.5 GW of new capacity was added leading to 51 GW of capacity in the No Plant Closures case. In the Plant Closures case, 1 GW of capacity was retired such that net generation in the Plant Closures case was +4 GW, or 50 GW of overall installed capacity on the system.

Subregion	Current System	2030 Plant Closures	2030 No Plant Closures
NYISO	45,924	50,396	51,444
Total	**45,924**	**50,396**	**51,444**

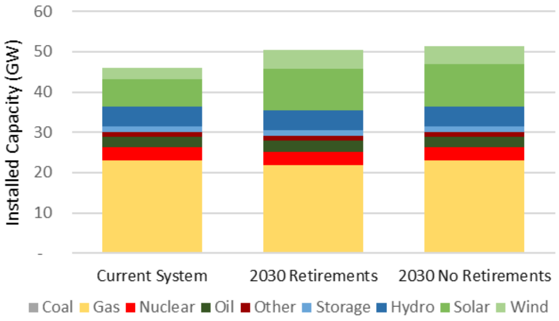


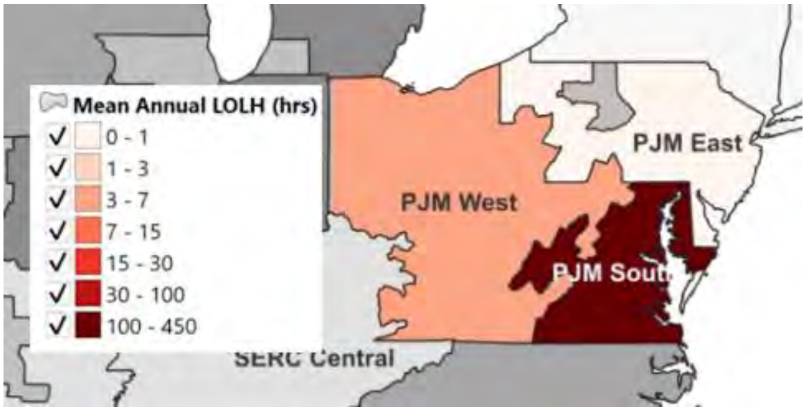
Figure 15. NYISO Generation Capacity by Technology and Scenario

NYISO's generation mix was comprised primarily of natural gas, solar, and hydro. In 2024, natural gas comprised 50% of total nameplate generation, solar comprised 14%, and hydro 11%. In 2030, most retirements come from natural gas while additions occur for solar and wind. The model assumed 6 GW of rooftop solar and nearly 1 GW of demand response.

Table 7. Nameplate Capacity by NYISO Subregion and Technology (MW)

	Coal	Gas	Nuclear	Oil	Other	Storage	Hydro	Solar	Wind	Total
2024	**0**	**22,937**	**3,330**	**2,631**	**1,194**	**1,460**	**4,915**	**6,749**	**2,706**	**45,924**
NYISO	0	22,937	3,330	2,631	1,194	1,460	4,915	6,749	2,706	**45,924**
Additions	**0**	**0**	**0**	**15**	**0**	**0**	**0**	**3,604**	**1,902**	**5,521**
NYISO	0	0	0	15	0	0	0	3,604	1,902	**5,521**
Closures	**0**	**(1,030)**	**0**	**(19)**	**0**	**0**	**0**	**0**	**0**	**(1,049)**
NYISO	0	(1,030)	0	(19)	0	0	0	0	0	**(1,049)**

2.4 PJM



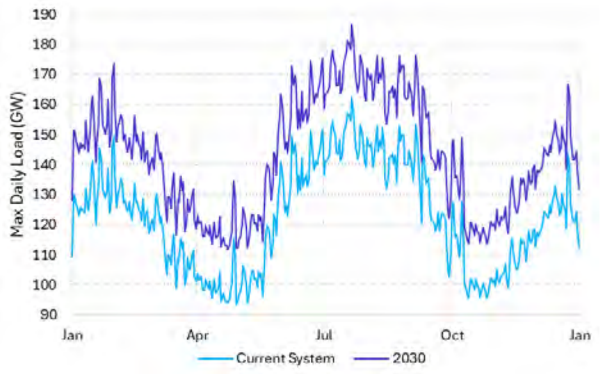
In the current system model, PJM experienced shortfalls, but they were below the required threshold. In the No Plant Closures case, shortfalls increased dramatically, with 214 average annual LOLH and peak unserved load reaching 17,620 MW, indicating growing strain even without retirements. In the Plant Closures case, reliability metrics worsened significantly, with annual LOLH surging to over 430 hours per year and NUSE reaching 0.1473%—over 70 times the accepted threshold. During the worst weather year, 1,052 hours of load were shed. To restore reliability, the study found that PJM would require 10,500 MW of additional perfect capacity by 2030.

Table 8. Summary of PJM Reliability Metrics

Reliability Metric		2030 Projection		
	Current System	Plant Closures	No Plant Closures	Required Build
AVERAGE OVER 12 WEATHER YEARS				
Average Loss of Load Hours	2.4	430.3	213.7	1.4
Normalized Unserved Energy (%)	0.0008	0.1473	0.0657	0.0003
Unserved Load (MWh)	6,891	1,453,513	647,893	2,536
WORST WEATHER YEAR				
Max Loss of Load Hours in Single Year	29	1,052	644	17
Normalized Unserved Load (%)	0.0100	0.4580	0.2703	0.0031
Unserved Load (MWh)	82,687	1,453,513	647,893	2,536
Max Unserved Load (MW)	4,975	21,335	17,620	4,162

Load Assumptions

PJM's peak load was roughly 162 GW in the current system model and projected to increase to roughly 187 GW by 2030. Approximately 15 GW of this relates to new AI/DC being installed (29% of U.S. total), primarily in PJM-S.



Subregion	2024	2030
PJM-W	81,541	92,378
PJM-S	39,904	51,151
PJM-E	41,003	43,118
Total	162,269	186,627

Figure 16. PJM Max Daily Load in the Current System versus 2030

Generation Stack

Total installed generating capacity for 2024 was approximately 215 GW. In 2030, 39 GW of new capacity was added leading to 254 GW of capacity in the No Plant Closures case. In the Plant Closures case, 17 GW of capacity was retired such that net generation in the Plant Closures case was +22 GW, or 237 GW of overall nameplate capacity on the system.

Subregion	Current System	2030 Plant Closures	2030 No Plant Closures
PJM-W	114,467	123,100	135,810
PJM-S	39,951	48,850	50,667
PJM-E	60,221	64,848	67,027
Total	214,638	236,798	253,504

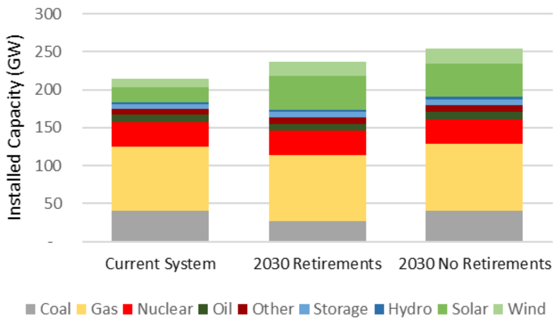


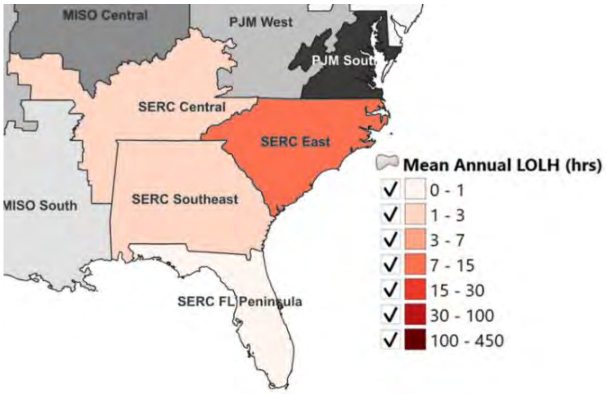
Figure 17. PJM Generation Capacity by Technology and Scenario

PJM's generation mix was comprised primarily of natural gas, coal, and nuclear. In 2024, natural gas comprised 39% of nameplate, coal comprised 19%, and nuclear 15%. In 2030, most retirements come from coal and some natural gas and oil while significant additions occur for solar plus lesser additions of wind, storage, and natural gas. The model assumed 9 GW of rooftop solar and 7 GW of demand response.

Table 9. Nameplate Capacity by PJM Subregion and Technology (MW)

	Coal	Gas	Nuclear	Oil	Other	Storage	Hydro	Solar	Wind	Total
2024	**39,915**	**84,381**	**32,535**	**9,875**	**8,248**	**5,400**	**3,071**	**19,495**	**11,718**	**214,638**
PJM-W	34,917	39,056	16,557	1,933	3,926	383	1,252	6,379	10,065	**114,467**
PJM-S	2,391	15,038	5,288	3,985	2,303	3,085	1,070	6,430	360	**39,951**
PJM-E	2,608	30,287	10,690	3,956	2,019	1,932	749	6,686	1,294	**60,221**
Additions	**0**	**4,499**	**0**	**32**	**317**	**1,938**	**0**	**24,991**	**7,089**	**38,866**
PJM-W	0	2,082	0	6	135	855	0	12,176	6,089	**21,343**
PJM-S	0	802	0	13	102	726	0	8,856	218	**10,717**
PJM-E	0	1,615	0	13	81	357	0	3,958	783	**6,806**
Closures	**(13,253)**	**(1,652)**	**0**	**(1,790)**	**(11)**	**0**	**0**	**0**	**0**	**(16,706)**
PJM-W	(11,593)	(765)	0	(350)	(1)	0	0	0	0	**(12,710)**
PJM-S	(794)	(294)	0	(722)	(6)	0	0	0	0	**(1,817)**
PJM-E	(866)	(593)	0	(717)	(3)	0	0	0	0	**(2,179)**

2.5 SERC



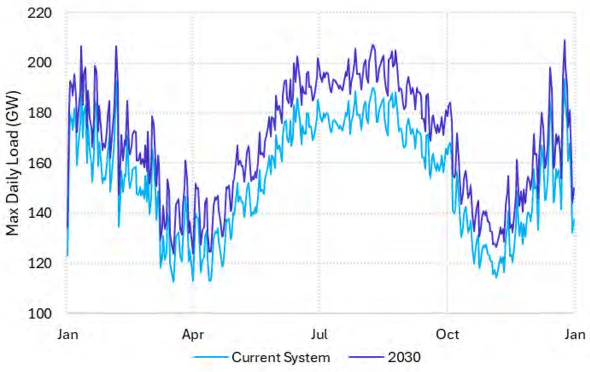
In the current system model and the No Plant Closures case, SERC maintained overall adequacy, though some subregions—particularly SERC-East—faced emerging winter reliability risks. In the Plant Closures case, shortfalls became more severe, with SERC-East experiencing increased unserved energy and loss of load hours during extreme cold events, including 42 hours of outages in a single winter storm. The analysis identified that planned retirements, combined with rising winter load from electrification, would stress the system. To restore reliability in SERC-East, the study found that 500 MW of additional perfect capacity would be needed by 2030. Other SERC subregions performed adequately, but continued monitoring is warranted due to shifting seasonal peaks and fuel supply vulnerabilities.

Table 10. Summary of SERC Reliability Metrics

Reliability Metric		2030 Projection		
	Current System	Plant Closures	No Plant Closures	Required Build
AVERAGE OVER 12 WEATHER YEARS				
Average Loss of Load Hours	0.3	8.1	1.2	0.8
Normalized Unserved Energy (%)	0.0001	0.0041	0.0004	0.0002
Unserved Load (MWh)	489	44,514	3,748	2,373
WORST WEATHER YEAR				
Max Loss of Load Hours in Single Year	4	42	14	10
Normalized Unserved Load (%)	0.0006	0.0428	0.0042	0.0026
Unserved Load (MWh)	5,683	465,392	44,977	2,373
Max Unserved Load (MW)	2,373	19,381	6,359	5,859

Load Assumptions

SERC's peak load was roughly 193 GW in the current system model and projected to increase to roughly 209 GW by 2030. Approximately 7.5 GW of this relates to new AI/DCs being installed (14% of U.S. total).



Subregion	2024	2030
SERC-C	50,787	52,153
SERC-SE	48,235	54,174
SERC-FL	58,882	62,572
SERC-E	51,693	56,313
Total	**193,654**	**209,269**

Figure 18. SERC Max Daily Load in the Current System versus 2030

Generation Stack

Total installed generating capacity for 2024 was approximately 254 GW. In 2030, 26 GW of new capacity was added leading to 279 GW of capacity in the No Plant Closures case. In the Plant Closures case, 19 GW of capacity was retired such that net generation change in the Plant Closures case was +7 GW, or 260 GW of overall installed capacity on the system.

Subregion	Current System	2030 Plant Closures	2030 No Plant Closures
SERC-C	53,978	54,014	59,660
SERC-SE	67,073	64,768	69,478
SERC-FL	72,714	83,127	86,173
SERC-E	59,914	58,513	63,973
Total	**253,680**	**260,423**	**279,285**

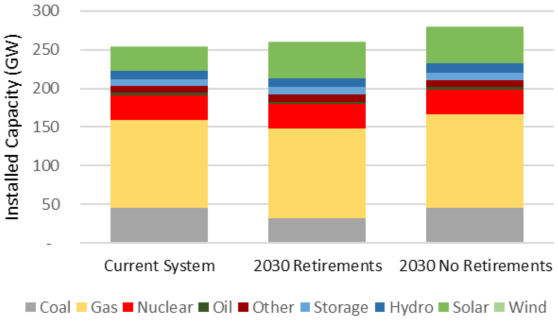


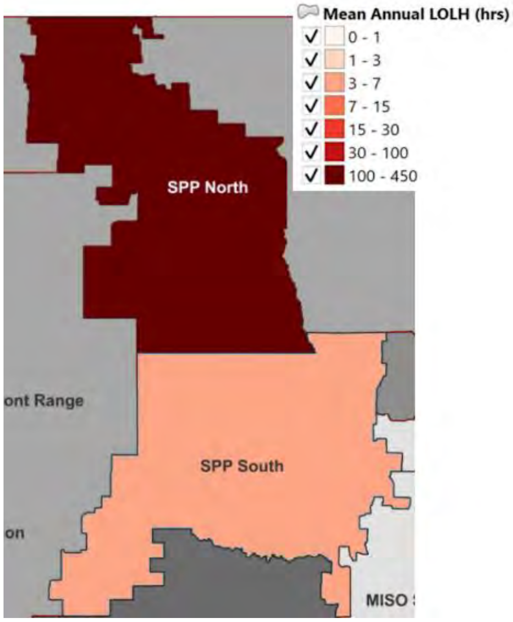
Figure 19. SERC Generation Capacity by Technology and Scenario

SERC's generation mix was comprised primarily of natural gas, coal, nuclear, and solar. In 2024, natural gas comprised 45% of nameplate, coal comprised 18%, nuclear 12%, and solar 11%. In 2030, most retirements come from coal and natural gas while additions occur for solar and some storage. The model assumed 3 GW of rooftop solar and 8 GW of demand response.

Table 11. Nameplate Capacity by SERC Subregion and Technology (MW)

	Coal	Gas	Nuclear	Oil	Other	Storage	Hydro	Solar	Wind	Total
2024	**45,747**	**113,334**	**31,702**	**4,063**	**8,779**	**7,469**	**11,425**	**30,180**	**982**	**253,680**
SERC-C	13,348	20,127	8,280	148	1,887	1,884	4,995	2,328	982	**53,978**
SERC-SE	13,275	29,866	8,018	915	2,493	1,662	3,260	7,584	0	**67,073**
SERC-FL	4,346	47,002	3,502	1,957	3,198	538	0	12,172	0	**72,714**
SERC-E	14,777	16,340	11,902	1,044	1,202	3,384	3,170	8,096	0	**59,914**
Additions	**0**	**6,898**	**0**	**0**	**381**	**2,254**	**0**	**16,073**	**0**	**25,606**
SERC-C	0	4,831	0	0	0	80	0	771	0	**5,682**
SERC-SE	0	906	0	0	19	0	0	3,135	0	**4,059**
SERC-FL	0	1,161	0	0	218	1,670	0	10,410	0	**13,459**
SERC-E	0	0	0	0	144	504	0	1,757	0	**2,405**
Closures	**(14,075)**	**(4,115)**	**0**	**(672)**	**0**	**0**	**0**	**0**	**0**	**(18,862)**
SERC-C	(4,465)	(1,181)	0	0	0	0	0	0	0	**(5,646)**
SERC-SE	(5,160)	(124)	0	(176)	0	0	0	0	0	**(5,460)**
SERC-FL	(1,495)	(1,071)	0	(480)	0	0	0	0	0	**(3,046)**
SERC-E	(2,955)	(1,739)	0	(16)	0	0	0	0	0	**(4,710)**

2.6 SPP



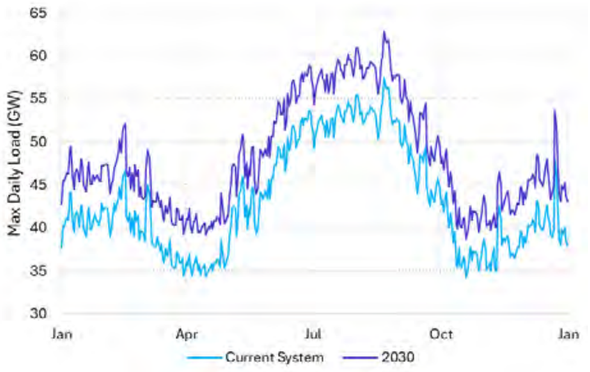
In the current system model, SPP experienced shortfalls, but they were below the required threshold. Adequacy was preserved through reliance on imports. In the No Plant Closures case, SPP experienced persistent reliability challenges, with average annual LOLH reaching approximately 48 hours per year and peak hourly shortfalls affecting up to 19% of demand. In the Plant Closures case, system conditions deteriorated further, with unserved energy and outage hours increasing substantially. These shortfalls were concentrated in the northern subregion, which lacks the firm generation and import capacity needed to meet peak winter demand. The analysis determined that 1,500 MW of additional perfect capacity would be needed in SPP by 2030 to restore reliability.

Table 12. Summary of SPP Reliability Metrics

Reliability Metric		2030 Projection		
	Current System	Plant Closures	No Plant Closures	Required Build
AVERAGE OVER 12 WEATHER YEARS				
Average Loss of Load Hours	1.7	379.6	47.8	2.4
Normalized Unserved Energy (%)	0.0002	0.0911	0.0081	0.0002
Unserved Load (MWh)	541	313,797	27,697	803
WORST WEATHER YEAR				
Max Loss of Load Hours in Single Year	20	556	186	26
Normalized Unserved Load (%)	0.0022	0.2629	0.0475	0.0027
Unserved Load (MWh)	6,492	907,518	163,775	9,433
Max Unserved Load (MW)	606	13,263	2,432	762

Load Assumptions

SPP's peak load was roughly 57 GW in the current system model and projected to increase to roughly 63 GW by 2030. Approximately 1.5 GW of this relates to new AI/DCs being installed (3% of U.S. total).



Subregion	2024	2030
SPP-N	12,668	14,676
SPP-S	44,898	48,337
Total	**57,449**	**62,891**

Figure 20. SPP Max Daily Load in the Current System versus 2030

Generation Stack

Total installed generating capacity for 2024 was 95 GW. In 2030, 15 GW of new capacity was added leading to 110 GW of capacity in the No Plant Closures case. In the Plant Closures case, 7 GW of capacity was retired such that net generation change in the 2030 Plant Closures case was +8 GW, or 103 GW of overall installed capacity on the system.

Subregion	Current System	2030 Plant Closures	2030 No Plant Closures
SPP-N	20,065	20,679	22,385
SPP-S	75,078	82,451	88,064
Total	**95,142**	**103,130**	**110,449**

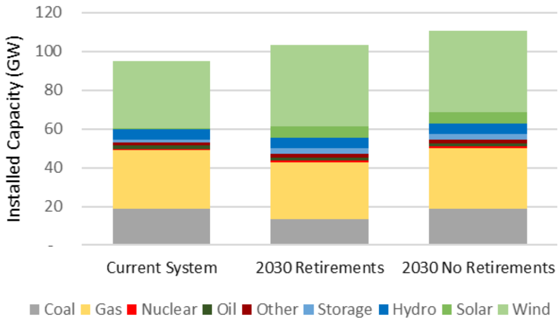


Figure 21. SPP Generation Capacity by Technology and Scenario

SPP's generation mix was comprised primarily of wind, natural gas, and coal. In 2024, wind comprised 36% of nameplate, natural gas comprised 32%, and coal 20%. In the 2030 case, most retirements come from coal and natural gas while additions occur for wind, solar, storage, and natural gas. The model assumed almost no rooftop solar and 1.3 GW of demand response.

Table 13. Nameplate Capacity by SPP Subregion and Technology (MW)

	Coal	Gas	Nuclear	Oil	Other	Storage	Hydro	Solar	Wind	Total
2024	**18,919**	**30,003**	**769**	**1,626**	**1,718**	**1,522**	**5,123**	**774**	**34,689**	**95,142**
SPP-N	5,089	3,467	304	504	519	8	3,041	91	7,041	**20,065**
SPP-S	13,829	26,536	465	1,121	1,199	1,514	2,082	683	27,649	**75,078**
Additions	**0**	**1,094**	**0**	**7**	**462**	**1,390**	**0**	**5,288**	**7,066**	**15,306**
SPP-N	0	126	0	2	114	11	0	633	1,434	**2,320**
SPP-S	0	968	0	5	348	1,379	0	4,655	5,632	**12,987**
Closures	**(5,530)**	**(1,732)**	**0**	**(56)**	**0**	**0**	**0**	**0**	**0**	**(7,318)**
SPP-N	(1,488)	(200)	0	(17)	0	0	0	0	0	**(1,705)**
SPP-S	(4,042)	(1,532)	0	(39)	0	0	0	0	0	**(5,613)**

2.7 CAISO+

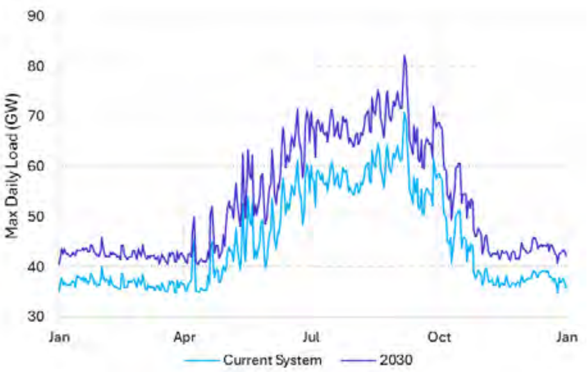
In the current system and No Plant Closures cases, CAISO+ did not experience major reliability issues, though adequacy was often maintained through significant imports during tight conditions. In the Plant Closures case, however, the region faced substantial shortfalls, particularly during summer evening hours when solar output declines. Average LOLH reached 7 hours per year, and the worst-case year showed load shed events affecting up to 31% of demand. The NUSE exceeded reliability thresholds, signaling the system's vulnerability to high load and low renewable output periods.

Table 14. Summary of CAISO+ Reliability Metrics

Reliability Metric		2030 Projection		
	Current System	Plant Closures	No Plant Closures	Required Build
AVERAGE OVER 12 WEATHER YEARS				
Average Loss of Load Hours	-	6.8	-	-
Normalized Unserved Energy (%)	-	0.0062	-	-
Unserved Load (MWh)	-	23,488	-	-
WORST WEATHER YEAR				
Max Loss of Load Hours in Single Year	-	21	-	-
Normalized Unserved Load (%)	-	0.0195	-	-
Unserved Load (MWh)	-	73,462	-	-
Max Unserved Load (MW)	-	12,391	-	-

Load Assumptions

CAISO+'s peak load was roughly 79 GW in the current system model and projected to increase to roughly 82 GW by 2030. Approximately 2 GW of this relates to new AI/DCs being installed (4% of U.S. total).



Subregion	2024	2030
CALI-N	29,366	34,066
CALI-S	41,986	48,666
Total	**70,815**	**82,146**

Figure 22. CAISO+ Max Daily Load in the Current System versus 2030

Generation Stack

Total installed generating capacity for 2024 was approximately 117 GW. In 2030, 14 GW of new capacity was added leading to 131 GW of capacity in the No Plant Closures case. In the Plant Closures case, 8 GW of capacity was retired such that net closures in the Plant Closures case were +6 GW, or 123 GW of overall installed capacity on the system.

Subregion	Current System	2030 Plant Closures	2030 No Plant Closures
CALI-N	47,059	48,897	52,501
CALI-S	69,866	74,041	78,308
Total	**116,925**	**122,938**	**130,809**

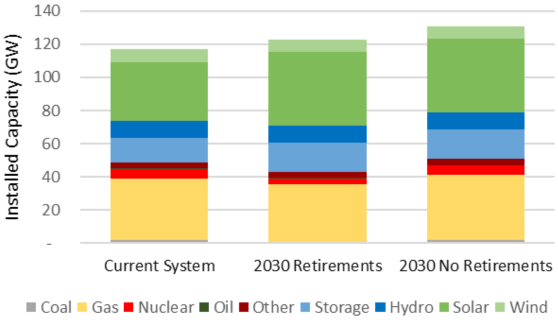


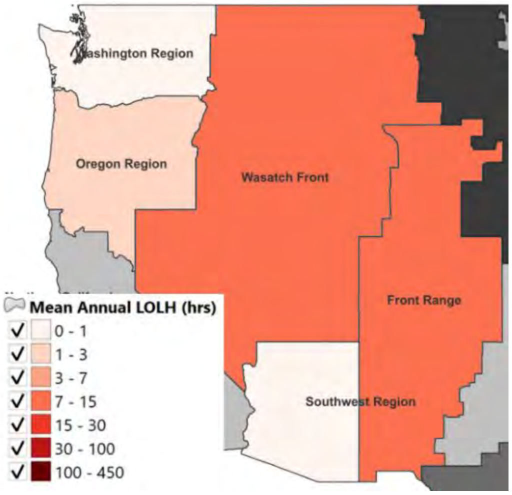
Figure 23. CAISO+ Generation Capacity by Technology and Scenario

CAISO+'s generation mix was comprised primarily of natural gas, solar, storage, and hydro. In 2024, natural gas comprised 32% of nameplate, solar comprised 31%, storage 13%, and hydro 9%. In 2030, most retirements come from coal, natural gas, and nuclear while additions occur for solar and storage. The model assumed 10 GW of rooftop solar and less than 1 GW of demand response.

Table 15. Nameplate Capacity by CAISO+ Subregion and Technology (MW)

	Coal	Gas	Nuclear	Oil	Other	Storage	Hydro	Solar	Wind	Total
2024	**1,816**	**37,434**	**5,582**	**185**	**3,594**	**14,670**	**10,211**	**35,661**	**7,773**	**116,925**
CALI-N	0	12,942	5,582	165	1,872	4,639	8,727	11,759	1,373	**47,059**
CALI-S	1,816	24,492	0	20	1,722	10,031	1,483	23,902	6,400	**69,866**
Additions	**0**	**2,126**	**0**	**0**	**92**	**3,161**	**0**	**8,507**	**0**	**13,885**
CALI-N	0	735	0	0	44	757	0	3,906	0	**5,442**
CALI-S	0	1,391	0	0	48	2,404	0	4,600	0	**8,442**
Closures	**(1,800)**	**(3,771)**	**(2,300)**	**0**	**0**	**0**	**0**	**0**	**0**	**(7,871)**
CALI-N	0	(1,304)	(2,300)	0	0	0	0	0	0	**(3,604)**
CALI-S	(1,800)	(2,467)	0	0	0	0	0	0	0	**(4,267)**

2.8 West Non-CAISO



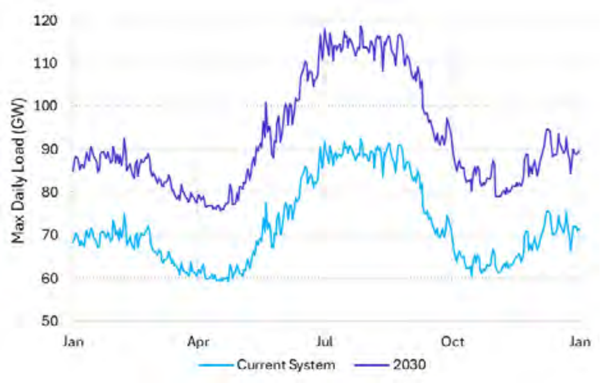
In both the current system and No Plant Closures cases, the West Non-CAISO region maintained adequacy on average. In the Plant Closures case, the region's reliability declined, with annual LOLH increasing and peak shortfalls in the worst year affecting up to 20% of hourly load in some subregions. While overall NUSE normalized unserved energy remained just above the 0.002% threshold, specific areas, especially those with limited local resources and constrained transmission, exceeded acceptable risk levels. These reliability gaps were primarily driven by increasing reliance on variable energy resources without sufficient firm generation.

Table 16. Summary of West Non-CAISO Reliability Metrics

Reliability Metric		**2030 Projection**		
	Current System	**Plant Closures**	**No Plant Closures**	**Required Build**
AVERAGE OVER 12 WEATHER YEARS				
Average Loss of Load Hours	-	17.8	-	-
Normalized Unserved Energy (%)	-	0.0032	-	-
Unserved Load (MWh)	-	21,785	-	-
WORST WEATHER YEAR				
Max Loss of Load Hours in Single Year	-	47	-	-
Normalized Unserved Load (%)	-	0.0098	-	-
Unserved Load (MWh)	-	66,248	-	-
Max Unserved Load (MW)	-	5,071	-	-

Load Assumptions

West Non-CAISO’s peak load was roughly 92 GW in the current system model and projected to increase to roughly 119 GW by 2030. Approximately 12 GW of this relates to new AI/DCs being installed (24% of U.S. total).



Subregion	2024	2030
WASHINGTON	20,756	23,187
OREGON	11,337	16,080
SOUTHWEST	23,388	30,169
WASATCH	27,161	35,440
FRONT R	20,119	24,996
Total	**92,448**	**118,657**

Figure 24. West Non-CAISO Max Daily Load in the Current System versus 2030

Generation Stack

Total installed generating capacity for 2024 was 178 GW. In 2030, 29 GW of new capacity was added leading to 207 GW of capacity in the No Plant Closures case. In the Plant Closures case, 13 GW of capacity was retired such that net generation change in the Plant Closures case was 16 GW, or 193 GW of overall installed capacity on the system.

Subregion	Current System	2030 Plant Closures	2030 No Plant Closures
WASHINGTON	35,207	36,588	37,573
OREGON	19,068	21,689	22,081
SOUTHWEST	42,335	47,022	49,158
WASATCH	42,746	45,175	50,251
FRONT R	38,572	43,011	47,844
Total	**177,929**	**193,485**	**206,908**

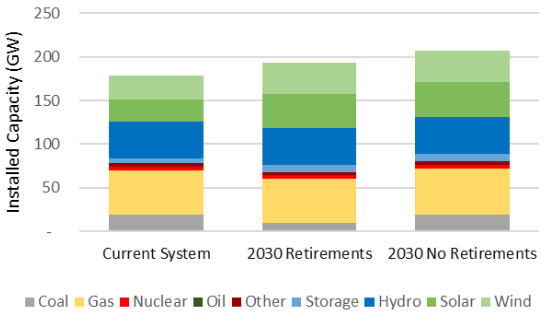


Figure 25. West Non-CAISO Generation Capacity by Technology and Scenario

West Non-CAISO’s generation mix was comprised primarily of natural gas, hydro, wind, solar, and coal. In 2024, natural gas comprised 28% of nameplate, hydro comprised 24%, wind 15%, solar 13%, and coal 11%. In 2030, most retirements come from coal and natural gas while additions occur for solar, wind, storage, and natural gas. The model assumed 6 GW of rooftop solar and over 1 GW of demand response.

Table 17. Nameplate Capacity by West Non-CAISO Subregion and Technology (MW)

	Coal	Gas	Nuclear	Oil	Other	Storage	Hydro	Solar	Wind	Total
2024	**19,850**	**49,969**	**3,820**	**644**	**4,114**	**5,104**	**42,476**	**24,652**	**27,298**	**177,929**
WASHINGTON	560	3,919	1,096	17	595	489	24,402	1,438	2,690	**35,207**
OREGON	0	3,915	0	6	456	482	8,253	2,517	3,440	**19,068**
SOUTHWEST	4,842	17,985	2,724	323	1,316	2,349	1,019	8,093	3,685	**42,335**
WASATCH	7,033	14,061	0	87	1,433	1,194	7,587	7,299	4,052	**42,746**
FRONT R	7,415	10,089	0	211	314	590	1,215	5,306	13,432	**38,572**
Additions	**0**	**2,320**	**0**	**1**	**8**	**2,932**	**0**	**14,759**	**8,959**	**28,979**
WASHINGTON	0	246	0	0	0	109	0	1,059	952	**2,366**
OREGON	0	246	0	0	0	150	0	1,399	1,218	**3,013**
SOUTHWEST	0	309	0	0	0	2,338	0	3,578	599	**6,823**
WASATCH	0	884	0	0	7	233	0	4,946	1,435	**7,505**
FRONT R	0	634	0	0	0	102	0	3,779	4,756	**9,271**
Closures	**(9,673)**	**(2,540)**	**0**	**(6)**	**(311)**	**(170)**	**(627)**	**0**	**(95)**	**(13,422)**
WASHINGTON	(317)	(195)	0	(0)	(66)	(28)	(369)	0	(11)	**(986)**
OREGON	0	(195)	0	(0)	(58)	0	(125)	0	(14)	**(392)**
SOUTHWEST	(1,185)	(951)	0	0	0	0	0	0	0	**(2,136)**
WASATCH	(3,978)	(699)	0	(2)	(178)	(89)	(115)	0	(16)	**(5,077)**
FRONT R	(4,194)	(501)	0	(4)	(8)	(53)	(18)	0	(54)	**(4,832)**

2.9 ERCOT

In the current system model, ERCOT exceeded reliability thresholds, with 3.8 annual Loss of Load Hours and a NUSE of 0.0032%, indicating stress even before future retirements and load growth. In the No Plant Closures case, conditions worsened as average LOLH rose to 20 hours per year and the worst-case year reached 101 hours, driven by data center growth and limited dispatchable additions. The Plant Closures case intensified these risks, with average annual LOLH rising to 45 hours per year and unserved load reaching 0.066%. Peak shortfalls reached 27% of demand, with outages concentrated in winter when generation is most vulnerable. To meet reliability targets, ERCOT would require 10,500 MW of additional perfect capacity by 2030.

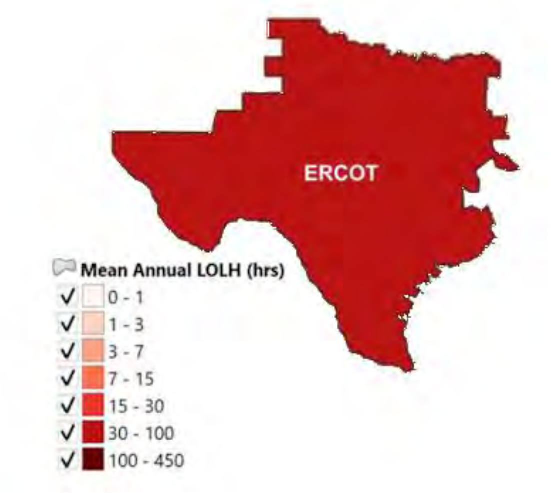
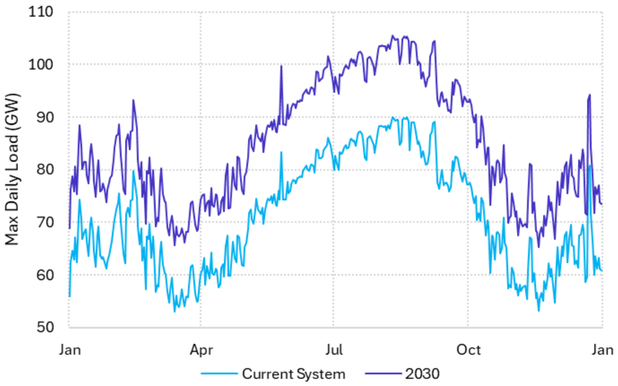


Table 18. Summary of ERCOT Reliability Metrics

Reliability Metric		2030 Projection		
	Current System	Plant Closures	No Plant Closures	Required Build
AVERAGE OVER 12 WEATHER YEARS				
Average Loss of Load Hours	3.8	45.0	20.3	1.0
Normalized Unserved Energy (%)	0.0032	0.0658	0.0284	0.0008
Unserved Load (MWh)	15,378	397,352	171,493	4,899
WORST WEATHER YEAR				
Max Loss of Load Hours in Single Year	30	149	101	12
Normalized Unserved Load (%)	0.0286	0.02895	0.01820	0.0098
Unserved Load (MWh)	136,309	1,741,003	1,093,560	58,787
Max Unserved Load (MW)	10,115	27,156	23,105	8,202

Load Assumptions

ERCOT's peak load was roughly 90 GW in the current system model and projected to increase to roughly 105 GW by 2030. Approximately 8 GW of this relates to new data centers being installed (62% of U.S. total).



Subregion	2024	2030
ERCOT	90,075	105,485
Total	**90,075**	**105,485**

Figure 26. ERCOT Max Daily Load in the Current System versus 2030

Generation Stack

Total installed generating capacity for 2024 was 157 GW. In 2030, 55 GW of new capacity was added leading to 213 GW of capacity in the No Plant Closures case. In the Plant Closures case, 4 GW of capacity was retired such that net generation change in the Plant Closures case was +51 GW, or 208 GW of overall nameplate capacity on the system.

Subregion	Current System	2030 Plant Closures	2030 No Plant Closures
ERCOT	157,490	208,894	212,916
Total	**157,490**	**208,894**	**212,916**

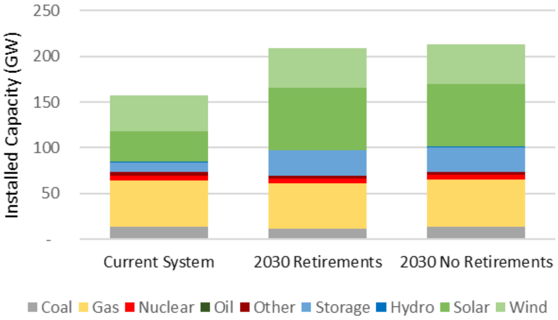


Figure 27. ERCOT Generation Capacity by Technology and Scenario

ERCOT's generation mix was comprised primarily of natural gas, wind, and solar. In 2024, natural gas comprised 32% of nameplate, wind comprised 25%, and solar 22%. In 2030, most retirements come from coal and natural gas while additions occur for solar, storage, and wind. The model assumed 2.5 GW of rooftop solar and 3.5 GW of demand response.

Table 19. Nameplate Capacity for ERCOT and by Technology (MW)

	Coal	Gas	Nuclear	Oil	Other	Storage	Hydro	Solar	Wind	Total
2024	**13,568**	**50,889**	**4,973**	**10**	**3,627**	**10,720**	**583**	**33,589**	**39,532**	**157,490**
ERCOT	13,568	50,889	4,973	10	3,627	10,720	583	33,589	39,532	**157,490**
Additions	**0**	**569**	**0**	**0**	**0**	**16,538**	**0**	**34,681**	**3,638**	**55,426**
ERCOT	0	569	0	0	0	16,538	0	34,681	3,638	**55,426**
Closures	**(2,000)**	**(2,022)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(4,022)**
ERCOT	(2,000)	(2,022)	0	0	0	0	0	0	0	**(4,022)**

Appendix A - Generation Calibration and Forecast

The study team started with the grid model from the NERC ITCS, which was published in 2024 with reference to NERC 2023 LTRA capacity.[27] This zonal ITCS model serves as the starting point for the network topology (covering 23 U.S regions), transmission capacity between zones, and general modeling assumptions. The resource mix and retirements in the ITCS model were updated for this study to reflect the various 2030 scenarios discussed previously. Prior to developing the 2030 scenarios, the study team also updated the 2024 ITCS model to ensure consistency in the current model assumptions.

2024 Resource Mix

Because there were noted changes in assumed capacity additions between the 2023 and 2024 LTRAs[28], the ITCS model was updated with the 2024 LTRA data, provided directly by NERC to the study team. The 2024 LTRA dataset, reported at the NERC assessment area level—which is more aggregated in some areas than the ITCS regional structure (covering 13 U.S. regions; see Figure A.1)—includes both existing resource capacities[29] and Tier 1, 2, and 3 planned additions for each year from 2024 to 2033. As explained below, to incorporate this data into the ITCS model, a mapping process was developed to disaggregate generation capacities from the NERC assessment areas to the more granular ITCS regions by technology type. To preserve the daily or monthly adjustments to generator availability for certain categories (wind, solar, hybrid, hydropower, batteries, and other) by using the ITCS methods, the nameplate LTRA capacity was used. For all other categories (mostly thermal generators), summer and winter on-peak capacity contributions were used.

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[27] NERC, "Interregional Transfer Capability Study (ITCS)." https://www.nerc.com/pa/RAPA/Documents/ITCS_Final_Report.pdf.

[28] NERC, "2024 Long-Term Reliability Assessment," December, 2024, 24. https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_Long%20Term%20Reliability%20Assessment_2024.pdf.

[29] Capacities are reported for both winter and summer seasonal ratings, along with nameplate values.

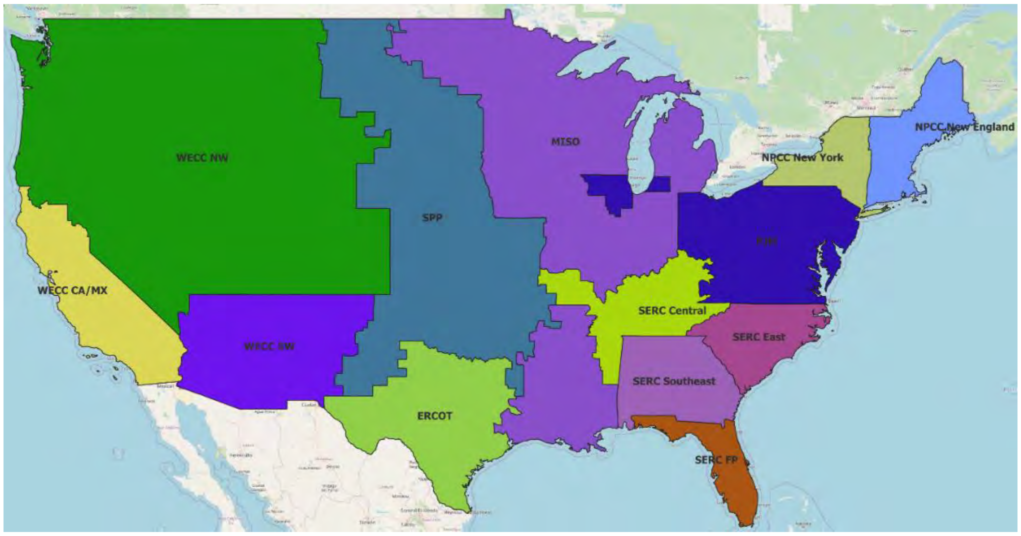

Figure A.1. NERC assessment areas.

To disaggregate generation capacity from the NERC assessment areas to the ITCS regions, EIA 860 plant-level data were used to tabulate the generation capacity for each ITCS region and NERC assessment area. The geographical boundaries for the NERC assessment areas and the ITCS regions were constructed based on ReEDS zones.[30] Disaggregation fractions were then calculated by technology type using the combined existing capacity and planned additions through 2030 from EIA 860 data as of December 2024. Specifically, to compute each fraction, an ITCS region's total (existing plus planned) capacity was divided by the corresponding total capacity across all ITCS regions within the same mapped NERC assessment area and fuel type group:

$$Fraction_{rf} = \frac{Capacity_{rf}}{\sum_{r' \in ITCS(R)} Capacity_{r'f}} \qquad \text{(Equation.1)}$$

Where $Capacity_{rf}$ is the capacity of fuel type f in ITCS region r and $ITCS(R)$ is the set of all ITCS regions mapped to the same NERC assessment area R. The denominator is the total capacity of that fuel type across all ITCS regions mapped to R.

Note that in cases where NERC assessment areas align one-to-one with ITCS regions, no mapping was required. Table A.1 summarizes which areas exhibited a direct one-to-one matching and which required disaggregation (1-to-many) or aggregation (many-to-one) to align with the ITCS regional structure.

An exception to this general approach is the case of the Front Range ITCS region, which geographically spans across two NERC assessment areas—WECC-NW and WECC-SW—resulting in two-to-one mapping. For this case, a separate allocation method was used: Plant-level data from EIA 860 were analyzed to determine the proportion of Front Range capacity located in each NERC area. These proportions were then used to derive custom weighting factors for allocating capacities from both WECC-NW and WECC-SW into the Front Range region.

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[30] NREL, "Regional Energy Development System," https://www.nrel.gov/analysis/reeds/.

Table A.1. Mapping of NERC assessment areas to ITCS regions.

NERC Area	ITCS Region	Match
ERCOT	ERCOT	1 to 1
NPCC-New England	NPCC-New England	1 to 1
NPCC-New York	NPCC-New York	1 to 1
SERC-C	SERC-C	1 to 1
SERC-E	SERC-E	1 to 1
SERC-FP	SERC-FP	1 to 1
SERC-SE	SERC-SE	1 to 1
WECC-SW	Southwest Region	1 to 1
MISO	MISO Central	1 to 4
MISO	MISO East	
MISO	MISO South	
MISO	MISO West	
SPP	SPP North	1 to 2
SPP	SPP South	
WECC-CAMX	Southern California	1 to 2
WECC-CAMX	Northern California	
WECC-NW	Oregon Region	1 to 3
WECC-NW	Washington Region	
WECC-NW	Wasatch Front	
WECC-NW	Front Range	2 to 1
WECC-SW	Front Range	

Table A.2 and Figure A.2 show the same combined capacities by ITCS region and NERC planning region, respectively.

Table A.2. Existing and Tier 1 capacities by NERC assessment area (in MW) in 2024.

2024 Exsting + Tier 1			Coal	NG	Nuclear	Oil	Biomass	Geo	Other	Pumped Storage	Battery	Hydro	Solar	Wind	DR	DGPV	Total
EAST	**Total**		**143,035**	**330,342**	**82,793**	**26,771**	**3,624**	**-**	**991**	**19,607**	**3,298**	**28,980**	**72,757**	**94,364**	**25,753**	**24,367**	**856,682**
	ISONE	**Total**	541	15,494	3,331	5,710	818	-	233	1,571	57	1,911	3,386	2,553	661	3,713	39,979
	MISO	**Total**	**37,914**	**64,194**	**11,127**	**2,867**	**613**	**-**	**329**	**4,396**	**1,031**	**2,533**	**29,777**	**41,715**	**7,775**	**3,049**	**207,319**
		MISO-W	12,651	13,608	2,753	1,491	244	-	2	-	200	777	7,368	29,411	2,367	741	71,612
		MISO-C	15,050	10,307	2,169	494	32	-	152	773	499	769	10,587	7,350	2,026	1,774	51,982
		MISO-S	5,493	31,052	5,100	589	243	-	117	49	5	845	8,024	596	2,109	291	54,511
		MISO-E	4,720	9,227	1,105	292	94	-	57	3,574	327	143	3,799	4,359	1,273	243	29,213
	NYISO	**Total**	-	22,937	3,330	2,631	334	-	-	1,400	60	4,915	1,039	2,706	860	5,710	45,924
	PJM	**Total**	**39,915**	**84,381**	**32,535**	**9,875**	**851**	**-**	**-**	**5,062**	**338**	**3,071**	**10,892**	**11,718**	**7,397**	**8,603**	**214,638**
		PJM-W	34,917	39,056	16,557	1,933	112	-	-	234	149	1,252	5,780	10,065	3,814	599	114,467
		PJM-S	2,391	15,038	5,288	3,985	479	-	-	2,958	127	1,070	3,932	360	1,824	2,498	39,951
		PJM-E	2,608	30,287	10,690	3,956	260	-	-	1,870	62	749	1,180	1,294	1,759	5,506	60,221
	SERC	**Total**	**45,747**	**113,334**	**31,702**	**4,063**	**989**	**-**	**83**	**6,701**	**768**	**11,425**	**26,959**	**982**	**7,707**	**3,221**	**253,680**
		SERC-C	13,348	20,127	8,280	148	36	-	-	1,784	100	4,995	2,308	982	1,851	20	53,978
		SERC-SE	13,275	29,866	8,018	915	424	-	-	1,548	115	3,260	7,267	-	2,069	317	67,073
		SERC-FL	4,346	47,002	3,502	1,957	310	-	83	-	538	-	10,121	-	2,804	2,051	72,714
		SERC-E	14,777	16,340	11,902	1,044	219	-	-	3,369	15	3,170	7,263	-	983	833	59,914
	SPP	**Total**	**18,919**	**30,003**	**769**	**1,626**	**20**	**-**	**345**	**477**	**1,044**	**5,123**	**703**	**34,689**	**1,353**	**71**	**95,142**
		SPP-N	5,089	3,467	304	504	1	-	185	-	8	3,041	84	7,041	333	7	20,065
		SPP-S	13,829	26,536	465	1,121	19	-	160	477	1,037	2,082	619	27,649	1,020	64	75,078
ERCOT	**Total**		**13,568**	**50,889**	**4,973**	**10**	**163**	**-**	**-**	**-**	**10,720**	**583**	**31,058**	**39,532**	**3,464**	**2,531**	**157,490**
	ERCOT	**Total**	13,568	50,889	4,973	10	163	-	-	-	10,720	583	31,058	39,532	3,464	2,531	157,490
WEST	**Total**		**21,666**	**87,403**	**9,403**	**829**	**1,565**	**4,093**	**106**	**4,536**	**15,238**	**52,687**	**44,042**	**35,071**	**1,944**	**16,271**	**294,854**
	CAISO+	**Total**	**1,816**	**37,434**	**5,582**	**185**	**726**	**2,004**	**35**	**3,514**	**11,156**	**10,211**	**25,614**	**7,773**	**829**	**10,047**	**116,925**
		CALI-N	-	12,942	5,582	165	465	1,049	9	1,967	2,672	8,727	6,723	1,373	349	5,036	47,059
		CALI-S	1,816	24,492	-	20	261	955	26	1,547	8,484	1,483	18,891	6,400	480	5,011	69,866
	Non-CA WECC	**Total**	**19,850**	**49,969**	**3,820**	**644**	**839**	**2,089**	**71**	**1,022**	**4,082**	**42,476**	**18,428**	**27,298**	**1,115**	**6,224**	**177,929**
		WA	560	3,919	1,096	17	352	-	-	140	350	24,402	1,052	2,690	243	386	35,207
		OR	-	3,915	-	6	293	21	-	-	482	8,253	2,145	3,440	141	372	19,068
		SOUTHWEST	4,842	17,985	2,724	323	102	1,047	-	176	2,173	1,019	5,641	3,685	168	2,452	42,335
		WASATCH	7,033	14,061	-	87	56	1,011	61	444	750	7,587	5,625	4,052	305	1,674	42,746
		FRONT R	7,415	10,089	-	211	36	10	10	262	328	1,215	3,966	13,432	258	1,340	38,572
		Total	**178,268**	**468,635**	**97,169**	**27,610**	**5,353**	**4,093**	**1,096**	**24,144**	**29,256**	**82,249**	**147,856**	**168,966**	**31,161**	**43,169**	**1,309,026**

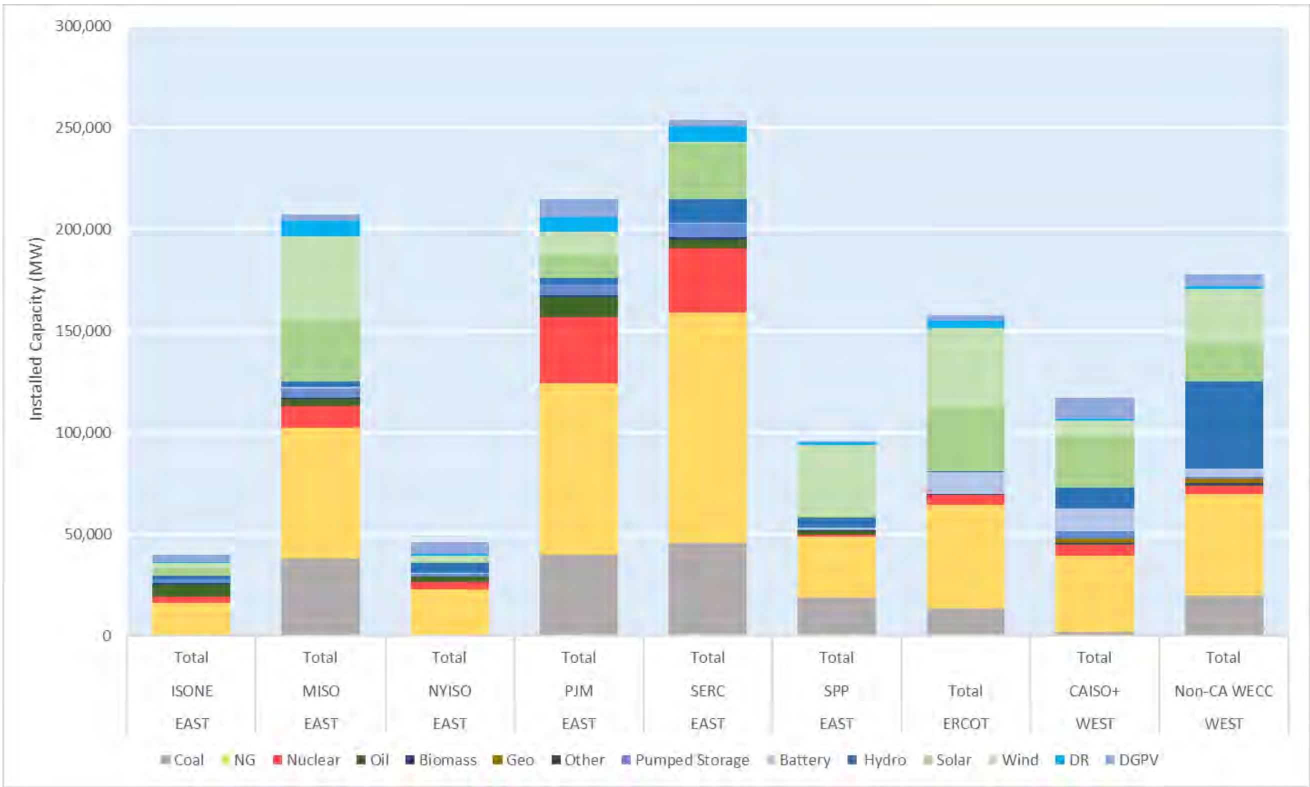

Figure A.2. Existing and Tier 1 capacities by NERC assessment area in 2024.

Forecasting 2030 Resource Mixes

To develop the 2030 ITCS generation portfolio, the study team added new capacity builds and removed planned retirements.

(i) *Tier 1*: Assumes that only projects considered very mature in the development pipeline—such as those with signed interconnection agreements—will be built. This results in minimal capacity additions beyond 2026. The data are based on projects designated as Tier 1 in the 2024 LTRA data for the year 2030.

Retirements

To project which units will retire by 2030, the study team primarily used the LTRA 2024 data and cross-checked it with EIA data. The assessment areas were disaggregated to ITCS zones based on the ratios of projected retirements in EIA 860 data. The three scenarios modeled are as follows:

(i) *Announced*: Assumes that in addition to confirmed retirements, generators that have publicly announced retirement plans but have not formally notified system operators have also begun the retirement process. This is based on data from the 2024 LTRA, which were collected by the NERC team from sources like news announcements, public disclosures, etc.

(ii) *None*: Assumes that there are no retirements between 2024 and 2030 for comparison. Delaying or canceling some near-term retirements may not be feasible, but this case can help determine how much retirements contribute to resource adequacy challenges in regions where rapid AI and data center growth is expected.

Generation Stack for Each Scenario

Finally, when summing all potential future changes, the team arrived at a generation stack for each of the various scenarios to be studied. The first figure provides a visual comparison of all the cases, which vary from 1,309 GW to 1,519 GW total generation capacity for the entire continental United States, to enable the exploration of a range of potential generation futures. The tables below provide breakdowns by ITCS region and by resource type.

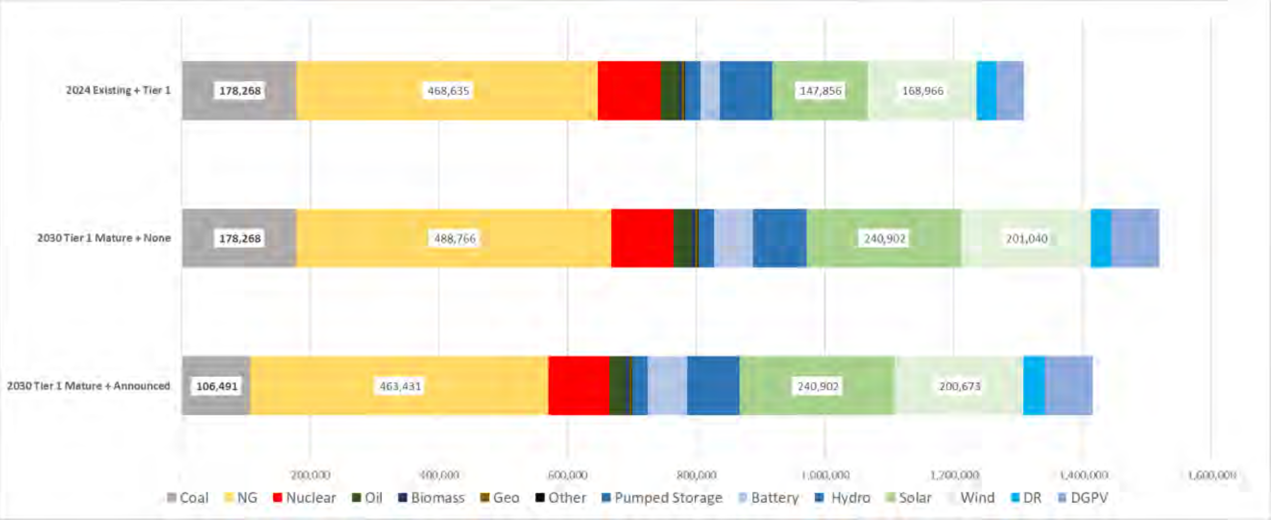

Figure A.9. Comparison of 2030 generation stacks for the various scenarios.

Table A.4. 2030 generation stack for Tier 1 mature + announced retirements.

2030 Tier 1 Mature + Announced			Coal	NG	Nuclear	Oil	Biomass	Geo	Other	Pumped Storage	Battery	Hydro	Solar	Wind	DR	DGPV	Total
EAST	**Total**		**84,730**	**328,457**	**82,793**	**24,272**	**3,473**	**-**	**991**	**19,591**	**12,415**	**28,897**	**126,849**	**113,568**	**26,837**	**36,768**	**889,641**
	ISONE	**Total**	7	13,708	3,331	5,687	741	-	233	1,571	1,664	1,911	3,676	4,048	661	5,606	42,845
	MISO	**Total**	**13,001**	**60,132**	**11,127**	**2,873**	**473**	**-**	**329**	**4,380**	**2,960**	**2,450**	**44,132**	**43,369**	**7,775**	**3,049**	**196,049**
		MISO-W	4,338	12,747	2,753	1,494	188	-	2	-	574	751	10,920	30,577	2,367	741	67,453
		MISO-C	5,161	9,655	2,169	495	25	-	152	770	1,433	743	15,690	7,642	2,026	1,774	47,735
		MISO-S	1,883	29,087	5,100	591	187	-	117	49	14	817	11,892	619	2,109	291	52,756
		MISO-E	1,619	8,643	1,105	293	72	-	57	3,561	938	138	5,630	4,531	1,273	243	28,105
	NYISO	**Total**	-	21,907	3,330	2,628	334	-	-	1,400	60	4,915	1,159	4,608	860	9,194	50,396
	PJM	**Total**	**26,662**	**87,228**	**32,535**	**8,117**	**917**	**-**	**-**	**5,062**	**2,276**	**3,071**	**33,530**	**18,807**	**7,638**	**10,955**	**236,798**
		PJM-W	23,323	40,373	16,557	1,589	120	-	-	234	1,004	1,252	17,793	16,153	3,939	762	123,100
		PJM-S	1,597	15,546	5,288	3,276	516	-	-	2,958	853	1,070	12,105	577	1,883	3,181	48,850
		PJM-E	1,742	31,309	10,690	3,252	280	-	-	1,870	419	749	3,632	2,076	1,816	7,012	64,848
	SERC	**Total**	**31,672**	**116,117**	**31,702**	**3,391**	**989**	**-**	**83**	**6,701**	**3,021**	**11,425**	**38,360**	**982**	**8,088**	**7,893**	**260,423**
		SERC-C	8,883	23,777	8,280	148	36	-	-	1,784	180	4,995	3,070	982	1,851	29	54,014
		SERC-SE	10,321	28,127	8,018	899	424	-	-	1,548	618	3,260	9,024	-	2,213	317	64,768
		SERC-FL	2,851	47,092	3,502	1,477	310	-	83	-	2,208	-	16,717	-	3,022	5,865	83,127
		SERC-E	9,617	17,122	11,902	868	219	-	-	3,369	15	3,170	9,549	-	1,002	1,682	58,513
	SPP	**Total**	**13,389**	**29,365**	**769**	**1,576**	**20**	**-**	**345**	**477**	**2,434**	**5,123**	**5,991**	**41,755**	**1,815**	**71**	**103,130**
		SPP-N	3,602	3,394	304	489	1	-	185	-	18	3,041	717	8,475	447	7	20,679
		SPP-S	9,787	25,971	465	1,087	19	-	160	477	2,416	2,082	5,274	33,280	1,368	64	82,451
ERCOT	**Total**		**11,568**	**49,436**	**4,973**	**10**	**163**	**-**	**-**	**-**	**27,258**	**583**	**62,406**	**43,169**	**3,464**	**5,864**	**208,894**
	ERCOT	**Total**	11,568	49,436	4,973	10	163	-	-	-	27,258	583	62,406	43,169	3,464	5,864	208,894
WEST	**Total**		**10,193**	**85,538**	**7,103**	**823**	**1,427**	**3,983**	**106**	**4,366**	**21,330**	**52,060**	**51,648**	**43,935**	**1,981**	**31,931**	**316,424**
	CAISO+	**Total**	**16**	**35,789**	**3,282**	**185**	**726**	**2,059**	**35**	**3,514**	**14,316**	**10,211**	**27,112**	**7,773**	**866**	**17,055**	**122,938**
		CALI-N	-	12,373	3,282	165	465	1,078	9	1,967	3,429	8,727	7,116	1,373	364	8,549	48,897
		CALI-S	16	23,416	-	20	261	982	26	1,547	10,887	1,483	19,996	6,400	501	8,506	74,041
	Non-CA WECC	**Total**	**10,177**	**49,749**	**3,820**	**639**	**701**	**1,924**	**71**	**852**	**7,014**	**41,849**	**24,536**	**36,162**	**1,115**	**14,876**	**193,485**
		WA	243	3,971	1,096	16	286	-	-	111	459	24,033	1,404	3,631	243	1,092	36,588
		OR	-	3,967	-	6	238	18	-	-	632	8,128	2,865	4,644	141	1,051	21,689
		SOUTHWEST	3,657	17,343	2,724	323	102	1,047	-	176	4,511	1,019	7,460	4,284	168	4,211	47,022
		WASATCH	3,055	14,247	-	86	45	850	61	355	983	7,472	7,512	5,470	305	4,733	45,175
		FRONT R	3,221	10,222	-	208	30	8	10	209	430	1,197	5,296	18,133	258	3,789	43,011
		Total	**106,491**	**463,431**	**94,869**	**25,106**	**5,063**	**3,983**	**1,096**	**23,958**	**61,003**	**81,539**	**240,902**	**200,673**	**32,282**	**74,563**	**1,414,959**

Table A.5. 2030 generation stack for Tier 1 mature + no retirements.

2030 Tier 1 Mature + No Retirements			Coal	NG	Nuclear	Oil	Biomass	Geo	Other	Pumped Storage	Battery	Hydro	Solar	Wind	DR	DGPV	Total
EAST	**Total**		**143,035**	**345,459**	**82,793**	**27,336**	**3,701**	**-**	**991**	**19,607**	**12,415**	**28,980**	**126,849**	**113,840**	**26,837**	**36,768**	**968,610**
	ISONE	**Total**	541	15,584	3,331	5,891	818	-	233	1,571	1,664	1,911	3,676	4,048	661	5,606	45,534
	MISO	**Total**	**37,914**	**66,729**	**11,127**	**3,197**	**613**	**-**	**329**	**4,396**	**2,960**	**2,533**	**44,132**	**43,641**	**7,775**	**3,049**	**228,393**
		MISO-W	12,651	14,145	2,753	1,662	244	-	2	-	574	777	10,920	30,768	2,367	741	77,605
		MISO-C	15,050	10,714	2,169	551	32	-	152	773	1,433	769	15,690	7,690	2,026	1,774	58,823
		MISO-S	5,493	32,278	5,100	657	243	-	117	49	14	845	11,892	623	2,109	291	59,710
		MISO-E	4,720	9,592	1,105	326	94	-	57	3,574	938	143	5,630	4,560	1,273	243	32,255
	NYISO	**Total**	-	22,937	3,330	2,646	334	-	-	1,400	60	4,915	1,159	4,608	860	9,194	51,444
	PJM	**Total**	**39,915**	**88,880**	**32,535**	**9,907**	**928**	**-**	**-**	**5,062**	**2,276**	**3,071**	**33,530**	**18,807**	**7,638**	**10,955**	**253,504**
		PJM-W	34,917	41,138	16,557	1,939	122	-	-	234	1,004	1,252	17,793	16,153	3,939	762	135,810
		PJM-S	2,391	15,840	5,288	3,998	522	-	-	2,958	853	1,070	12,105	577	1,883	3,181	50,667
		PJM-E	2,608	31,902	10,690	3,969	284	-	-	1,870	419	749	3,632	2,076	1,816	7,012	67,027
	SERC	**Total**	**45,747**	**120,232**	**31,702**	**4,063**	**989**	**-**	**83**	**6,701**	**3,021**	**11,425**	**38,360**	**982**	**8,088**	**7,893**	**279,285**
		SERC-C	13,348	24,958	8,280	148	36	-	-	1,784	180	4,995	3,070	982	1,851	29	59,660
		SERC-SE	13,275	29,866	8,018	915	424	-	-	1,548	618	3,260	9,024	-	2,213	317	69,478
		SERC-FL	4,346	48,163	3,502	1,957	310	-	83	-	2,208	-	16,717	-	3,022	5,865	86,173
		SERC-E	14,777	17,246	11,902	1,044	219	-	-	3,369	15	3,170	9,549	-	1,002	1,682	63,973
	SPP	**Total**	**18,919**	**31,098**	**769**	**1,632**	**20**	**-**	**345**	**477**	**2,434**	**5,123**	**5,991**	**41,755**	**1,815**	**71**	**110,449**
		SPP-N	5,089	3,594	304	506	1	-	185	-	18	3,041	717	8,475	447	7	22,385
		SPP-S	13,829	27,504	465	1,126	19	-	160	477	2,416	2,082	5,274	33,280	1,368	64	88,064
ERCOT	**Total**		**13,568**	**51,458**	**4,973**	**10**	**163**	**-**	**-**	**-**	**27,258**	**583**	**62,406**	**43,169**	**3,464**	**5,864**	**212,916**
	ERCOT	**Total**	13,568	51,458	4,973	10	163	-	-	-	27,258	583	62,406	43,169	3,464	5,864	212,916
WEST	**Total**		**21,666**	**91,849**	**9,403**	**829**	**1,565**	**4,156**	**106**	**4,536**	**21,330**	**52,687**	**51,648**	**44,030**	**1,981**	**31,931**	**337,717**
	CAISO+	**Total**	**1,816**	**39,560**	**5,582**	**185**	**726**	**2,059**	**35**	**3,514**	**14,316**	**10,211**	**27,112**	**7,773**	**866**	**17,055**	**130,809**
		CALI-N	-	13,677	5,582	165	465	1,078	9	1,967	3,429	8,727	7,116	1,373	364	8,549	52,501
		CALI-S	1,816	25,883	-	20	261	982	26	1,547	10,887	1,483	19,996	6,400	501	8,506	78,308
	Non-CA WECC	**Total**	**19,850**	**52,289**	**3,820**	**645**	**839**	**2,097**	**71**	**1,022**	**7,014**	**42,476**	**24,536**	**36,257**	**1,115**	**14,876**	**206,908**
		WA	560	4,166	1,096	17	352	-	-	140	459	24,402	1,404	3,642	243	1,092	37,573
		OR	-	4,161	-	6	293	22	-	-	632	8,253	2,865	4,658	141	1,051	22,081
		SOUTHWEST	4,842	18,294	2,724	323	102	1,047	-	176	4,511	1,019	7,460	4,284	168	4,211	49,158
		WASATCH	7,033	14,945	-	88	56	1,018	61	444	983	7,587	7,512	5,486	305	4,733	50,251
		FRONT R	7,415	10,723	-	212	36	10	10	262	430	1,215	5,296	18,187	258	3,789	47,844
		Total	**178,268**	**488,766**	**97,169**	**28,175**	**5,429**	**4,156**	**1,096**	**24,144**	**61,003**	**82,249**	**240,902**	**201,040**	**32,282**	**74,563**	**1,519,243**

Appendix B - Representing Canadian Transfer Limits

Introduction

The reliability and stability of cross-border electricity interconnections between the United States and Canada are critical to ensuring continuous power delivery amid evolving demands and variable supply conditions. In recent years, increased integration of wind and solar generation, coupled with extreme weather events, has introduced significant uncertainties in regional power flows.

This report describes the development and implementation of a machine learning (ML)-based model designed to project the maximum daily energy transfer (MaxFlow) across major United States–Canada interfaces, such as BPA–BC Hydro and NYISO–Ontario. Leveraging 15 years of high-resolution load and generation data, summarizing it into key daily statistics, and training a robust eXtreme Gradient Boosting (XGBoost) regressor can allow data-driven predictions to be captured with quantified uncertainty.

The project team provided percentile-based forecasts—25, 50, and 75 percent—to support both conservative and strategic planning. The conservative methodology (25 percent) was used for this report to ensure availability when needed.

The subsequent sections detail the methodology used for data processing and feature engineering, the architecture and training of the predictive model, and the validation metrics and feature importance analyses used. Future enhancements could include incorporating weather patterns, neighboring-region dynamics, and fuel-specific generation profiles to further strengthen predictive performance and support grid resilience.

Methodology

This section describes the ML approach used to build the MaxFlow prediction model.

Dataset Collection and Preparation

Data were collected for hourly and derived daily load and generation over a 15-year period (2010–2024), comprising 8,760 hourly observations annually. Hourly interconnection flow rates were collected for the same years across all major United States–Canada interfaces.[1–17]

Underlying Hypothesis

The team hypothesized that the MaxFlow between interconnected regions is critically influenced by regional load and generation extrema (maximum and minimum) and their variability. These statistics reflect grid stress conditions, influencing interregional energy flow. Additionally, nonlinear interactions due to imbalances in adjacent regions further affect energy transfer dynamics.

Regression Model

The XGBoost regression model was chosen because of its ability to capture complex, nonlinear relationships, regularization capability to prevent overfitting, high speed and performance, fast convergence, built-in handling of missing data, and ease of confidence interval approximation.

XGBoost builds many small decision trees, one after another. Each new tree learns to correct the mistakes of the previous ensemble by focusing on which predictions had the greatest error. Instead of creating one large, complex tree, it combines many simpler trees—each making a modest adjustment—so that, together, they capture nonlinear patterns and interactions. Regularization (penalties for tree size and leaf adjustments) prevents overfitting, and a “learning rate” scales each tree’s contribution so that improvements are made gradually. The final prediction is simply the sum of all those small corrections.

Model Training, Validation, and Assessment

Figure B.1 shows the data analysis and prediction process, which ties together seven stages—from raw CSV loading through outlier filtering, feature engineering, projecting to 2030, rebuilding 2030 features, training an XGBoost model, and finally making and evaluating the 2030 flow forecasts with quantiles. Each stage feeds into the next, ensuring that the features used for training mirror exactly those that will be available for future (2030) predictions.

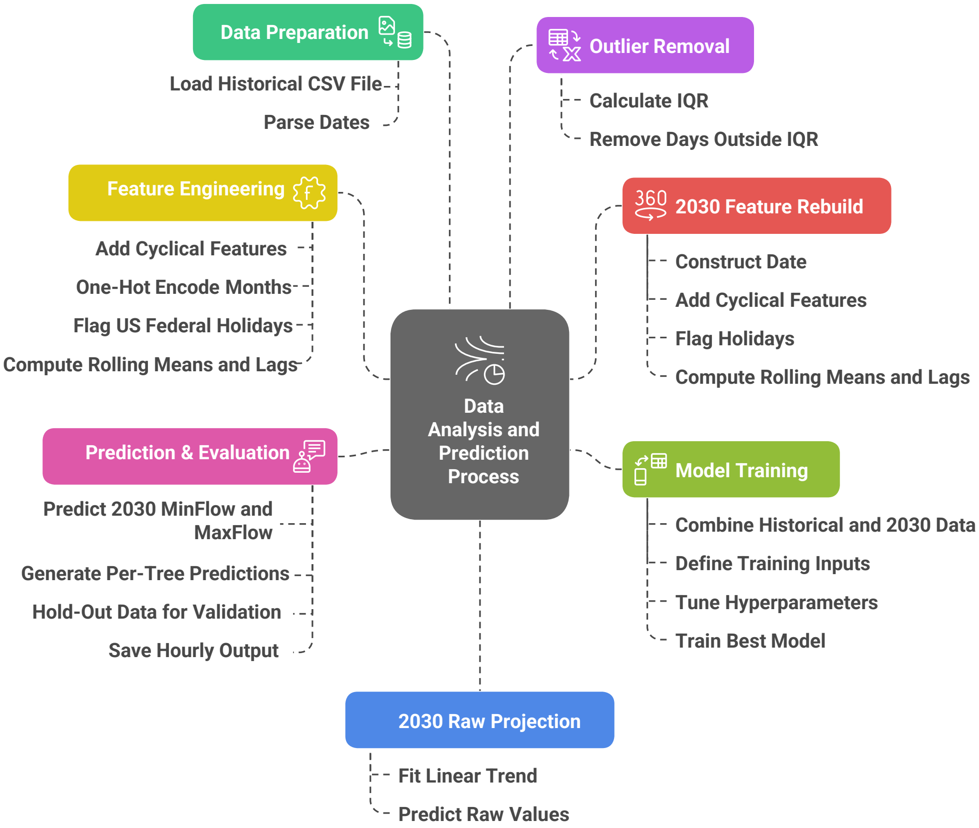

Figure B.1. Data analysis and prediction process.

Example Feature Importance for Predicting MaxFlow from Ontario to NYISO

The trained ML/XGBoost model can be used for predicting the desired year’s MaxFlow. In addition, feature importance analysis can be added to assess the contribution of each variable.

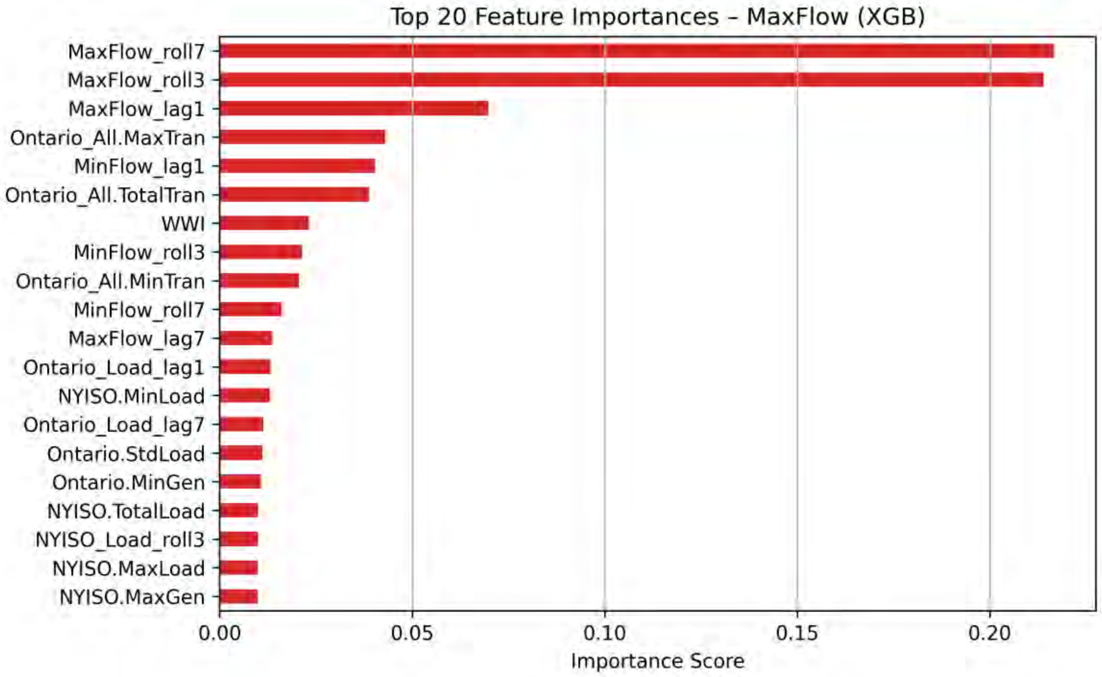

Figure B.2. Feature importance for predicting the hourly maximum energy transfer (MaxFlow) between NYISO and Ontario. XGB = eXtreme Gradient Boosting.

The feature importance plot shows that MaxFlow rolling/lagging features and Ontario_All.MaxTran are the dominant predictors of MaxFlow, meaning temporal patterns and Ontario's peak transfer capacity strongly influence interregional flow limits. Weather-related variables (WWI, e.g., temperature, humidity, etc.) and Ontario_All.TotalTran also rank highly. The 2030 MaxFlow prediction plot shows seasonal fluctuations, with higher values early and late in the year. The red shaded area represents a 95 percent confidence interval for the predictions.

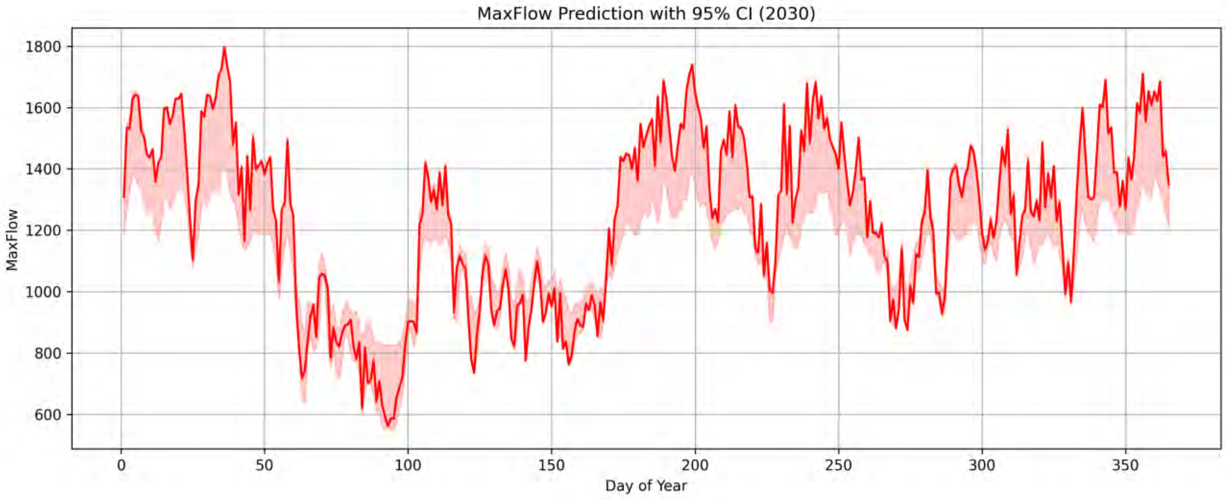

Figure B.3. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI).

Model Performance

Validating model performance on unseen data is essential to ensure the model’s reliability and generalizability. The following evaluation examines how well the XGBoost model predicts minimum energy transfer (MinFlow) and MaxFlow on the validation split, highlighting strengths and areas for improvement.

Rigorous performance evaluation is a fundamental step in any ML workflow. From quantifying error metrics (root mean square error and mean absolute error) and goodness-of-fit (R^2) on both training and validation splits, it is possible to identify overfitting, assess generalization, and guide model refinement. Table B.1 shows XGBoost model performance for the Ontario–NYISO transfer limit.

Table B.1. eXtreme Gradient Boosting model performance for the Ontario–NYISO transfer limit.

Metric	Value	Explanation
MinFlow RMSE (Train)	69.2528	Root mean square error (RMSE) on training data for minimum energy transfer (MinFlow)
MinFlow R^2 (Train)	0.9651	R^2 on training data for MinFlow (higher → better fit)
MinFlow RMSE (Validation)	163.6642	RMSE on held-out data for MinFlow
MinFlow R^2 (Validation)	0.8073	R^2 on held-out data for MinFlow (higher → better generalization)
MaxFlow RMSE (Train)	114.4234	RMSE on training data for maximum energy transfer (MaxFlow)
MaxFlow R^2 (Train)	0.8838	R^2 on training data for MaxFlow (higher → better fit)
MaxFlow RMSE (Validation)	144.9614	RMSE on held-out data for MaxFlow
MaxFlow R^2 (Validation)	0.8178	R^2 on held-out data for MaxFlow (higher → better generalization)

Overall, the XGBoost model delivers excellent in-sample as well as out-of-sample accuracy. Similar outputs are available for each transfer limit.

Maximum flow predictions: Ontario to New York

Ontario and NYISO are connected through multiple high-voltage interconnections, which collectively provide a total transfer capability of up to 2,500 MW, subject to individual tie-line limits. Table B.2 outlines the data sources, preparation process, and assumptions used in creating datasets for the prediction models.

Table B.2. Ontario to New York transmission flow data and assumptions overview.

	Description
Data source	https://www.ieso.ca/power-data/data-directory
Data preparation	IESO public hourly inter-tie schedule flow data can be accessed for the years spanning from 2002 to 2023.
Assumptions	Positive flow indicates that Ontario is exporting to NY, and negative flow indicates that Ontario is importing from NY.

Figure B.4 illustrates the historical monthly MaxFlow for Ontario from 2007 through 2024, alongside 2030 projected quartile scenarios (Q1, Q2, and Q3). Analyzing these trends helps assess future reliability and facilitates capacity planning under varying conditions.

Historical monthly peaks (2007–2023) reveal a clear seasonal cycle for ONT–NYISO transfers: flows typically increase in late winter/early spring (February–April) and again in late fall/early winter (November–December). Over 16 years, the average spring peaks hovered around 1,700–1,900 MW, with occasional spikes above 2,200 MW. The 2030 forecast for Q1, Q2, and Q3 aligns with this pattern, predicting a springtime peak near 1,800 MW, a summer trough around 1,400 MW, and a modest late-summer uptick near 1,500 MW.

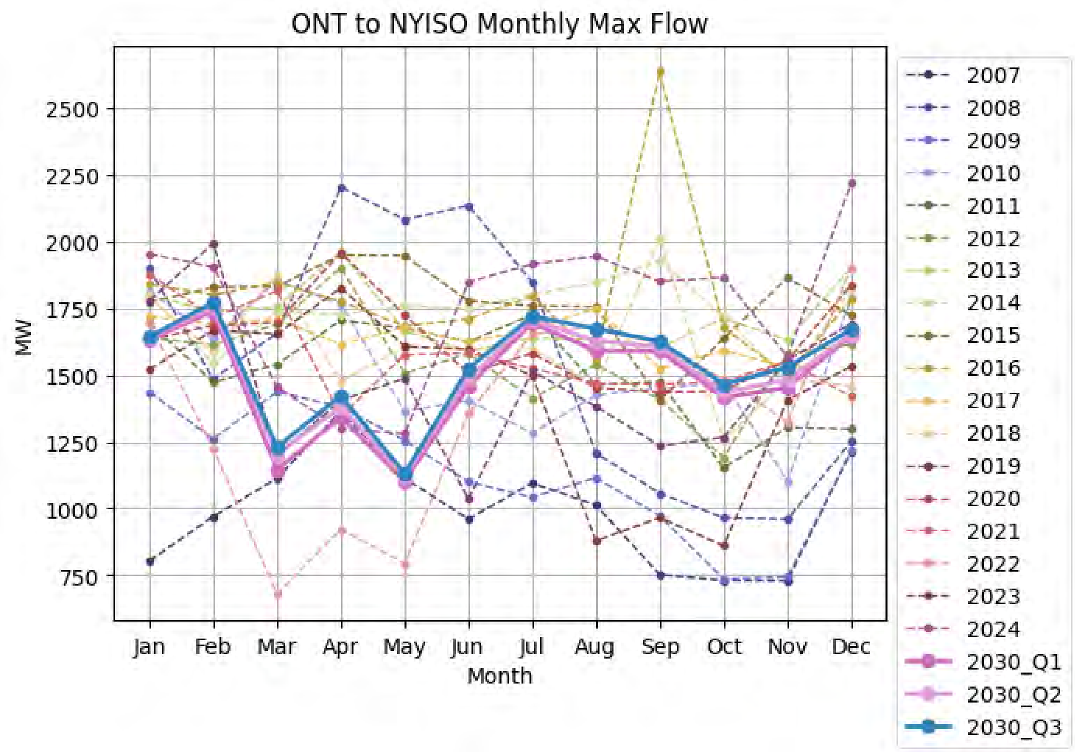

Figure B.4. Monthly maximum energy transfer between Ontario (ONT) and New York (NYISO).

The team used robust validation metrics to justify these results. When trained on daily data from the 2010–2024 period—incorporating projected 2030 loads, seasonal flags, and holiday effects—the XGBoost model achieved $R^2 > 0.80$ and a root mean square error below 150 MW on an unseen 20 percent hold-out dataset. Moreover, the 95 percent confidence intervals for monthly maxima were narrow (approximately ±150 MW), demonstrating low predictive uncertainty. A comparison of predicted maxima with historical extremes revealed that 2030 forecasts consistently fell within (or slightly above) the previous window of variability, implying realistic demand-driven behavior. In summary, the close alignment with historical peaks, strong cross-validated performance, and tight confidence bands collectively validate the results.

Discussion

The reason that the team used ML/XGBoost to approximate the 2030 transfer profiles was to ensure that there would be no violations or inconsistencies between transfer limits, load, and generation. The 15 years of data used were sufficient for having the models learn historical relationships and project them forward to 2030 to capture the underlying trends in load, generation, and their interactions. The use of such an extensive dataset justifies using ML to establish consistent transfer profiles.

However, in some regions, like Ontario to NYISO, the available data encompassed a shorter time period, and the relationships were only partially captured because of a lack of neighboring-region data. In such cases, it was necessary to incorporate additional predictors, such as rolling and lag features from the transfer limits. Although the direct use of transfer limit data to project future transfer limits would typically be avoided, these engineered features help improve predictions when data coverage is sparse and the model's goodness-of-fit is low.

In all cases, the ML models ensured that these historical relationships were not violated, maintaining internal consistency among load, generation, and transfer limits. Overall, the team relied on ML when long-term data were available for training and projecting load and generation profiles. Rolling and lag features were used to reinforce the model when data availability was limited, but always with the goal of upholding consistent physical relationships in the 2030 projections.

Supplementary Plots for Additional Transfers

This section presents figures and tables showing results and source data information for each transfer listed below:

(iii) Pacific Northwest to British Columbia

(iv) Alberta to Montana

(v) Manitoba to MISO West

(vi) Ontario to MISO West

(vii) Ontario to MISO East

(viii) Ontario to New York

(ix) Hydro-Quebec to New York

(x) Hydro-Quebec to New England

(xi) New Brunswick to New England

The figures show the daily MaxFlow for each transfer that was considered in this analysis.

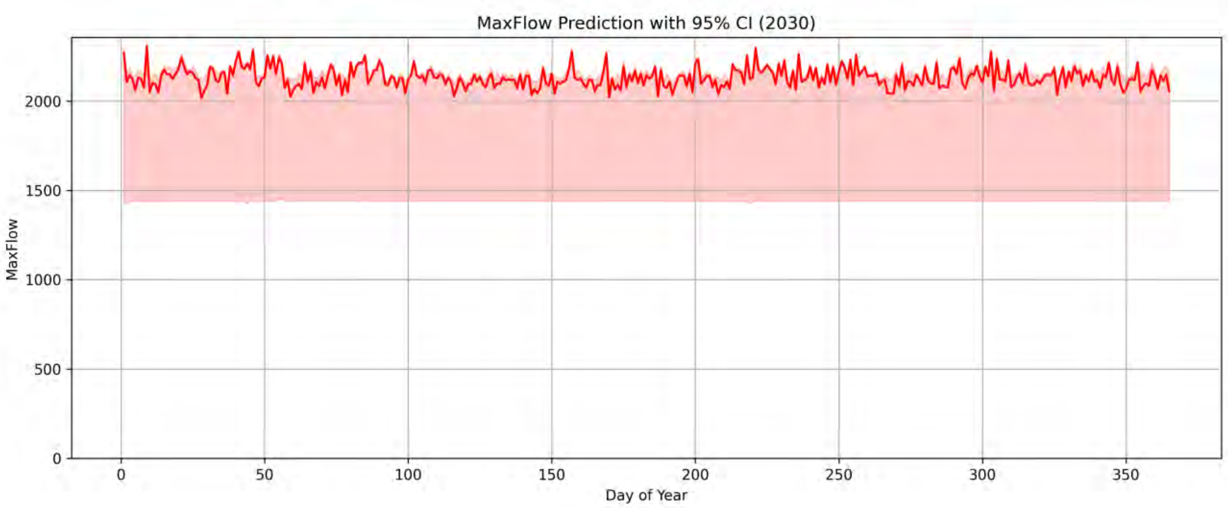

Figure B.5. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between British Columbia and the Pacific Northwest.

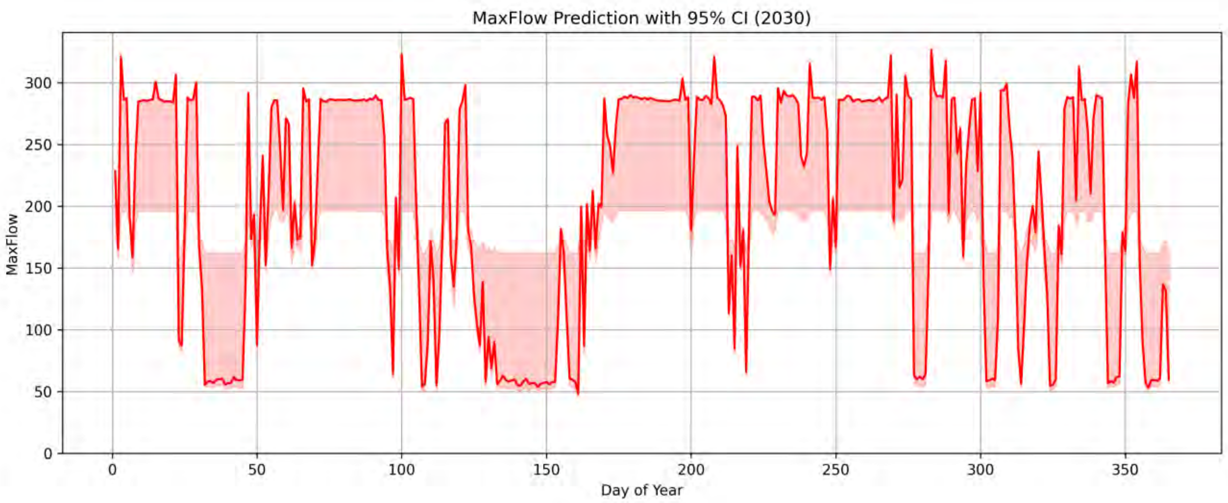

Figure B.6. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between AESO and Montana.

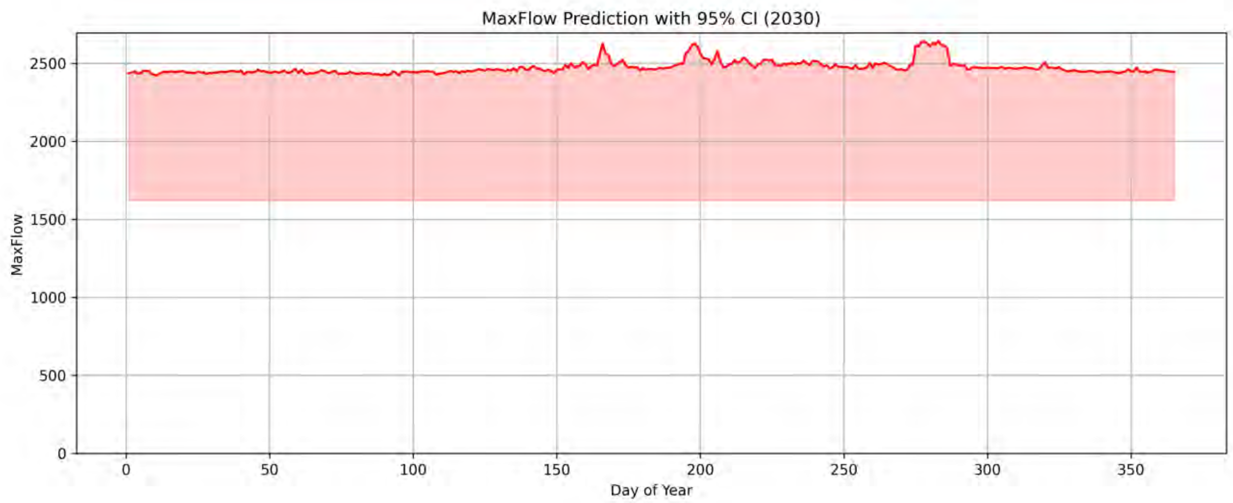

Figure B.7. Projected 2030 maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between Manitoba and MISO.

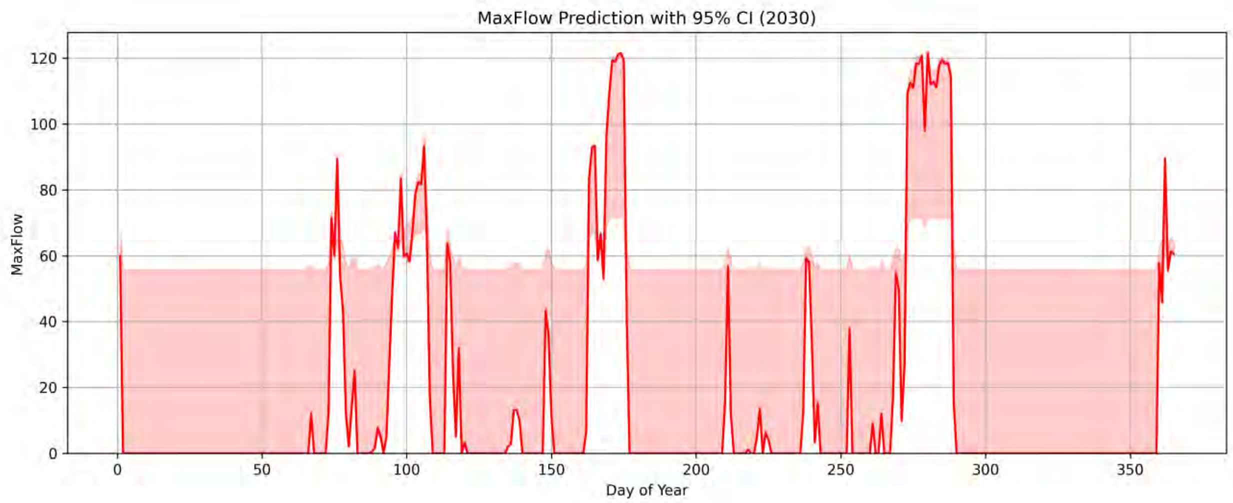

Figure B.8. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between Ontario and MISO West.

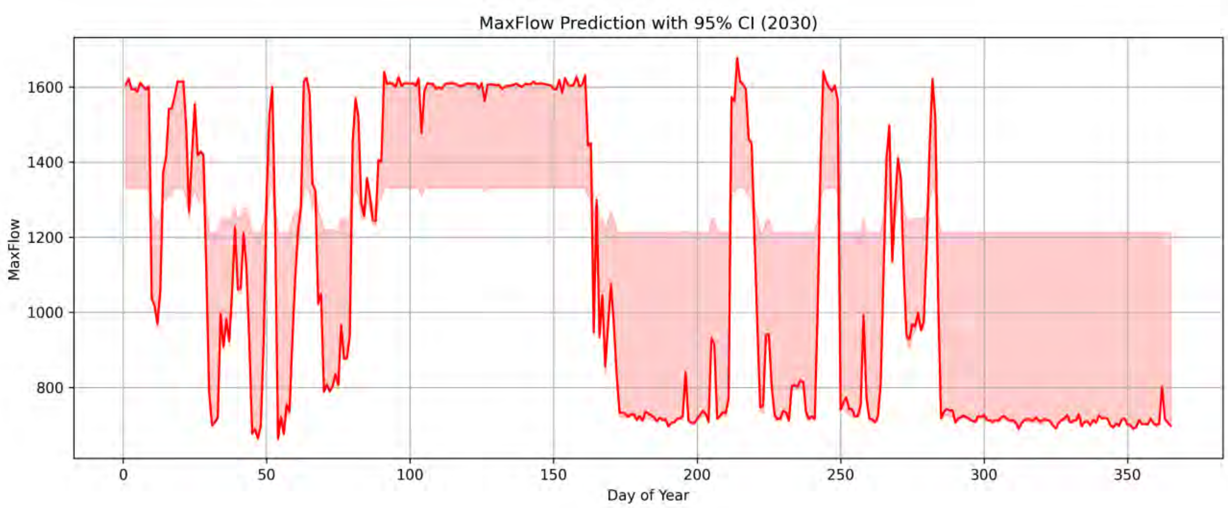

Figure B.9. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between Ontario and MISO East.

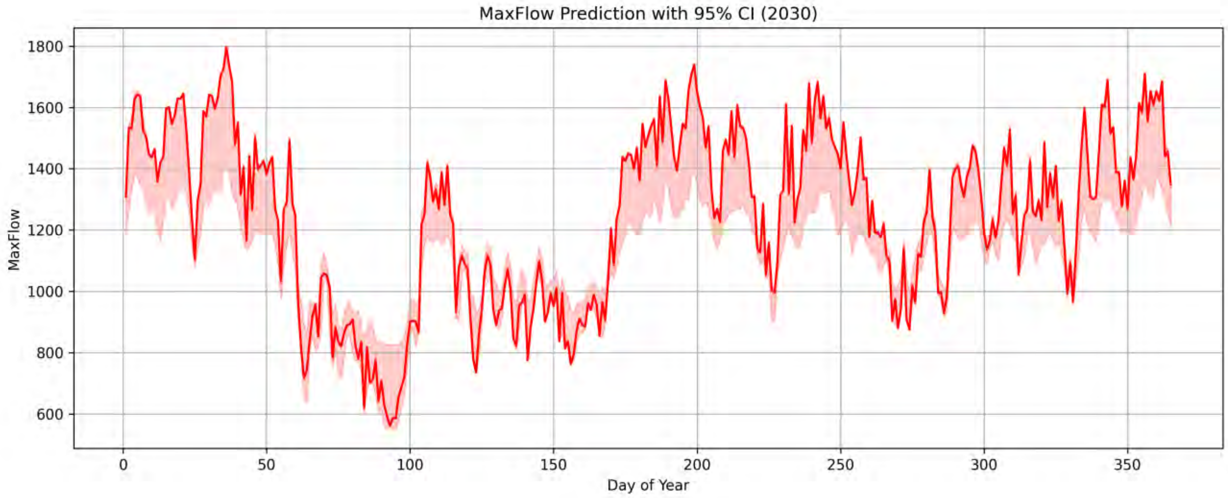

Figure B.10. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between Ontario and New York.

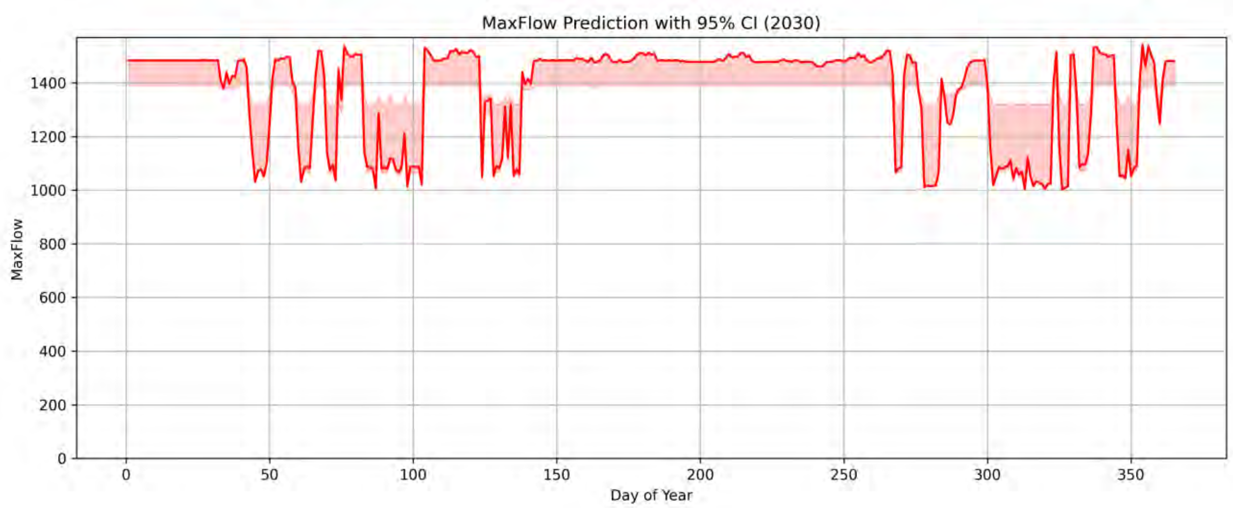

Figure B.11. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between Quebec and New York.

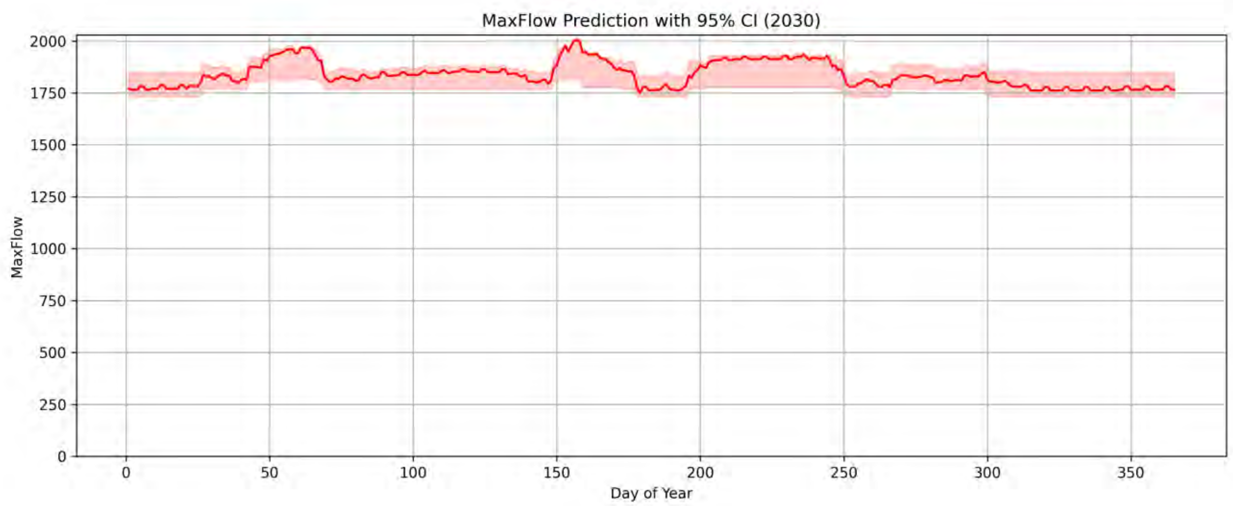

Figure B.12. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between Quebec and New England.

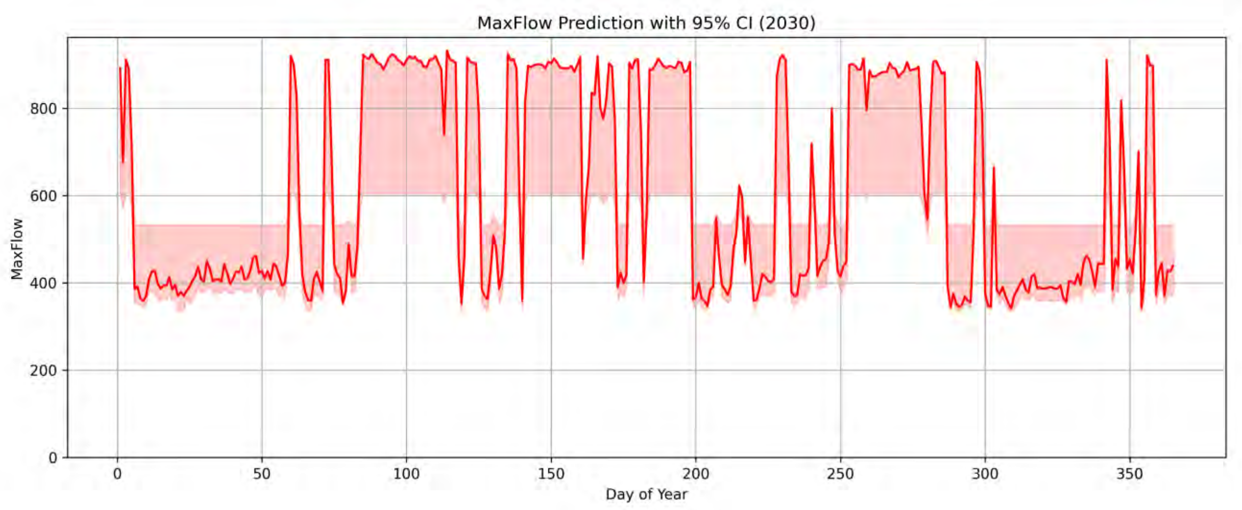

Figure B.13. Projected 2030 daily maximum energy transfer (MaxFlow) with 95 percent confidence interval (CI) between New Brunswick and New England.

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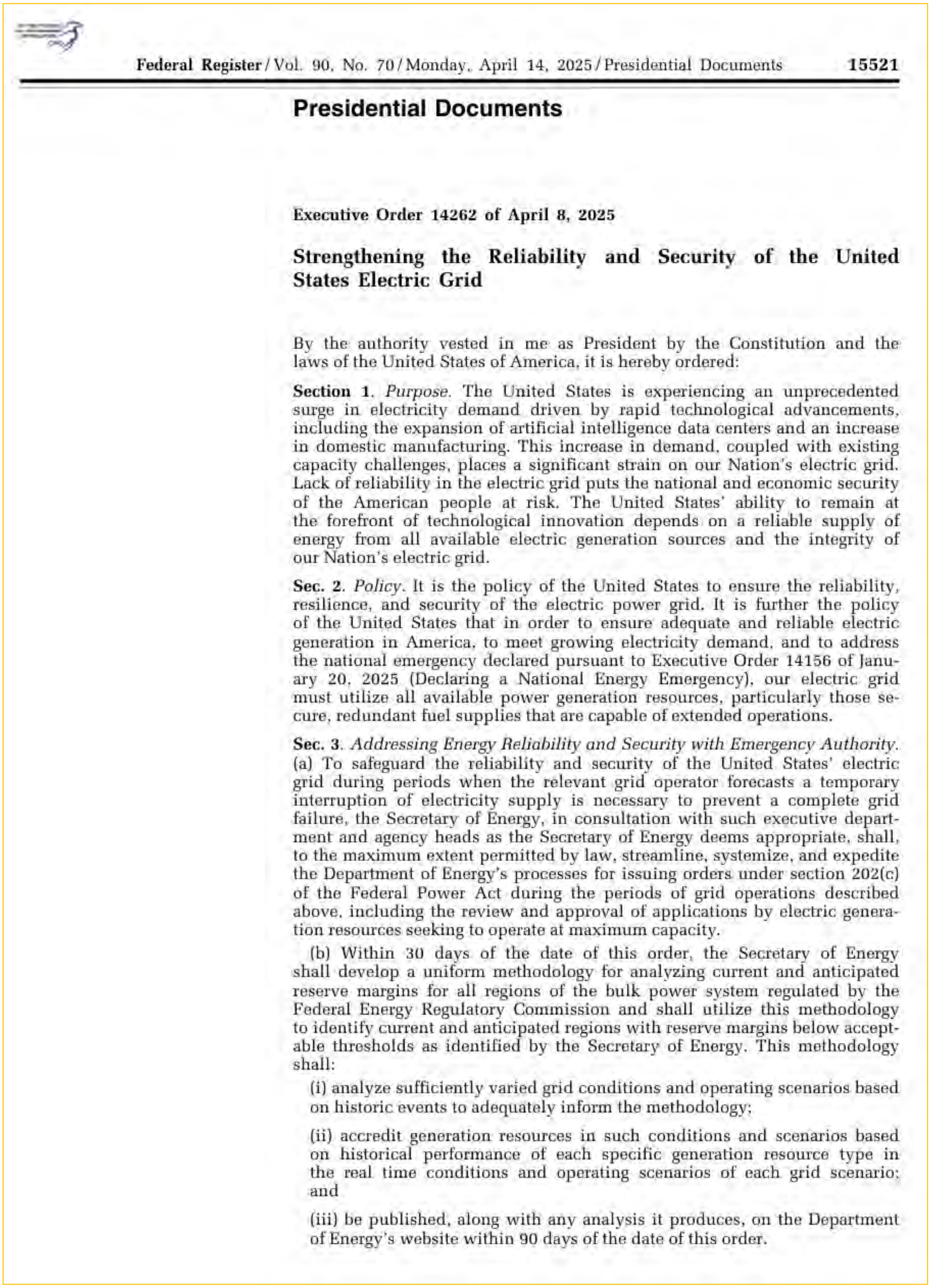
EO 14262



Federal Register / Vol. 90, No. 70 / Monday, April 14, 2025 / Presidential Documents **15521**

Presidential Documents

Executive Order 14262 of April 8, 2025

Strengthening the Reliability and Security of the United States Electric Grid

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered:

Section 1. *Purpose*. The United States is experiencing an unprecedented surge in electricity demand driven by rapid technological advancements, including the expansion of artificial intelligence data centers and an increase in domestic manufacturing. This increase in demand, coupled with existing capacity challenges, places a significant strain on our Nation's electric grid. Lack of reliability in the electric grid puts the national and economic security of the American people at risk. The United States' ability to remain at the forefront of technological innovation depends on a reliable supply of energy from all available electric generation sources and the integrity of our Nation's electric grid.

Sec. 2. *Policy*. It is the policy of the United States to ensure the reliability, resilience, and security of the electric power grid. It is further the policy of the United States that in order to ensure adequate and reliable electric generation in America, to meet growing electricity demand, and to address the national emergency declared pursuant to Executive Order 14156 of January 20, 2025 (Declaring a National Energy Emergency), our electric grid must utilize all available power generation resources, particularly those secure, redundant fuel supplies that are capable of extended operations.

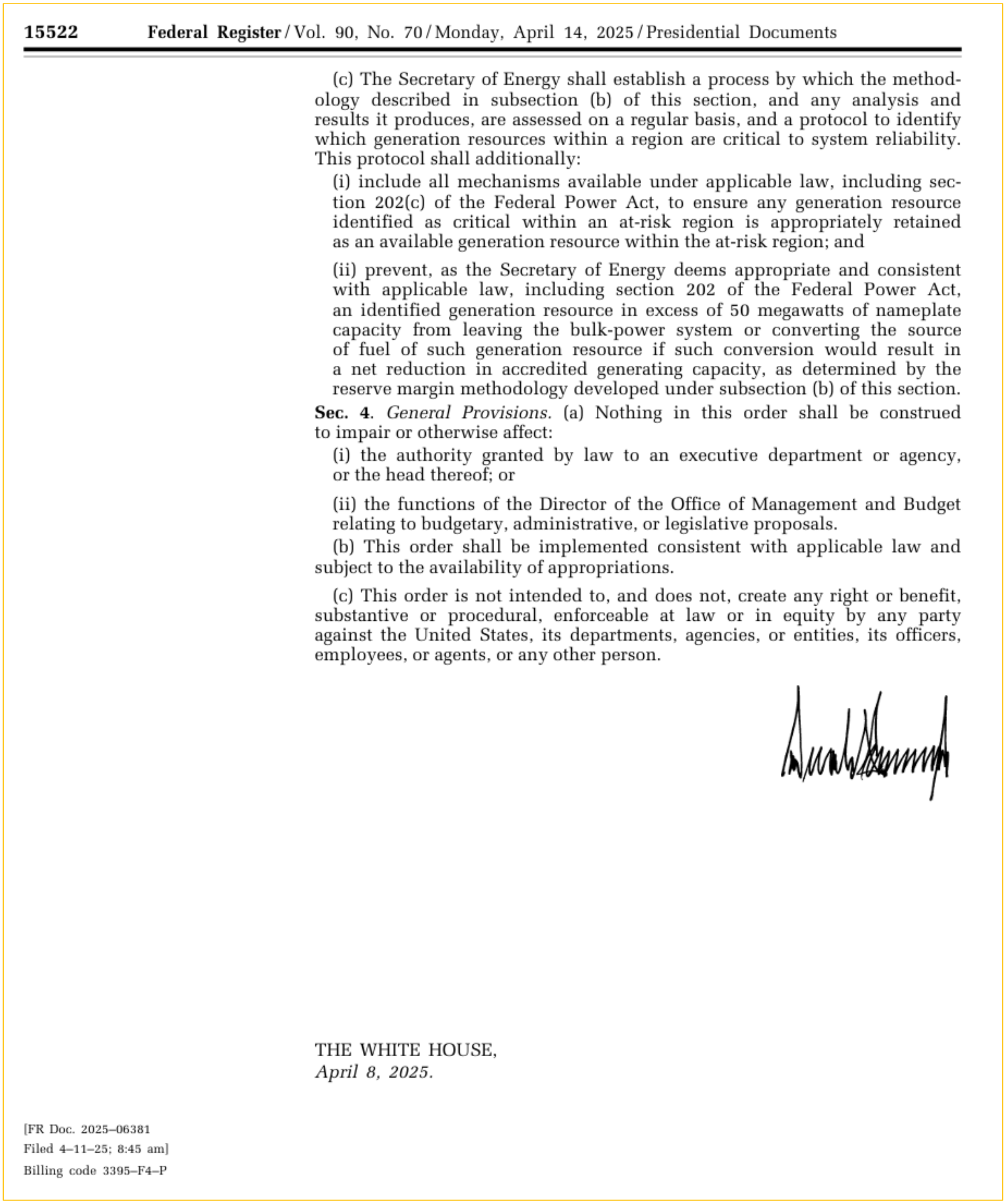
Sec. 3. *Addressing Energy Reliability and Security with Emergency Authority*. (a) To safeguard the reliability and security of the United States' electric grid during periods when the relevant grid operator forecasts a temporary interruption of electricity supply is necessary to prevent a complete grid failure, the Secretary of Energy, in consultation with such executive department and agency heads as the Secretary of Energy deems appropriate, shall, to the maximum extent permitted by law, streamline, systemize, and expedite the Department of Energy's processes for issuing orders under section 202(c) of the Federal Power Act during the periods of grid operations described above, including the review and approval of applications by electric generation resources seeking to operate at maximum capacity.

(b) Within 30 days of the date of this order, the Secretary of Energy shall develop a uniform methodology for analyzing current and anticipated reserve margins for all regions of the bulk power system regulated by the Federal Energy Regulatory Commission and shall utilize this methodology to identify current and anticipated regions with reserve margins below acceptable thresholds as identified by the Secretary of Energy. This methodology shall:

(i) analyze sufficiently varied grid conditions and operating scenarios based on historic events to adequately inform the methodology;

(ii) accredit generation resources in such conditions and scenarios based on historical performance of each specific generation resource type in the real time conditions and operating scenarios of each grid scenario; and

(iii) be published, along with any analysis it produces, on the Department of Energy's website within 90 days of the date of this order.



15522 **Federal Register** / Vol. 90, No. 70 / Monday, April 14, 2025 / Presidential Documents

(c) The Secretary of Energy shall establish a process by which the methodology described in subsection (b) of this section, and any analysis and results it produces, are assessed on a regular basis, and a protocol to identify which generation resources within a region are critical to system reliability. This protocol shall additionally:

(i) include all mechanisms available under applicable law, including section 202(c) of the Federal Power Act, to ensure any generation resource identified as critical within an at-risk region is appropriately retained as an available generation resource within the at-risk region; and

(ii) prevent, as the Secretary of Energy deems appropriate and consistent with applicable law, including section 202 of the Federal Power Act, an identified generation resource in excess of 50 megawatts of nameplate capacity from leaving the bulk-power system or converting the source of fuel of such generation resource if such conversion would result in a net reduction in accredited generating capacity, as determined by the reserve margin methodology developed under subsection (b) of this section.

Sec. 4. *General Provisions.* (a) Nothing in this order shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

THE WHITE HOUSE,
April 8, 2025.

[FR Doc. 2025–06381
Filed 4–11–25; 8:45 am]
Billing code 3395–F4–P

Available at (accessed on 5/27/2025):
https://www.federalregister.gov/documents/2025/04/14/2025-06381/strengthening-the-reliability-and-security-of-the-united-states-electric-grid

U.S. DEPARTMENT of ENERGY

For more information, visit:
energy.gov/topics/reliability

DOE/Publication Number • July, 7 2025

UNITED STATES OF AMERICA
BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY

Federal Power Act Section 202(c) Emergency Order: Craig Unit 1	))))	Order No. 202-26-31

The State Of Colorado's Request for Rehearing,
Motion To Intervene, And Stay Request

Exhibit N: Motion to Intervene and Protective Request for Rehearing by the Attorneys General of Maryland, Washington, Illinois, Michigan, Minnesota, Arizona, Colorado, Connecticut, and New York, filed on August 6, 2025 with the Department

BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY

In re: Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid, July 2025	Submitted via e-mail to: AskCR@hq.doe.gov August 6, 2025

Motion to Intervene and Protective Request for Rehearing by the Attorneys General of Maryland, Washington, Illinois, Michigan, Minnesota, Arizona, Colorado, Connecticut, and New York

The Attorneys General of Maryland, Washington, Illinois, Michigan, Minnesota, Arizona, Colorado, Connecticut, and New York ("the States") make this filing to raise our concerns with the Department of Energy's ("Department" or "DOE") report titled *Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid*, published July 7, 2025 ("Report"),[1] and request rehearing of the same.

Given that DOE has not yet applied the report to issue future emergency orders, the States do not concede that the Federal Power Act requires the States to request rehearing at this time.[2] Still, the States acknowledge that President Trump instructed DOE to use the methodology in this report as part of a "protocol" to issue orders pursuant to Section 202(c) of the Federal Power Act preventing the retirement of power plants identified as critical to reliability in DOE's report.[3] DOE has indicated that it intends to comply with that mandate and use this Report to "guide reliability interventions" and issue Section 202(c) emergency orders.[4] The States reserve all rights to present these objections, or any other objection or legal challenge to the Report or DOE's reliance on this report going forward. However, out of an abundance of caution and to preserve their arguments, the States also formally request rehearing of the methodology,

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[1] Available at https://www.energy.gov/sites/default/files/2025-07/DOE%20Final%20EO%20Report%20%28FINAL%20JULY%207%29_0.pdf [https://perma.cc/J2XU-2RRJ].

[2] *See* 16 U.S.C. § 825*l*.

[3] *See* Exec. Order No. 14,262, 90 Fed. Reg. 15,521 (Apr. 14, 2025).

[4] *See* U.S. DEP'T OF ENERGY, *Fact Sheet: The Department of Energy's Resource Adequacy Report Affirms The Energy Emergency Facing The U.S. Power Grid* (2025), https://www.energy.gov/sites/default/files/2025-07/DOE_Fact_Sheet_Grid_Report_July_2025.pdf [https://perma.cc/YLX7-8G7T] (explaining that DOE's methodology will be used, pursuant to the executive order, "prevent [] generation resources from leaving the bulk-power system"); Press Release, U.S. Dep't of Energy, Department of Energy Releases Report on Evaluating U.S. Grid Reliability and Security (July 7, 2025), https://www.energy.gov/articles/department-energy-releases-report-evaluating-us-grid-reliability-and-security [https://perma.cc/8TEJ-AGH6]. (stating that its "methodology also informs the potential use of DOE's emergency authority under Section 202(c) of the Federal Power Act"); Report at *vi* (explaining that DOE's standard will be used to "guide reliability interventions"), 1 (emphasizing the need for DOE's "decisive intervention" in energy markets), 10 (analyzing ERCOT because "FPA Section 202(c) allows DOE to issue emergency orders to ERCOT").

standards, and protocol identified in this Report under Section 313*l* of the Federal Power Act, 16 U.S.C. § 825*l*.

This filing details the ways in which the Report is arbitrary and why it would be unlawful to rely on it to justify future Section 202(c) orders. The States also request DOE review the Report independently before it is used in any capacity in order to address the serious errors in the analysis highlighted here.

I. Motion to Intervene

The Attorneys General of Maryland, Washington, Illinois, Michigan, Minnesota, Arizona, Colorado, Connecticut, and New York move to intervene in this proceeding pursuant to Section 313*l* of the Federal Power Act, 16 U.S.C. § 825*l*, and request that the Department of Energy grant rehearing of its July 7, 2025 report titled *Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid*.

Executive Order 14262 and DOE's own statements alongside the Report's publication indicate that it will be used to "guide reliability interventions" and justify issuance of emergency orders under Section 202(c) of the Federal Power Act, 16 U.S.C. § 824a(c). The Report is deeply flawed and, if DOE is taken at its word, it will inflict significant harm on our states.

Many of the retiring resources targeted by this report are located in our states. In Washington, for example, the Transalta Centralia coal-fired power plant is scheduled to retire in December 2025. In Colorado, the Craig and Comanche coal-fired power plants are scheduled to retire by the end of the year as well and the state's remaining coal fired power plants are scheduled to retire by 2031. These retirements have been thoroughly vetted by state and regional authorities and approved only following an extensive examination of cost considerations and reliability impacts.

And even when a source is not located directly in one of our states, the ratepayer impacts of overriding a planned retirement based on the DOE Report will often be felt by our residents. That is because many of these resources operate within regional transmission systems that spread costs across all, or a portion of, their footprint. In MISO, for example, ratepayers across the ISO's north and central regions are being asked to foot the bill for the continued operation of the J.H. Campbell coal-fired power plant in Michigan pursuant to a Section 202(c) order issued by DOE in May. In just five weeks, complying with that Order has cost the plant's owner $29 million.[5] The order is expected to cost consumers close to $100 million if it expires on August 21 and is not renewed.[6]

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[5] *See* CMS Energy Corp., Quarterly Report (Form 10-Q) (Jul. 31, 2025), https://www.sec.gov/ix?doc=/Archives/edgar/data/0000201533/000081115625000071/cms-20250630.htm.

[6] Brian Dabbs, *Coal Plant Ordered to Stay Open Cost $29M to Run in 5 Weeks*, POLITICO ENERGYWIRE (Aug. 1, 2025), https://subscriber.politicopro.com/article/eenews/2025/08/01/coal-plant-ordered-to-stay-open-cost-29m-to-run-in-5-weeks-00487542.

Our states are also harmed when Section 202(c) is used to keep polluting facilities from retiring in upwind locations. Fossil-fuel power plants are large sources of ozone-forming pollution and toxic emissions that contribute to nonattainment of air quality standards in downwind states like Connecticut, New York, and Maryland. Planned retirements have the benefit of reducing this pollution and overriding those state and regional determinations based on the DOE Report will further the harm that downwind states face from upwind sources.

Moreover, the report unlawfully intrudes on the states' authority to regulate generation resources within their borders. Section 201 of the Federal Power Act clearly reserves to the states their traditional authority "over facilities used for the generation of electric energy."[7] That authority "is a matter that has traditionally rested with the states, and it should continue to rest there."[8]

Both EO 14262 and subsequent statements by DOE make clear that the report will be used to justify Section 202(c) orders going forward.[9] The States are aggrieved by the report which paints an unrealistic picture of resource adequacy to justify use of DOE emergency authority. Exercising that authority in non-emergency situations will harm ratepayers and the environment and unlawfully infringe on an area of state sovereign authority. Moreover, our states are also purchasers of retail electricity and are directly harmed by the rate impacts from these decisions.

II. Background

a. Resource adequacy is highly regulated at the state and regional levels.

Existing regulatory mechanisms govern both federal requirements for reserve margins and state resource adequacy determinations. Resource adequacy is an integral part of prudent, least-cost, utility planning in every state and region of the country.[10] DOE plays no role in the complex proceedings to determine either reserve margins or specific resource adequacy conclusions. The Report fails to grapple with the complicated task of resource adequacy planning undertaken by state utility offices and regional grid planners across the country, yet these existing procedures are a key part of the alleged resource adequacy conundrum which the DOE Report claims to address.

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[7] 16 U.S.C. § 824(b)(1).

[8] *Devon Power LLC et al.,* 109 FERC ¶ 61,154, para. 47 (Nov. 8, 2004).

[9] *See* U.S. Dep't of Energy, Order No. 202-25-4 (May 30, 2025) [https://perma.cc/PS3M-6CJA] [*hereinafter* "Eddystone Order"] (The methodology "will be used to establish a protocol to identify which generation resources within a region are critical to system reliability and prevent identified generation resources from leaving the bulk power system. . . . DOE plans to use [the July 7] methodology to further evaluate Eddystone Units 3 and 4.").

[10] *See* SYNAPSE ENERGY ECONOMICS & LAWRENCE BERKELEY NATIONAL LABORATORY, BEST PRACTICES IN INTEGRATED RESOURCE PLANNING 1-2 (Nov. 2024), https://www.synapse-energy.com/sites/default/files/IRP_Best_Practices_2024_Synapse_LBNL_24-061_1.pdf [https://perma.cc/D68F-WHWQ].

i. States directly regulate resources to ensure an adequate supply of electricity.

Most states rely on resource planning processes to ensure that adequate generation is available to meet projected demand. While some states have largely delegated this authority to the regional grid operators and rely on market-based mechanisms to ensure future demand is met, it is ultimately the state that retains regulatory authority over generation resources.[11] These state processes are transparent and iterative, relying on technical and expert analysis to ensure that adequate resources are procured in a prudent manner. The States describe just a few of the mechanisms at play in our jurisdictions as relevant examples below.

1. Arizona

Arizona, like other states, regulates the power generation, transmission, and distribution needs of the electric grid to ensure resource adequacy and reliability. This regulatory authority is established in the State's constitution. The Arizona Constitution grants the Arizona Corporation Commission ("ACC") broad authority to regulate public service corporations, including electric utilities.[12] The Arizona Constitution also empowers the ACC to set just and reasonable classifications, rates, and charges, as well as to make and enforce rules, regulations, and orders for the governance of utilities. This constitutional authority underpins the ACC's ability to establish requirements for resource planning and grid reliability.[13]

The ACC has reliability requirements in its Resource Planning and Procurement ("RPP") rules.[14] The ACC's RPP rules require load-serving entities to file and seek acknowledgement of their prospective, 15-year resource plans every three years, which include projected data for generating units and power supply systems, capital costs, environmental impacts, and cost analyses.

The most recent version of Integrated Resource Plans was authorized by the ACC on October 21, 2024,[15] which approved the power generation, transmission, and distribution acquisition plans that were submitted by Arizona Public Service,[16] Tucson Electric Power,[17] and UNS Electric.[18] The ACC requires similar data from its electric cooperatives in order to improve

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[11] 16 U.S.C. § 824(b)(1).

[12] ARIZ. CONST. art. 15, § 3.

[13] *Id.*

[14] A.A.C. R14-2-701.

[15] ACC Decision No. 79589, https://docket.images.azcc.gov/0000212120.pdf?i=1754080707112.

[16] ARIZONA PUBLIC SERVICE, *2023 Integrated Resource Plan* (Nov. 1, 2023), https://docket.images.azcc.gov/E000031965.pdf?i=1754080707112.

[17] TUCSON ELECTRIC POWER, *Tucson Electric Power 2024 Integrated Resource Plan* (Nov. 1, 2023), https://docket.images.azcc.gov/E000031960.pdf?i=1754080707112.

[18] UNS ELECTRIC, *UNS Electric 2023 Integrated Resource Plan* (Nov. 1, 2023), https://docket.images.azcc.gov/E000031961.pdf?i=1754080707112.

grid performance and reliability in rural areas of the state.[19] The decision requires technology-neutral portfolio methodologies, annual load forecast accuracy reports, and analysis of coal-fired power plant retirement timelines to enhance reliability, building on existing triannual utility analyses. It also requires sharing modeling data with stakeholders.

While one major utility in Arizona, the Salt River Project, is not subject to the ACC's jurisdiction, it has adopted its own planning and goal-setting requirements, referred to as the Integrated System Plan.[20]

2. New York

The New York Independent System Operator ("NYISO") plays a significant role in safeguarding electric grid reliability while supporting the clean energy transition.[21] As part of its biennial reliability planning process, NYISO first conducts a Reliability Needs Assessment, which examines whether New York's power grid will have enough generation, storage, and transmission capacity to meet demand over the next ten years.[22] Specifically, the Assessment uses probabilistic simulations to evaluate whether New York meets the Loss of Load Expectation (LOLE) criterion of not more than 0.1 event-days/year (equivalent to one day in ten years), which is the standard reliability criterion used by the New York State Reliability Council and the Northeast Power Coordinating Council.[23] The Assessment also evaluates how New York's environmental and energy laws—such as the Climate Leadership and Community Protection Act, which requires 100% zero-emission electricity by 2040—will affect grid reliability, especially as fossil fuel-fired power plants retire, and electricity demand increases due to building electrification and the continued growth of the electric vehicle market.[24]

Following the Reliability Needs Assessment, NYISO completes the biennial planning process by issuing a Comprehensive Reliability Plan that documents the plans for a reliable electric grid over the same ten years.[25] The Comprehensive Reliability Plan provides solutions to any shortfalls identified in the Reliability Needs Assessment, such as accelerating battery deployment, deferring certain retirements, upgrading transmission lines, or increasing demand-side participation.[26] While the 2022 Reliability Needs Assessment did not identify any actionable

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[19] ARIZONA ELECTRIC POWER COOPERATIVE, *Demand-and Supply-Side Data Filing* (Apr. 1, 2025), https://docket.images.azcc.gov/E000042810.pdf?i=1753996193952.

[20] SALT RIVER PROJECT, *Integrated System Plan* (Apr. 1, 2025), https://www.srpnet.com/grid-water-management/future-planning/integrated-system-plan.

[21] *See About Us*, NYISO, https://www.nyiso.com/about-us.

[22] *See* NYISO, 2024 RELIABILITY NEEDS ASSESSMENT (Nov. 19, 2024), https://www.nyiso.com/documents/20142/2248793/2024-RNA-Report.pdf.

[23] *Id.* at 41.

[24] *Id.* at 23-24 fig. 13.

[25] *See* NYISO, 2023–2032 COMPREHENSIVE RELIABILITY PLAN (Nov. 28, 2023), https://www.nyiso.com/documents/20142/2248481/2023-2032-Comprehensive-Reliability-Plan.pdf (following the 2022 RNA and incorporating finding and solutions from the quarterly short term reliability process).

[26] *See id.*

reliability shortfalls, the 2023–2032 Comprehensive Reliability Plan nonetheless provided a forward-looking analysis that evaluated key risk factors related to reliability, including delays in major transmission projects, winter peaking and gas shortage risks, and extreme weather.[27]

In parallel with the biennial reliability planning process, as of 2019, NYISO also conducts a quarterly short-term reliability ("STAR") process to identify reliability needs that may arise over the next five years due to various changes in the grid, such as generator deactivations, revised transmission plans, or updated electricity demand.[28] For example, NYISO's Quarter 2 2023 STAR report, published on July 14, 2023, identified the potential for electricity supply shortfalls in New York City beginning in the summer 2025 as a result of the New York State Department of Environmental Conservation's "Peaker Rule," which seeks to reduce nitrogen oxide (NO_x) emissions from simple-cycle combustion turbines that supply backup generation during peak demand.[29] Following this STAR report, NYISO sought proposed solutions from market participants and ultimately exercised its authority under the Peaker Rule to require specific peaker units to remain operational until long-term solutions—such as the Champlain Hudson Power Express line, scheduled to enter service in spring 2026, bringing 1,250 MW of hydropower to New York City—could come online.[30] NYISO incorporates any needs or shortfalls identified in the STAR process into its biennial reliability planning process.[31]

3. Connecticut

Connecticut General Statutes § 16a-3a requires that the Department of Energy and Environmental Protection ("DEEP") prepare an Integrated Resource Plan ("IRP"). An IRP is composed of an assessment of the future electric needs and a plan to meet those future needs. It is "integrated" in that it looks at both demand side (conservation, energy efficiency, etc.) resources as well as the more traditional supply side (generation/power plants, transmission lines, etc.) resources in making its recommendations on how best to meet future electric energy needs in the state. Connecticut's current IRP was completed in 2020 and updated in 2022. DEEP is currently developing the 2025 IRP, which involves planning for the next ten years.

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[27] *Id.* at 48-67.

[28] *See Short-Term Reliability Process*, NYISO, https://www.nyiso.com/short-term-reliability-process (last visited July 28, 2025); *Reliability Planning Process and Declaring a Reliability Need: Next Steps*, NYISO (July 14, 2023), https://www.nyiso.com/-/reliability-planning-process-and-declaring-a-reliability-need-next-steps.

[29] NYISO, Short-Term Assessment of Reliability: 2023 Quarter 2 (July 14, 2023), https://www.nyiso.com/documents/20142/16004172/2023-Q2-STAR-Report-Final.pdf/5671e9f7-e996-653a-6a0e-9e12d2e41740.

[30] Press Release, NYISO, *NYISO Identifies Solution to Solve New York City Reliability Need* (Nov. 20, 2023), https://www.nyiso.com/-/press-release-%7C-nyiso-identifies-solution-to-solve-new-york-city-reliability-need.

[31] *See* NYISO, 2023–2032 COMPREHENSIVE RELIABILITY PLAN, *supra* note 25, at 30–32.

4. Colorado

Colorado regulations require every investor-owned retail electric utility and wholesale electric generation and transmission cooperative operating in the state to file an energy resource plan ("ERP") with the Public Utilities Commission ("PUC") every four years.[32] ERPs must contain electric demand and energy forecasts, evaluation of existing resources, an assessment of planning reserve margins and contingency plans for the acquisition of additional resources.[33] If an ERP includes retirement of an existing coal-fired generating facility, detailed workforce transition and community assistance plans must be filed.[34]

The planning process includes a reserve margin to meet a 0.1 days per year loss of load expectation standard.[35] Utilities use this reserve margin to propose additional generation for the planning period, where necessary. Those proposals are vetted through extensive stakeholder input and consideration by the Colorado PUC and the additional generation must satisfy availability and dispatchability criteria.[36] And where generation needs arise outside of the four-year ERP process, interim ERPs and applications for certificates of public convenience and necessity can be filed to meet those needs.[37] These proceedings are transparent and iterative and conducted with technical and expert analysis of grid conditions and ratepayer impacts.

5. Illinois

Illinois ratepayers are served by two Regional Transmission Organizations ("RTO"), Midcontinent Independent System Operator, Inc. ("MISO") and PJM Interconnection, L.L.C. ("PJM"). Central and Southern Illinois are encompassed by MISO Local Resource Zone 4 and a small portion of Northwest Illinois is included in MISO Local Resource Zone 1.[38] The service area of Commonwealth Edison Company, the load serving entity for Illinois electricity customers in Northern Illinois, is encompassed by PJM's ComEd Zone.[39] The Illinois Attorney General's office represents Illinois ratepayers who have a significant interest in resource adequacy and maintaining reliable service at least possible cost that is materially affected by the outcome of this proceeding.

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[32] 4 COLO. CODE REGS. § 723-3-3603(a).

[33] 4 COLO. CODE REGS. § 723-3-3604(b-f).

[34] COLO. REV. STAT. § 40-2-125.5(4)(a)(VII).

[35] *See* Colo. Pub. Utils. Comm'n Proceeding No. 24A-0422E, HE 109 and HE 109 ZM-1; Colo. Pub. Utils. Comm'n Proceeding No. 21A-0141E, Hrg. Exh. 115, pp. 8-10.

[36] COLO. REV. STAT. § 40-2-125.5 (4)(d)(II).

[37] *Id*.

[38] *See* MISO Tariff, Attachment VV, Map of Local Resource Zone Boundaries, https://docs.misoenergy.org/miso12-legalcontent/Attachment_VV_-_MAP_of_Local_Resource_Zone_Boundaries.pdf.

[39] *See* MISO Tariff, Attachment VV, Map of Local Resource Zone Boundaries, https://docs.misoenergy.org/miso12-legalcontent/Attachment_VV_-_MAP_of_Local_Resource_Zone_Boundaries.pdf.

6. Washington

Washington electric utilities file clean energy implementation plans to the Washington Utilities and Transportation Commission once every four years with a biennial update filing at the midway point of every plan.[40] They also file long term integrated resource plans every four years.[41] For investor-owned utilities, if an integrated resource plan identifies a resource need within the next four years, the utility must file a request for proposal with the Commission for approval.[42]

7. Michigan

In Michigan, ratepayers are served primarily by MISO, with a smaller portion included within PJM. In MISO, the regulation of resource adequacy planning has both a state and federal aspect. MISO member states have a capacity obligation under the MISO tariff. MISO's resource adequacy requirements, however, are designed to be complementary to the primary role of the states in ensuring resource adequacy.[43] In Michigan, the investment decisions of utilities are regulated by the Michigan Public Service Commission ("MI PSC"). Through Michigan's state Integrated Resource Planning process, the MI PSC exercises regulatory authority over utilities in order to ensure that the utilities obtain the amounts of capacity they need to meet their obligations under the MISO tariff, and that they do so at the best value to ratepayers, and with a composition of resources that otherwise complies with state law, including environmental requirements.

Michigan's IRP statute requires electric utilities whose rates are regulated by the MI PSC to periodically file an integrated resource plan. The IRP is a projection of the utility's load obligations and a plan to meet those obligations.[44] The IRP statute directs the MI PSC to approve

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[40] *See* WASH. REV. CODE § 19.405.060; WASH. ADMIN. CODE § 480-100-640, -645; *see also* WASH. UTILS. AND TRANSP. COMM'N, *Clean Energy Implementation Plans*, https://www.utc.wa.gov/regulated-industries/utilities/energy/conservation-and-renewable-energy-overview/clean-energy-transformation-act/clean-energy-implementation-plans-ceips.

[41] *See* WASH. REV. CODE § 19.280.040 to 050; WASH. ADMIN. CODE § 480-100-620, -625; *see also* WASH. UTILS. AND TRANSP. COMM'N, *Integrated Resource Plans*, https://www.utc.wa.gov/integrated-resource-plans-irps.

[42] *See* WASH. ADMIN. CODE § 480-107-009(2), -017.

[43] *Midcontinent Indep. Sys. Operator, Inc.*, 170 FERC ¶ 61,215, 62,606 at P 13 (2020) ("approximately 90% of the load in MISO is served by vertically integrated LSEs, the vast majority of which are subject to state integrated resource planning processes. To accommodate the make-up of the MISO's footprint, MISO's proposed Tariff provisions accepted in the February 2018 Order provide that its resource adequacy requirements "are complementary to the reliability mechanisms of the states and the Regional Entities ... within the [MISO] region."); *see also id*. ("MISO's proposed Tariff language explains that the resource adequacy requirements 'are not intended to and shall not in any way affect state actions over entities under the states' jurisdiction.' In other words, unlike the centralized capacity constructs used in the Eastern RTOs/ISOs, MISO's Auction is not—*and has never been*—the primary mechanism for its [Load Serving Entities] to procure capacity."); *Midwest Indep. Transmission Sys. Operator, Inc*., 119 FERC ¶ 61,311, 62,722 at P 75 (2007) ("From the beginning . . . the Commission has recognized the role that state resource planning plays in managing the resource adequacy of [MISO]").

[44] MICH. COMP. LAWS § 460.6t(3).

a plan if the MI PSC determines that it "represents the most reasonable and prudent means of meeting the electric utility's energy and capacity needs."[45] To make that decision, the statute instructs the MI PSC to consider whether the IRP appropriately balances seven statutory factors: (i) resource adequacy and capacity to serve anticipated peak electric load, applicable planning reserve margin, and local clearing requirement; (ii) compliance with applicable state and federal environmental regulations; (iii) competitive pricing; (iv) reliability; (v) commodity price risks; (vi) diversity of generation supply; and (vii) whether proposed levels of peak load reduction and energy waste reduction are reasonable and cost effective.[46]

The IRP statute also directs the MI PSC to establish – among other things – computer modeling scenarios that must be used to analyze the costs of possible plans in an IRP, including costs associated with plant retirement dates.[47] In Consumers Energy's 2021 IRP, for example, the company conducted modeling that compared other possible retirement dates of its J.H. Campbell coal-fired power plant to a 2025 retirement and concluded that the most cost-effective retirement date was 2025.

8. Minnesota

Since 1991, Minnesota law has required each public utility to propose a set of resource options that the utility could use to meet the electricity service needs of its customers over a forecast period of 15 years.[48] The resource options include using, refurbishing and constructing utility plant and equipment, buying power generated by other entities, controlling customer loads, and implementing customer energy conservation. The Minnesota Public Utilities Commission ("Minnesota Commission") evaluates the plan's ability to ensure reliability of utility service, keep customer's bills and utility rates as low as practicable, minimize adverse socioeconomic effects and adverse effects on the environment, and limit risk.[49] The Commission uses an extensive notice and comment process in which the utilities and stakeholders evaluate detailed modeling of demand and various resource costs. The Minnesota Commission may approve, reject or modify utility resource plans.[50] In the most recent resource plan for Minnesota's largest utility, the Minnesota Commission approved including in the resource plan a new natural-gas fired 420 MW combustion turbine plant to address peak load.[51]

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[45] MICH. COMP. LAWS § 460.6t(8)(a).

[46] *Id*.

[47] MICH. COMP. LAWS § 460.6t(1).

[48] MINN. STAT. § 216B.2422; MINN. R. ch. 7843; *see also Electric Integrated Resource Planning (IRP)*, MINN. PUB. UTILS. COMM'N, https://mn.gov/puc/activities/economic-analysis/planning/irp/ (last accessed Aug. 6, 2025).

[49] MINN. R. 7843.0600, subp. 3.

[50] MINN. STAT. § 216B.2422.

[51] MINN. PUB. UTILS. COMM'N, Dkt. No. E-002/RP-24-67; E-002/CN-23-212, Order Approving Settlement Agreement With Modifications (Apr. 21, 2025), https://www.edockets.state.mn.us/documents/%7B30F45996-0000-CF1F-80E3-5E41B2F16918%7D/download?contentSequence=0&rowIndex=3.

ii. Regional operators establish mechanisms to ensure resource adequacy and grid stability.

State primacy over resource adequacy is further complemented by the regional transmission operators. For example, MISO and PJM both have extensive processes for obtaining resource adequacy and reliability. MISO works collaboratively with its member states to ensure resource adequacy throughout its service area.[52] MISO ensures there is sufficient generation capacity through forecasting demand growth, assessing existing generation assets, and planning for new generation resources.[53] MISO accounts for state Integrated Resource Planning and also operates a capacity auction where utilities and other load-serving entities can procure the necessary generation capacity to meet projected demand. MISO's capacity market is intended to incentivize the development and maintenance of adequate generation resources.[54] MISO's annual Planning Resource Auction ("PRA") procures sufficient resources and allows market participants to buy and sell capacity via the auction.[55]

Resource adequacy within the PJM footprint is subject to an established, extensive, layered, framework of oversight and regulation. The resource adequacy contribution of each PJM electric generating plant operating is subject to ongoing, technical reviews by PJM, pursuant to its tariff, and in conformity with rules promulgated and periodic grid reliability reviews conducted by Reliability First Corporation and NERC, respectively.[56] PJM also conducts an auction, its base residual auction ("BRA"), for the procurement of capacity from generating resources.

b. Historic use of 202(c) is limited.

Section 202(c) of the Federal Power Act, 16 U.S.C. § 824a(c), grants the Secretary of Energy the authority to issue orders that require the "temporary connection[]" of power plants and the "generation, delivery, interchange, or transmission of electric energy" in order to address certain emergencies "and serve the public interest."[57] The law also effectively waives compliance with "any Federal, State, or local environmental law or regulation" that would conflict with any

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[52] *System Planning*, MISO, https://www.misoenergy.org/meet-miso/about-miso/industry-foundations/grid_planning_basics/ (last visited July 30, 2025).

[53] *Id.*

[54] *Id.*

[55] *Resource Adequacy*, MISO, https://www.misoenergy.org/planning/resource-adequacy2/resource-adequacy/#t=10&p=0&s=FileName&sd=desc (last visited July 30, 2025).

[56] *See, e.g., North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh'g & compliance*, 117 FERC ¶ 61,126 (2006), *aff'd sub nom. Alcoa, Inc. v. FERC*, 564 F.3d 1342 (D.C. Cir. 2009); Order No. 748, Final Rule, 134 FERC ¶ 61,213 (2011). FERC approved regional reliability standards applicable to PJM, developed by RFC and submitted to FERC by NERC. *Notice of Proposed Rulemaking on Plan. Res. Adequacy Assessment Reliability Standard*,133 FERC ¶ 61,066 (2010) (proposed rule for RFC); *Plan. Res. Adequacy Assessment Reliability Standard*, Order No. 747, 134 FERC ¶ 61,212 (2011) (final approval of RFC's Resource Adequacy Reliability Standard).

[57] 16 U.S.C. § 824a(c)(1).

party's obligations under such an order, but limits the length of any order that conflicts with a pollution control requirement to 90-days, with extension possible.[58]

That authority originated principally as a wartime power of what was then the Federal Power Commission. Section 202(c) was enacted in 1935, in the leadup to World War II, with the same "emergency" language that exists in the statute today, specifically to guard against energy related shortages that were viewed as hampering national security during World War I.[59] It was initially used largely to issue "interconnection" orders specifically between utilities at a time when America's electric grid was more fragmented, monopolized, and less diversified than it is today.[60] Interconnection was seen as a powerful means to increase grid reliability, but the federal government largely lacked regulatory power over the electric sector at the time.[61] The then-Federal Power Commission did not invoke its emergency authority until the United States entered World War II.[62] Section 202(c) orders were issued repeatedly during the war, primarily to order interconnection between utilities, but the provision was rarely invoked once the war ended. A number of organizational changes ensued in the decades following the War and the provision's authority eventually came to rest with the Secretary of Energy.[63]

From 2000, when the authority of Section 202(c) was "rediscovered" in response to the California Energy Crisis, through 2024, the provision was sparingly invoked to respond to true emergencies to avoid imminent widespread blackouts.[64] Most 202(c) orders issued during this period involved natural disasters or other acute power outages.[65] These emergencies included one high-profile incident near the nation's capital that led to the statute's 2015 amendment, adding the provisions explicitly waiving environmental liability due to compliance with a Section 202(c) order, leading the statute to read as it does today.[66] Orders issued during this period were typically of limited duration, lasting for a period of days to weeks.[67]

The typical process for issuing a Section 202(c) order is outlined by DOE implementing regulations at 10 C.F.R. §§ 205.370-379. In the normal course, requests for Section 202(c) orders originate with a grid operator or utility facing an acute and unforeseen emergency that normal processes and demand response mechanisms are incapable of addressing, though they may be issued by the Department unprompted as well.[68] Applications for Section 202(c) orders made by

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[58] *Id.* at § 824a(c)(3)-(4).
[59] For a deeper discussion of the history of Section 202(c), see Benjamin Rolsma, *The New Reliability Override*, 57 CONN. L. REV. 789 (2025). *See also id.* at 798-802.
[60] *Id.* at 802-804.
[61] *Id.* at 801-802.
[62] *See id.* at 803 n.82 *and accompanying text*.
[63] *Id.* at 803-04; 42 U.S.C. § 7151(b).
[64] *Id*. at 805-509.
[65] Rolsma, *supra* note 59, at 805-09, 839-42 tbl.1.
[66] *Id.* at 806-08 (citing DEP'T OF ENERGY, ORDER NO. 202-05-3 (Dec. 20, 2005)); 16 U.S.C. § 824a(c)(3)-(5).
[67] *See* Rolsma, *supra* note [x], at 839-42 tbl.1 (chronicling all Section 202(c) orders issued "after dissolution of the Federal Power Commission").
[68] *See* 10 C.F.R. § 205.370.

outside entities are to include specific details to "be considered by the DOE in determining that an emergency exists" and the appropriate intervention.[69] This information is supposed to include "[d]aily peak load and energy requirements for each of the past 30 days and projections for each day of the expected duration of the emergency," "[a] description of the situation and a discussion of why this is an emergency, … includ[ing] any contingency plan of the applicant and the current level of implementation," and "[a] description of efforts made to obtain additional power through voluntary means and the results of such efforts."[70] Section 202(c) orders bypass environmental review under NEPA and can waive pollution control requirements that would otherwise apply to the facilities.[71]

c. President Trump Declares a National Energy Emergency on his first day in office and subsequently issues EO 14262.

On January 20, 2025, his first day in office, President Trump issued Executive Order 14156 titled "Declaring a National Energy Emergency".[72] That unilateral declaration did not provide any factual support for its assertion that emergency conditions had overtaken the electricity grid.[73]

On April 8, 2025, President Trump issued Executive Order 14262, "Strengthening the Reliability and Security of the United States Electric Grid."[74] Section 3(b) of the executive order directs the Secretary of Energy (Secretary) to:

> develop a uniform methodology for analyzing current and anticipated reserve margins for all regions of the bulk power system regulated by the Federal Energy Regulatory Commission and shall utilize this methodology to identify current and anticipated regions with reserve margins below acceptable thresholds as identified by the Secretary of Energy.[75]

It further requires that the methodology in the Report (Methodology) "be published, along with any analysis it produces, on the Department of Energy's website within 90 days of the date of this order," or July 7, 2025.[76]

The Executive Order describes the featured role that the Report will play in future DOE actions. EO 14262 § 3 is titled "Addressing Energy Reliability and Security with Emergency Authority" and § 3(c) directs the Secretary to "establish a process by which the [Methodology],

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[69] 10 C.F.R. § 205.373.
[70] 10 C.F.R. §§ 205.373(a)-(o).
[71] *See, e.g.*, *Environmental Integrity Project v. DOE*, 471 F. Supp. 3d 132 (D.D.C. 2023).
[72] 90 Fed. Reg. 8433.
[73] *See Id*. (providing no factual support for claimed emergency). Many of the States have since joined litigation challenging that declaration. *See* Complaint, *Washington v. Trump*, NO. 2:25-cv-00869 (W.D. Wa. May 9, 2025).
[74] The EO was signed alongside Exec. Order No. 14261, Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241, 90 Fed. Reg. 15517 (Apr. 8, 2025), at a White House event with members of the coal industry.
[75] Exec. Order No. 14262, 90 Fed. Reg. 15521, 15521 (Apr. 8, 2025).
[76] Exec. Order No. 14262, 90 Fed. Reg. 15521, 15521 (Apr. 8, 2025) (referring to § 3(b)(iii)).

and any analysis and results it produces, are assessed on a regular basis, and a protocol to identify which generation resources within a region are critical to system reliability."[77] It indicates the protocol shall "include all mechanisms available under applicable law, including Section 202(c) of the Federal Power Act, to ensure any generation resource identified as critical within an at-risk region is appropriately retained as an available generation resource within the at-risk region."[78] In short, Executive Order 14262 instructs DOE to publish a methodology by July 7, 2025 that will form the basis for future exercises of its Section 202(c) authority.

d. DOE's 2025 Emergency Orders Preventing the Retirement of Fossil Fuel Power Plants.

Since January 20, 2025, the U.S. Department of Energy (DOE) has issued five emergency orders under Section 202(c) of the Federal Power Act (FPA), a sharp uptick from the less than one order per year issued on average from 2017-2024.[79] Three of these orders were largely in line with DOE's historic Section 202(c) practice – allowing units to modify their operations in response to acute risks to the grid.[80] However, in late May 2025 DOE issued a pair of Section 202(c) orders requiring facilities that were slated to retire the very next business day to remain on-line. These orders represent a marked shift in how Section 202(c) has historically been used.[81]

For example, the orders for the J.H. Campbell Generating Station in Michigan and the Eddystone Plant in Pennsylvania, both previously slated for retirement, cited general concerns about resource adequacy and not any acute emergency. In Michigan, regulators warned that the Campbell order would place upward pressure on ratepayers, particularly in Consumers Energy's service territory, where decommissioning costs were already being recovered through base rates. One Michigan regulator estimated that the costs of complying with DOE's order for 90 days would approach $100 million.[82] Consumers Energy has since disclosed that continued operation

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[77] Exec. Order No. 14262, 90 Fed. Reg. 15521, 15522 (Apr. 8, 2025) (referring to § 3).
[78] Exec. Order No. 14262, 90 Fed. Reg. 15521, 15522 (Apr. 8, 2025) (referring to § 3) (emphasis added).
[79] U.S. DEP'T OF ENERGY, *DOE Issues 202(c) Orders to PREPA for Grid Stability*, https://www.energy.gov/ceser/does-use-federal-power-act-emergency-authority.
[80] *See* Duke Energy Carolinas (Order No. 202-25-5) (allowing increased operations to support grid stability); H.A. Wagner (Order No. 202-25-6) (allowing exceedance of operational limit – but maintained compliance with pollution control requirements – to allow units to respond to demand); PREPA (Order No. 202-25-1) (requiring measures to mitigate outage risks during high load conditions)
[81] U.S. Dep't of Energy, Order No. 202-25-3 (May 23, 2025), https://www.energy.gov/sites/default/files/2025-05/Midcontinent%20Independent%20System%20Operator%20%28MISO%29%20202%28c%29%20Order_1.pdf [https://perma.cc/Q7P7-TDTX] [*hereinafter* "Campbell Order"]; Eddystone Order, *supra* note 9.
[82] *See, e.g.*, Ella Nilsen, *The Trump Admin Ordered a Coal Power Plant to Stay On Past Retirement. Customers in 15 States Will Foot the Bill*, CNN (June 6, 2025), https://www.cnn.com/2025/06/06/climate/michigan-coal-plant-energy-cost-wright.

of the plant in the first five weeks since the Order was issued has resulted in a net financial impact of $29 million.[83]

e. DOE Publishes its Methodology and Reliability Standard to Guide Future Section 202(c) "Reliability Interventions."

On July 7, 2025, DOE published a "Report on Evaluating U.S. Grid Reliability and Security," which set forth the methodology and reliability standard that the Executive Order had mandated. *See* Report at *vi* (hereinafter, "the Report"). DOE stated the methodology "will be assessed on a regular basis to ensure its usefulness for effective action among industry and government decision-makers across the United States." *Id*. Despite this statement, DOE has not explained how or when it will re-assess the methodology and, to date, has not involved the public in the creation of the methodology or offered an opportunity for public comment on the methodology.

i. DOE did not provide public notice or an opportunity for comment on the Report.

Before publishing the Report, DOE provided no public notice or request for comment on methods or reliability standards that DOE was considering. DOE did not consult with the undersigned States or, to the States' knowledge and belief, consult with any grid operator or other State on appropriate mechanisms to ensure grid reliability and grid reliability issues around the country.[84] Other than the statements in the Report, DOE has not made the underlying data or models available to allow the public to reproduce or test DOE's analysis. DOE has not requested public comment on the Report, opened any administrative proceeding to otherwise involve the public in DOE's methodology, or published the Report in the Federal Register.

DOE has confirmed, consistent with the Executive Order's mandate, that it will rely on the Report to justify future Section 202(c) orders.[85] DOE explained in the June 2025 Eddystone Order that it would use the forthcoming Report "to establish a protocol to identify which generation resources within a region are critical to system reliability and prevent identified generation resources from leaving the bulk power system[,]" including potential Section 202(c) orders extending DOE's Eddystone Order.[86] DOE also issued the Report with a "Fact Sheet,"

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[83] *See supra* notes 5-6 *and accompanying text*; NRDC, *Trump Administration's DOE Is Forcing Coal Plants to Stay Open. Michigan Is the First Target* (June 16, 2025), https://www.nrdc.org/bio/derrell-e-slaughter/trump-administrations-doe-forcing-coal-plants-stay-open-michigan-first.

[84] *See* Report at i (acknowledging lack of data from regional and utility levels).

[85] See Report at vi (explaining that DOE's standard will be used to "guide reliability interventions"), 1 (emphasizing the need for DOE's "decisive intervention" in energy markets), 10 (analyzing ERCOT because "FPA Section 202(c) allows DOE to issue emergency orders to ERCOT").

[86] Eddystone Order, *supra* note 9.

wherein DOE explained that the methodology will be used to "prevent [] generation resources from leaving the bulk-power system."[87]

ii. DOE's analysis rests on key assumptions about load growth, retirements, and capacity additions.

The Report's analysis rests on assumptions about future electricity demand (referred to as "load growth"), anticipated retirements of existing facilities ("retirements"), and future electricity generation sources (referred to as "capacity additions"). DOE made additional assumptions, some explicit and others implicit, which the States have not yet been able to fully analyze or comment on here.[88]

Regarding load growth, DOE assumes 101 Gigawatts ("GW") of new load will be added to the grid by 2030.[89] DOE projects that data centers, especially for developing Artificial Intelligence ("AI"), will add 50 GW of that new load, and other demand growth will add 51 GW. DOE appears to assume that data-center load will be "firm," meaning electricity to meet that demand must be guaranteed at all times.[90] That is in contrast to "interruptible" load for which supply can be reduced during peak periods.[91] DOE also appears to assume that all the new data centers will connect to the grid, rather than rely on "behind-the-meter" generation and that regulators and grid operators will allow every MW of new load to connect to the grid on a firm basis, even if doing so threatens the grid's reliability.[92] Based on these assumptions, DOE projects a 15% increase in load by 2030.[93]

The Report assumes 51 GW of non-data-center load, purportedly based on the NERC's 2024 ITCS projections.[94] DOE does not explain why using projections from a NERC report on inter-regional transmission is reasonable or why those projections are reliable for DOE's purposes. Additionally, NERC's 2024 projections likely already include some data center load expectations, as well as policies to encourage the electrification of transportation, heating and cooling, and other energy uses that the Trump Administration has rescinded or is planning to

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[87] U.S. DEP'T OF ENERGY, *Fact Sheet: The Department of Energy's Resource Adequacy Report Affirms The Energy Emergency Facing The U.S. Power Grid* (2025), https://www.energy.gov/sites/default/files/2025-07/DOE_Fact_Sheet_Grid_Report_July_2025.pdf [https://perma.cc/YLX7-8G7T]; *see also* Press Release, U.S. Dep't of Energy, Department of Energy Releases Report on Evaluating U.S. Grid Reliability and Security (July 7, 2025), https://www.energy.gov/articles/department-energy-releases-report-evaluating-us-grid-reliability-and-security [https://perma.cc/8TEJ-AGH6] (stating that its "methodology also informs the potential use of DOE's emergency authority under Section 202(c) of the Federal Power Act").

[88] *See generally* Report at 10-19.

[89] Report at 2-3.

[90] Report at 18.

[91] *Id.*

[92] *See id.* at 2-3, 15-18.

[93] *See* Ric O'Connell, *GridLab Analysis: Department of Energy Resource Adequacy Report* (July 11, 2025), https://gridlab.org/gridlab-analysis-department-of-energy-resource-adequacy-report/ [https://perma.cc/GN56-VLNA].

[94] *See* Report at 11.

rescind.[95] DOE apparently did not account for shifting electrification policies in its load projections.

Regarding retirements, DOE assumed 104 GW of "firm capacity" retirements by 2030, roughly three-quarters from coal-fired power plants and one-quarter gas plants.[96] *Id*. at 5; see also Report at 3, 12-13, A1-A8. DOE included approximately 50 GW of "confirmed retirements," retirements that have been formally recognized by system operators as having started the official retirement process and are assumed to retire on their expected date.[97] DOE also included approximately 50 GW of "announced retirements," which are generators that have publicly stated retirement plans but not formally notified system operators or initiated the retirement process.[98]

Regarding capacity additions, DOE took a more conservative approach. Rather than including all announced projects, DOE assumed "that only projects considered very mature in the development pipeline—such as those with signed interconnection agreements—will be built." Report at A-5. These projects, known as Tier 1 resources, are by their very nature likely to be built in the short term. As a result, DOE assumed "minimal capacity additions beyond 2026." *Id*. In addition, DOE does not appear to have modeled new transmission projects, despite their grid reliability benefits.

The Report's assumptions about load growth and electricity supply differ significantly from other forecasts.[99] As one grid reliability expert commented, DOE's report "used aggressive assumptions regarding load growth and retirements, but conservative assumptions about how much new generation capacity will be added, even assuming no new resources after 2026."[100] For example, DOE assumed 15% load growth by 2030, but the U.S. Energy Information Agency recently assumed just 6% in their "high" growth" case.[101] Other differences with the Energy

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[95] *See* NERC, 2024 Long Term Reliability Assessment Report 8 (July 15, 2025), https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_Long%20Term%20Reliability%20Assessment_2024.pdf [https://perma.cc/NMP4-KRN5] (discussing how "the continued adoption of electric vehicles and heat pumps is a substantial driver for demand around North America").

[96] Report at 5.

[97] *Id.* at 12; *see also* O'Connell, *supra* note 93.

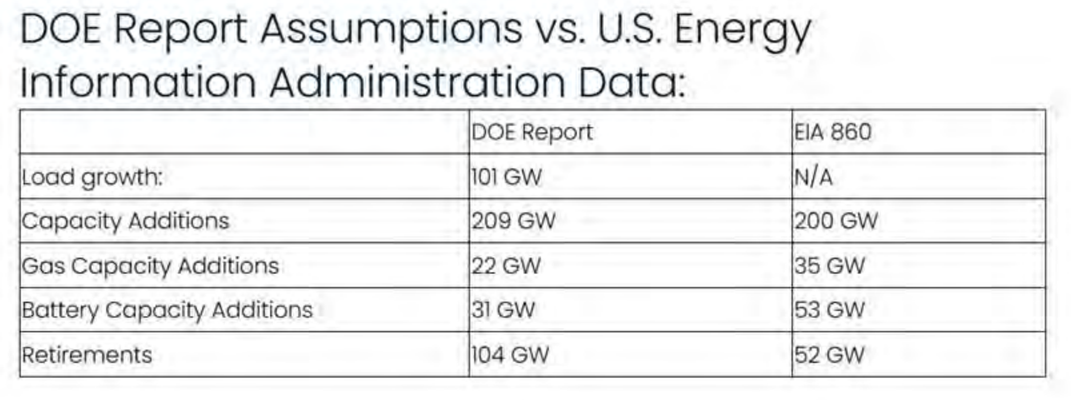
[98] Report at 12.

[99] Report at 2 (noting that demand forecasts vary widely).

[100] O'Connell, *supra* note 93.

[101] U.S. Energy Information Administration, Form EIA-860 (June 11, 2025) https://www.eia.gov/electricity/data/eia860/.

Information Agency forecasts are described in the chart below:[102]



DOE Report Assumptions vs. U.S. Energy Information Administration Data:

	DOE Report	EIA 860
Load growth:	101 GW	N/A
Capacity Additions	209 GW	200 GW
Gas Capacity Additions	22 GW	35 GW
Battery Capacity Additions	31 GW	53 GW
Retirements	104 GW	52 GW

The Report also does not address actions already being taken by states, utilities, and regional grid operators to meet increased load growth or how markets are already responding to increasing demand. As GridLab explained in its analysis:

> Markets and utilities have already responded with plans to add new capacity and fast track new resources. These include PJM's Reliability Resource Initiative, which plans on adding 11 GW of new firm resources by 2030. SPP and MISO both have proposals at FERC (called ERAS) that could add another 30 GW of firm resources. Those three regional efforts alone would add roughly twice what the DOE assumed for the entire nation.[103]

iii. Based on these assumptions and DOE's resource adequacy standard, DOE concluded intervention in electricity markets is needed to prevent outages.

DOE then adopted a novel "resource adequacy standard," using a combination of non-traditional and non-standardized metrics ("Loss of Load Hours" and "Normalized Unserved Energy").[104] DOE selected the target to be achieved with each metric.[105]

DOE did not define what energy sources it considered "firm" capacity or why only those sources provide the necessary attributes for grid reliability. DOE's usage of the term in the report suggests that only coal or gas power plants count as "firm" capacity and excluded other sources that could provide similar, greater, or different levels of reliability (like batteries or transmission) from its analysis.[106]

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[102] O'Connell, *supra* note 93.
[103] *Id.*
[104] Report at 3-4.
[105] *Id.*
[106] *See, e.g.*, *id.* at 1, 32, 37.

DOE portrayed three scenarios in an attempt to assess the impact of planned retirements on resource adequacy in 2030.[107] The first scenario is "Plant Closures," which assumes that announced retirements and capacity additions "in the final stages for connection" that are "either under construction or ha[ve] received approved planning requirements" will occur.[108] The second scenario is "No Plant Closures," which has the same assumption about additions as the "Plant Closures" scenario but assumes no retirements.[109] The third scenario is "Required Build" which uses the "Plant Closures" scenario's assumptions about retirements and then artificially adds enough hypothetical perfect capacity to the system to meet DOE's new reliability standard.[110] Perfect capacity is hypothetical capacity that experiences no outages and is used in the modeling "to avoid the complex decision of selecting specific generation technologies, as that is ultimately an optimization of reliability against cost considerations."[111]

DOE then concluded, based on the above assumptions, the risk of power outages in 2030 would be 100 times higher in 2030 than it is today.[112] DOE concluded that "decisive intervention" and "robust and rapid reforms" are necessary to avoid this result and to accommodate "projected demand for manufacturing, re-industrialization, and data centers driving artificial intelligence (AI) innovation.[113] Numerous grid experts have commented on the shortcomings of this approach.[114]

III. Statement of Issues and Specification of Errors.

1. The Report is arbitrary, capricious, contrary to law, and unsupported by substantial evidence in violation of the Administrative Procedure Act and Federal Power Act because it suffers from numerous analytical, mathematical, and empirical flaws, including but not limited to the following:
    a. DOE relies on key assumptions about load growth, retirements, and capacity additions that are unreasonable and unsupported by evidence or logic.

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[107] *Id.* at 3, 5.
[108] *Id.* at 4-5.
[109] *Id.*
[110] *Id.*
[111] *Id.* at 5.
[112] *Id.* at 1.
[113] *Id.*
[114] *See, e.g.*, Jeff St. John, *Critics Fear Trump Will Use Flawed DOE Report to Push Pro-Coal Agenda*, CANARY MEDIA (July 14, 2025), https://www.canarymedia.com/articles/fossil-fuels/trump-doe-report-open-coal-plants [https://perma.cc/2T7L-3FWX]; Matthias Fripp & Brendan Pierpont, *Energy Department's Flawed Grid Study Props Up Expensive, Zombie Power Plants*, UTILITYDIVE (July 24, 2025), https://www.utilitydive.com/news/doe-grid-reliability-study-zombie-power-plants/753596/ [https://perma.cc/QH3V-KM5R]; INST. FOR POL'Y INTEGRITY, ENOUGH ENERGY: A REVIEW OF DOE'S RESOURCE ADEQUACY METHODOLOGY (July 2025), https://policyintegrity.org/files/publications/IPI_EnoughEnergy_FinalReport.pdf [https://perma.cc/WN39-K9LE].

b. DOE assumes the transmission grid will remain static over the next five years and fails to consider how new transmission projects in development will impact reliability.
c. DOE fails to define “firm power capacity” or reasonably explain why DOE apparently considers only coal and gas to be “firm power capacity” when other generation sources, energy storage, or transmission could provide similar or greater reliability attributes.
d. DOE’s assumptions unreasonably presume that the market, grid operators, and state regulators will take no action in the next five years to address load growth or reliability issues, and that no alternative other than preserving aging coal and gas power plants will ensure grid reliability.
e. DOE’s analysis suffers from mathematical errors, analytical flaws, and lacks sufficient data or regional input. Those flaws are amply described in the attached analysis by the Institute for Policy Integrity and are incorporated and adopted here. *See* IPI Report (attached as Ex. XX).
f. Although DOE acknowledged that data and input from states and regional entities could improve the analysis, DOE chose not to consult with those entities or seek to obtain that data.
g. DOE selected non-traditional and non-standardized resource adequacy metrics and targets to be achieved without providing a reasoned explanation for its choices, including why it selected Normalized Unserved Energy (“NUSE”) and Loss of Load Hours (“LOLH”) instead of other possible metrics that would provide different data, an explanation of the costs and benefits of its choices and the target to be achieved, and why a nationwide target is appropriate despite regional differences in the costs and benefits with regard to resource adequacy.
h. DOE offers no reasonable explanation how the Report could be used to identify “at-risk region[s] and guide reliability interventions” when it arbitrarily relies on geographic groupings that do no match boundaries used by utilities, balancing authority areas, transmission planning regions, regional wholesale markets, NERC regional entities, or NERC reliability coordinators to reliably operate the nation’s electric grid.

These assumptions and omissions work together to arbitrarily tip the scales in favor of finding a resource adequacy risk. *See Motor Vehicles Mfrs. Ass’n v. State Farm*, 463 U.S. 29, 43 (1983); *WildEarth Guardians v. U.S. Bureau of Land Mgmt.*, 870 F.3d 1222, 1237 (10th Cir. 2017); *Nat. Res. Def. Council, Inc. v. Herrington*, 768 F.2d 1355, 1391 (D.C. Cir. 1985); *see also infra* Section 4.a.

2. The Report is arbitrary, capricious, contrary to law, and unsupported by substantial evidence in violation of the Administrative Procedure and Federal Power Acts because it pursues an extra-statutory motive of preserving aging and uneconomic fossil fuel

power plants at consumer expense, which contradicts the Federal Power Act's express goal of preserving just and reasonable rates and preventing undue discrimination or preference. The Administration's energy actions, when viewed collectively, also demonstrate that DOE has prejudged the outcome of this proceeding and intended its analysis to reach only one result: preventing the retirement of fossil-fueled power plants. *See Dep't of Com. v. New York*, 588 U.S. 752, 785 (2019); *Gresham v. Azar*, 950 F.3d 93, 104 (D.C. Cir. 2020), *vacated as moot*, *Becerra v. Gresham*, 142 S. Ct. 1665 (2022). *See also infra* Section 4.a.iii-iv.

3. The Report is arbitrary, capricious, contrary to law, and unsupported by substantial evidence in violation of the Administrative Procedure and Federal Power Acts because it purports to guide emergency action under Section 202(c) of the Federal Power Act but does not describe an "emergency" within the meaning of the Federal Power Act or DOE's implementing regulations. *See* 16 U.S.C. § 824a(c)(1); 10 C.F.R. § 205.371; *Otter Tail Power Co. v. Federal Power Com.*, 429 F.2d 232, 234 (8th Cir. 1970). *See also infra* Section 4.b.

4. The Report is arbitrary, capricious, contrary to law, and unsupported by substantial evidence in violation of the Administrative Procedure and Federal Power Acts because it "fails to consider an important aspect of the problem" and fails to consider reasonable alternatives. Specifically, the Report ignores alternatives, or in some cases actively prevents viable alternatives with no explanation, such as expanding interregional transmission, batteries, renewable energy, incorporating data centers flexibly into load, and the existing resource adequacy mechanisms that are used by states and regional grid operators to assess reliability and respond to resource adequacy needs. *See State Farm*, 463 U.S. at 43. *See also infra* Section 4.a. (arbitrary and capricious) and section 4.c. (existing resource adequacy mechanisms)].

5. The Report is *ultra vires* and contrary to law in violation of the Administrative Procedure and Federal Power Acts because it intrudes upon matters reserved for the States and the Federal Energy Regulatory Commission. DOE does not possess authority to set nationwide resource adequacy standards or regulate sources of electricity generation. *See* 16 U.S.C. § 824b(1); *Whitman v. Am. Trucking Ass'ns, Inc.*, 531 U.S. 457, 468 (2001). *See also infra* Section 4.d.

6. The Report violates the Administrative Procedure Act, 5 U.S.C. 553, because it establishes a legislative rule without first providing public notice and comment. *See Shalala v. Guernsey Mem'l Hosp.*, 514 U.S. 87, 99–100 (1995); *Nat'l Min. Ass'n v. McCarthy*, 758 F.3d 243 (D.C. Cir. 2014); *Children's Health Care v. Centers for Medicare & Medicaid Servs.*, 900 F.3d 1022 (8th Cir. 2018). *See infra* Section 4.e.

7. The Report is arbitrary, capricious, and contrary to law in violation of the Administrative Procedure Act because it allegedly supports issuing Section 202(c) emergency orders based on factors and procedures that conflict and are inconsistent with DOE's existing regulations. *See Emergency Interconnection of Electric Facilities*, 46 Fed. Reg. 39,984 – 39,989 (Aug. 6, 1981); 10 C.F.R. §§ 205.371 *et seq*. *See infra* Section 4.e.ii.

8. The Report is arbitrary and capricious in violation of the Administrative Procedure Act because DOE failed to acknowledge that its methodology and protocol for issuing Section 202(c) orders is inconsistent with the factors for determining when an emergency exists that DOE's regulations already set out. *See Emergency Interconnection of Electric Facilities*, 46 Fed. Reg. at 39,985; 10 C.F.R. §§ 205.371, 205.373. It is also inconsistent with DOE's previous position that emergency orders are inappropriate for long-term reliability issues and a "utility must solve long-term problems itself." 46 Fed. Reg. at 39,985; *see also* 10 C.F.R. § 205.371. Agencies act arbitrarily when they fail to display awareness that they are changing position and offer good reasons for the change in policy. *See Food & Drug Administration v. Wages & White Lion Invs*., 604 U.S. ---, 145 S. Ct. 898, 918 (2025); *see also infra* Section 4.e.

IV. Request for Rehearing

a. DOE's Report is Based on Flawed and Arbitrary Assumptions and is Unsupported by Substantial Evidence.

The Report's conclusions rest on critical assumptions about load growth, retirements, and capacity additions, but DOE did not reasonably explain how it arrived at those assumptions or support its choices with substantial evidence. At times, DOE's assumptions are internally inconsistent and arbitrarily tip the scales in favor of finding a need to prevent scheduled retirements. The Report also seems to adopt a definition of "firm capacity" that includes only fossil-fuel power plants, but does not explain why other generation sources or batteries are not also "firm capacity." DOE has also failed to make the data it relied on publicly available – rendering it impossible to fully test DOE's analysis.[115]

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[115] Due to the lack of public notice or any consultation or opportunity for involvement in the DOE's development of this report, the States have not had an opportunity to fully analyze DOE's methodology. DOE also has not made the data or models it used publicly available, which would allow the States to critically assess or replicate DOE's analysis and uncover additional flaws in DOE's approach. As such, the States reserve the right to raise additional flaws with DOE's analysis and conclusions at a later date, as they continue to analyze the Report.

Agencies act arbitrarily when they base decisions on key assumptions that are irrational or unsupported.[116] Moreover, when agencies use complex models, they must publicly reveal the assumptions and data incorporated into their models and "provide a full analytical defense" of their model.[117]

i. DOE fails to reasonably explain or support its load growth assumptions

DOE assumes 15% load growth by 2030, half of which DOE assumes will serve new data centers.[118] In doing so, DOE presumes – without evidence or a rational explanation – that data center load is firm (i.e., it cannot be interrupted at peak times). That assumption is arbitrary and directly undermined by recent advances in both policy and technology.

Some policymakers are already requiring data centers to be flexible, interruptible load.[119] In Texas, for example, a new law grants ERCOT more flexibility to curtail certain data center loads in the event of a grid emergency.[120] DOE did not grapple with the impact of this law on its underlying assumptions despite the fact that curtailing such load during peak hours "could go a long way towards avoiding the DOE-identified resource adequacy problem" in ERCOT.[121]

DOE also ignores the possibility of industry reducing its demand for electricity either as a matter of policy or innovation in this rapidly developing field. NVIDIA, the foremost supplier of hardware for AI data centers, recently announced a new power supply unit that can reduce peak grid demand by up to 30%.[122] In another recent example, Google agreed to a demand response framework with two utilities that would reduce how much electricity is used by its data centers during peak hours.[123]

DOE's reliance on an inflexible assumption for data center load reflects a failure to consider how this rapidly developing industry may adapt to address its significant energy

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[116] *WildEarth Guardians v. U.S. Bureau of Land Mgmt*., 870 F.3d 1222, 1237 (10th Cir. 2017); *Hisp. Affs. Project v. Acosta*, 901 F.3d 378, 389 (D.C. Cir. 2018) (noting agencies' affirmative duty to examine key assumptions underlying their policies).

[117] *Nat. Res. Def. Council, Inc. v. Herrington,* 768 F.2d 1355, 1385 (D.C. Cir. 1985); *see also Columbia Falls Aluminum Co. v. EPA*, 139 F.3d 914, 923 (D.C. Cir. 1998).

[118] Report at 18.

[119] *See* Ex. D, Nicholas Institute Report at 25; *see also* Ex. C, IPI Report at 24

[120] S.B. No. 6 § 4, 89th Legislature (Tex. 2025) (to be enacted at Tex. Util. Code § 39.170); *See also* Ex. C, IPI Report at 26.

[121] Ex. C., IPI Report at 26.

[122] Meris Lutz, *NVIDIA addresses AI peak power demand, spikes in new rack-scale systems*, UtilityDive (July 30, 2025), https://www.utilitydive.com/news/nvidia-rack-scale-system-smooth-ai-power/756279/.

[123] Laila Kearney, *Google agrees to curb power use for AI data centers to ease strain on US grid when demand surges*, Reuters (Aug. 4, 2025), https://www.reuters.com/sustainability/boards-policy-regulation/google-agrees-curb-power-use-ai-data-centers-ease-strain-us-grid-when-demand-2025-08-04/.

demand. This renders DOE's blunt conclusions regarding resource adequacy arbitrary and capricious.[124]

The Report also adopts an unreasonably high estimate of future data center load, arbitrarily claiming it is simply adopting a "midpoint assumption." Report at 15. DOE admits that there are "wide variations" in estimates of future data center load growth, yet the agency does not appear to have conducted any actual evaluation of those estimates to determine their respective accuracy. DOE must explain why its adoption of an estimated 50 GW load growth is more reliable or likely than other projections. It cannot just pick what it calls a "midpoint" from available studies and move forward. A rational approach would involve projecting future growth under a number of scenarios. Indeed, DOE did not account for a number of factors that temper against aggressive assumptions for future data center load growth. Those factors include the fact that data center developers often make duplicative requests for service; that data center deployment is limited by the availability of chips and processing systems; that data center efficiency may increase in the future as technology develops; and that utilities are incentivized to adopt aggressive load forecasts.[125]

The Report also assumes an additional 51 GW of non-data center load growth. DOE states that it adopted this assumption from NERC's 2024 ITCS Report. But NERC's 2024 ITCS Final Report does not contain its own load growth projections.[126] DOE has not cited which NERC projections it is relying on, what data underlie those projections, or why DOE considers it reliable for purposes of setting a uniform resource adequacy standard and guiding reliability interventions. Moreover, NERC's forecasts already contain data center load expectations meaning the Report may be double counting projected future demand from data centers.[127] NERC's forecasts may also contain other assumptions that are no longer appropriate, such as demand forecasts based on federal incentives to electrify transportation that no longer exist. Additionally, as the Institute for Policy Integrity explains in its report, DOE's method for distributing load growth across the country is questionable and does not necessarily reflect actual market decisions.[128]

ii. DOE arbitrarily assumes 104 GW of retiring capacity by 2030 but only 22 GW of additions in the same time period.

The Report also assumes the retirement of 104 GW of generating capacity by 2030, an extremely aggressive estimate that cannot withstand any level of scrutiny. [129] That assumption is inconsistent with the U.S. Energy Information Administration's data from June 2025 showing

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[124] *See* Report at 17, 40; *see also* Ex. C, IPI Report at 26 ("DOE should have considered the possibility that some of the projected data center load would be flexible, especially in ERCOT").

[125] *See generally* Ex. E, London Economics International Report.

[126] Ex. A, NERC ITCS Report.

[127] Report at 17.

[128] See Ex. C, IPI report at 24; *see also* Ex. E, LEI Report at 10-14 (noting that data centers have many choices where to locate).

[129] *See* Report at 5, A-5.

only half of that capacity is actually set for retirement. [130] This projection is also flawed because it arbitrarily includes announced retirements even though those generators have not formally provided notice of their retirement or initiated the retirement process. [131] Many of these resources have, however, pushed back their actual retirement dates due to changing market conditions and the policies of the current administration.[132]

At the same time that the Report overestimates the amount of load growth and retirements by 2030, it underestimates capacity additions that can be reasonably expected to come online in that same timeframe. DOE assumes only Tier 1 projects will be built by 2030. Because Tier 1 additions are projects that are either under construction or received approved planning requirements, nearly all will be in service by 2026.[133] DOE acknowledged that the Tier 1 assumption "results in minimal capacity additions beyond 2026," Report at A-5, yet DOE did not explain why that assumption was nonetheless reasonable when forecasting conditions to 2030.

By focusing solely on Tier 1 projects, DOE excludes announced capacity additions or even capacity additions that are seeking approval to interconnect to the grid (NERC "Tier 2" projects).[134] Excluding capacity that has been requested but has not yet received approval for planning requirements does not make sense for predictions stretching out five years from now. Both common sense and history suggest that at least some of these additions will receive approval in that time.[135] DOE has thus adopted a view of generator additions that is completely at odds with its projection of generator retirements and together the approach arbitrarily tips the scales in favor of finding a resource adequacy risk.

These assumptions seem to ignore a fundamental property of market dynamics: that supply will respond to rising demand. DOE assumes that generators who have not initiated the retirement process will retire even if remaining in the market would still be economic for them. And DOE assumes that developers will refrain from building any new energy projects from 2027-2030 despite market signals that additional capacity is needed. Those assumptions are unreasonable and render the Report arbitrary and capricious.[136]

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[130] U.S. Energy Information Administration, Form EIA-860 (June 11, 2025) https://www.eia.gov/electricity/data/eia860/.

[131] *See* Report at 5, A-5.

[132] Kevin Clark, *Where coal plant retirements are happening – And what could delay them*, Power Engineering (July 14, 2025), https://www.power-eng.com/coal/plant-decommissioning/where-coal-plants-are-closing-and-what-could-delay-them/. *See also,* Joe Schulz, *We Energies will delay Oak Creek coal plant retirement by one year to 2026*, Wisconsin Public Radio (June 26, 2025), https://www.wpr.org/news/we-energies-delay-oak-creek-coal-plant-retirement-2026. See also Ex. C, IPI Report at 23-24 (explaining why DOE's retirement figure likely overstates retirements).

[133] NERC, *2024 Long-Term Reliability Assessment* at 22, 136-37 (2024), https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_Long%20Term%20Reliability%20Assessment_2024.pdf.

[134] *Id.*

[135] *See also* Ex. C, IPI Report at 21-22 (applying historical statistics and data to demonstrate why DOE's exclusion of Tier 2 additions is unreasonable).

[136] *See* Report at 1 (concluding that, based on its model, intervention is needed to ensure a reliable power grid and meet the AI growth requirements).

DOE also arbitrarily excludes new transmission projects from its analysis altogether. Interregional transmission improvements are known to be one of the most cost-effective ways of improving grid reliability.[137] DOE apparently assumes that the nation's transmission will remain static over the next five years, despite ongoing planning processes and reforms to increase transmission projects and the well-documented reliability benefits that more transmission can provide.[138] DOE also appears to undercount the reliability benefit of existing transmission systems in its analysis.[139] It is nonsensical to ignore the benefits of new transmission when DOE is purportedly seeking to improve the reliability of the electric grid and keep costs affordable for consumers.

iii. DOE's analysis lacks sufficient regional granularity and suffers from other analytical flaws.

DOE's analysis also suffers from mathematical errors, analytical flaws, and lacks sufficient data or regional input further highlighting the importance of leaving resource adequacy to the states. DOE itself recognized that the Report's lack of regional data was a shortcoming that undercut its conclusions. As DOE acknowledges, "[e]ntities responsible for the maintenance and operation of the grid have access to a range of data and insights that could further enhance the robustness of reliability decisions, including resource adequacy, operational reliability, and resilience."[140] Despite this admission, DOE made no attempt to consult with States or grid operators on reliability issues or to obtain this data. An agency "may not tolerate needless uncertainties in its central assumptions when the evidence fairly allows investigation and solution of those uncertainties."[141]

This lack of state and regional granularity contributes to the report's unreasonable assumptions and overstated conclusions. Rather than focus on a region-specific analysis, DOE engaged in broad approximations to allocate nationwide projections to the various regions. For example, DOE started with a nationwide estimate of 50 GW of incremental data center load, allocated it across regions using state-level growth ratios from S&P's forecast, then mapped these state-level projections to the regions used for its analysis, the NERC Transmission Planning Regions (TPRs).[54] It is also unclear how DOE accomplished this mapping, given that the referenced NERC TPRs do not perfectly map to states.[56]

Further, the Report's conclusions regarding resource adequacy are contradictory at times, even within a single region, rendering DOE's characterization of certain regions' resource adequacy arbitrary and capricious. To guide its assessments, DOE set reliability standards of "[n]o more than 2.4 hours of lost load in an individual year" and "[n]o more than an NUSE [Normalized Unserved Energy] of 0.002%."[142] In its analysis of the PJM region, the Report highlights PJM's average loss of load figure of 2.4 hours under the current system analysis, apparently to indicate resource inadequacy despite clearly not *exceeding* the threshold DOE set,

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[137] *See generally* Ex. A, NERC ITCS Report; *see also* Ex. F, GridStrategies Report at 1.

[138] *See generally* Ex. A, NERC ITCS 2024 Report (identifying areas where new transmission can significantly improve reliability); Ex. F, GridStrategies, Resource Adequacy Value of Interregional Transmission (June 2025)

[139] *See* Ex. C, IPI Report at 25.

[140] Report at i.

[141] *Nat. Res. Def. Council, Inc. v. Herrington*, 768 F.2d 1355, 1391 (D.C. Cir. 1985).

[142] Report at 4.

while also describing the region's current system as "experienc[ing] shortfalls, but … below the required threshold."[143] At the same time, the Report notes that "[f]or the current system, this analysis identifies an additional 2.4 MW of capacity to meet the NUSE target for PJM," despite the Report's summary of the PJM's modeled NUSE metric in the current system clocking in at 0.0008%, again clearly meeting the reliability threshold that DOE itself selected.[144]

The Report also fails to explain how it could be used to identify "at-risk region(s) and guide reliability interventions"[145] while relying on many geographic groupings that do not match the boundaries used by utilities, balancing authority areas, transmission planning regions, regional wholesale markets, NERC regional entities, or NERC reliability coordinators to reliably operate the nation's electric grid.

For example, the "Front Range" region in the Report includes Colorado and portions of New Mexico and Wyoming but those boundaries are geographically different from regions analyzed in NERC's reliability assessments. NERC's 2025 Summer Reliability Assessment includes Colorado, most of Wyoming, and parts of Nebraska and South Dakota in the "WECC-Rocky Mountain" region, and includes Arizona and New Mexico, most of Nevada, and small parts of California and Texas in the "WECC-Southwest" region.[146] The regional grouping used in the Report is arbitrary and inconsistent with these existing groupings.

The Report states its model is derived from NERC's Interregional Transfer Capability Study ("ITCS")[147] and asserts the subregions used in the Report, called Transmission Planning Regions ("TPRs"), "match the regional subdivisions in the NERC ITCS study, itself based on FERC's transmission planning regions."[148] However, the ITCS makes clear that FERC's transmission planning regions were altered to create the TPRs for the ITCS,[149] which was focused on transfer capability between neighboring regions and not resource adequacy. [150] The ITCS Final Report does not explain how specific footprints were determined in any detail.[151] In January 2025 comments filed with FERC in response to the ITCS report, DOE commented "[t]he subregion boundaries used in the ITCS are useful for evaluating interregional transfer capability given the chosen methodology, *but not for evaluating resource adequacy of those subregions*."[152] DOE explained the ITCS subregions do not reflect actual monitored transmission constraints, nor

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[143] Report at 27 & Tbl. 8.

[144] Report at 9, 27 Tbl. 8. *See also* Ex. C, IPI Report at 20.

[145] Report at vi.

[146] NERC, *2025 Summer Reliability Assessment* at 36, 38 (May 2025), https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_SRA_2025.pdf.

[147] Report at 2.

[148] Report at 10 n.14.

[149] Ex. A, NERC ITCS Report at 7.

[150] Fiscal Responsibility Act of 2023, H.R. 3746, 118th Congress (2023–2024) (directing NERC to study the total transfer capability between transmission planning regions).

[151] *See* Ex. A, NERC ITCS Report at 7.

[152] Comments of the U.S. Dep't of Energy, FERC Docket No. AD25-4-000, at 6 (Jan. 17, 2025) (emphasis added).

do they accurately capture the service territories or balancing authority areas that are the footprints on which resource adequacy decisions are made.[153]

Despite DOE's earlier comments, the DOE Report fails to explain why the TPR subregions, many of which have no similarities to the regions actually used by NERC to assess reliability nor the planning regions used by entities with resource adequacy obligations, are now appropriate geographic boundaries for running resource adequacy scenarios and guiding reliability interventions. Returning to the example of the Front Range region, neither the ITCS Final Report nor the DOE Report explain why resource adequacy analysis should be done collectively for Colorado and portions of New Mexico and Wyoming, in which the load serving entities and balancing authorities plan their systems, acquire generating resources, and decide to interconnect to neighboring systems under completely separate processes. Because many of the Report's subregions are divorced from how the grid is actually planned and operated, they risk inaccurate groupings of load and available generating resources and incomplete understandings of how transmission capacity may be used in times of peak demand.

The Report suffers from other analytical shortcomings, which are amply described in the Institute for Policy Integrity's report and are expressly incorporated and adopted here.[154] As the Institute for Policy Integrity explained, DOE fails to offer a reasonable explanation for its choice of resource adequacy metrics and targets, outage thresholds, or the use of a deterministic model instead of a more accurate probabilistic model. By relying solely on weather data from recent years in a deterministic model, rather than a more statistically accurate probabilistic model, the Report "does not sufficiently account for uncertainty," weakening the strength of its modeled findings for 2030.[155]

Given the abundant shortcomings in DOE's methodology, it is unreasonable to rely on the data and analysis contained in the Report to draw any firm conclusions about the resource adequacy of any region of the United States electrical grid now or in 2030, and DOE's various findings of resource inadequacy despite these flaws is arbitrary and capricious.

iv. DOE's flawed analysis establishes an arbitrary and unlawful preference for fossil fuel plants over other methods to preserve grid reliability, contrary to the Federal Power Act.

The flawed assumptions discussed above lead to an obvious conclusion: that DOE designed the Report to satisfy the White House's goal of bailing out uneconomic and environmentally harmful power plants. DOE's report is not addressing an emergency, but seeking to prop up a coal industry that is unable to compete with cheaper and cleaner modern energy sources like wind, solar, and batteries.

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[153] *See id.* at 6-7.
[154] See Ex. C, IPI Report at 18-26
[155] *Id.* at 21.

Executive Order 14262 was signed alongside EO 14261 *Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241*. EO 14261 claims to "encourage and support our Nation's coal industry to increase our energy supply, lower electricity costs, stabilize our grid, create high-paying jobs, support burgeoning industries, and assist our allies." And President Trump's statements at the signing ceremony make clear that the two orders are intended to serve a complementary purpose. As the President said, with coal workers lining the stage behind him for a photo-op, "we're bringing back an industry that was abandoned" and "all those plants that have been closed are going to be opened."[156]

The President's Grid Reliability Order references his earlier Declaration of an Energy Emergency, *see* EO 14156 "Declaring a National Energy Emergency," which created an energy emergency based on an alleged shortage of affordable and domestic energy sources. In all orders, the President narrowly focuses on fossil fuels and specifically excludes wind, solar, or batteries from the definition of "energy." And the Administration has simultaneously taken steps to derail the wind and solar industries, revoking previously issued permits for offshore wind projects, pausing the issuance of approvals, permits, and loans for wind projects nationwide, and adding bureaucratic hurdles to the permitting process for wind and solar.[157]

To the extent that the Report advances the Administration's policy of discriminating against renewable energy, batteries, and transmission to advance the extra-statutory motive of preserving aging fossil fuel power plants at consumer expense, it is contrary to express goals of the Federal Power Act.[158] Sections 205 and 206 of the Federal Power Act require rates to be just and reasonable and not unduly discriminatory or preferential.[159] Purporting to justify Section 202(c) orders for fossil fuel plants that are not needed and ignoring other viable methods to preserve grid reliability at a lower cost for consumers is likely to result in unjust and unreasonable rates. While 202(c) permits deferral of this issue to FERC in a rate proceeding, DOE must – at minimum – consider how a streamlined and uniform methodology may impact rates and cost recovery.

Significantly, when DOE proposed in 2017 that FERC adjust its rates to compensate generation that could store 90 days of fuel on-site (i.e., coal and nuclear generation), FERC unanimously rejected that proposal.[160] FERC concluded that DOE failed to demonstrate that allowing all eligible resources to receive a special rate regardless of the specific reliability needs of that region would be a just and reasonable outcome.[161] DOE also failed to show that such a remedy "would not be unduly discriminatory or preferential" since only "certain resources [could] be eligible for the rate, thereby excluding other resources that may have resilience

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[156] Adam Burke, *Trump orders coal revival, but market favors natural gas*, NPR (April 17, 2025) https://www.npr.org/2025/04/16/nx-s1-5359013/trump-orders-coal-revival-market-favors-natural-gas.

[157] *See generally*, Complaint, New York, et al. v. Trump, et al., No. 25-cv-11221 (D. Mass., filed May 5, 2025) (describing Administration's assault on wind energy). *See also e.g.,* Department of the Interior, Secretarial Order 3437, https://www.doi.gov/document-library/secretary-order/so-3437-ending-preferential-treatment-unreliable-foreign; Department of the Interior, Secretarial Order 3438, https://www.doi.gov/document-library/secretary-order/so-3438-managing-federal-energy-resources-and-protecting.

[158] *See* FPA Sections 205 and 206; 16 U.S.C. §§ 824d, 824e.

[159] *Id*.

[160] *See* Order Terminating Rulemaking, 162 FERC ¶ 61,012, ¶ 16 (Jan. 8, 2018).

[161] *Id*.

attributes."[162] DOE's second attempt to manipulate the energy markets in favor of its preferred energy sources suffers from the same fatal flaws and its motives are contrary to the goals of the Federal Power Act.

b. The Report does not describe an "emergency" and cannot be used to justify future grid reliability interventions by DOE.

i. Common usage and regulation define "emergency" narrowly.

Section 202(c) is limited, by its own terms, to either "the continuance of any war in which the United States is engaged," or "whenever the Commission determines that an emergency exists *by reason of*" certain enumerated causes.[163] Those causes include: (1) "a *sudden* increase in the demand for electric energy," (2) "a shortage of electric energy or of facilities for the generation or transmission of electric energy," (3) a shortage of "fuel or water for generating facilities," and (4) "other causes."[164]

The relevant focus is therefore on the definition of "emergency." In 1930, just a few years before the Act's passage, Webster's New International Dictionary of the English Language defined "emergency" as a "sudden or unexpected appearance or occurrence… an unforeseen occurrence or combination of circumstances which calls for immediate action or remedy; pressing necessity; exigency." The year before the statute was last amended, Merriam-Webster's Dictionary and Thesaurus (2014) defined "emergency" as "an *unforeseen* event or condition requiring prompt action." Thus, at all relevant times "emergency" was defined as being unexpected or unforeseen and requiring some form of exigent response.

That limited reading of Section 202(c) is bolstered by the emergency provision's immediate statutory context. Section 202(c) is preceded by Section 202(b), which grants what is now the Federal Energy Regulatory Commission the authority to issue similar interconnection orders "*after* opportunity for hearing," indicating that Congress intended to place a temporal constraint upon the emergency authority in Section 202(c), limiting it to situations not amenable to public notice and hearing.[165]

DOE's regulations implementing Section 202(c) also suggest the provision's narrow applicability to only true emergencies. [166] DOE has provided that "actions under this authority are envisioned as meeting a specific inadequate power supply situation."[167] The regulations

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[162] *Id.*

[163] 16 U.S.C. § 824a(c)(1) (emphasis added).

[164] *Id.* (emphasis added). The catchall "other causes" must still be the "reason" that an emergency exists. *Id. See also* Rolsma, *The New Reliability Override,* 57 U. Conn. L. Rev. at 810-13.

[165] 16 U.S.C. § 824a(b); 42 U.S.C. § 7172(a)(1)(B).

[166] *See also* 46 Fed. Reg. 39987 (Aug. 6, 1981).

[167] 10 C.F.R. § 205.371.

further define applicable emergencies to include “an *unexpected* inadequate supply of electric energy,” “*unforeseen* occurrences,” or “a *sudden* increase in customer demand,” echoing the.[168]

In guidelines for defining “inadequate utility system fuel inventory or energy supply,” the regulations further specify that the threshold for such an emergency may be met “when, combined with other conditions, the projected energy deficiency upon the applicant’s system *without emergency action by the DOE*, will equal or exceed 10 percent of the applicant’s then normal daily net energy for load, or will cause the applicant to be unable to meet its normal peak load requirements *based upon use of all of its otherwise available resources* so that it is unable to supply adequate electric service to its ultimate customers.”[169] This definition again narrows the circumstances in which DOE may exercise its 202(c) authority to those not redressable by other means, implicating only acute or imminent power shortages where no other recourse is available.[170]

ii. The report does not point to any sudden or unforeseen circumstances.

. DOE’s report does not identify any region, except ERCOT, that currently fails to meet DOE’s reliability targets.[171] DOE’s flawed analysis points to a failure to meet reliability targets only in 2030. An expected increase in demand that can be projected over the next five years is not an energy emergency. Those shortfalls are not “unexpected” or “imminent” so as to justify a departure from normal planning procedures. The Report is squarely focused on 2030 and does not assess resource adequacy in any of the intervening years. According to the standard set out in *Otter Tail Power Co. v. Federal Power Com.*, 429 F.2d 232, 234 (8th Cir. 1970), the shortfalls predicted by the Report are at best policy crises “which [are] likely to develop in the foreseeable future but which [do] not necessitate immediate action.” In other words, the concerns may be addressable using FPA § 202(b), but certainly not FPA § 202(c).

Significantly, DOE has never before issued a 202(c) order based on such a broad and speculative increase in load demand. On the contrary, prior to 2025, DOE had only used 202(c) to delay the retirement of generation facilities on three narrow occasions, as requested by the system operator or government body, and only for as long as necessary to address the imminent emergency.[172]

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[168] *Id.* (emphasis added).

[169] 10 C.F.R. § 205.375 (emphasis added).

[170] While the regulations also state that “[e]xtended periods of insufficient power supply as a result of inadequate planning or the failure to construct necessary facilities can result in an emergency … ,” the definition crucially does not allow for *projections* of such circumstances to qualify or include any qualifying terms indicating similar intent. On the face of the regulation, and consistent with reasonable interpretations of the statute, such an eligible power shortage must be sufficiently imminent to avoid reducing the inherent limitation of the word “emergency” to an absurdity. 10 C.F.R.§ 205.371.

[171] Report at 7.

[172] *See* Benjamin Rolsma, *The New Reliability Override*, 57 U. Conn. L. Rev. 789, 843-46 (2025).

iii. Reliance on the Report to justify a Section 202(c) order would be contrary to law.

Based on EO 14262 and DOE's own statements, it is evident that the Department intends to rely upon the analysis and methodology in the Report to justify future Section 202(c) orders.[173] But the Report cannot lawfully be relied upon to justify the exercise of DOE's limited emergency authority. Doing so would be contrary to law.[174]

As discussed above, the Secretary of Energy's authority under Section 202(c) of the Federal Power Act is statutorily limited to wartime or certain "emergency" situations; otherwise, similar proceedings fall under the jurisdiction of the Federal Energy Regulatory Commission through a process of notice and hearing.[175] Even taking the Report at face value, its own conclusions fail to describe anything resembling an emergency in any part of the country besides ERCOT.[176] Any conclusion that an emergency exists is undermined by the arbitrary nature of the Report's analysis.[177]

Moreover, the Report's conclusions, on their face, fail to describe an "emergency". Conclusions about resource adequacy five years in the future, in 2030, fall outside of the temporal limits of an "emergency" and are exactly the type of concern that should be dealt with through usual planning processes.[178] Any attempt by DOE to bootstrap future Section 202(c) orders to the Report would be in direct contradiction to its statutory authority to issue such orders and its own regulations implementing that authority.[179]

c. DOE failed to consider an important aspect of the problem: existing reliability mechanisms.

Agency action is arbitrary and capricious under the APA if it "fails to consider an important aspect of the problem." *Motor Vehicle Mfrs. Assn. of United States, Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983). Here, DOE has acted as if the Report exists on a blank slate of resource adequacy and reliability planning yet that could not be farther from the

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[173] *See* Report at vi; EO 14262 Sec. 3(c). In at least one Section 202(c) order issued after the publication of EO 14262 but before the release of the Report, the Department stated that it "plans to use this methodology to further evaluate" the generation units subject to that order. Order No. 202-25-4 ("Eddystone 202(c) Order") at 2 (May 30, 2025).

[174] *See* 16 U.S.C. § 824a(c); 10 C.F.R. §§ 205.370-371, 375.

[175] 16 U.S.C. §§ 824a(b)-(c); 42 U.S.C. §§ 7151(b), 7172(a)(1)(B).

[176] Report at 7 ("Analysis of the current system shows all regions except ERCOT have less than 2.4 hours of average load loss per year and less than 0.002% NUSE. This indicates relative reliability for most regions based on the average indicators of risk used in this study."); *see also* Ex. C, IPI Report at 29-31 ("Despite DOE's press statement asserting that the study's methodology can help guide [sic] 'guide Federal reliability interventions,' presumably to address the EO's [EO 14262] mandate that DOE find a way to routinize further 202(c) emergency orders, the study reports a fundamental limitation for doing so: It does not find any near-term reliability risk from current levels of resource adequacy." (footnotes omitted)).

[177] *See supra* Section 4.a.

[178] *See* Report at 8-9.

[179] 16 U.S.C. § 824a(c); 10 C.F.R. §§ 205.370-371, 375.

truth. As described above, a multilayered system of resource planning involving states and regional grid operators ensures adequate supplies and grid stability.[180]

The Report's conclusion that "absent intervention, it is impossible for the nation's bulk power system to meet the AI growth requirements while maintaining a reliable power grid and keeping energy costs low for our citizens," is undermined by this failure.[181] States across the nation are grappling with how to meet increased demand from AI data centers while maintaining grid reliability and distributing the costs of those changes in an equitable manner. Without an analysis of the existing framework for making such determinations, and ongoing efforts to adjust those systems to meet new challenges, there is no basis for DOE's conclusion that "intervention" – likely through 202(c) orders – is the only way to possibly reach those goals.[182]

d. As described in the EO, the report intrudes upon state authority.

EO 14262 directs the Secretary of Energy to rely upon the methodology disclosed in the Report to "identify current and anticipated regions with reserve margins below acceptable thresholds" and "identify which generation resources within a region are critical to system reliability."[183] The Executive Order also directs DOE to further develop a "protocol" for applying this analysis to "include all mechanisms available under applicable law, including section 202(c) of the Federal Power Act, to ensure any generation resource identified as critical within an at-risk region is appropriately retained as an available generation resource."[184] The Report is therefore foundational to the "protocol" that EO 14262 intends will direct emergency orders to override planned retirements. The Report thus directly intrudes on the States' lawful resource adequacy planning processes.

With respect to regulatory oversight for resource adequacy, section 201 of FPA, 16 U.S.C § 824(b)(1), reserves authority over generation facilities to the states. It states in pertinent part: "The Commission shall have jurisdiction over all facilities for such transmission or sale of electric energy, *but shall not have jurisdiction*, except as specifically provided in this subchapter and subchapter III of this chapter, *over facilities used for the generation of electric energy* or over facilities used in local distribution or only for the transmission of electric energy in intrastate commerce, or over facilities for the transmission of electric energy consumed wholly by the transmitter."[185]

The Federal Power Act is likewise clear that federal regulatory jurisdiction over the power sector "extend[s] only to those matters which are not subject to regulation by the States."[186] With the few and specific exceptions outlined elsewhere in the statute, this jurisdiction

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[180] *See Supra,* Section 2.a.
[181] Report at 1.
[182] *Id*.
[183] Executive Order 14262, §§ 3(b)-(c).
[184] *Id.* at § 3(c).
[185] *Id*. (emphasis added).
[186] 16 U.S.C. § 824(a).

does *not* extend to "facilities used for the generation of electric energy … ."[187] This statutory language places the regulation of generation resource adequacy squarely in the ambit of the states, not the federal government.[188]

States have typically exercised this authority through a combination of individual state legislative and regulatory functions as well as engaging in multistate RTOs and ISOs. Some states have retained this authority over resource adequacy in its entirety,[189] while others have directed their utilities to join RTOS/ISOs that, through their tariffs, impose resource adequacy requirements. Those RTO/ISOs also generally establish markets that allow market participants to buy and sell capacity and thereby to facilitate market entry and exit decisions based on price signals. Resource adequacy requirements in RTO/ISO tariffs have been held to be practices affecting wholesale rates subject to the jurisdiction of FERC under sections 205 and 206 of the Federal Power Act, 16 U.S.C. §§ 824d & 824e.[190]

Through these channels, states conduct the careful, calculated, long-term capacity planning that goes ignored in DOE's Report.[191] The Report utterly fails to recognize or properly account for the states' traditional and statutory role in resource adequacy planning, and as forecasted by EO 14262, the Report constitutes a central component of the federal government's proposed protocol to usurp the states' authority over this issue.

The use of emergency orders to illegally override state resource adequacy planning has been challenged on the same grounds by the Organization of MISO States, Inc. (OMS), in its Petition for Rehearing of DOE Order No. 202-25-3 (ordering continued operation of the J.H. Campbell coal-fired power plant). In its Petition, OMS noted among other points that "[t]his is the first time the DOE has invoked Section 202(c) outside a severe weather event or emergency, and for the first time, uses the power to suspend a retirement and interfere with established and vetted state and regional planning processes."[192] OMS' petition continues, "[t]his expansive use of emergency powers sets a troubling precedent, enabling interventions in routine, state-approved planning decisions without an actual crisis and risks establishing its use to circumvent normal utility, RTO, and states processes, and likely exposes ratepayers to costs that should not be borne."[193] In DOE's issuance of the Report pursuant to EO 14262, the federal government is

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[187] *Id.* § 824(b)(1).

[188] *See, e.g.*, Ashley J. Lawson, CONG. RESEARCH SERV., R47521, *Electricity: Overview and Issues for Congress*, at 7 (Feb. 14, 2025).

[189] *See Devon Power LLC et al.,* 109 FERC ¶ 61,154, P 47 (2004) ("Resource adequacy is a matter that has traditionally rested with the states, and it should continue to rest there. States have traditionally designated the entities that are responsible for procuring adequate capacity to serve loads within their respective jurisdictions.").

[190] *See Conn. Dep't of Pub. Util. Control v. FERC*, 569 F.3d 477, 483 (D.C. Cir. 2009).

[191] *E.g.*, Report at 2-3, 5, 12-13 (relying solely on federal, EIA, and NERC estimates and failing to mention nuanced state, RTO, or ISO figures and actions).

[192] *See* Petition to Intervene and Request for Rehearing of the Organization of MISO States, Inc., Order No. 202-25-3 (filed June 23, 2025), https://www.energy.gov/sites/default/files/2025-07/Petition%20to%20Intervene%20and%20Request%20for%20Rehearing%20of%20the%20Organization%20of%20MISO%20States.pdf.

[193] *See id.* at 5; *see also id.* at 4 (challenging "Violation of the Federal Power Act and State Jurisdiction.").

attempting to establish its own rule for resource adequacy planning from which it can routinely issue illegal orders under the same flawed premise that OMS challenges in its Petition.

Lastly, Section 202(c) does not serve as a widespread grant of DOE jurisdiction over resource adequacy and capacity planning. "Congress … does not … hide elephants in mouseholes."[194] First, as described above in Part [3b], Congress assigned non-emergent questions of interconnection and transmission necessity amenable to public notice and hearing to FERC, not DOE.[195] Moreover, even this authority should not be seen as a substitute for the overarching reservation of regulatory jurisdiction over resource adequacy planning to the states.[196] No reasonable reading of the relevant statutory authorities could construe DOE's authority in 16 U.S.C. § 824a(c) as intruding on the explicit and traditional role of the states in regulating electricity generation and resource adequacy. However, all available indicators in the Report and EO 14262 evince a flawed understanding contrary to DOE's appropriate and limited role in this space, thus the Department should reconsider its findings and position on this authority.

e. DOE's Failure to Provide Public Notice and Comment on its New Standard and Methodology Violated the Administrative Procedure Act, 5 U.S.C. § 553.

Before adopting a final rule, the Administrative Procedure Act requires agencies to publish in the Federal Register a notice of proposed rulemaking and accept public comment.[197] An agency action that imposes legally binding obligations or prohibitions on regulated parties, substantially removes the agency's discretion, or would be the basis for an enforcement action for violations of those requirements, is a legislative rule that requires notice and comment.[198] Notice and comment is also required when agencies establish new standards that are not derived from an existing statute or regulation or when an agency relies on its statutorily delegated authority to establish policy.[199] Additionally, agency documents that adopt a "new position inconsistent with any of the [agency's] existing regulations" are subject to notice and comment.[200]

DOE's report creates a brand-new national standard and methodology for evaluating resource adequacy. This standard has concrete legal effects because DOE plans to enforce it via Section 202(c) emergency orders. It also is inconsistent with DOE's existing regulations, which direct DOE to issue emergency orders in very different circumstances based on different criteria than what DOE now proposes. Significantly, DOE acknowledges that its conclusions lack sufficient input from the entities responsible for operating the grid, but DOE nonetheless refused to submit the Report to notice and comment where the public could have tested DOE's assumptions and conclusions. Assuming DOE continues to comply with the Executive Order's

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[194] *Whitman v. Am. Trucking Ass'ns, Inc.*, 531 U.S. 457, 468 (2001).

[195] 16 U.S.C. § 824a(b); 42 U.S.C. § 7172(a)(1)(B).

[196] 16 U.S.C. §§ 824(a)-(b).

[197] 5 U.S.C. § 553(b)-(c).

[198] *See Nat'l Min. Ass'n v. McCarthy*, 758 F.3d 243, 251–52 (D.C. Cir. 2014).

[199] *See Children's Hosp. of the King's Daughters, Inc. v. Azar*, 896 F.3d 615, 622 (4th Cir. 2018).

[200] *Shalala v. Guernsey Mem'l Hosp.*, 514 U.S. 87, 99–100 (1995).

unlawful command to use this Report to support future Section 202(c) orders, the Report and any action relying on it must be set aside for failure to provide notice and comment.

i. DOE's standard is an exercise of assumed legislative authority, and it has concrete legal effects.

Pursuant to the Executive Order, DOE established a "uniform methodology" for assessing resource adequacy across the country.[201] That methodology adopts a new "resource adequacy standard" to measure the desired level of adequacy needed for the bulk power system.[202] DOE acknowledges that it is not using the "traditional . . . criterion" for measuring resource adequacy and is relying on metrics that are "not standardized in the U.S. today."[203] Instead, DOE unilaterally adopts new metrics to evaluate resource adequacy and establishes the reliability targets that should be obtained.[204] DOE's choice of metrics and the targets to be achieved are value judgments and should be informed by economic tradeoffs and other policy considerations about what level of system reliability should be achieved and at what cost to consumers, areas where public input is essential to sound decision making.[205]

DOE also fills its methodology with value-laden policy choices around the data inputs and assumptions that determine when DOE's reliability standard is achieved. As just one example, DOE includes projected future demand from potential new AI data centers as part of its calculation of future load.[206] Those data centers have not yet been built and some may never be.[207] And, as DOE recognized, grid operators are not likely to allow those large loads to connect if doing so threatens reliability.[208] Including those potential loads in DOE's determinations of system reliability thus inherently represents a policy choice: Should present-day consumers pay to keep retiring power plants online to ensure that potential data centers can be reliably served in the future?[209]

Even assuming *arguendo* that DOE has the statutory authority to set a uniform reliability standard, place risks of future large load growth on current consumers, or engage in long-term resource adequacy planning for the entire nation, it still must involve stakeholders through notice and comment in those legislative choices. "When an agency relies on expressly delegated authority to establish policy . . . courts generally treat the agency action as legislative [] rulemaking" and require notice and comment.[210] In other words, "when Congress leaves [] a policy choice to the agency, [courts] should lean toward finding that the agency's making of that

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[201] *See* Report at *vi* (explaining that the report is "delivering the required uniform methodology to identify at-risk region(s)"); Executive Order 14262 § 3(b).
[202] Report at 3.
[203] *Id*. 3-4.
[204] *See id*.
[205] *See* Ex. C, IPI Report at ii (criticizing DOE's choice of targets as not "appropriately justified based on a cost-benefit framework, and the use of a one-size-fits-all target for the entire country ignores regional differences").
[206] *See* Report at 1-3.
[207] *See, e.g*., Ex. E, London Economics International Report; Laila Kearney and Liz Hampton, *U.S. Power Stocks Plummet as DeepSeek Raises Data Center Demand Doubts*, Reuters (Jan. 27, 2025) https://www.reuters.com/business/energy/us-power-stocks-plummet-deepseek-raises-data-center-demand-doubts-2025-01-27/.
[208] *See* Report at 14.
[209] *See also supra* Section 4.a. (discussing other arbitrary assumptions in DOE's analysis).
[210] *Children's Hosp. of the King's Daughters, Inc.*, 896 F.3d at 622.

choice requires notice and comment.[211] "Otherwise, it would be difficult to imagine what regulations *would* require notice and comment procedures."[212]

DOE's standard also has concrete legal effects because, consistent with the Executive Order, DOE will use Section 202(c) emergency orders (or the threat of Section 202(c) orders) to ensure regions meet the new standard. The Executive Order directs DOE to use this standard to "establish . . . a protocol" to identify generation resources that are critical to system reliability.[213] DOE's "protocol shall additionally" use Section 202(c) of the Federal Power Act to "ensure" those resources are retained and prevent their retirement.[214] "Protocol" means "a set of rules to be followed . . ."[215] As DOE has made clear, DOE "plans to use" this new standard to evaluate retiring coal plants and potentially issue Section 202(c) emergency orders preventing their retirement.[216]

DOE's new standard, and protocol for enforcing it, removes DOE's discretion and is intended to provide the basis for enforcement actions via Section 202(c) orders.[217] The new standard is not derived from the Federal Power Act or, as explained further below, from DOE's existing regulations, but is an entirely new method of determining resource adequacy across the country. DOE must accordingly submit its new standard and methodology to public notice and comment.[218]

ii. DOE must provide notice and comment because its standard allegedly supports issuing emergency orders based on factors that conflict with existing regulations.

DOE's Report provides new bases for issuing emergency orders that conflict with DOE's existing regulations, but DOE cannot amend those standards without first providing notice and comment.[219] DOE promulgated regulations detailing how and when it issues Section 202(c) emergency orders following public notice and comment in 1981.[220] Under DOE's current regulations, emergency orders "are envisioned as meeting a *specific* inadequate power supply situation," occasioned by "acts of God[] or unforeseen occurrences not reasonably within the

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[211] *Id*.
[212] *Id*. (quoting *N.H. Hosp. Ass'n v. Azar*, 887 F.3d 62, 70–71 (1st Cir. 2018)).
[213] Executive Order 14262 at § 3(c).
[214] *Id*.
[215] PROTOCOL, Black's Law Dictionary (12th ed. 2024).
[216] Order No. 202-25-4 at 2 (Eddystone Order). *See also* U.S. DEP'T OF ENERGY, *Fact Sheet: The Department of Energy's Resource Adequacy Report Affirms The Energy Emergency Facing The U.S. Power Grid* (2025), https://www.energy.gov/sites/default/files/2025-07/DOE_Fact_Sheet_Grid_Report_July_2025.pdf [https://perma.cc/YLX7-8G7T] (explaining that DOE's methodology will be used, pursuant to the executive order, "prevent [] generation resources from leaving the bulk-power system"); Press Release, U.S. Dep't of Energy, Department of Energy Releases Report on Evaluating U.S. Grid Reliability and Security (July 7, 2025), https://www.energy.gov/articles/department-energy-releases-report-evaluating-us-grid-reliability-and-security [https://perma.cc/8TEJ-AGH6]. (stating that its "methodology also informs the potential use of DOE's emergency authority under Section 202(c) of the Federal Power Act"); Report at *vi* (explaining that DOE's standard will be used to "guide reliability interventions"), 1 (emphasizing the need for DOE's "decisive intervention" in energy markets), 10 (analyzing ERCOT because "FPA Section 202(c) allows DOE to issue emergency orders to ERCOT").
[217] *See Nat'l Min. Ass'n v. McCarthy*, 758 F.3d 243, 251–52 (D.C. Cir. 2014).
[218] *See id.*; *Children's Hosp. of the King's Daughters, Inc. v. Azar*, 896 F.3d 615, 622 (4th Cir. 2018).
[219] *See Shalala*, 514 U.S. at 99–100.
[220] *See Emergency Interconnection of Electric Facilities*, 46 Fed. Reg. 39,984 - 39,989 (Aug. 6, 1981).

power of the affected 'entity' to prevent."[221] DOE did not intend its emergency authority to replace long-term planning by utilities: "while a utility may rely upon these regulations for assistance during a period of unexpected inadequate supply of electricity, it must solve long-term problems itself."[222]

As DOE stated then, "[t]he factors that DOE will consider in determining whether an emergency exists are specified in § 205.373."[223] Section 205.373 requires applicants to submit detailed information on "daily peak load and energy requirements for each of the past 30 days and projections for each day of the expected duration of the emergency" and make a "showing that adequate electric service cannot be maintained without additional power transfers." Applicants must also describe what "conservation or load reduction actions have been implemented" before seeking emergency relief.[224] In sum, DOE's current regulations direct a case-by-case analysis of specific, temporary shortages in particular situations, based on detailed information from an applicant.

DOE's new standard and methodology is an unprecedent expansion of the bases upon which DOE will justify Section 202(c) emergency orders, but DOE has not offered public comment on that expansion. Rather than focusing on specific showings of an imminent threat to grid stability, the report rests on DOE's analysis of "the U.S. electric grid's ability to meet future demand through 2030."[225] Rather than consider the "daily peak load and energy requirements of the past 30 days and projections for each day of the [] emergency," 10 C.F.R. § 205.373, DOE now plans to base Section 202(c) decisions on speculation over the development of artificial intelligence, re-industrialization of the U.S. economy, and other uncertain developments over the next five years.[226] Rather than consider the "scheduled . . . deliveries" during the emergency period and needs of existing firm customers, § 205.373(d),(f), DOE now proposes to find an emergency based on potential load growth for customers who do not currently, and may never, exist.[227]

Rather than allowing utilities and grid operators to solve long-term planning issues themselves, DOE now seeks to intervene in those state- and FERC-regulated processes based on its own assumptions about future load growth and electricity supply. But unlike DOE's Report, the long-term resource adequacy plans developed by utilities and grid operators are transparent and publicly-accountable processes that involve relevant stakeholders and the public.[228] DOE, on the other hand, published its analysis without critical data or insights from the entities who actually operate and maintain the electric grid.[229]

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[221] 10 C.F.R. § 205.371 (emphasis added).
[222] 46 Fed. Reg. at 39,985; *see also* 10 C.F.R. § 205.371
[223] 46 Fed. Reg. at 39,985.
[224] *Id.*; *see also* 10 C.F.R. § 205.375 (defining an inadequate energy supply as when an applicant is "unable to meet its normal peak load requirements based upon use of all its otherwise available resources.").
[225] Report at 2.
[226] Report at 2; *see also supra* Section 4.a.
[227]*See, e.g.*, Ex. E London Economics International Report; Laila Kearney and Liz Hampton, *U.S. Power Stocks Plummet as DeepSeek Raises Data Center Demand Doubts*, Reuters (Jan. 27, 2025) https://www.reuters.com/business/energy/us-power-stocks-plummet-deepseek-raises-data-center-demand-doubts-2025-01-27/.
[228] *See supra* Section 2.a.
[229] Report at *i.*

Rather than considering what other "conservation or load reduction actions have been implemented" before turning to emergency relief, 10 C.F.R. § 205.373, DOE's standard ignores those possibilities altogether. Instead, DOE adopts aggressive and likely overstated assumptions of load growth and ignores whether any of that future demand could be flexibly integrated into the grid, what measures state and local regulators are taking to mitigate the impact of new data center demand on grid reliability, or other factors influencing grid reliability over the long-term.[230] DOE appears to admit that its overstated potential load growth will not *actually* lead to any grid reliability emergency, as there is no "indication that reliability coordinators would allow this level of load growth to jeopardize the reliability of the system."[231]

DOE appropriately involved the public when it initially set out the process and factors to consider for Section 202(c) orders in its 1981 rulemaking. Yet now, DOE seeks to expand the bases for Section 202(c) orders in ways that intrude on state-regulated processes and the free market, without any input from stakeholders or the public who will ultimately pay for DOE's actions. Because the methodology and protocol effectively "expand[s] the footprint [of DOE's emergency authority] by imposing new requirements, rather than simply interpreting the legal norms Congress or the agency itself has previously created" and is inconsistent with DOE's existing regulations, it is a "rule" under the APA and notice and comment is required.[232]

iii. DOE acknowledges the importance of involving the States and other actors yet fails to provide public notice and comment to test DOE's assumptions and conclusions.

DOE's failure to provide public notice and comment is prejudicial error. DOE admittedly lacks the "range of data and insights" to make robust reliability decisions that entities responsible for the maintenance and operation of the grid have access to.[233] Had the States been given adequate notice and an opportunity to comment, they could have provided more information to DOE on how existing mechanisms address grid reliability, issues with DOE's assumptions, chosen metrics, and choice of data, identified gaps in DOE's analysis and data, and other issues. Numerous grid experts have commented on shortfalls with DOE's report.[234] Given adequate notice and an opportunity to comment, the States could have obtained their own expert analysis and potentially raised even more issues with DOE's proposed standard and methodology than what time permitted the States to raise here.

DOE has previously acknowledged the importance of involving States and the public in these questions. When DOE initially established regulations governing how and when it would

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[230] *See, e.g.*, Ex. D, Nicholas Institute Report; Jason Plautz, *State lawmakers grapple with energy demand for data centers*, E&E News (Mar. 3, 2025) https://www.eenews.net/articles/state-lawmakers-grapple-with-energy-demand-for-data-centers/; Washington Office of the Governor, *Gov. Bob Ferguson Signs Executive Order Establishing a Data Center Workgroup* (Feb. 4, 2025) https://governor.wa.gov/news/2025/governor-bob-ferguson-signs-executive-order-establishing-data-center-workgroup.

[231] Report at 14.

[232] *Children's Health Care v. Centers for Medicare & Medicaid Servs.*, 900 F.3d 1022, 1025 (8th Cir. 2018); *see also Shalala*, 514 U.S. at 99–100.

[233] Report at *i*

[234] *See, e.g.*, Jeff St. John, *Critics fear Trump will use flawed DOE report to push pro-coal agenda*, Canary Media (July 14, 2025), https://www.canarymedia.com/articles/fossil-fuels/trump-doe-report-open-coal-plants; Matthias Fripp and Brendan Pierpont, Opinion, *Energy Department's flawed grid study props up expensive, zombie power plants*, UtilityDive, https://www.utilitydive.com/news/doe-grid-reliability-study-zombie-power-plants/753596/.

issue emergency orders, DOE consulted with the Federal Energy Regulatory Commission and state officials.[235] DOE also explained that "[t]he DOE intends to utilize any available State and local expertise in resolving an emergency."[236] Indeed, DOE's organizational statute *requires* it to consult with States "[w]henever any proposed action by the Department conflicts with the energy plan of any State."[237] And States are already taking actions to address reliability issues and load growth in their jurisdictions.[238] DOE's refusal to collaborate with States or meaningfully involve other stakeholders here is inexplicable, conflicts with DOE's organizational statute, and the APA.

V. Conclusion

The State's request for rehearing should be granted and DOE should withdraw or otherwise amend the subject Report following public vetting through notice and comment proceedings. In the meantime, DOE cannot rely on the challenged report to support the exercise of its 202(c) authority. Doing so would be arbitrary and capricious and otherwise contrary to law and impose significant harm on our States.

Filed: August 6, 2025

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[235] 46 Fed. Reg. at 39,985.

[236] *Id.*

[237] 42 U.S.C. § 7113; *see also* 16 U.S. Code § 824h (encouraging federal-state collaboration).

[238] Jason Plautz, *State lawmakers grapple with energy demand for data centers*, E&E News (Mar. 3, 2025) https://www.eenews.net/articles/state-lawmakers-grapple-with-energy-demand-for-data-centers/; Washington Office of the Governor, *Gov. Bob Ferguson Signs Executive Order Establishing a Data Center Workgroup* (Feb. 4, 2025) https://governor.wa.gov/news/2025/governor-bob-ferguson-signs-executive-order-establishing-data-center-workgroup.

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UNITED STATES OF AMERICA
BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY

Federal Power Act Section 202(c) Emergency Order: Craig Unit 1	))))	Order No. 202-26-31

The State Of Colorado's Request for Rehearing, Motion To Intervene, And Stay Request

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Exhibit O: Department, Order No. 202-25-3 (May 23, 2025)

Order No. 202-25-3

Pursuant to the authority vested in the Secretary of Energy by section 202(c) of the Federal Power Act (FPA), 16 U.S.C. § 824a(c), and section 301(b) of the Department of Energy Organization Act, 42 U.S.C. § 7151(b), and for the reasons set forth below, I hereby determine that an emergency exists in portions of the Midwest region of the United States due to a shortage of electric energy, a shortage of facilities for the generation of electric energy, and other causes, and that issuance of this Order will meet the emergency and serve the public interest.

Emergency Situation

The Midcontinent Independent System Operator (MISO) faces potential tight reserve margins during the summer 2025 period, particularly during periods of high demand or low generation resource output. The North American Electric Reliability Corporation (NERC) released its 2025 Summer Reliability Assessment on May 14, 2025. In its assessment, NERC indicated that "[d]emand forecasts and resource data indicate that MISO is at elevated risk of operating reserve shortfalls during periods of high demand or low resource output."[1] In particular, the retirement of thermal generation capacity creates the potential for electricity supply shortfalls. NERC anticipates that the near-term period of highest capacity shortfall for MISO will occur in August.[2]

Multiple generation facilities in Michigan have retired in recent years. According to the U.S. Energy Information Administration (EIA), "[s]ince 2020, about 2,700 megawatts of coal-fired generating capacity have been retired and no new coal-fired facilities are planned."[3] Additionally EIA stated, "[t]ypically Michigan's nuclear power plants have supplied about 30% of in-state electricity, but the amount of electricity generated by nuclear power plants in Michigan has declined as plants have been decommissioned."[4] The state's Big Rock Point nuclear power plant shut down in 1997 and the Palisades nuclear power plant closed in 2022. While the Palisades nuclear power plant may reopen in 2025, it will not be available during the peak demand period this summer.

The 1,560 MW J.H. Campbell coal-fired power plant in West Olive, MI, is scheduled to cease operations on May 31, 2025. Its retirement would further decrease available dispatchable generation within MISO's service territory, removing additional such generation along with the other 1,575 MW of natural gas and coal-fired generation that has retired since the summer of 2024. In 2021, Consumers announced that it planned to "speed closure" of Campbell in 2025, several years before the end of its scheduled design life.[5] Although MISO and Consumers have

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[1] 2025 summer reliability assessment. (May 14, 2025). https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_SRA_2025.pdf

[2] *Id.*

[3] U.S. Energy Information Administration, Michigan State Energy Profile, Oct. 17, 2024, *available at*: https://www.eia.gov/state/print.php?sid=mi.

[4] *Id.*

[5] https://www.consumersenergy.com/news-releases/news-release-details/2021/06/23/consumers-energy-announces-plan-to-end-coal-use-by-2025-lead-michigans-clean-energy-transformation

incorporated the planned retirement into their supply forecasts and acquired a 1,200 MW natural gas power plant in Covert, MI, the NERC Assessment still anticipates "elevated risk of operating reserve shortfalls."

MISO's Planning Resource Auction Results for Planning Year 2025-26, released in April 2025, note that for the northern and central zones, which includes Michigan, "new capacity additions were insufficient to offset the negative impacts of decreased accreditation, suspensions/retirements and external resources." While the results "demonstrated sufficient capacity," the summer months reflected the "highest risk and a tighter supply-demand balance" and the results "reinforce the need to increase capacity."[6]

ORDER

Given the determination that an emergency exists as discussed above, the responsibility of MISO to ensure reliability of its system, and the ability of MISO to identify and dispatch generation necessary to meet load requirements, I have determined that, under the conditions specified below, additional dispatch of the Campbell Plant is necessary to best meet the emergency and serve the public interest for purposes of FPA section 202(c). This determination is based on the insufficiency of dispatchable capacity and anticipated demand during the summer months, and the potential loss of power to homes and local businesses in the areas that may be affected by curtailments or outages, presenting a risk to public health and safety.

This Order is limited in duration to align with the emergency circumstances. Because the additional generation may result in a conflict with environmental standards and requirements, I am authorizing only the necessary additional generation on the conditions contained in this Order, with reporting requirements as described below.

FPA section 202(c) requires the Secretary of Energy to ensure that any 202(c) order that may result in a conflict with a requirement of any environmental law be limited to the "hours necessary to meet the emergency and serve the public interest, and, to the maximum extent practicable," be consistent with any applicable environmental law and minimize any adverse environmental impacts.

Based on my determination of an emergency set forth above, I hereby order:

A. From the time this Order is issued on May 23, 2025, MISO and Consumers Energy shall take all measures necessary to ensure that the Campbell Plant is available to operate. For the duration of this order, MISO is directed to take every step to employ economic dispatch of the Campbell Plant to minimize cost to ratepayers. Following conclusion of this Order, sufficient time for orderly ramp down is permitted, consistent with industry practices. Consumers Energy is directed to comply with all orders from MISO related to the availability and dispatch of the Campbell Plant.

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[6] https://cdn.misoenergy.org/2025%20PRA%20Results%20Posting%2020250428694160.pdf

B. To minimize adverse environmental impacts, this Order limits operation of dispatched units through the expiration of the Order. MISO shall provide a daily notification to the Department (via AskCR@hq.doe.gov) reporting whether the Campbell Plant has operated in compliance with the allowances contained in this Order.

C. All operation of the Campbell Plant must comply with applicable environmental requirements, including but not limited to monitoring, reporting, and recordkeeping requirements, to the maximum extent feasible while operating consistent with the emergency conditions. This Order does not provide relief from any obligation to pay fees or purchase offsets or allowances for emissions that occur during the emergency condition or to use other geographic or temporal flexibilities available to generators.

D. By June 15, 2025, MISO is directed to provide the Department of Energy (via AskCR@hq.doe.gov) with information concerning the measures it has taken and is planning to take to ensure the operational availability and economic dispatch of the Campbell Plant consistent with the public interest. MISO shall also provide such additional information regarding the environmental impacts of this Order and its compliance with the conditions of this Order, in each case as requested by the Department of Energy from time to time.

E. The extent to which MISO's current Tariff provisions are inapposite to effectuate the dispatch and operation of the units for the reasons specified herein, the relevant governmental authorities are directed to take such action and make accommodations as may be necessary to do so.

F. Consumers is directed to file with the Federal Energy Regulatory Commission Tariff revisions or waivers necessary to effectuate this order. Rate recovery is available pursuant to 16 U.S.C. § 824a(c).

G. This Order shall not preclude the need for the Campbell Plant to comply with applicable state, local, or Federal law or regulations following the expiration of this Order.

H. This Order shall be effective upon its issuance, and shall expire at 00:00 EDT on August 21, 2025, with the exception of the reporting requirements in paragraph D and applicable compliance obligations in paragraph E.

I. Issued in Washington, D.C. at 3:15:pm Eastern Daylight Time on this 23rd day of May 2025.

Chris Wright
Secretary of Energy

cc: **FERC Commissioners**
Chairman Mark Christie
Commissioner David Rosner
Commissioner Lindsay S. See
Commissioner Judy W. Chang

Michigan Public Service Commissioners
Chairman Dan Cripps
Commissioner Katherine Peretick
Commissioner Alessandra Carreon

UNITED STATES OF AMERICA
BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY

Federal Power Act Section 202(c) Emergency Order: Craig Unit 1	)	Order No. 202-26-31

The State Of Colorado's Request for Rehearing, Motion To Intervene, And Stay Request

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Exhibit P: Department, Order 202-25-4 (May 30, 2025)

Order No. 202-25-4

Pursuant to the authority vested in the Secretary of Energy by section 202(c) of the Federal Power Act (FPA), 16 U.S.C. § 824a(c), and section 301(b) of the Department of Energy Organization Act, 42 U.S.C. § 7151(b), and for the reasons set forth below, I hereby determine that an emergency exists in portions of the electricity grid operated by PJM Interconnection (PJM) due to a shortage of facilities for the generation of electric energy, resource adequacy concerns, and other causes, and that issuance of this Order will meet the emergency and serve the public interest.

Emergency Situation

PJM has recently stated its system faces "growing resource adequacy concern" due to load growth, the retirement of dispatchable resources, and other factors.[1] Upcoming retirements, including the planned retirement of Unit 3 and Unit 4 of the Eddystone Generating Station in Eddystone, Pennsylvania, will exacerbate these resource adequacy issues.

PJM indicates that resource constraints could exist within the service territory under peak load conditions, stating that "available generation capacity may fall short of required reserves in an extreme planning scenario."[2] In its February 2023 assessment "*Energy Transition in PJM: Resource Retirements, Replacements & Risks,*" PJM highlights the increasing risk of reliability risk in the coming years due to the "potential timing mismatch between resource retirements, load growth and the pace of new generation entry" under "low new entry" scenarios for renewable generation.[3]

In December 2024, PJM filed revisions with the Federal Energy Regulatory Commission (FERC) to Part VII of its Open Access Transmission Tariff, known as the Reliability Resource Initiative (RRI), to address near-term resource adequacy concerns. In a February 2025 order, FERC accepted the revisions and found "the possibility of a resource adequacy shortfall driven by significant load growth, premature retirements, and delayed new entry."[4] In March 2025 congressional testimony, PJM found "a growing resource adequacy concern" due to a combination of load growth, the retirement of dispatchable resources, and other factors.[5] Through 2030, PJM anticipates reliability risk from increasing electricity demand, generator retirement outpacing new resource construction, and characteristics of resources in PJM's interconnection queue.[6]

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[1] https://www.pjm.com/-/media/DotCom/library/reports-notices/testimony/2025/20250325-asthana-testimony-us-house-subcommittee-on-energy.pdf

[2] https://insidelines.pjm.com/pjm-summer-outlook-2025-adequate-resources-available-for-summer-amid-growing-risk/

[3] https://www.pjm.com/-/media/DotCom/library/reports-notices/special-reports/2023/energy-transition-in-pjm-resource-retirements-replacements-and-risks.ashx

[4] https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20250211-3120

[5] https://www.pjm.com/-/media/DotCom/library/reports-notices/testimony/2025/20250325-asthana-testimony-us-house-subcommittee-on-energy.pdf

[6] Ibid.

Constellation Energy owns the Eddystone Generating Station, which includes Unit 3 and Unit 4, each of which has a nameplate capacity of 380 MW. Units 3 and 4 have a planned retirement date of May 31, 2025. The retirement of these units would further decrease available dispatchable generation within PJM's service territory.

Pursuant to Executive Order 14262, *Strengthening the Reliability and Security of the United States Electric Grid* (EO 14262), DOE is developing a methodology to identify current and anticipated reserve margins for all regions of the bulk-power system regulated by the Federal Energy Regulatory Commission. EO 14262 requires this methodology to be published by July 7, 2025, and be used to establish a protocol to identify which generation resources within a region are critical to system reliability and prevent identified generation resources from leaving the bulk-power system. DOE plans to use this methodology to further evaluate Eddystone Units 3 and 4.

ORDER

Given the emergency nature of resource adequacy concerns, the declared state of national energy emergency, the responsibility of PJM to ensure maximum reliability on its system, and the ability of PJM to identify and dispatch generation necessary to meet load requirements, I have determined that, under the conditions specified below, operational availability and economic dispatch of the aforementioned Eddystone Units 3 and 4 (Eddystone Units) is necessary to best meet the emergency and serve the public interest for purposes of FPA section 202(c). This determination is based on, among other things:

- The emergency nature of the potential load stress due to aforementioned resource adequacy concerns, and the potential loss of power to homes and local businesses in the areas that may be affected by curtailments, presenting a risk to public health and safety.
- The potential shortage of electric energy, shortage of facilities for the generation of electric energy, and other causes in the region support the need for the Eddystone Units to contribute to system reliability.
- PJM's responsibility to ensure maximum reliability on its system, and, with the authority granted in this Order, its ability to identify and dispatch generation, including the Eddystone Units, necessary to meet the load demands.

This Order is limited in duration to align with the anticipated emergency circumstances. Because the additional generation may result in a conflict with environmental standards and requirements, I am authorizing only the necessary additional generation on the conditions contained in this Order, with reporting requirements as described below.

FPA section 202(c)(2) requires the Secretary of Energy to ensure that any 202(c) order that may result in a conflict with a requirement of any environmental law be limited to the "hours necessary to meet the emergency and serve the public interest, and, to the maximum extent practicable," be consistent with any applicable environmental law and minimize any adverse environmental impacts. To minimize adverse environmental impacts, this Order limits operation of dispatched units to the times and within the parameters determined by PJM for reliability purposes.

Based on my determination of an emergency set forth above, I hereby order:

A. From the time this Order is issued on May 30, 2025, PJM and Constellation Energy shall take all measures necessary to ensure that Eddystone Units are available to operate. For the duration of this order, PJM is directed to take every step to employ economic dispatch of the units to minimize cost to ratepayers. Following conclusion of this Order, sufficient time for orderly ramp down is permitted, consistent with industry practices. Constellation Energy is directed to comply with all orders from PJM related to the availability and dispatch of the Eddystone Units.

B. To minimize adverse environmental impacts, this Order limits operation of dispatched units through the expiration of the Order. PJM shall provide a daily notification to the Department (via AskCR@hq.doe.gov) reporting whether the Eddystone Units have operated in compliance with the allowances contained in this Order.

C. All operation of the Eddystone Units must comply with applicable environmental requirements, including but not limited to monitoring, reporting, and recordkeeping requirements, to the maximum extent feasible while operating consistent with the emergency conditions. This Order does not provide relief from any obligation to pay fees or purchase offsets or allowances for emissions that occur during the emergency condition or to use other geographic or temporal flexibilities available to generators.

D. By June 15, 2025, PJM is directed to provide the Department of Energy (via AskCR@hq.doe.gov) with information concerning the measures it has taken and is planning to take to ensure the operational availability of the Eddystone Units consistent with the public interest. PJM shall also provide such additional information regarding the environmental impacts of this Order and its compliance with the conditions of this Order, in each case as requested by the Department of Energy from time to time.

E. In addition, PJM and Constellation Energy are directed to file with the Federal Energy Regulatory Commission any tariff revisions or waivers necessary to effectuate this order. Rate recovery is available pursuant to 16 U.S.C. § 824a(c).

F. This Order shall not preclude the need for the Eddystone Units to comply with applicable state, local, or Federal law or regulations following the expiration of this Order.

G. This Order shall be effective upon its issuance, and shall expire at 5:03 PM EDT on August 28, 2025, with the exception of the reporting requirements in paragraph D.

H. Issued in Simi Valley, California, at 5:03 PM Eastern Daylight Time on this 30th day of May 2025.

Chris Wright
Secretary of Energy

UNITED STATES OF AMERICA
BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY

Federal Power Act Section 202(c) Emergency Order: Craig Unit 1	))))	Order No. 202-26-31

The State Of Colorado's Request for Rehearing, Motion To Intervene, And Stay Request

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Exhibit Q: Department, Order No. 202-25-11 (Dec. 16, 2025)

Department of Energy
Washington, DC 20585

Order No. 202-25-11

Pursuant to the authority vested in the Secretary of Energy by section 202(c) of the Federal Power Act (FPA),[1] and section 301(b) of the Department of Energy Organization Act,[2] and for the reasons set forth below, I hereby determine that an emergency exists within the Western Electricity Coordinating Council (WECC) Northwest assessment area due to a shortage of electric energy, a shortage of facilities for the generation of electric energy, and other causes, and that issuance of this Order will meet the emergency and serve the public interest.

EMERGENCY SITUATION

In its 2025–2026 Winter Reliability Assessment, NERC finds that the WECC Northwest region, which includes Montana, Oregon, Washington, and parts of northern California and northern Idaho, is at elevated risk during periods of extreme weather.[3] The assessment notes that "there is sufficient capacity in the area for expected peak conditions; however, [balancing authorities] are likely to require external assistance during extreme winter weather that causes thermal plant outages and adverse wind turbine conditions for area internal resources. External assistance may not be available during region-wide extreme winter conditions. Winter peak demand for the area is forecast to be 2.9 GW higher (9.3%) compared to last year."[4]

In a September 2025 report evaluating Resource Adequacy in the Pacific Northwest, Energy + Environmental Economics (E3) determined that "[a]ccelerated load growth and continued retirements create a resource gap beginning in 2026 and growing to 9 GW by 2030"[5] and that "[l]oad growth and retirements mean the region faces a power supply shortfall in 2026."[6] E3 reported that nearly 9000 MW of new capacity will be needed in the region by 2030, but currently only 3000 MW of projects for new capacity are in active development.[7] Overall, E3 found that "[p]referred resources such as wind, solar and batteries make only small contributions to meeting resource adequacy needs" and "[t]imely development of all resources is extremely challenging due to permitting and interconnection delays, federal policy headwinds, and cost pressures."[8]

TransAlta Centralia Generation ("Centralia") is an electric generating facility in Centralia,

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[1] 16 U.S.C. § 824a(c).

[2] 42 U.S.C. § 7151(b).

[3] *NERC 2025-2026 Winter Reliability Assessment*, at 6 (November 2025), https://www.nerc.com/globalassets/our-work/assessments/nerc_wra_2025.pdf.

[4] *Id.*

[5] E3, *Resource Adequacy and the Energy Transition in the Pacific Northwest: Phase 1 Results*, at 2 (Sept. 22, 2025), https://www.utc.wa.gov/sites/default/files/2025-10/Revised%20V3%20E3%20Presentation%20RA%20Study%20September%2022%20WA%20RA%20Meeting.pdf. *See also id.* for the list of E3's study sponsors, which include certain "regional utilities and generation owners."

[6] *Id.* at 10.

[7] *Id.*

[8] *Id.* at 2.

Washington. Centralia is owned and operated by the TransAlta Centralia Generation LLC ("TransAlta"). Centralia consists of one remaining coal-fired generation unit, Unit 2, with a nameplate capacity of 729.9 MW.[9] Unit 2 began operations in 1973 and is slated to cease operations in December 2025. Unit 1 was retired in 2020. Unit 2 is slated to cease operation in December 2025, based on a 2011 Washington law[10] and a subsequent agreement between TransAlta and the State of Washington.[11] TransAlta has announced plans to convert the unit to natural gas by 2028.[12]

More broadly, Executive Orders issued by President Donald J. Trump on January 20, 2025, and April 8, 2025, underscored the dire energy challenges facing the Nation due to growing resource adequacy concerns. President Trump declared a national energy emergency in Executive Order 14156, "Declaring a National Energy Emergency," in which he determined that the "United States' insufficient energy production, transportation, refining, and generation constitutes an unusual and extraordinary threat to our Nation's economy, national security, and foreign policy."[13] The Executive Order adds: "Hostile state and non-state foreign actors have targeted our domestic energy infrastructure, weaponized our reliance on foreign energy, and abused their ability to cause dramatic swings within international commodity markets."[14] In a subsequent Executive Order 14262, "Strengthening the Reliability and Security of the United States Electric Grid," President Trump emphasized that "the United States is experiencing an unprecedented surge in electricity demand driven by rapid technological advancements, including the expansion of artificial intelligence data centers and increase in domestic manufacturing."[15]

Further, the Department detailed the myriad challenges affecting the Nation's energy systems in its July 2025 "Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid," issued pursuant to the President's directive in Executive Order

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[9] U.S. Energy Information Administration, Form EIA-860, Schedule 3: Generator Data (2024) (2024 Form EIA-860), https://www.eia.gov/electricity/data/eia860/.

[10] Act of Apr. 29, 2011, Ch. 180, 2011 Wash. Laws, https://lawfilesext.leg.wa.gov/biennium/2011-12/Pdf/Bills/Session%20Laws/Senate/5769-S2.SL.pdf#page=1.

[11] *See* MOA (Dec. 23, 2011), https://ecology.wa.gov/getattachment/858591f6-dd25-47be-ba1d-0f58264ca147/20111223TransAltaMOA.pdf ("D. In exchange for the benefits of entering into an MOA with the State pursuant to RCW 80.80.100, the Company will . . . (5) permanently cease power generation operations of one Boiler in 2020 and the other Boiler in 2025, which dates are prior to the 2035 end of their expected useful lives . . . ."); *see also* First Amendment to MOA (July 13, 2017), https://fortress.wa.gov/ecy/ezshare/AQ/PDFs/TransAltaMOAAmend1-20170713.pdf. As a coal-fired facility, it would be difficult for the Centralia Plant to resume operations once it has been retired. Specifically, any stop and start of operation creates heating and cooling cycles that could cause an immediate failure that could take 30-60 days to repair if a unit comes offline. In addition, other practical issues, such as employment, contracts, and permits may greatly increase the timeline for resumption of operations. Further, if TransAlta were to begin disassembling the plant or other related facilities, the associated challenges would be greatly exacerbated. Thus, continuous operation is required in such cases so long as the Secretary determines a shortage exists and is likely to persist.

[12] *TransAlta Signs Long-Term Agreement for 700 MW at Centralia Facility Enabling Coal to Natural Gas Conversion* (Dec. 9, 2025), https://transalta.com/newsroom/transalta-signs-long-term-agreement-for-700-mw-at-centralia-facility-enabling-coal-to-natural-gas-conversion/.

[13] Executive Order No. 14156, 90 Fed. Reg. 8433 (Jan. 20, 2025) (Declaring a National Energy Emergency), https://www.federalregister.gov/documents/2025/01/29/2025-02003/declaring-a-national-energy-emergency.

[14] *Id.*

[15] Executive Order No. 14262, 90 Fed. Reg. 15521 (Apr. 8, 2025) (Strengthening the Reliability and Security of the United States Electric Grid), https://www.federalregister.gov/documents/2025/04/14/2025-06381/strengthening-the-reliability-and-security-of-the-united-states-electric-grid.

14262. The Department concluded that "[a]bsent decisive intervention, the Nation's power grid will be unable to meet projected demand for manufacturing, re-industrialization, and data centers driving artificial intelligence (AI) innovation."[16]

ORDER

FPA section 202(c)(1) provides that whenever the Secretary of Energy determines "that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy," then the Secretary has the authority "to require by order . . . such generation, delivery, interchange, or transmission of electric energy as in its judgment will best meet the emergency and serve the public interest."[17] This statutory language constitutes a specific grant of authority to the Secretary to require the continued operation of Centralia Unit 2 when the Secretary has determined that such continued operation will best meet an emergency caused by a sudden increase in the demand for electric energy or a shortage of generation capacity.

Such is the case here. As described above, the emergency conditions resulting from increasing demand and accelerated retirement of generation facilities will continue in the near term and are also likely to continue in subsequent years. This could lead to the potential loss of power to homes, businesses, and facilities critical to the national defense in the areas that may be affected by curtailments or power outages, presenting a risk to public health and safety.

I have also made the determination that, to best meet the emergency arising from increased demand, determined shortage, and other causes, and serve the public interest under FPA section 202(c), Centralia Unit 2 shall be made available for operation until March 16, 2026.

Based on my determination of an emergency set forth above, I hereby order:

A. From December 16, 2025, TransAlta shall take all measures necessary to ensure that Centralia Unit 2 is available to operate at the direction of either Bonneville Power Administration (BPA) (in its role as Balancing Authority) or the California Independent System Operator Corporation Reliability Coordinator West[18] (in its role as the Reliability Coordinator). Following the conclusion of this Order, sufficient time for orderly ramp down is permitted, consistent with industry practices.

B. To minimize adverse environmental impacts, this Order limits operation of Centralia Unit

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[16] U.S. Department of Energy, *Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid*, at 1 (July 2025), https://www.energy.gov/sites/default/files/2025-07/DOE%20Final%20EO%20Report%20%28FINAL%20JULY%207%29.pdf.

[17] Although the text of FPA section 202(c) grants this authority to "the Commission," section 301(b) of the Department of Energy Organization Act transferred this authority to the Secretary of the Department of Energy. *See* 42 U.S.C. § 7151(b).

[18] *See* NERC list of acronyms for Reliability Coordinators at https://www.nerc.com/programs/bulk-power-system-awareness/reliability-coordinators. On the official NERC Compliance Registry, CAISO is listed as the Reliability Coordinator. *See* NERC Compliance Registry at https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.nerc.com%2Fglobalassets%2Fprograms%2Fregistration%2Fcompliance-registry-files%2Fnerc_compliance_registry_matrix_excel.xlsx&wdOrigin=BROWSELINK.

2 to the times and within the parameters established in paragraph A. TransAlta shall provide a daily notification to the Department (via AskCR@hq.doe.gov) reporting whether Centralia Unit 2 has operated in compliance with this Order.

C. All operations of Centralia Unit 2 must comply with applicable environmental requirements, including but not limited to monitoring, reporting, and recordkeeping requirements, to the maximum extent feasible while operating consistent with the emergency conditions. This Order does not provide relief from any obligation to pay fees or purchase offsets or allowances for emissions that occur during the emergency condition or to use other geographic or temporal flexibilities available to generators.

D. By December 30, 2025, TransAlta is directed to provide the Department of Energy (via AskCR@hq.doe.gov) with information concerning the measures it has taken and is planning to take to ensure the operational availability of Centralia Unit 2 consistent with this Order. TransAlta shall also provide such additional information regarding the environmental and operational impacts of this Order and its compliance with the conditions of this Order, in each case as requested by the Department of Energy from time to time.

E. TransAlta is directed to file with the Federal Energy Regulatory Commission tariff revisions or waivers to effectuate this Order, as needed. Rate recovery is available pursuant to 16 U.S.C. § 824a(c).

F. BPA is directed to facilitate transmission service, as needed, to effectuate this Order.

G. This Order shall not preclude the need for Centralia Unit 2 to comply with applicable state, local, or Federal law or regulations following the expiration of this Order.

H. Because this Order is predicated on the shortage of facilities for generation of electric energy and other causes, Centralia Unit 2 shall not be considered a capacity resource.

I. This Order shall be effective from 11:59 PM Eastern Standard Time (EST) on December 16, 2025, and shall expire at 11:59 PM Eastern Daylight Time (EDT) on March 16, 2026, with the exception of applicable compliance obligations in paragraph D.

Issued in Washington, D.C. at 5:20PM EST on this 16th day of December 2025.

Chris Wright

Chris Wright
Secretary of Energy

UNITED STATES OF AMERICA
BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY

	)	
Federal Power Act Section 202(c)	)	Order No. 202-26-31
Emergency Order: Craig Unit 1	)	
	)	

The State Of Colorado's Request for Rehearing,
Motion To Intervene, And Stay Request

Exhibit R: Department, Order No. 202-25-13 (Dec. 23, 2025)

Department of Energy
Washington, DC 20585

Order No. 202-25-13

Pursuant to the authority vested in the Secretary of Energy by section 202(c) of the Federal Power Act (FPA),[1] and section 301(b) of the Department of Energy Organization Act,[2] and for the reasons set forth below, I hereby determine that an emergency exists in portions of the Midwest region of the United States due to a shortage of electric energy, a shortage of facilities for the generation of electricity, and other causes. Issuance of this Order will meet the emergency and serve the public interest.

BACKGROUND

The F.B. Culley Generating Station (Culley) is an electric generating facility in Warrick County, Indiana. Culley is owned and operated by CenterPoint Energy and consists of two coal-fired generation units, Unit 2 (103.7 MW) and Unit 3 (265.2 MW), with a combined name plate capacity of 368.9 MW. Unit 2 and Unit 3 began operations in 1966 and 1973, respectively. Unit 2 is slated to cease operations in December 2025.[3]

EMERGENCY SITUATION

Midcontinent Independent System Operator, Inc.'s (MISO) year-round resource adequacy concerns are well documented. In 2022, MISO requested Federal Energy Regulatory Commission (FERC) approval of its filing to revise its resource adequacy construct (including the Planning Resource Auction or PRA) to establish capacity requirements for each of the four seasons of the year rather than on an annual basis determined by peak summer demand.[4] MISO justified this revision by explaining that "Reliability risks associated with Resource Adequacy have shifted from 'Summer only' to a year-round concern."[5] MISO noted that over 60% of all "MaxGen" events (events when MISO initiates emergency procedures because of concerns over the adequacy of available generation) occurred outside of the summer season.[6]

In December of 2023, MISO released an "Attributes Roadmap," in which it presented "an in-depth look at the challenges of operating a reliable bulk electric system in a rapidly

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[1] 16 U.S.C. § 824a(c).

[2] 42 U.S.C. § 7151(b).

[3] As a coal-fired facility, it would be difficult for Culley Unit 2 to resume operations once it has been retired. Specifically, any stop and start of operation creates heating and cooling cycles that could cause an immediate failure that could take 30-60 days to repair if a unit comes offline. In addition, other practical issues, such as employment, contracts, and permits may greatly increase the timeline for resumption of operations. Further, if Culley were to begin disassembling the plant or other related facilities, the associated challenges would be greatly exacerbated. Thus, continuous operation is required in such cases so long as the Secretary determines a shortage exists and is likely to persist.

[4] *Midcontinent Independent System Operator, Inc.*, FERC Docket No. ER22-495-000 (Nov. 30, 2021). This request was approved by FERC on August 31, 2022. *See Midcontinent Independent System Operator, Inc.*, 180 FERC ¶ 61,141 (2022).

[5] MISO Transmittal Letter at 3, FERC Docket No. ER22-495-000 (Nov. 30, 2021).

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

transforming energy landscape."[7] Among other things, this report described changes in the time of year during which the risk of the loss of load was greatest. For the 2023/24 Planning Year, the greatest risk of loss of load was in the summer, but it is expected that by the summer of 2027, there will be an equal loss of load risk in both the summer and fall seasons. MISO also projected that the risk of loss of load in the winter and spring seasons, although not as high as in the summer or fall, will nevertheless increase over time.[8]

More recently, MISO affirmed the resource adequacy problems occurring outside of its summer season in its 2024 report entitled, "*MISO's Response to the Reliability Imperative.*"[9] In a section of that report entitled "Risks in Non-Summer Seasons," MISO again stressed that it has resource reliability concerns outside of the summer season:

> Widespread retirements of dispatchable resources, lower reserve margins, more frequent and severe weather events and increased reliance on weather-dependent renewables and emergency-only resources have altered the region's highest historic risk profile, creating risks in non-summer months that rarely posed challenges in the past.[10]

These MISO studies indicate that the emergency conditions caused by the loss of generation capacity in MISO extend past the summer season. The evidence indicates that there is also a potential longer term resource adequacy emergency in MISO.

In its 2024 Long-Term Reliability Assessment (LTRA), the North American Electric Reliability Corporation (NERC) notes that the MISO assessment area is at an elevated risk "because probabilistic assessments indicate above-normal generator outages during extreme weather can result in unserved energy or load loss. With uncertainty around new resource additions and existing generator retirements, MISO is also at risk of falling below [Reference Margin Levels] within the next five years."[11]

When MISO reported the results of its PRA for the 2025-26 Planning Year, it noted that "new capacity additions were insufficient to offset the negative impacts of decreased accreditation, suspensions/retirements and external resources" in the northern and central zones, which include Indiana.[12]

On June 6, 2025, the Organization of MISO States (OMS) and MISO issued the results of their survey, which has been conducted annually for many years to determine the degree to

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[7] MISO, *Attributes Roadmap*, at 3 (Dec. 2023), https://cdn.misoenergy.org/2023%20Attributes%20Roadmap631174.pdf.

[8] *Id.* at 11.

[9] MISO, *MISO's Response to the Reliability Imperative* (Updated Feb. 2024), https://cdn.misoenergy.org/2024+Reliability+Imperative+report+Feb.+21+Final504018.pdf.

[10] *Id.* at 12.

[11] *NERC 2024 Long-Term Reliability Assessment*, at 13 (December 2024, corrected July 11, 2025), https://www.nerc.com/globalassets/our-work/assessments/2024-ltra_corrected_july_2025.pdf.

[12] MISO, *Planning Resource Auction: Results for Planning Year 2025-26*, at 13 (April 2025), https://cdn.misoenergy.org/2025%20PRA%20Results%20Posting%2020250529_Corrections694160.pdf.

which expected capacity resources satisfy planning reserve margin requirements.[13] The 2025 Survey presented projections of resource adequacy for the summer of 2026 and subsequent years. Although the survey projected a potential capacity surplus for the summer of 2026, it also projected that at least 3.1 GW of additional generation capacity beyond currently committed generation capacity must be added to meet the projected planning reserve margin.[14] The survey also projected that there would be insufficient capacity to meet the peak demand for electricity in each of the following four summers, increasing from a deficit of 1.4 GW in 2027 to 8.2 GW in 2030.[15] Similar results were projected for MISO's winter seasons, with a small surplus of generation capacity in 2026, followed by increasing deficits the following four years.[16]

The primary reasons for these projected deficits also are shown on the OMS-MISO survey. Large quantities of existing generation capacity are projected to be retired each year while, at the same time, the demand for electricity is projected to increase at an accelerating pace.[17] Although the OMS-MISO survey projects generation capacity to continue to increase in the coming years with the addition of new potential generation assets, the increase in capacity is largely offset by the projected retirements, and does not keep up with the growth in demand.[18]

MISO has been taking steps to address these projected deficits, but the solution is years away. For example, on June 6, 2025, MISO submitted a proposal to FERC to establish an Expedited Resource Addition Study (ERAS) process to provide a framework for the expedited study of interconnection requests to address urgent resource adequacy and reliability needs in the near term. This proposal was approved by FERC on July 21, 2025.[19] The ERAS process should help expedite the construction of needed new capacity. However, resources studied under the ERAS will have commercial operation dates that are at least three years away, and are provided an additional three-year grace period to commence commercial operations.[20] In addition, supply chain constraints impeding the acquisition of critical grid components, including large natural gas turbines and transformers, are likely to further hinder rapid construction and exacerbate reliability concerns.[21] Consequently, it is not at all clear that the new ERAS process will result in the addition of new capacity in the next few years.

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[13] OMS and MISO, *OMS-MISO Survey Results* (Updated June 6, 2025), https://cdn.misoenergy.org/20250606%20OMS%20MISO%20Survey%20Results%20Workshop%20Presentation702311.pdf.

[14] *Id.* at 2.

[15] *Id.* at 7.

[16] *Id.* at 9.

[17] *Id.* at 7, 9.

[18] *Id.*

[19] *Midcontinent Independent System Operator, Inc.*, 192 FERC ¶ 61,064 (2025).

[20] *Id.* P 84.

[21] *See generally*, S&P Global, *US Gas-Fired Turbine Wait Times as Much as Seven Years; Costs Up Sharply*, (May 2025), ("With demand for natural gas-fired turbines in the US rapidly accelerating amid power demand growth forecasts driven by AI, manufacturing, and electrification, wait times for turbines are anywhere between one and seven years depending on the model, and costs have increased considerably, experts told Platts."), https://www.spglobal.com/commodity-insights/en/news-research/latest-news/electric-power/052025-us-gas-fired-turbine-wait-times-as-much-as-seven-years-costs-up-sharply.

More broadly, executive orders issued by President Donald J. Trump on January 20, 2025, and April 8, 2025, underscore the dire energy challenges facing the Nation due to growing resource adequacy concerns. President Trump likewise declared a national energy emergency in Executive Order 14156, "Declaring a National Energy Emergency," that the "United States' insufficient energy production, transportation, refining, and generation constitutes an unusual and extraordinary threat to our Nation's economy, national security, and foreign policy."[22] The Executive Order adds: "Hostile state and non-state foreign actors have targeted our domestic energy infrastructure, weaponized our reliance on foreign energy, and abused their ability to cause dramatic swings within international commodity markets."[23] In a subsequent Executive Order 14262, "Strengthening the Reliability and Security of the United States Electric Grid," President Trump emphasized that "the United States is experiencing an unprecedented surge in electricity demand driven by rapid technological advancements, including the expansion of artificial intelligence data centers and increase in domestic manufacturing."[24]

Further, the Department detailed the myriad challenges affecting the Nation's energy systems in its July 2025 "Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid," issued pursuant to the President's directive in Executive Order 14262. The Department concluded that "[a]bsent decisive intervention, the Nation's power grid will be unable to meet projected demand for manufacturing, re-industrialization, and data centers driving artificial intelligence (AI) innovation."[25]

ORDER

FPA section 202(c)(1) provides that whenever the Secretary of Energy determines "that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy," then the Secretary has the authority "to require by order . . . . such generation, delivery, interchange, or transmission of electric energy as in its judgment will best meet the emergency and serve the public interest."[26] This statutory language constitutes a specific grant of authority to the Secretary to require the continued operation of Culley Unit 2 when the Secretary has determined that such continued operation will best meet an emergency caused by a sudden increase in the demand for electric energy or a shortage of generation capacity.

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[22] Executive Order No. 14156, 90 Fed. Reg. 8433 (Jan. 20, 2025) (*Declaring a National Energy Emergency*), https://www.federalregister.gov/documents/2025/01/29/2025-02003/declaring-a-national-energy-emergency.

[23] *Id*.

[24] Executive Order No. 14262, 90 Fed. Reg. 15521 (Apr. 8, 2025) (*Strengthening the Reliability and Security of the United States Electric Grid*), https://www.federalregister.gov/documents/2025/04/14/2025-06381/strengthening-the-reliability-and-security-of-the-united-states-electric-grid.

[25] U.S. Department of Energy, *Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid*, at 1 (July 2025), https://www.energy.gov/sites/default/files/2025-07/DOE%20Final%20EO%20Report%20%28FINAL%20JULY%207%29.pdf.

[26] Although the text of FPA section 202(c) grants this authority to "the Commission," section 301(b) of the Department of Energy Organization Act transferred this authority to the Secretary of Energy. *See* 42 U.S.C. § 7151(b).

Such is the case here. As described above, the emergency conditions resulting from increasing demand and shortage from accelerated retirement of generation facilities will continue in the near term and are also likely to continue in subsequent years. This could lead to the loss of power to homes and businesses in the areas that may be affected by curtailments or power outages, presenting a risk to public health and safety. Given the responsibility of MISO to identify and dispatch generation necessary to meet load requirements, I have determined that, under the conditions specified below, continued additional dispatch of Culley Unit 2 is necessary to best meet the emergency arising from increased demand, determined shortage, and other causes, and serve the public interest under FPA section 202(c).

To ensure Culley Unit 2 will be available if needed to address emergency conditions, Culley Unit 2 shall remain in operation until March 23, 2026.

Based on my determination of an emergency set forth above, I hereby order:

A. From December 23, 2025, MISO and CenterPoint Energy shall take all measures necessary to ensure that Culley Unit 2 is available to operate. For the duration of this Order, MISO is directed to take every step to employ economic dispatch of Culley Unit 2 to minimize cost to ratepayers. Following the conclusion of this Order, sufficient time for orderly ramp down is permitted, consistent with industry practices. CenterPoint Energy is directed to comply with all orders from MISO related to the availability and dispatch of Culley Unit 2.

B. To minimize adverse environmental impacts, this Order limits operation of dispatched units to the times and within the parameters as determined by MISO, pursuant to paragraph A. MISO shall provide a daily notification to the Department (via AskCR@hq.doe.gov) reporting whether Culley Unit 2 has operated in compliance with the allowances contained in this Order.

C. All operations of Culley Unit 2 must comply with applicable environmental requirements, including but not limited to monitoring, reporting, and recordkeeping requirements, to the maximum extent feasible while operating consistent with the emergency conditions. This Order does not provide relief from any obligation to pay fees or purchase offsets or allowances for emissions that occur during the emergency condition or to use other geographic or temporal flexibilities available to generators.

D. By January 13, 2026, MISO is directed to provide the Department of Energy (via AskCR@hq.doe.gov) with information concerning the measures it has taken and is planning to take to ensure the operational availability of Culley Unit 2 consistent with this Order. MISO and CenterPoint Energy shall also provide such additional information regarding the environmental impacts of this Order and its compliance with the conditions of this Order, in each case as requested by the Department of Energy from time to time.

E. CenterPoint Energy is directed to file with the Federal Energy Regulatory Commission tariff revisions or waivers to effectuate this Order. Rate recovery is available pursuant to 16 U.S.C. § 824a(c).

F. This Order shall not preclude the need for Culley Unit 2 to comply with applicable state, local, or Federal laws or regulations following the expiration of this Order.

G. Because this Order is predicated on the shortage of facilities for generation of electric energy and other causes, Culley Unit 2 shall not be considered a capacity resource.

H. This Order shall be effective from 11:59 PM Eastern Standard Time (EST) on December 23, 2025, and shall expire at 11:59 PM Eastern Daylight Time (EDT) on March 23, 2026, with the exception of applicable compliance obligations in paragraph D.

Issued in Denver, Colorado at 6:39 PM EST on this 23rd day of December 2025.

Chris Wright

Chris Wright
Secretary of Energy

cc: **FERC Commissioners**
Chairman Laura V. Swett
Commissioner David Rosner
Commissioner Lindsay S. See
Commissioner Judy W. Chang
Commissioner David A. LaCerte

Indiana Utility Regulatory Commission
Chairman Jim Huston
Commissioner David Veleta
Commissioner David Ziegner

UNITED STATES OF AMERICA
BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY

Federal Power Act Section 202(c) Emergency Order: Craig Unit 1	))))	Order No. 202-26-31

The State Of Colorado's Request for Rehearing,
Motion To Intervene, And Stay Request

Exhibit S: Department, Order No. 202-25-12 (Dec. 23, 2025)

Department of Energy
Washington, DC 20585

Order No. 202-25-12

Pursuant to the authority vested in the Secretary of Energy by section 202(c) of the Federal Power Act (FPA),[1] and section 301(b) of the Department of Energy Organization Act,[2] and for the reasons set forth below, I hereby determine that an emergency exists in portions of the Midwest region of the United States due to a shortage of electric energy, a shortage of facilities for the generation of electricity, and other causes. Issuance of this Order will meet the emergency and serve the public interest.

BACKGROUND

The R.M. Schahfer Generating Station (Schahfer) is an electric generating facility in Wheatfield, Indiana. Schahfer is owned and operated by Northern Indiana Public Service Company (NIPSCO), a division of NiSource Inc. Schahfer consists of two 129 MW natural-gas fired units and two coal-fired units, Unit 17 (423.5 MW) and Unit 18 (423.5 MW).[3] Unit 17 and Unit 18 began operations in 1983 and 1986 respectively. Unit 17 and Unit 18 are both slated to cease operations in December 2025.[4]

EMERGENCY SITUATION

Midcontinent Independent System Operator, Inc.’s (MISO) year-round resource adequacy concerns are well documented. In 2022, MISO requested Federal Energy Regulatory Commission (FERC) approval of its filing to revise its resource adequacy construct (including the Planning Resource Auction or PRA) to establish capacity requirements for each of the four seasons of the year rather than on an annual basis determined by peak summer demand.[5] MISO justified this revision by explaining that “Reliability risks associated with Resource Adequacy have shifted from ’Summer only’ to a year-round concern.”[6] MISO noted that over 60% of all

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[1] 16 U.S.C. § 824a(c).

[2] 42 U.S.C. § 7151(b).

[3] U.S. Energy Information Administration, Form EIA-860, Schedule 3: Generator Data (2024), https://www.eia.gov/electricity/data/eia860/.

[4] As coal-fired facilities, it would be difficult for the Schahfer Units 17 and 18 to resume operations once they have been retired. Specifically, any stop and start of operation creates heating and cooling cycles that could cause an immediate failure that could take 30-60 days to repair if a unit comes offline. In addition, other practical issues, such as employment, contracts, and permits may greatly increase the timeline for resumption of operations. Further, if Schahfer were to begin disassembling the plant or other related facilities, the associated challenges would be greatly exacerbated. Thus, continuous operation is required in such cases so long as the Secretary determines a shortage exists and is likely to persist.

[5] *Midcontinent Independent System Operator, Inc.*, FERC Docket No. ER22-495-000 (Nov. 30, 2021). This request was approved by FERC on August 31, 2022. *See Midcontinent Independent System Operator, Inc.*, 180 FERC ¶ 61,141 (2022).

[6] MISO Transmittal Letter at 3, FERC Docket No. ER22-495-000 (Nov. 30, 2021).

"MaxGen" events (events when MISO initiates emergency procedures because of concerns over the adequacy of available generation) occurred outside of the summer season.[7]

In December of 2023, MISO released an "Attributes Roadmap," in which it presented "an in-depth look at the challenges of operating a reliable bulk electric system in a rapidly transforming energy landscape."[8] Among other things, this report described changes in the time of year during which the risk of the loss of load was greatest. For the 2023/24 Planning Year, the greatest risk of loss of load was in the summer, but it is expected that by the summer of 2027, there will be an equal loss of load risk in both the summer and fall seasons. MISO also projected that the risk of loss of load in the winter and spring seasons, although not as high as in the summer or fall, will nevertheless increase over time.[9]

More recently, MISO affirmed the resource adequacy problems occurring outside of its summer season in its 2024 report entitled, *"MISO's Response to the Reliability Imperative."*[10] In a section of that report entitled "Risks in Non-Summer Seasons," MISO again stressed that it has resource reliability concerns outside of the summer season:

> Widespread retirements of dispatchable resources, lower reserve margins, more frequent and severe weather events and increased reliance on weather-dependent renewables and emergency-only resources have altered the region's historic risk profile, creating risks in non-summer months that rarely posed challenges in the past.[11]

These MISO studies indicate that the emergency conditions caused by the loss of generation capacity in MISO extend past the summer season. The evidence indicates that there is also a potential longer term resource adequacy emergency in MISO.

In its 2024 Long-Term Reliability Assessment (LTRA), the North American Electric Reliability Corporation (NERC) notes that the MISO assessment area is at an elevated risk "because probabilistic assessments indicate above-normal generator outages during extreme weather can result in unserved energy or load loss. With uncertainty around new resource additions and existing generator retirements, MISO is also at risk of falling below [Reference Margin Levels] within the next five years."[12]

When MISO reported the results of its PRA for the 2025-26 Planning Year, it noted that "new capacity additions were insufficient to offset the negative impacts of decreased accreditation, suspensions/retirements and external resources" in the northern and central zones, which include Indiana.[13]

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

[8] MISO, *Attributes Roadmap*, at 3 (Dec. 2023), https://cdn.misoenergy.org/2023%20Attributes%20Roadmap631174.pdf.

[9] *Id.* at 11.

[10] MISO, *MISO's Response to the Reliability Imperative* (Updated February 2024), https://cdn.misoenergy.org/2024+Reliability+Imperative+report+Feb.+21+Final504018.pdf.

[11] *Id.* at 12.

[12] *NERC 2024 Long-Term Reliability Assessment*, at 13 (December 2024, corrected July 11, 2025), https://www.nerc.com/globalassets/our-work/assessments/2024-ltra_corrected_july_2025.pdf.

[13] MISO, *Planning Resource Auction: Results for Planning Year 2025-26*, at 13 (April 2025), https://cdn.misoenergy.org/2025%20PRA%20Results%20Posting%2020250529_Corrections694160.pdf.

On June 6, 2025, the Organization of MISO States (OMS) and MISO issued the results of their survey, which has been conducted annually for many years to determine the degree to which expected capacity resources satisfy planning reserve margin requirements.[14] The 2025 Survey presented projections of resource adequacy for the summer of 2026 and subsequent years. Although the survey projected a potential capacity surplus for the summer of 2026, it also projected that at least 3.1 GW of additional generation capacity beyond currently committed generation capacity must be added to meet the projected planning reserve margin.[15] The survey also projected that there would be insufficient capacity to meet the peak demand for electricity in each of the following four summers, increasing from a deficit of 1.4 GW in 2027 to 8.2 GW in 2030.[16] Similar results were projected for MISO's winter seasons, with a small surplus of generation capacity in 2026, followed by increasing deficits the following four years.[17]

The primary reasons for these projected deficits also are shown on the OMS-MISO survey. Large quantities of existing generation capacity are projected to be retired each year while, at the same time, the demand for electricity is projected to increase at an accelerating pace.[18] Although the OMS-MISO survey projects generation capacity to continue to increase in the coming years with the addition of new potential generation assets, the increase in capacity is largely offset by the projected retirements, and does not keep up with the growth in demand.[19]

MISO has been taking steps to address these projected deficits, but the solution is years away. For example, on June 6, 2025, MISO submitted a proposal to FERC to establish an Expedited Resource Addition Study (ERAS) process to provide a framework for the expedited study of interconnection requests to address urgent resource adequacy and reliability needs in the near term. This proposal was approved by FERC on July 21, 2025.[20] The ERAS process should help expedite the construction of needed new capacity. However, resources studied under the ERAS will have commercial operation dates that are at least three years away, and are provided an additional three-year grace period to commence commercial operations.[21] In addition, supply chain constraints impeding the acquisition of critical grid components, including large natural gas turbines and transformers, are likely to further hinder rapid construction and exacerbate reliability concerns.[22] Consequently, it is not at all clear that the new ERAS process will result in the addition of new capacity in the next few years.

More broadly, executive orders issued by President Donald J. Trump on January 20, 2025 and April 8, 2025, underscored the dire energy challenges facing the Nation due to growing

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[14] OMS and MISO, *OMS-MISO Survey Results* (Updated June 6, 2025), https://cdn.misoenergy.org/20250606%20OMS%20MISO%20Survey%20Results%20Workshop%20Presentation702311.pdf.

[15] *Id.* at 2.

[16] *Id.* at 7.

[17] *Id.* at 9.

[18] *Id.* at 7, 9.

[19] *Id.*

[20] *Midcontinent Independent System Operator, Inc.*, 192 FERC ¶ 61,064 (2025).

[21] *Id.* P 84.

[22] *See generally*, S&P Global, *US Gas-Fired Turbine Wait Times as Much as Seven Years; Costs Up Sharply* (May 2025), ("With demand for natural gas-fired turbines in the US rapidly accelerating amid power demand growth forecasts driven by AI, manufacturing, and electrification, wait times for turbines are anywhere between one and seven years depending on the model, and costs have increased considerably, experts told Platts."), https://www.spglobal.com/commodity-insights/en/news-research/latest-news/electric-power/052025-us-gas-fired-turbine-wait-times-as-much-as-seven-years-costs-up-sharply.

resource adequacy concerns. President Trump declared a national energy emergency in Executive Order 14156, "Declaring a National Energy Emergency," in which he determined that the "United States' insufficient energy production, transportation, refining, and generation constitutes an unusual and extraordinary threat to our Nation's economy, national security, and foreign policy."[23] The Executive Order adds: "Hostile state and non-state foreign actors have targeted our domestic energy infrastructure, weaponized our reliance on foreign energy, and abused their ability to cause dramatic swings within international commodity markets."[24] In a subsequent Executive Order 14262, "Strengthening the Reliability and Security of the United States Electric Grid," President Trump emphasized that "the United States is experiencing an unprecedented surge in electricity demand driven by rapid technological advancements, including the expansion of artificial intelligence data centers and increase in domestic manufacturing."[25]

Further, the Department detailed the myriad challenges affecting the Nation's energy systems in its July 2025 "Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid," issued pursuant to the President's directive in Executive Order 14262. The Department concluded that "[a]bsent decisive intervention, the Nation's power grid will be unable to meet projected demand for manufacturing, re-industrialization, and data centers driving artificial intelligence (AI) innovation."[26]

ORDER

FPA section 202(c)(1) provides that whenever the Secretary of Energy determines "that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy," then the Secretary has the authority "to require by order . . . such generation, delivery, interchange, or transmission of electric energy as in its judgment will best meet the emergency and serve the public interest."[27] This statutory language constitutes a specific grant of authority to the Secretary to require the continued operation of Schahfer Units 17 and 18 when the Secretary has determined that such continued operation will best meet an emergency caused by a sudden increase in the demand for electric energy or a shortage of generation capacity.

Such is the case here. As described above, the emergency conditions resulting from increasing demand and shortage from accelerated retirement of generation facilities will continue in the near term and are also likely to continue in subsequent years. This could lead to the loss of power to homes and businesses in the areas that may be affected by curtailments or power outages, presenting a risk to public health and safety. Given the responsibility of MISO to

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[23] Executive Order No. 14156, 90 Fed. Reg. 8433 (Jan. 20, 2025) (*Declaring a National Energy Emergency*), https://www.federalregister.gov/documents/2025/01/29/2025-02003/declaring-a-national-energy-emergency.

[24] *Id.*

[25] Executive Order No. 14262, 90 Fed. Reg. 15521 (Apr. 8, 2025) (*Strengthening the Reliability and Security of the United States Electric Grid*), https://www.federalregister.gov/documents/2025/04/14/2025-06381/strengthening-the-reliability-and-security-of-the-united-states-electric-grid.

[26] U.S. Department of Energy, *Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid*, at 1 (July 2025), https://www.energy.gov/sites/default/files/2025-07/DOE%20Final%20EO%20Report%20%28FINAL%20JULY%207%29.pdf.

[27] Although the text of FPA section 202(c) grants this authority to "the Commission," section 301(b) of the Department of Energy Organization Act transferred this authority to the Secretary of Energy. *See* 42 U.S.C. § 7151(b).

identify and dispatch generation necessary to meet load requirements, I have determined that, under the conditions specified below, continued additional dispatch of Schahfer Units 17 and 18 is necessary to best meet the emergency arising from increased demand, determined shortage, and other causes, and serve the public interest under FPA section 202(c).

To ensure Schahfer Units 17 and 18 will be available if needed to address emergency conditions, Schahfer Units 17 and 18 shall remain in operation until March 23, 2026.

Based on my determination of an emergency set forth above, I hereby order:

A. From December 23, 2025, MISO and NIPSCO, shall take all measures necessary to ensure that Schahfer Units 17 and 18 are available to operate. For the duration of this Order, MISO is directed to take every step to employ economic dispatch of Schahfer Units 17 and 18 to minimize cost to ratepayers. Following the conclusion of this Order, sufficient time for orderly ramp down is permitted, consistent with industry practices. NIPSCO is directed to comply with all orders from MISO related to the availability and dispatch of the Schahfer Units 17 and 18.

B. To minimize adverse environmental impacts, this Order limits operation of dispatched units to the times and within the parameters as determined by MISO, pursuant to paragraph A. MISO shall provide a daily notification to the Department (via AskCR@hq.doe.gov) reporting whether Schahfer Units 17 and 18 has operated in compliance with the allowances contained in this Order.

C. All operation of Schahfer Units 17 and 18 must comply with applicable environmental requirements, including but not limited to monitoring, reporting, and recordkeeping requirements, to the maximum extent feasible while operating consistent with the emergency conditions. This Order does not provide relief from any obligation to pay fees or purchase offsets or allowances for emissions that occur during the emergency condition or to use other geographic or temporal flexibilities available to generators.

D. By January 13, 2026, MISO is directed to provide the Department of Energy (via AskCR@hq.doe.gov) with information concerning the measures it has taken and is planning to take to ensure the operational availability of Schahfer Units 17 and 18 consistent with this Order. MISO and NIPSCO shall also provide such additional information regarding the environmental impacts of this Order and its compliance with the conditions of this Order, in each case as requested by the Department of Energy from time to time.

E. NIPSCO is directed to file with the Federal Energy Regulatory Commission Tariff revisions or waivers to effectuate this Order, as needed. Rate recovery is available pursuant to 16 U.S.C. § 824a(c).

F. This Order shall not preclude the need for Schahfer Units 17 and 18 to comply with applicable state, local, or Federal law or regulations following the expiration of this Order.

G. Because this Order is predicated on the shortage of facilities for generation of electric energy and other causes, Schahfer Units 17 and 18 shall not be considered capacity resources.

H. This Order shall be effective from 11:59 PM Eastern Standard Time (EST) on December 23, 2025, and shall expire at 11:59 PM Eastern Daylight Time (EDT) on March 23, 2026, with the exception of applicable compliance obligations in paragraph D.

Issued in Denver, Colorado at 6:39 PM EST on this 23rd day of December 2025.

Chris Wright

Chris Wright
Secretary of Energy

cc: **FERC Commissioners**
Chairman Laura V. Swett
Commissioner David Rosner
Commissioner Lindsay S. See
Commissioner Judy W. Chang
Commissioner David A. LaCerte

Indiana Utility Regulatory Commission
Chairman Jim Huston
Commissioner David Veleta
Commissioner David Ziegner

UNITED STATES OF AMERICA
BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY

	)	
Federal Power Act Section 202(c)	)	Order No. 202-26-31
Emergency Order: Craig Unit 1	)	
	)	

The State Of Colorado’s Request for Rehearing,
Motion To Intervene, And Stay Request

Exhibit T: Congressional Research Service, *Federal Power Act: The Department of Energy’s Emergency Authority* (June 12, 2025)

Congressional Research Service
Informing the legislative debate since 1914

Federal Power Act: The Department of Energy’s Emergency Authority

June 12, 2025

Congressional Research Service
https://crsreports.congress.gov
R48568

Contents

Contacts

Section 202(c) of the Federal Power Act (16 U.S.C. §824a(c)) grants the Secretary of Energy certain authorities over the temporary operation of the electricity system during emergencies. Actions by the Trump Administration have highlighted this authority and raised questions about its future implementation. This report provides a brief history of the emergency authorities and discusses current issues.

History of Section 202(c)

The Federal Power Act was enacted in 1935 and included emergency authority language. At the time, federal oversight of the electricity system was conducted by the Federal Power Commission (FPC). Now, the Federal Energy Regulatory Commission (FERC) has most responsibilities for electricity system oversight—but not for emergencies. The emergency authority was transferred to the Secretary of Energy when the Department of Energy (DOE) was established by the Department of Energy Organization Act (P.L. 95-91) in 1977. Hereinafter, the emergency authority is described as residing with DOE.

Section 202(c) provides DOE broad discretion to require almost any change to the operation of the U.S. electricity system on a temporary basis. Specifically, DOE may "require by order such temporary connections of facilities and such generation, delivery, interchange, or transmission of electric energy as in its judgment will best meet the emergency and serve the public interest."

DOE may execute this authority during war or at any other time it "determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy, or of fuel or water for generating facilities, or other causes." This report focuses on the authority as used during emergencies, not war, and it focuses on DOE's authority—it does not discuss other energy emergency authorities.[1]

In 2015, Congress amended Section 202(c) to specify how the emergency authority should interact with environmental requirements for power plants. In practice, the amendments prioritize electric reliability over environmental outcomes, essentially by providing a waiver of federal, state, or local environmental laws and regulations during times of emergencies.

This waiver has limitations. First, DOE emergency orders that may result in conflicts with environmental requirements may be issued only for 90-day periods. They may be renewed for additional 90-day periods as long as DOE deems these renewals necessary to meet the emergency.

Second, if an emergency order would result in a violation of a federal, state, or local environmental law or regulation, DOE must ensure the order is in effect "only during hours necessary to meet the emergency and serve the public interest." Lastly, DOE must "to the maximum extent practicable" ensure the order is consistent with environmental laws or regulations and "minimizes any adverse environmental impacts."

DOE Implementation

DOE's regulations for implementing its emergency authority were finalized in 1981.[2] The regulations define terms, including "emergency," and specify requirements for requesting an emergency order.

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[1] For example, in the 1970s, Congress passed several laws granting the President certain authorities to respond to energy shortages at the time. A discussion of those laws is beyond the scope of this report.

[2] 10 C.F.R. §§205.370-205.379.

The Section 202(c) emergency authority is focused primarily on short-term situations—though, as shown below, DOE has exercised this authority in situations of varying duration. DOE's regulations emphasize the short-term nature of "emergencies" in this context. In the 1981 rulemaking, DOE explained,

> The DOE does not intend these regulations to replace prudent utility planning and system expansion. This intent has been reinforced in the final rule by expanding the 'Definition of Emergency' to indicate that, while a utility may rely upon these regulations for assistance during a period of unexpected inadequate supply of electricity, it must solve long-term problems itself.[3]

DOE and FPC have used the emergency authority several dozen times since 1935 in response to different kinds of emergencies.

DOE's website contains information on use of the emergency authority from 2000.[4] From 2000 through May 2025, DOE used its emergency authority in response to 19 events. Eleven events were weather-related and included hurricanes, heat waves, and winter storms. Some events prompted multiple emergency orders, either because more than one utility experienced emergency conditions (e.g., Winter Storm Elliot in 2022) or because the initial emergency order was extended (e.g., the California energy crisis of 2000-2001).

Details on the use of the Section 202(c) emergency authority prior to 2000 are not available in a single DOE repository; they are therefore more difficult to comprehensively compile. According to one compilation, the emergency authority was used 29 times prior to 2000; 22 of these occasions were in association with World War II.[5]

The duration of emergency orders under Section 202(c) has varied; some have lasted just a few hours, while others have been extended to cover events lasting more than a year. Among the orders listed on DOE's website, the shortest order CRS identified occurred in response to a heat wave in Texas in September 2023. DOE granted an emergency order in this case for four hours on each of two days to respond to the highest levels of expected electricity demand.[6] The order allowed one coal-fired unit and 16 natural gas-fired units to operate in violation of limits on sulfur dioxide, nitrogen oxide, mercury, carbon monoxide, and wastewater during those hours, if required to maintain reliability.

In the longest event CRS identified, DOE granted multiple renewals to a request to allow two coal-fired units in Virginia to continue operating, as needed for reliability, in violation of mercury emissions limitations while a transmission facility was constructed. Emergency orders in response to that event were in effect from June 16, 2017, to March 8, 2019.[7]

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[3] Department of Energy (DOE), Economic Regulatory Administration, "Emergency Interconnection of Electric Facilities and the Transfer of Electricity to Alleviate an Emergency Shortage of Electric Power" (final rule), 46 *Federal Register* 39985, August 6, 1981, https://archives.federalregister.gov/issue_slice/1981/8/6/39984-39991.pdf#page=2.

[4] See DOE, "DOE's Use of Federal Power Act Emergency Authority," https://www.energy.gov/ceser/does-use-federal-power-act-emergency-authority; and DOE, "DOE's Use of Federal Power Act Emergency Authority – Archived," https://www.energy.gov/ceser/does-use-federal-power-act-emergency-authority-archived.

[5] Benjamin Rolsma, "The New Reliability Override," *Connecticut Law Review*, vol. 57, no. 3 (May 2025).

[6] Additional information is available at DOE, "Federal Power Act Section 202(c): ERCOT September 2023," https://www.energy.gov/ceser/federal-power-act-section-202c-ercot-september-2023.

[7] Additional information is available at DOE, "Federal Power Act Section 202(c) – PJM Interconnection & Dominion Energy Virginia, 2017," June 19, 2017, https://www.energy.gov/oe/articles/federal-power-act-section-202c-pjm-interconnection-dominion-energy-virginia-2017.

Trump Administration Actions

On April 8, 2025, President Trump issued Executive Order (E.O.) 14262, "Strengthening the Reliability and Security of the United States Electric Grid."[8] E.O. 14262 directs DOE to "streamline, systemize, and expedite" its processes for issuing emergency orders when "the relevant grid operator forecasts a temporary interruption of electricity supply is necessary to prevent a complete grid failure." A blackout is an example of a temporary interruption of electricity supply.

The E.O. additionally directs DOE to develop a protocol to identify generation resources that are critical to system reliability. The protocol must "include all mechanisms available under applicable law, including Section 202(c) of the Federal Power Act, to ensure any generation resource identified as critical within an at-risk region is appropriately retained." Further, the protocol must prevent, "as the Secretary of Energy deems appropriate and consistent with applicable law," identified resources from "leaving the bulk-power system" or converting fuels in such a way that reduces their accredited capacity. An example of fuel conversion that could reduce accredited capacity is replacing a coal-fired power plant with a solar farm.

The language of the E.O. is nonspecific regarding the duration of any DOE action to retain resources or prevent them from leaving the bulk-power system. The E.O. language could be interpreted to mean DOE should take long-term action (i.e., lasting multiple years) or indefinite action. Emergency orders issued in response to multiyear events would be unusual, though not unprecedented, applications of DOE's Section 202(c) authority. It is unclear the extent to which limits to the authority might exist through judicial review or other avenues if DOE chose to issue long-term or indefinite emergency orders.

DOE issued emergency orders for three separate events in May 2025, all involving seemingly new interpretations of the emergency authority. One event is anticipated electricity supply shortages in Puerto Rico in summer 2025.[9] One of the DOE emergency orders pertaining to Puerto Rico directs the local utility to conduct vegetation management (e.g., shrub clearing) around specified transmission lines on the island.[10] No other emergency order issued from 2000 to the present has addressed vegetation management.

The other events involve elevated risk of supply shortages in parts of the Midwest and Eastern United States this summer. DOE ordered a delay in retirement plans for a coal-fired power plant in Michigan and a natural gas/oil dual-fired power plant in Pennsylvania.[11] Unlike in the cases of other emergency orders issued since 2000, the grid operators in these cases had not requested the delayed retirements. Moreover, neither had identified reliability risks specifically associated with

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[8] Executive Order 14262 of April 8, 2025, "Strengthening the Reliability and Security of the United States Electric Grid," 90 *Federal Register* 15521-15522, April 14, 2025, https://www.federalregister.gov/documents/2025/04/14/2025-06381/strengthening-the-reliability-and-security-of-the-united-states-electric-grid.

[9] For background on Puerto Rico's electricity system, see CRS In Focus IF12913, *Electric Reliability and Resiliency in Puerto Rico*, by Corrie E. Clark.

[10] Secretary of Energy Chris Wright, *Order No. 202-25-2*, May 16, 2025, https://www.energy.gov/sites/default/files/2025-05/PREPA%20202%28c%29%20Emergency%20Measures%20Transmission.pdf.

[11] Secretary of Energy Chris Wright, *Order No. 202-25-3*, May 23, 2025, https://www.energy.gov/sites/default/files/2025-05/Midcontinent%20Independent%20System%20Operator%20%28MISO%29%20202%28c%29%20Order_1.pdf; and Secretary of Energy Chris Wright, *Order No. 202-25-4*, May 30, 2025, https://www.energy.gov/sites/default/files/2025-05/Federal%20Power%20Act%20Section%20202%28c%29%20PJM%20Interconnection.pdf.

the retirement of the power plants in question at the time they approved those retirements. One of the affected grid operators, PJM, issued a supportive statement following the emergency order.[12]

Issues for Congress

E.O. 14262 does not specify how DOE should streamline its processes for issuing emergency orders. Congress could evaluate whether DOE's existing regulations require streamlining and, if Congress determines they do, could provide policy direction and set a timeline for updating the regulations. Congress could also leave it to DOE's discretion as to when and how to update its regulations.

Congress could weigh DOE action in this space against other priorities for the department, given that updating processes for issuing emergency orders could divert DOE resources from other activities. On the one hand, brownouts or blackouts due to insufficient electricity supplies are relatively rare in the United States. Grid operators have their own processes in place for managing the grid during times of supply shortages and, historically, DOE emergency orders have rarely been requested. On the other hand, many observers anticipate electricity demand to increase in the coming years faster than new supply can be brought online. If these trends continue, brownouts or blackouts could become more common, potentially increasing DOE's use of its emergency authority or Congress's interest in addressing emergency situations for electricity supply.

Regarding the statutory authority itself, Congress could consider whether amendments to Section 202(c) of the Federal Power Act are appropriate. The language has remained unchanged since 1935, potentially reflecting Congress's continued view over this time period that the original authorization is appropriate. Nonetheless, the U.S. electricity system has changed in many ways since 1935, and Congress might choose to consider reevaluating the authority.

One potential aspect for congressional consideration is the duration of DOE emergency orders, especially in relation to critical resources identified pursuant to E.O. 14262. Under current law, and assuming such orders might result in a conflict with environmental requirements, DOE could potentially reissue its emergency orders every 90 days for an indeterminate amount of time. Repeated emergency orders may raise feasibility questions, such as whether successive emergency orders would be upheld by the courts or whether power plant owners would make long-term investments to maintain power plants that are operating primarily under emergency orders.

Congress could consider evaluating and clarifying via legislation whether the Section 202(c) authority is better reserved for short-term situations or whether application to long-term situations is appropriate. Some backers of power plants at risk of retirement (e.g., coal-fired power plants) might support extended emergency orders based on long-term economic considerations. At the same time, some backers of power plants with low greenhouse gas emissions (e.g., solar generators) might support extended emergency orders based on long-term environmental considerations. Others might prefer to limit DOE's emergency authorities to short-term situations. A more limited role for DOE in electricity system operations allows for greater use of market forces and reliance on local- and state-level processes to prepare for and respond to emergencies.

Another potential aspect for congressional consideration is the definition of "emergency" in the context of Section 202(c). Current law gives DOE broad discretion in determining what

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[12] PJM, "PJM Statement on the U.S. Department of Energy 202(c) Order of May 30," press release, May 31, 2025, https://www.pjm.com/-/media/DotCom/about-pjm/newsroom/2025-releases/20250531-doe-202c-statement-to-defer-retirements-of-certain-generators.pdf.

constitutes an emergency. Congress could consider whether this level of discretion is appropriate, or whether additional (or alternative) statutory direction would better serve current system needs.

As noted above, some supporters of specific kinds of power plants might view sustained economic conditions or environmental impacts as emergencies that warrant DOE action. Those situations would appear to be novel exercises of DOE authority under Section 202(c), if DOE were to interpret them in such a way. Amendments to the Federal Power Act could clarify congressional intent regarding use of DOE's emergency authority in response to those situations or any other long-term situation.

Other stakeholders might wish to limit DOE's discretion in when to issue emergency orders—for example, by modifying the currently broad statutory language or by requiring additional review by FERC or another entity.

A third potential aspect for congressional consideration is the scope of interventions allowed under the emergency authority. Current law allows DOE to order almost any change in operation of the electricity system.

Emergency orders between 2000 and 2024 directed either the operation of certain generators as needed for reliability or the temporary interconnection of the main Texas grid with neighboring regions' grids. One of DOE's May 2025 emergency orders requires Puerto Rico's local utility to conduct vegetation management activities.

One operational consideration that has not been tested under DOE's emergency authority (at least not in the orders available on DOE's website) is the curtailment of certain generators. Curtailment occurs when a grid operator directs a generator to reduce its output or cease operating altogether for a certain amount of time. Curtailment is sometimes necessary when generation levels in a given location exceed the transmission system's capacity to transmit energy out of that location.

Congress could evaluate the appropriateness of DOE's currently broad discretion to order interventions in the operation of the electricity system. Amendments to the Federal Power Act could clarify what kinds of interventions DOE may require.

Author Information

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Disclaimer

UNITED STATES OF AMERICA
BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY

	)	
Federal Power Act Section 202(c)	)	Order No. 202-26-31
Emergency Order: Craig Unit 1	)	
	)	

The State Of Colorado’s Request for Rehearing,
Motion To Intervene, And Stay Request

Exhibit U: Department, Order 202-25-9 (Nov. 18, 2025)

Department of Energy
Washington, DC 20585

Order No. 202-25-9

Pursuant to the authority vested in the Secretary of Energy by section 202(c) of the Federal Power Act (FPA),[1] and section 301(b) of the Department of Energy Organization Act,[2] and for the reasons set forth below, I hereby determine that an emergency exists in portions of the Midwest region of the United States due to a shortage of electric energy, a shortage of facilities for the generation of electricity, and other causes. Issuance of this Order will meet the emergency and serve the public interest.

Order Nos. 202-25-3 and 202-25-7

J.H. Campbell Generating Plant (Campbell Plant) is a 1,420 MW coal-fired plant primarily owned by Consumers Energy Company (Consumers) and located in West Olive, MI. In 2021, Consumers announced that it planned to implement a "speed closure" of the Campbell Plant fifteen years before the end of its scheduled design life.[3] Instead of retiring the Campbell Plant at the end of its design life, Consumers planned to accelerate the Campbell Plant's retirement and discontinue its operations on May 31, 2025.

Order No. 202-25-3, issued pursuant to FPA section 202(c), required that the Campbell Plant remain in operation for 90 days, until August 21, 2025. Subsequently, Order No. 202-25-7, issued pursuant to FPA section 202(c), required that the Campbell Plant remain in operation for 90 days, until November 19, 2025. Those orders were based on my determination that emergency conditions existed in the region served by the Midcontinent Independent System Operator, Inc. (MISO). Specifically, I determined that MISO likely faced tight reserve margins during the summer 2025 period, particularly during periods of high demand or low generation resource output. I determined that the continued operation of the Campbell Plant would provide additional generation capacity during these periods which would help prevent the potential loss of power to homes and local businesses in the areas that might have been affected by curtailments or outages that would otherwise pose a risk to public health and safety. I determined that the continued operation of the Campbell Plant was necessary to alleviate immediate and anticipated threats to reliability. My determination was based on a number of facts.

First, the North American Electric Reliability Corporation (NERC) released its 2025

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[1] 16 U.S.C. § 824a(c).
[2] 42 U.S.C. §7151(b).
[3] *See Consumers Energy Announces Plan to End Coal Use by 2025; Lead Michigan's Clean Energy Transformation*, Consumers Energy (June 23, 2021), https://www.consumersenergy.com/news-releases/newsrelease-details/2021/06/23/consumers-energy-announces-plan-to-end-coal-use-by-2025-lead-michigans-cleanenergy-transformation.

Summer Reliability Assessment on May 14, 2025. In its assessment, NERC indicated that "[d]emand forecasts and resource data indicate that MISO is at elevated risk of operating reserve shortfalls during periods of high demand or low resource output."[4] In particular, NERC explained that the retirement of thermal generation capacity increased the likelihood of electricity supply shortfalls. NERC anticipated that the near-term period of greatest capacity shortfall for MISO would likely occur in August.[5]

Second, multiple generation facilities in Michigan have retired in recent years. According to the U.S. Energy Information Administration (EIA), "[s]ince 2020, about 2,700 megawatts of coal-fired generating capacity have been retired and no new coal-fired facilities are planned."[6] Additionally, EIA stated, "[t]ypically, Michigan's nuclear power plants have supplied about 30% of in-state electricity, but the amount of electricity generated by nuclear power plants in Michigan has declined as plants have been decommissioned."[7] The state's Big Rock Point nuclear power plant shut down in 1997, and the Palisades nuclear power plant closed in 2022. The Palisades plant remains unavailable, although according to a recent news report, "Holtec International expects the Palisades plant in Michigan to resume service early next year…."[8]

Third, the Campbell Plant's retirement would have further decreased available dispatchable generation within MISO's service territory, adding to the loss of the other 1,575 MW of natural gas and coal-fired generation that has retired since the summer of 2024. Although MISO and Consumers have incorporated the planned retirement of the Campbell Plant into their supply forecasts and Consumers acquired a 1,200 MW natural gas power plant in Covert, MI, the NERC Assessment still anticipates "elevated risk of operating reserve shortfalls."[9]

Fourth, MISO's Planning Resource Auction Results for the 2025-2026 Planning Year, released in April 2025, noted that for the northern and central zones, which include Michigan, "new capacity additions were insufficient to offset the negative impacts of decreased accreditation, suspensions/retirements and external resources."[10] While the results "demonstrated sufficient

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[4] *2025 Summer Reliability Assessment*, North American Electric Reliability Corporation, at 16 (May 2025), https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_SRA_2025.pdf (NERC 2025 Summer Reliability Assessment).

[5] *Id.*

[6] *Michigan State Profile and Energy Estimates*, U.S. Energy Info. Admin. (Oct. 17, 2024), https://www.eia.gov/state/print.php?sid=MI.

[7] *Id.*

[8] *Nuclear plants face decadelong timeline to meet AI energy needs*, Los Angeles Times. (Nov. 13, 2025), https://www.latimes.com/business/story/2025-11-13/despite-80-billion-commitment-nuclear-plants-face-decade-long-timeline-to-meet-ai-energy-needs.

[9] NERC 2025 Summer Reliability Assessment at 16.

[10] *Planning Resource Auction—Results for Planning Year 2025–2026*, Midcontinent Independent System Operator, Inc., 13 (May 29, 2025), https://cdn.misoenergy.org/2025%20PRA%20Results%20Posting%2020250529_Corrections694160.pdf. (MISO Planning Resource Auction – Results for Planning Year 2025-26).

capacity," the summer months reflected the "highest risk and a tighter supply-demand balance" and these results "reinforce the need to increase capacity."[11]

Continuing Emergency Conditions

The emergency conditions that led to the issuance of Order Nos. 202-25-3 and 202-25-7 continue, both in the near and long term.[12] The production of electricity from the Campbell Plant will continue to be a critical asset to maintain reliability in MISO. According to the U.S. Environmental Protection Agency's data, the plant has generated an average of approximately 509,000 MWh per month, from June 2025 through September 2025,[13] providing vital generation capacity to the region. Additionally, between June 11 and November 5, MISO issued dozens of alerts to manage grid reliability in its Central Region in response to hot weather, severe weather, high customer load, forced generation outages, and transfer capability limits.

MISO's year-round resource adequacy concerns are well documented. In 2022, MISO requested Federal Energy Regulatory Commission (FERC) approval of its filing to revise its resource adequacy construct (including the Planning Resource Auction or PRA) to establish capacity requirements for each of the four seasons of the year rather than on an annual basis determined by peak summer demand.[14] MISO justified this revision by explaining that "Reliability risks associated with resource adequacy have shifted from 'Summer only' to a year-round concern."[15] MISO noted that over 60% of all "MaxGen" events (events when MISO initiates emergency procedures because of concerns over the adequacy of available generation) occurred outside of the summer season.[16]

In December of 2023, MISO released an "Attributes Roadmap," in which it presented "an in-depth look at the challenges of operating a reliable bulk electric system in a rapidly transforming energy landscape."[17] Among other things, this report described changes in the time of year during

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[11] *Id*. at 2,12. For further information regarding the determination that emergency conditions existed, *see* Order No. 202-25-7.

[12] Further, as noted in Order No. 202-25-7, as a coal-fired facility, it would be difficult for the Campbell Plant to resume operations once it has been retired. Specifically, any stop and start of operation creates heating and cooling cycles that could cause an immediate failure that could take 30-60 days to repair if a unit comes offline. In addition, other practical issues, such as employment, contracts, and permits may greatly increase the timeline for resumption of operations. Further, if Consumers were to begin disassembling the plant or other related facilities, the associated challenges would be greatly exacerbated. Thus, continuous operation is required in such cases so long as the Secretary determines a shortage exists and is likely to persist.

[13] *See, Custom Data Download, EPA CAMPD (Clean Air Markets Program Data),* *https://campd.epa.gov/data/custom-data-download (search criteria to produce these results could include Emissions >> Monthly >> Unit (default) >>Apply >>"2025" and "June, July, August, September." The data can then be filtered to only include the JH Campbell Plant.)*

[14] *Midcontinent Independent System Operator, Inc.,* FERC Docket No. ER22-495-000 (Nov. 30, 2021). This request was approved by FERC on August 31, 2022. Midcontinent Independent System Operator, Inc., 180 FERC ¶ 61,141 (2022).

[15] MISO Transmittal Letter at 3, FERC Docket No. ER22-495-000 (Nov. 30, 2021).

[16] Id. at 3-4.

[17] *Attributes Roadmap*, MISO (Dec. 2023), https://cdn.misoenergy.org/2023%20Attributes%20Roadmap631174.pdf

which the risk of the loss of load was greatest. For the 2023/24 Planning Year, the greatest risk of loss of load was in the summer, but it is expected that by the summer of 2027, there will be an equal loss of load risk in both the summer and fall seasons. MISO also projects that the risk of loss of load in the winter and spring seasons, although not as high as in the summer or fall, will nevertheless increase over time.[18]

More recently, MISO affirmed the resource adequacy problems occurring outside of its summer season in its 2024 report entitled, "*MISO's Response to the Reliability Imperative.*"[19] In a section of that report entitled "Risks in Non-Summer Seasons," MISO again stressed that it has resource reliability concerns outside of the summer season.

> Widespread retirements of dispatchable resources, lower reserve margins, more frequent and severe weather events and increased reliance on weather-dependent renewables and emergency-only resources have altered the region's highest historic risk profile, creating risks in non-summer months that rarely posed challenges in the past.[20]

These MISO studies indicate that the emergency conditions caused by the loss of generation capacity in MISO extend past the summer season.

While the 2025 – 2026 NERC Winter Reliability Assessment has not yet been released as of the date of this Order, two recent winter studies (2024 – 2025 NERC Winter Reliability Assessment[21] and the 2023 – 2024 NERC Winter Reliability Assessment[22]) have assessed the MISO assessment area as an elevated risk, with the "potential for insufficient operating reserves in above-normal conditions." Specifically, the 2024 – 2025 Winter Reliability Assessment noted that "[ge]nerating capacity is 10 GW lower (-6.8%) compared to the prior winter as generators have retired, withdrawn from MISO's capacity market, or received lower winter accredited capacity."[23]

The evidence indicates that there is also a potential longer term resource adequacy emergency in MISO. When MISO reported the results of its PRA for the 2025-26 Planning Year, it noted that "new capacity additions were insufficient to offset the negative impacts of decreased

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[18] *Id.* at 11.

[19] *MISO's Response to the Reliability Imperative*, MISO (Updated Feb. 2024), https://cdn.misoenergy.org/2024+Reliability+Imperative+report+Feb.+21+Final504018.pdf

[20] *Id.* at 12.

[21] 2024 – 2025 NERC Winter Reliability Assessment at 5, https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_WRA_2024.pdf

[22] 2023 – 2024 NERC Winter Reliability Assessment at 5, https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_WRA_2023.pdf

[23] 2024 – 2025 NERC Winter Reliability Assessment at 15, https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_WRA_2024.pdf

accreditation, suspensions/retirements and external resources" in the northern and central zones, which include Michigan.[24]

On June 6, 2025, the Organization of MISO States (OMS) and MISO issued the results of their survey, which has been conducted annually for many years to determine the degree to which expected capacity resources satisfy planning reserve margin requirements.[25] The 2025 Survey presented projections of resource adequacy for the summer of 2026 and subsequent years. Although the survey projected a potential capacity surplus for the summer of 2026, it also projected that at least 3.1 GW of additional generation capacity beyond currently committed generation capacity must be added to meet the projected planning reserve margin.[26] The survey also projected that there would be insufficient capacity to meet the peak demand for electricity in each of the following four summers, increasing from a deficit of 1.4 GW in 2027 to 8.2 GW in 2030.[27] Similar results were projected for MISO's winter seasons, with a small surplus of generation capacity in 2026, followed by increasing deficits the following four years.[28]

The primary reasons for these projected deficits also are shown on the OMS-MISO survey. Large amounts of existing generation capacity are projected to be retired each year while, at the same time, the demand for electricity is projected to increase at an accelerating pace.[29] Although the OMS-MISO survey projects generation capacity to continue to increase in the coming years with the addition of new potential generation assets, the increase in capacity is largely offset by the projected retirements, and does not keep up with the growth in demand.[30]

MISO has been taking steps to address these projected deficits. For example, on June 6, 2025, MISO submitted a proposal to FERC to establish an Expedited Resource Addition Study (ERAS) process to provide a framework for the expedited study of interconnection requests to address urgent resource adequacy and reliability needs in the near term. This proposal was approved by FERC on July 21, 2025.[31] The ERAS process should help expedite the construction of needed new capacity. However, resources studied under the ERAS will have commercial operation dates that are at least three years away, and are provided an additional three-year grace period to commence commercial operations.[32] In addition, supply chain constraints impeding the acquisition of critical grid components, including large natural gas turbines and transformers, are

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[24] MISO Planning Resource Auction – Results for Planning Year 2025-26 at 13.

[25] *OMS-MISO Survey Results*, OMS and MISO (Updated June 6, 2025) https://cdn.misoenergy.org/20250606%20OMS%20MISO%20Survey%20Results%20Workshop%20Presentation702311.pdf

[26] *Id.* at 2.

[27] *Id.* at 7.

[28] *Id.* at 9

[29] *Id.* at 7, 9.

[30] *Id.*

[31] M*idcontinent Independent System Operator, Inc.*, 192 FERC ¶ 61,064 (2025).

[32] 192 FERC ¶ 61,064 at P 84.

likely to further hinder rapid construction and exacerbate reliability concerns.[33] Consequently, the new ERAS process is unlikely to result in the addition of any new generation capacity in the next few years.

Order Nos. 202-25-3 and 202-25-7 were preceded by executive orders on January 20, 2025, and April 8, 2025, in which President Donald J. Trump underscored the dire energy challenges facing the Nation due to growing resource adequacy concerns. Specifically, in Executive Order 14262, "Strengthening the Reliability and Security of the United States Electric Grid," President Trump emphasized that "the United States is experiencing an unprecedented surge in electricity demand driven by rapid technological advancements, including the expansion of artificial intelligence data centers and increase in domestic manufacturing."[34] President Trump likewise recognized, in Executive Order 14156, "Declaring a National Energy Emergency," that the "United States' insufficient energy production, transportation, refining, and generation constitutes an unusual and extraordinary threat to our Nation's economy, national security, and foreign policy."[35] The Executive Order adds: "Hostile state and non-state foreign actors have targeted our domestic energy infrastructure, weaponized our reliance on foreign energy, and abused their ability to cause dramatic swings within international commodity markets."[36]

The Department's July 2025 Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid, issued pursuant to the President's directive in Executive Order 14262, details the myriad challenges affecting the Nation's energy outlook. "Absent decisive intervention, the Nation's power grid will be unable to meet projected demand for manufacturing, re-industrialization, and data centers driving artificial intelligence (AI) innovation."[37] The prolific growth of data centers for the development of AI, as well as their immense energy needs, presents a new and unexpected source of load growth. This growth is illustrated by the fact that there are more than twenty AI companies operating in Michigan alone.[38] In addition, as just one example,

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[33] *See generally*, *US Gas-Fired Turbine Wait Times as Much as Seven Years; Costs Up Sharply*, S&P Global (May 2025), US gas-fired turbine wait times as much as seven years; costs up sharply | S&P Global. "With demand for natural gas-fired turbines in the US rapidly accelerating amid power demand growth forecasts driven by AI, manufacturing, and electrification, wait times for turbines are anywhere between one and seven years depending on the model, and costs have increased considerably, experts told Platts."

[34] Executive Order No. 14262, 90 Fed. Reg. 15521 (Apr. 8, 2025) (*Strengthening the Reliability and Security of the United States Electric Grid*), https://www.whitehouse.gov/presidential-actions/2025/04/strengthening-the-reliabilityand-security-of-the-united-states-electric-grid/.

[35] Executive Order No. 14156, 90 Fed. Reg. 8433 (Jan. 20, 2025) (*Declaring a National Energy Emergency*), https://www.whitehouse.gov/presidential-actions/2025/01/declaring-a-national-energy-emergency/.

[36] *Id*.

[37] *See also Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid*, U.S. Department of Energy (July 2025), at 1, https://www.energy.gov/sites/default/files/2025-07/DOE%20Final%20EO%20Report%20%28FINAL%20JULY%207%29.pdf.

[38] Ekku Jokinen, *Top 21 Artificial Intelligence Companies in Michigan*, (last accessed Aug. 13, 2025), https://www.inven.ai/company-lists/top-21-artificial-intelligence-companies-in-michigan.

Consumers has announced an additional 1 GW of new power to a planned hyperscale data center and "continue[s] to see positive momentum with data centers within the 9 GW pipeline . . . ."[39]

Grid operators — including MISO itself — have also acknowledged the Nation's current energy crisis. For instance, during a March 25, 2025, hearing before the House Committee on Energy and Commerce, Jennifer Curran, Senior Vice President, Planning and Operations, MISO, testified that "the MISO region faces resource adequacy and reliability challenges due to the changing characteristics of the electric generating fleet, inadequate transmission system infrastructure, growing pressures from extreme weather, and rapid load growth."[40] Ms. Curran also described "much stronger growth [in demand for electricity] from continued electrification efforts, a resurgence in manufacturing, and an unexpected demand for energy-hungry data centers to support artificial intelligence."[41] She added, "[a] growing reliability risk is that the rapid retirement of existing coal and gas power plants threatens to outpace the ability of new resources with the necessary operational characteristics to replace them."[42]

Pursuant to section 202(c)(4)(B) of the FPA, the Department has consulted with the primary Federal agency with expertise in the environmental interest protected by the laws or regulations that may conflict with this Order. The agency did not submit additional conditions for inclusion in this Order.

ORDER

FPA section 202(c)(1) provides that whenever the Secretary of the Department of Energy determines "that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy," then the Secretary has the authority "to require by order . . . such generation, delivery, interchange, or transmission of electric energy as in its judgment will best meet the emergency and serve the public interest."[43] This statutory language constitutes a specific grant of authority to the Secretary to require the continued operation of the Campbell Plant when the Secretary has

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[39] *See Michigan utility Consumers Energy to provide 1GW of power to new hyperscale data center*, Data Center Dynamics (August 05, 2025), https://www.datacenterdynamics.com/en/news/michigan-utility-consumers-energy-toprovide-1gw-of-power-to-new-hyperscale-data-center/ (quoting Consumers Energy CEO Garrick Rochow).

[40] Keeping the Lights On: Examining the State of Regional Grid Reliability Before the House Committee on Energy and Commerce, Subcommittee on Energy, 119th Cong. (Mar. 25, 2025) (statement of Ms. Jennifer Curran, Senior Vice President for Planning and Operations, Midcontinent Independent System Operator), at 5, https://democratsenergycommerce.house.gov/sites/evo-subsites/democrats-energycommerce.house.gov/files/evo-mediadocument/witness-testimony_curran_eng_grid-operators_03.25.2025.pdf

[41] *Id.* at 6.

[42] *Id.* at 7.

[43] Although the text of FPA section 202(c) grants this authority to "the Commission," section 301(b) of the Department of Energy Organization Act transferred this authority to the Secretary of the Department of Energy. *See* 42 U.S.C. § 7151(b).

determined that such continued operation will best meet an emergency caused by a sudden increase in the demand for electric energy or a shortage of generation capacity.

Such is the case here. As described above, the emergency conditions resulting from increasing demand and shortage from accelerated retirements of generation facilities supporting the issuance of Order Nos. 202-25-3 and 202-25-7 will continue in the near term and are also likely to continue in subsequent years. This could lead to the loss of power to homes and local businesses in the areas affected by curtailments or outages, presenting a risk to public health and safety. Given the responsibility of MISO to identify and dispatch generation necessary to meet load requirements, I have determined that, under the conditions specified below, continued additional dispatch of the Campbell Plant is necessary to best meet the increased demand and determined shortage and serve the public interest under FPA section 202(c).

To ensure the Campbell Plant will be available if needed to address emergency conditions, the Campbell Plant shall remain in operation until February 17, 2026.[44]

Based on my determination of an emergency set forth above, I hereby order:

A. From November 19, 2025, MISO and Consumer Energy shall take all measures necessary to ensure that the Campbell Plant is available to operate. For the duration of this Order, MISO is directed to take every step to employ economic dispatch of the Campbell Plant to minimize cost to ratepayers. Following the conclusion of this Order, sufficient time for orderly ramp down is permitted, consistent with industry practices. Consumers Energy is directed to comply with all orders from MISO related to the availability and dispatch of the Campbell Plant.

B. To minimize adverse environmental impacts, this Order limits operation of dispatched units to the times and within the parameters as determined by MISO pursuant to paragraph A. MISO shall provide a daily notification to the Department (via AskCR@hq.doe.gov) reporting whether the Campbell Plant has operated in compliance with the allowances contained in this Order.

C. All operation of the Campbell Plant must comply with applicable environmental requirements, including but not limited to monitoring, reporting, and recordkeeping requirements, to the maximum extent feasible while operating consistent with the emergency conditions. This Order does not provide relief from any obligation to pay fees or purchase offsets or allowances for emissions that occur during the emergency condition or to use other geographic or temporal flexibilities available to generators.

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[44] 16 U.S.C. § 824a(c)(4).

D. By December 3, 2025, MISO is directed to provide the Department of Energy (via AskCR@hq.doe.gov) with information concerning the measures it has taken and is planning to take to ensure the operational availability of the Campbell Plant consistent with this Order. MISO shall also provide such additional information regarding the environmental impacts of this Order and its compliance with the conditions of this Order, in each case as requested by the Department of Energy from time to time.

E. Consumers is directed to file with the Federal Energy Regulatory Commission Tariff revisions or waivers to effectuate this Order, as needed. Rate recovery is available pursuant to 16 U.S.C. § 824a(c).

F. This Order shall not preclude the need for the Campbell Plant to comply with applicable state, local, or Federal law or regulations following the expiration of this Order.

G. Because this Order is predicated on the shortage of facilities for generation of electric energy and other causes, the Campbell Plant shall not be considered a capacity resource.

H. This Order shall be effective from 00:00 Eastern Standard Time (EST) on November 19, 2025, and shall expire at 00:00 EST on February 17, 2026, with the exception of applicable compliance obligations in paragraph D.

Issued in Washington, D.C. at 5:58PM EST on this 18th day of November 2025.

Chris Wright

Chris Wright
Secretary of Energy

cc:

FERC Commissioners
Chairman Laura V. Swett
Commissioner David Rosner
Commissioner Lindsay S. See
Commissioner Judy W. Chang
Commissioner David A. LaCerte

Michigan Public Service Commissioners
Chairman Dan Scripps
Commissioner Katherine Peretick
Commissioner Shaquila Myers

UNITED STATES OF AMERICA
BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY

	)	
Federal Power Act Section 202(c)	)	Order No. 202-26-31
Emergency Order: Craig Unit 1	)	
	)	

The State Of Colorado’s Request for Rehearing, Motion To Intervene, And Stay Request

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Exhibit V: Department, Order No. 202-25-8 (Aug. 28, 2025)

Department of Energy
Washington, DC 20585

Order No. 202-25-8

Pursuant to the authority vested in the Secretary of Energy by section 202(c) of the Federal Power Act (FPA), 16 U.S.C. § 824a(c), and section 301(b) of the Department of Energy Organization Act, 42 U.S.C. § 7151(b), and for the reasons set forth below, I hereby determine that an emergency exists in the PJM Interconnection, L.L.C. (PJM) region due to a shortage of facilities for the generation of electric energy, resource adequacy concerns, and other causes. Issuance of this Order will meet the emergency and serve the public interest.

Order No. 202-25-4

The Eddystone Generating Station is a power plant owned by Constellation Energy Corporation (Constellation Energy) and located in Eddystone, PA. Units 3 and 4 (Eddystone Units), each with 380 MW of generation capacity, are subcritical steam boiler-turbine generator units that can run on either natural gas or oil, depending on market conditions. The Eddystone Units were initially scheduled for retirement on May 31, 2025.

Order No. 202-25-4, issued pursuant to FPA section 202(c), required that the Eddystone Units remain in operation for 90 days, until August 28, 2025. That order was based on my determination that emergency conditions existed in the PJM region. I explained that there was a potential shortage of electric energy and shortage of facilities for generation of electric energy. I stated that the potential loss of power to homes and local businesses presents a risk to public health and safety. I determined that the operational availability and economic dispatch of the Eddystone Units is necessary to best meet the emergency and serve the public interest. My determination was based on a number of different facts.

First, in congressional testimony, PJM's president and CEO recently stated that its system faces a "growing resource adequacy concern" due to load growth, the retirement of dispatchable resources, and other factors.[1] He stated that, through 2030, PJM anticipates reliability risk from increasing electricity demand, generator retirement outpacing new resource construction, and characteristics of resources in PJM's interconnection queue.[2] Upcoming retirements, including the planned retirement of the Eddystone Units, would exacerbate these resource adequacy issues.

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[1] *Keeping the Lights On: Examining the State of Regional Reliability*, Before the *H. Comm. on Energy and Com., S. Comm. on* Energy, 119th Cong. (Mar. 25, 2025) (testimony of Mr. Manu Asthana, President and CEO of PJM Interconnection) (Asthana Test.) at 4-5, available at https://www.congress.gov/119/meeting/house/118040/witnesses/HHRG-119-IF03-Wstate-AsthanaM-20250325.pdf.

[2] *Id*.

Second, PJM indicated that resource constraints could exist within its service territory under peak load conditions, stating that "available generation capacity may fall short of required reserves in an extreme planning scenario."[3] In its February 2023 assessment "*Energy Transition in PJM: Resource Retirements, Replacements & Risks* (Four Rs Report)," PJM highlighted increasing reliability risks in the coming years due to the "potential timing mismatch between resource retirements, load growth and the pace of new generation entry" under "low new entry" scenarios for renewable generation.[4]

Third, in December 2024, PJM filed revisions with the Federal Energy Regulatory Commission (FERC) to Part VII of its Open Access Transmission Tariff, known as the Reliability Resource Initiative (RRI), to address near-term resource adequacy concerns. In a February 2025 order, FERC accepted the revisions and found "the possibility of a resource adequacy shortfall driven by significant load growth, premature retirements, and delayed new entry."[5]

Continuing Emergency Conditions

The emergency conditions that led to the issuance of Order No. 202-25-4 continue, both in the near and long term. The summer season has not yet ended, and the production of electricity from the Eddystone Units will continue to be critical to maintaining reliability in PJM this summer. This need is evidenced by the fact that the Eddystone Units were called on by PJM to generate electricity during heat waves that hit the region in June and July.

According to U.S. Environmental Protection Agency data, the Eddystone Units generated over 17,000 MWhs during the month of June.[6] Further, over a period of hot weather from June 23 to June 26, Unit 3 ran for a total of 65 hours and Unit 4 ran for a total of 59 hours.[7] During a hot weather period from July 28 to July 30, Unit 3 ran for 39 hours and Unit 4 ran 8 hours.[8]

Over the course of the summer, PJM has issued Hot Weather Alerts and/or Maximum Generation Alerts (EEA 1) covering a total of 20 days, including days in June, July, and August.[9] The hot weather may continue in the near term, as the Seasonal Outlook released by the National Oceanic and Atmospheric Administration (NOAA) on August 21, 2025, projects between a 40%

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[3] *PJM Summer Outlook 2025: Adequate Resources Available for Summer Amid Growing* Risk, PJM Interconnection, L.L.C. (May 9, 2025), https://insidelines.pjm.com/pjm-summer-outlook-2025-adequate-resources-available-for-summer-amid-growing-risk/.

[4] *Energy Transition in PJM: Resource Retirements, Replacements & Risks*, PJM (Four Rs Report) at 1, (Feb. 24, 2023), https://www.pjm.com/-/media/DotCom/library/reports-notices/special-reports/2023/energy-transition-in-pjm-resource-retirements-replacements-and-risks.ashx.

[5] *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,084 (2025).

[6] *See Custom Data Download, EPA CAMPD* (Clean Air Markets Program Data), https://campd.epa.gov/data/custom-data-download (search criteria Emissions >> Monthly >> Unit (default) >>Apply >>"2025" and "June" (search date Aug. 22, 2025).

[7] *See PJM daily reports to DOE under Order No. 202-25-4, June 24-27, 2025.*

[8] *See PJM daily reports to DOE under Order No. 202-25-4, July 29-31, 2025.*

[9] *See* PJM Emergency Procedures Postings for the period between June 1 and August 31, *Emergency Procedures*, https://emergencyprocedures.pjm.com/ep/pages/dashboard.jsf (search range set to: effective from 06/01/2025 until 08/31/2025).

and 60% probability of above-normal temperatures in the Mid-Atlantic region, which includes the PJM region, over the next three calendar months.[10]

The evidence also indicates that there is a potential longer term resource adequacy emergency in the PJM region.

In its news release expressing support for Order No. 202-25-4, PJM explained that it has "repeatedly documented and voiced its concerns over the growing risk of a supply and demand imbalance driven by the confluence of generator retirements and demand growth. Such an imbalance could have serious ramifications for reliability and affordability for consumers."[11]

PJM has indeed voiced these concerns for years. In its February 2023 Four Rs Report, PJM cautioned that 40 GW of thermal generation are at risk of retirement by 2030.[12] PJM also noted that, while there were then 290 GW of renewable generation capacity in the PJM interconnection queue, historically, the rate of completion for renewable projects is approximately five percent.[13] PJM determined that the pace of new capacity additions "would be insufficient to keep up with expected retirements and demand growth by 2030."[14] PJM estimated that, depending on the pace of new capacity additions, reserve margin erosion would occur between 2026 and 2028.

More recently, in its December 2024 RRI filing with FERC, PJM stated that "[c]oncerns about resource adequacy . . . have only increased since the Four Rs Report . . . ."[15] PJM warned that its "resource adequacy concerns are increasing at an extraordinary pace."[16] PJM went on to explain, its "resource adequacy concerns are driven in large part by significant load growth caused by, among other things, large data centers" and that its preliminary analysis shows "substantial increases [in load additions] since the 2024 forecast" for both the summer and winter seasons.[17] According to PJM, "load growth and generator retirements are significantly outpacing the entry of new generation in the PJM Region with this trend expected to continue unabated based on all available evidence."[18] Although the RRI process will help expedite the construction of needed

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[10] *Seasonal Outlook*, NOAA Climate Prediction Ctr., (Aug. 21, 2025), https://www.cpc.ncep.noaa.gov/products/predictions/long_range/seasonal.php?lead=1.

[11] *PJM Statement on the U.S. Department of Energy 202(c) Order of May 30,* PJM (May 31, 2025), https://www.pjm.com/-/media/DotCom/about-pjm/newsroom/2025-releases/20250531-doe-202c-statement-to-defer-retirements-of-certain-generators.pdf.

[12] Four Rs Report, *supra* n. 4, at 2.

[13] *Id.*

[14] *Id.* at 16, Table 1.

[15] *PJM Interconnection, L.L.C.*, FERC Docket No. ER25-712, Tariff Revisions for Reliability Resource Initiative at 10 (Dec. 13, 2024).

[16] *Id.*

[17] *Id.* at 10-11. *See also id.* at 13 ("the exponential load growth resulting from development of new data centers and the intense energy needs of Artificial Intelligence technology overshadows any relaxation in the pace of fossil fuel generation retirements…").

[18] *Id.* at 14.

new capacity, it is unlikely to result in the addition of any new generation capacity in the next few years.[19]

In support of the RRI filing, PJM submitted an affidavit from Donald Bielak, PJM's Director, Interconnection Planning. Mr. Bielak characterized the increase in forecasted load growth throughout PJM as "extraordinary" and "unprecedented," stating that it "could not have been foreseen as recently as a year ago."[20] Mr. Bielak expressed the opinion that the "rapid" retirement of thermal generation resources, "extreme" forecasted load growth, and "delays in new generation resources achieving commercial operation," would adversely affect resource adequacy throughout PJM's electricity grid.[21]

The North American Electric Reliability Corporation (NERC) has raised similar concerns. According to NERC's 2024 Long Term Reliability Assessment, "PJM could face future resource adequacy challenges, impacting system reliability and PJM's ability to serve load."[22] NERC assessed the PJM region at an elevated risk starting in 2026,[23] explaining that "[r]esource additions are not keeping up with generator retirements and demand growth."[24] NERC stated that the loss-of-load hour (LOLH) and expected unserved energy (EUE) risks are concentrated in the winter months (especially January), in both 2026 and 2028.[25]

Order 202-25-4 was preceded by executive orders on January 20, 2025, and April 8, 2025, in which President Donald J. Trump underscored the dire energy challenges facing the Nation due to growing resource adequacy concerns. Specifically, in Executive Order 14262, "Strengthening the Reliability and Security of the United States Electric Grid," President Trump emphasized that "the United States is experiencing an unprecedented surge in electricity demand driven by rapid technological advancements, including the expansion of artificial intelligence data centers and increase in domestic manufacturing."[26] President Trump likewise recognized, in Executive Order 14156, "Declaring a National Energy Emergency," that the "United States' insufficient energy production, transportation, refining, and generation constitutes an unusual and extraordinary threat to our Nation's economy, national security, and foreign policy."[27] The Executive Order adds: "Hostile state and non-state foreign actors have targeted our domestic energy infrastructure,

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[19] *See id.*, Attachment C (Affidavit of Mr. Donald Bielak) ¶ 18-19 (explaining that projects studied in Transition Cycle #2, which includes RRI projects, "could be constructed and in commercial operation by the 2029/30 Delivery Year or sooner.").

[20] *Id*. at 12.

[21] *Id*. at 7.

[22] *2024 Long-Term Reliability Assessment*, North American Electric Reliability Corporation at 92 (Dec. 2024), https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_Long%20Term%20Reliability%20Assessment_2024.pdf at 92.

[23] *Id.* at 4.

[24] *Id.* at 7.

[25] *Id.* at 91-92.

[26] Executive Order No. 14262, 90 Fed. Reg. 15521 (Apr. 8, 2025) (Strengthening the Reliability and Security of the United States Electric Grid), https://www.whitehouse.gov/presidential-actions/2025/04/strengthening-the-reliabilityand-security-of-the-united-states-electric-grid/.

[27] Executive Order No. 14156, 90 Fed. Reg. 8433 (Jan. 20, 2025) (Declaring a National Energy Emergency), https://www.whitehouse.gov/presidential-actions/2025/01/declaring-a-national-energy-emergency/.

weaponized our reliance on foreign energy, and abused their ability to cause dramatic swings within international commodity markets."[28]

The Department of Energy's (Department) July 2025 Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid, issued pursuant to the President's directive in Executive Order 14262, details the myriad challenges affecting the Nation's energy outlook. It concludes, "Absent decisive intervention, the Nation's power grid will be unable to meet projected demand for manufacturing, re-industrialization, and data centers driving artificial intelligence (AI) innovation."[29] The prolific growth of data centers for the development of AI, as well as their immense energy needs, presents a new and unexpected source of load growth. For example, PPL Electric Utilities has 11.7 GW of advanced data center requests in Pennsylvania through to 2030.[30] As of December 2024, Dominion Energy has 40.2 GW of contracted data center capacity, which is an 18.2 GW increase over the amount from July 2024, an approximately 88% increase.[31] Regarding the PJM region, the Department's analysis performed this year in collaboration with the national labs modeled the effects of approximately 25 GW of load growth in PJM, of which 15 GW came from data centers, as well as approximately 17 GW of announced coal, gas, and oil generation retirements.[32] Under these assumptions, the model estimated approximately 430.3 loss of load hours in an average weather year. Under worst weather year assumptions, the model estimated 1,052 loss of load hours and a max unserved load hours of approximately 21.335 GW.[33]

Grid operators, including PJM, have likewise acknowledged the Nation's current energy crisis. For instance, during a March 25, 2025, hearing before the United States House of Representatives Committee on Energy and Commerce, Manu Asthana, President and CEO, PJM, testified that there was a "growing resource adequacy concern . . . impacting a significant part of our country."[34] Mr. Asthana explained that the "rate of electricity demand is anticipated to increase significantly in the future due to development of large data centers in the PJM service Area . . . [and] increases in demand coming from the transportation and heating sectors and from industrial growth."[35] Mr. Asthana noted that, "though various reforms instituted by PJM had succeeded in bringing new generation online and preventing the retirement of existing units, supply conditions within PJM are still tightening." Therefore, Mr. Asthana stated that PJM

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[28] *Id.*

[29] *See also* Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid, U.S. Department of Energy (July 2025), at 1, https://www.energy.gov/sites/default/files/2025-07/DOE%20Final%20EO%20Report%20%28FINAL%20JULY%207%29.pdf.

[30] *See PPL Corporation Q2 2025 Investor Update*, PPLC Corporation (July 31, 2025) at 7, https://filecache.investorroom.com/mr5ir_pplweb2/1245/PPL_2025_Q2_Investor_Update_vFINAL.pdf

[31] *See* Dominion Energy Virginia, Q4 2024 Earnings Call (Feb. 12, 2025), at 18, https://s2.q4cdn.com/510812146/files/doc_financials/2024/q4/2025-02-12-DE-IR-4Q-2024-earnings-call-slides-vTCII.pdf.

[32] *Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid*, U.S. Department of Energy (July 2025), at 28, https://www.energy.gov/sites/default/files/2025-07/DOE%20Final%20EO%20Report%20%28FINAL%20JULY%207%29.pdf.

[33] *Id.* at 27.

[34] Asthana Test. at 4.

[35] *Id.*

"encourage[s] all generation owners who have signaled an intent to retire their units to reconsider their decision to support resource adequacy and grid reliability."[36]

ORDER

FPA section 202(c)(1) provides that whenever the Secretary of the Department of Energy determines "that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy," then the Secretary has the authority "to require by order . . . such generation, delivery, interchange, or transmission of electric energy as in its judgment will best meet the emergency and serve the public interest."[37] This statutory language constitutes a specific grant of authority to the Secretary to require the continued operation of the Eddystone Units when the Secretary has determined that such continued operation will best meet an emergency caused by a sudden increase in the demand for electric energy or a shortage of generation capacity.

Such is the case here. As described above, the emergency conditions resulting from increasing demand and accelerated retirements of generation facilities supporting the issuance of Order No. 202-25-4 will continue in the near term and are also likely to continue in subsequent years. This could lead to the potential loss of power to homes and local businesses in the areas that may be affected by curtailments or outages, presenting a risk to public health and safety. Given the responsibility of PJM to identify and dispatch generation necessary to meet load requirements, I have determined that, under the conditions specified below, continued additional dispatch of the Eddystone Units is necessary to best meet the emergency and serve the public interest under FPA section 202(c).

To ensure the Eddystone Units will be available if needed to address emergency conditions, the Eddystone Units shall remain in operation until November 26, 2025.[38]

Based on my determination of an emergency set forth above, I hereby order:

A. From 5:03PM EDT on August 28, 2025, PJM and Constellation Energy shall take all measures necessary to ensure that the Eddystone Units are available to operate. For the duration of this Order, PJM is directed to take every step to employ economic dispatch of the Eddystone Units to minimize cost to ratepayers. Constellation Energy is directed to comply with all orders from PJM related to the availability and dispatch of the Eddystone Units.

B. To minimize adverse environmental impacts, this Order limits operation of dispatched units to the times and within the parameters as determined by PJM pursuant to paragraph A. PJM shall provide a daily notification to the Department (via AskCR@hq.doe.gov) reporting whether the Eddystone Units has operated in

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[36] *Id*. at 10.

[37] Although the text of FPA section 202(c) grants this authority to "the Commission," section 301(b) of the Department of Energy Organization Act transferred this authority to the Secretary of the Department of Energy. *See* 42 U.S.C. § 7151(b) (2018).

[38] 16 U.S.C. § 824a(c)(4).

compliance with the allowances contained in this Order.

C. All operation of the Eddystone Units must comply with applicable environmental requirements, including but not limited to monitoring, reporting, and recordkeeping requirements, to the maximum extent feasible while operating consistent with the emergency conditions. This Order does not provide relief from any obligation to pay fees or purchase offsets or allowances for emissions that occur during the emergency condition or to use other geographic or temporal flexibilities available to generators.

D. By September 12, 2025, PJM is directed to provide the Department of Energy (via AskCR@hq.doe.gov) with information concerning the measures it has taken and is planning to take to ensure the operational availability of the Eddystone Units consistent with this Order. PJM shall also provide such additional information regarding the environmental impacts of this Order and its compliance with the conditions of this Order, in each case as requested by the Department of Energy from time to time.

E. Constellation Energy is directed to file with the Federal Energy Regulatory Commission Tariff revisions or waivers to effectuate this Order. Rate recovery is available pursuant to 16 U.S.C. § 824a(c).

F. This Order shall not preclude the need for the Eddystone Units to comply with applicable state, local, or Federal law or regulations following the expiration of this Order.

G. Because this Order is predicated on the shortage of facilities for generation of electric energy and other causes, the Eddystone Units shall not be considered capacity resources.

H. This Order shall be effective from 5:03 PM Eastern Daylight Time (EDT) on August 28, 2025, and shall expire at 00:00 EST on November 26, 2025, with the exception of applicable compliance obligations in paragraph D.

I. Issued in Washington, D.C., at 7:11 PM Eastern Daylight Time on this 27th day of August 2025.

Chris Wright

Chris Wright
Secretary of Energy

cc: **FERC Commissioners**
Chairman David Rosner
Commissioner Lindsay S. See
Commissioner Judy W. Chang

Pennsylvania Public Utility Commissioners
Chairman Stephen M. DeFrank
Vice Chair Kimberly M. Barrow
Commissioner Kathryn L. Zerfuss
Commissioner John F. Coleman, Jr.
Commissioner Ralph V. Yanora

UNITED STATES OF AMERICA
BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY

	)	
Federal Power Act Section 202(c)	)	Order No. 202-26-31
Emergency Order: Craig Unit 1	)	
	)	

The State Of Colorado’s Request for Rehearing, Motion To Intervene, And Stay Request

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Exhibit W: CoPUC, Hrg. Ex. 101, Direct Testimony and Attachments of Lisa K. Tiffin, Rev. 1, filed on May 15, 2024, in Proceeding No. 23A-0585E

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23A-____E

IN THE MATTER OF THE APPLICATION OF TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC. FOR APPROVAL OF ITS 2023 ELECTRIC RESOURCE PLAN

DIRECT TESTIMONY AND ATTACHMENTS OF
LISA K. TIFFIN
ON BEHALF OF
TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

NOTICE OF CONFIDENTIALITY
A portion of this document has been filed under seal.

This document contains Highly Confidential Attachments.

• LKT-7 ~~LKT-1-Attachment B~~ o Pages: 5-9, 16, 17 • LKT-10 ~~LKT-1-Attachment B-3~~ o Pages: 1, 2 • LKT-15 ~~LKT-1-Attachment C-1~~ o Pages: 3, 4 • LKT-16 ~~LKT-1-Attachment C-2~~ o Pages: 9, 10, 11 12, 15, 16, 19 • LKT-17 ~~LKT-1-Attachment C-3~~ o Pages: 5, 6, 7	• LKT-19 ~~LKT-1-Attachment D-1~~ o Pages: 6-10, 16~~,~~ • LKT-20 ~~LKT-1-Attachment D-2~~ o Pages: 9-13, 21-22 • LKT-21 ~~LKT-1-Attachment D-3~~ o Pages: 10, 11, 13, 16, 18, 19, 26, 27 • LKT-22 ~~LKT-1-Attachment D-4a~~ o Pages: 8, 10, 12, 14, 16, 17, 18, 25, 26 • LKT-23 ~~LKT-1-Attachment D-4b~~ o Pages: 10, 13, 16, 19, 20, 21, 28, 29	• LKT-24 ~~LKT-1-Attachment D-5~~ o Pages: 10, 12, 14, 16, 18, 20, 22, 23, 24, 32, 33 • LKT-26 ~~LKT-1-Attachment F~~ o Pages: 15 • LKT-27 ~~LKT-1-Attachment F-1~~ o Pages: 5-1,686 • LKT-30 ~~LKT-1-Attachment G-2~~ o Pages: all • LKT-32 ~~LKT-1-Attachment G-4~~ o Pages: all

This document contains Confidential Attachments.

• LKT-7 ~~LKT-1-Attachment B~~ ○ Pages: 4, 5, 7, 13 • LKT-16 ~~LKT-1-Attachment C-2~~ ○ Pages: 7 • LKT-17 ~~LKT-1-Attachment C-3~~ o Pages: 5, 6, 7	• LKT-26 ~~LKT-1-Attachment F~~ ○ Pages: 8, 9 • LKT-29 ~~LKT-1-Attachment G-1~~ ○ Pages: 44

December 1, 2023

Table of Contents

Attachment LKT-1[1]	2023 Electric Resource Plan
Attachment LKT-2	Phase II Timeline
Attachment LKT-3	Phase II ERP Implementation Report Outline
Attachment LKT-4	Statement of Qualifications of Lisa K. Tiffin
Attachment LKT-5	Compliance Matrix
Attachment LKT-6	WAPA Compliance Matrix
Attachment LKT-7	Modeling Assumptions
Attachment LKT-7C	Modeling Assumptions
Attachment LKT-7HC	Modeling Assumptions
Attachment LKT-8	New Build Constraints
Attachment LKT-9	Transmission Constraints
Attachment LKT-10	Unique Scenario Assumptions
Attachment LKT-10HC	Unique Scenario Assumptions
Attachment LKT-11	Ancillary Services
Attachment LKT-12	Extreme Weather Event (EWE) Stress Assumptions
Attachment LKT-13	Tri-State System Topology
Attachment LKT-14	Resources Cover Page
Attachment LKT-15	Contracts and Power Purchase Agreements (PPAs)
Attachment LKT-15HC	Contracts and Power Purchase Agreements (PPAs)
Attachment LKT-16	Generic Resources Summary
Attachment LKT-16C	Generic Resources Summary
Attachment LKT-16HC	Generic Resources Summary
Attachment LKT-17	Existing Resources Summary
Attachment LKT-17C	Existing Resources Summary
Attachment LKT-17HC	Existing Resources Summary
Attachment LKT-18	Emissions Reduction Workbooks Cover Sheet
Attachment LKT-19	Business-As-Usual (BAU)
Attachment LKT-19HC	Business-As-Usual (BAU)
Attachment LKT-19HC	Business-As-Usual (BAU) - Executable
Attachment LKT-20	Inflation Reduction Act (IRA)
Attachment LKT-20HC	Inflation Reduction Act (IRA)
Attachment LKT-20HC	Inflation Reduction Act (IRA) - Executable
Attachment LKT-21	SPV 3 Early Retirement
Attachment LKT-21HC	SPV 3 Early Retirement
Attachment LKT-21HC	SPV 3 Early Retirement - Executable
Attachment LKT-22	Systems-Wide Emissions Reduction (System)
Attachment LKT-22HC	Systems-Wide Emissions Reduction (System)
Attachment LKT-22HC	Systems-Wide Emissions Reduction (System) - Executable
Attachment LKT-23	System-Wide Emissions Reduction (Colorado)
Attachment LKT-23HC	System-Wide Emissions Reduction (Colorado)
Attachment LKT-23HC	System-Wide Emissions Reduction (Colorado) - Executable
Attachment LKT-24	Aggressive Colorado Emissions Reduction
Attachment LKT-24HC	Aggressive Colorado Emissions Reduction
Attachment LKT-24HC	Aggressive Colorado Emissions Reduction - Executable
Attachment LKT-25	High Gas Sensitivity Analysis Results
Attachment LKT-26	Electric Energy and Demand Forecast
Attachment LKT-26C	Electric Energy and Demand Forecast
Attachment LKT-26HC	Electric Energy and Demand Forecast
Attachment LKT-27	Load Forecasts by State & Member
Attachment LKT-27HC	Load Forecasts by State & Member
Attachment LKT-28	Third Party Studies Cover Sheet
Attachment LKT-29	ELCC and PRM Study (Astrape)
Attachment LKT-29C	ELCC and PRM Study (Astrape)
Attachment LKT-30	Benchmarking Analysis (B&V)
Attachment LKT-30HC	Benchmarking Analysis (B&V)
Attachment LKT-31	Addendum to 2020 DSM Potential Study and BE Potential Study (Mesa Point Energy)
Attachment LKT-32	Reliability Evaluation
Attachment LKT-32HC	Reliability Evaluation

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[1] ~~LKT-1 includes several attachments,~~ each of which are listed on page 5 the report.

I. INTRODUCTION, QUALIFICATIONS, PURPOSE OF TESTIMONY AND RECOMMENDATIONS

Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A: My name is Lisa K. Tiffin. My business address is 1100 West 116th Avenue, Westminster, CO 80234.

Q: BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A: I am employed by Tri-State Generation and Transmission Association, Inc. ("Tri-State") as Vice President, Planning & Analytics.

Q: ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS DOCKET?

A: I am testifying on behalf of Tri-State.

Q: HAVE YOU PREPARED A STATEMENT OF YOUR EXPERIENCE AND QUALIFICATIONS?

A: Yes. My Statement of Qualifications is attached to my testimony as **Attachment LKT-4**.

Q: PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE IN THE ELECTRICITY UTILITY INDUSTRY.

A: I have 30 years of experience in the electric utility industry. Prior to my current position, I managed Tri-State's short-term marketing and operations, applications support services, and resource planning. Prior to joining Tri-State, I worked in consulting, bulk electric system marketing and operations, and energy transportation and sales for the Structure Group, Illinois Municipal Electric Agency, Freeman Energy, and ABB Power T&D. I have a Bachelor of Science degree in Political Science from MacMurray College in Illinois and hold a North American

Electric Reliability Corporation ("NERC") Balancing Interchange and Transmission Operator certification.

I have worked for Tri-State for 16 years, non-consecutively, and have served in a variety of management leadership roles within the organization focused on energy planning, management, and delivery. These roles included overseeing teams of staff supporting day-ahead trading and scheduling, budgeting and forecasting, resource planning, and analytics. In my current role, I oversee Tri-State's long-term generation resource plan, load forecasting, merchant transmission function, and related state regulatory affairs.

Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A: My testimony provides a summary of Tri-State's 2023 Electric Resource Plan ("ERP"), as well as the underlying and influential factors reflected in the ERP, such as Member needs, regulatory and environmental compliance, market and policy dynamics, and financial and reliability considerations.

Q: PLEASE IDENTIFY THE OTHER WITNESSES WHO WILL BE TESTIFYING ON BEHALF OF TRI-STATE.

A: Tri-State's witnesses that have also filed Direct Testimony in this proceeding are as follows:

- Ms. Susan Hunter, Vice President, Energy Resources. Ms. Hunter's testimony addresses Tri-State's proposed approach to Phase II of the 2023 ERP for competitive bidding and procurement procedures. She also addresses the Resource Acquisition Period ("RAP") Action Plan.

- Mr. Brian Thompson, Resource Planning Manager. Mr. Thompson's testimony addresses the technical aspects of Tri-State's Phase I filing, including the analytical methodologies employed, the significant technical and operational assumptions used in scenario and sensitivity modeling, as well as studies commissioned for or prepared by Tri-State to support analytical inputs to the modeling.
- Ms. Lisa Lynn, Manager Analytics and Forecasting. Ms. Lynn describes Tri-State's process for developing the load forecasts used in the scenario and sensitivity modeling.
- Mr. Barry Ingold, Chief Operating Officer. Mr. Ingold describes Tri-State's owned thermal resources and processes for procurement and construction of a new gas facility.
- Mr. Andy Berger, Vice President, Environmental Compliance and Policy. Mr. Berger provides an overview of the environmental laws and policies influencing Tri-State's resource planning and will explain how compliance with state and federal environmental laws affects Tri-State's ERP.
- Mr. Ryan Hubbard, Senior Manager, Transmission Business Strategy. Mr. Hubbard discusses transmission system capabilities, including injection capabilities, of Tri-State's transmission system, Tri-State's transmission planning process, and relevant transmission needs and planned projects. He also provides information as required by Rule 3605(d) or identifies where such information can be found in the ERP.

- Mr. Chad Orvis, Senior Manager, People and Culture. Mr. Orvis describes Tri-State's workforce transition planning efforts and community engagement related to anticipated plant closures.

Q: WHAT RECOMMENDATIONS ARE YOU MAKING IN YOUR DIRECT TESTIMONY?

A: I recommend that the Colorado Public Utilities Commission ("Commission") approve Tri-State's Phase I 2023 ERP, including the Inflation Reduction Act Scenario ("IRA Scenario") as Tri-State's preferred plan and the following items Tri-State has proposed for Phase II of the 2023 ERP:

- Phase II timeline;
- Phase II RFPs;
- Bid evaluation criteria and bid policy;
- Independent Evaluator ("IE") Statement of Work;
- Model power purchase agreements ("PPAs") and Term Sheets;
- Phase II Implementation Report components;
- 45-Day Report content; and
- RAP Action Plan.

II. TRI-STATE OVERVIEW

Q: WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A: The purpose of this section of my Direct Testimony is to provide an overview of Tri-State and its system.

Q: WHO IS TRI-STATE?

A: Tri-State is a not-for-profit cooperative wholesale power supplier whose mission is to provide its Member systems a reliable, affordable, and responsible supply of electricity in accordance with cooperative principles. Tri-State is a cooperative of 45 members, including 42 electric distribution cooperatives and public power districts in four states (Colorado, New Mexico, Wyoming and Nebraska) that provide power to more than one million customers across nearly 200,000 square miles of the western United States.

Q: PLEASE PROVIDE AN OVERVIEW OF THE TRI-STATE SYSTEM.

A: Tri-State's load and/or its resources are located in six Balancing Authorities ("BAs") – Southwest Power Pool ("SPP"), PacifiCorp ("PAC"), Public Service Company of New Mexico ("PNM"), Public Service Company of Colorado ("PSCo"), Tucson Electric Power ("TEP") and Western Area Colorado Missouri ("WACM"). Tri-State had 2454 MW of owned generation capacity, 786 MW of renewable PPA capacity, 580MW of federal hydropower capacity and 616 MW of firm contracted capacity in 2022 serving 3071 MW of peaking load and 100 MW of long-term unit contingent power supply.

Tri-State's Merchant is a network transmission customer of eight Transmission Providers ("TPs") – PAC, PNM, PSCo, TEP, Black Hills Colorado, Platte River Power Authority, Loveland Area Power Authority, and Tri-State Transmission, which purchases point-to-point transmission service from multiple TPs. The Direct Testimony of Mr. Hubbard further describes the Tri-State Transmission network.

The Direct Testimony of Mr. Thompson identifies the Tri-State system topology inclusive of multiple BAs and TPs, which maps the load pockets, resource locations, and Tri-State Merchant's transmission service rights within the system into the resource planning model for each planning region.

Q: HOW DOES THE COMPLEXITY OF TRI-STATE'S SYSTEM IMPACT ITS ERP PROCESS?

A: As described above, Tri-State operates a complex multi-state system to reliably provide service to its Members, maintain compliance with all applicable federal, state, and local rules, minimize costs as a not-for-profit supplier, and meet environmental responsibility commitments and Member expectations. Tri-State's operations allow it to be a supplier that can maximize the benefits of a diverse and geographically dispersed system for the shared benefit of its Members. To enable these benefits, Tri-State's generation and transmission resources are operated as a system. With this system-wide operational approach, Tri-State reviews and develops its resource plans on a system-wide basis; the same is true for this plan, which is focused on demonstrating compliance with Colorado's ERP requirements.

III. <u>2023 ERP POLICY FRAMEWORK</u>

Q: WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A: The purpose of this section of my Direct Testimony is to provide an overview of the ERP process, the objectives of Tri-State's 2023 ERP, as well as how the 2023 ERP compared to Tri-State's inaugural 2020 ERP. The electric resource planning process is the standard for determining generation procurement needs, or identifying modifications to existing generation resources, in Colorado under a regulated model. In this case, Tri-State has put to work this now established process to advance both Colorado's and Tri-State's emissions reduction objectives and energy policy goals.

Q: **PLEASE DESCRIBE THE PHASE I PROCESS.**

A: Phase I identifies generation quantities (MW), resource types (technologies), and timing of resource needs for meeting load requirements through the modeling of an expansion plan which must meet certain performance criteria and policy objectives. As described in the Direct Testimony of Mr. Hubbard, Tri-State's transmission planning processes are separate from the ERP. While the ERP does include indicative transmission expansion needs associated with generation planning, as well as forecasted costs for upgrades, it is not a comprehensive transmission planning analysis. The focus of Phase I of the ERP is to assess generation needs and determine resource plans.

Q: **PLEASE DESCRIBE THE PHASE II PROCESS.**

A: As part of a Phase II process, Tri-State will be implementing a competitive solicitation process for new resources, as well as evaluating and developing portfolios of bids that meet Tri-State system needs and Commission directives through the ERP. Tri-State has proposed the use of an IE to oversee this Phase II process, as described in the Direct Testimony of Ms. Hunter. Subsequently, Tri-State may pursue the acquisition of additional resources identified in its RAP Action Plan through any necessary Certificate of Public Convenience and Necessity ("CPCN") proceedings and/or via PPAs.

a. <u>2020 ERP</u>

Q: **THIS IS TRI-STATE'S SECOND ERP. PLEASE PROVIDE A SUMMARY OF TRI-STATE'S 2020 ERP IN PROCEEDING NO. 20A-0528E.**

A: As part of Tri-State's inaugural ERP in Proceeding No. 20A-0528E, the Commission approved the Unopposed and Comprehensive Settlement Agreement ("2020 ERP Settlement Agreement") which, among other components, approved: Tri-State's Phase I Revised Preferred Plan; a commitment to reduce greenhouse gas ("GHG") emissions related to its wholesale electricity sales in Colorado by 80 percent in 2030; a Phase II competitive solicitation for new resources with in-service dates through 2026; as well as a continued robust stakeholder engagement process.

Q: WERE THERE ANY COMMITMENTS MADE WITHIN THE 2020 ERP THAT IMPACT TRI-STATE'S 2023 ERP?

A: Yes. As part of the 2020 ERP Settlement Agreement, Tri-State agreed, as part of its 2023 ERP, to update certain resource plan modeling assumptions; continue to apply targets related to GHG emissions, energy efficiency, and demand response; hold meetings with interested stakeholders on certain topics; and model certain stakeholder-requested scenarios. These requirements are outlined in Section 3.11 of the 2020 ERP Settlement Agreement.

Q: DOES THE 2023 ERP COMPLY WITH THE 2020 ERP SETTLEMENT AGREEMENT COMMITMENTS MADE IN PROCEEDING NO. 20A-0528E?

A: Yes. Fulfillment of each of these obligations is identified and described in the compliance matrix provided as ~~Attachment A to the ERP (Attachment LKT-1)~~- Attachment LKT-5.

b. Key Objectives and Considerations

Q: WHAT ARE TRI-STATE'S KEY OBJECTIVES WITHIN THE 2023 ERP?

A: The ERP process is a vehicle to vet and advance the changes that Tri-State

Members and interested stakeholders should anticipate in the coming years. With this 2023 ERP, Tri-State will ensure reliability and resource adequacy, maintain affordability for Members, and meet compliance obligations, including those related to environmental responsibility. Tri-State also feels it is important to reflect key Responsible Energy Plan ("REP") objectives, which are the basis of Tri-State's overarching strategy, within its resource plan. The backdrop for these objectives is a generation fleet that is changing significantly during the turn-of-the-decade—a timeframe that is encapsulated within the 2023 ERP's RAP. Our system also faces unique challenges and opportunities in its operations—being in the desert West, facing emerging extreme weather conditions, and having a multi-state system with complex load, resource, and market dynamics.

Q: PLEASE IDENTIFY ANY OTHER POLICY OBJECTIVES RELEVANT FOR THIS ERP.

A: GHG emission reduction targets as established in the 2020 ERP Settlement Agreement are met and exceeded in our 2023 ERP. Tri-State aims to leverage benefits under the Inflation Reduction Act of 2022 ("IRA") to further accelerate REP goals related to environmental responsibility and Member flexibility, while maintaining an affordable and reliable system. Reliability metrics along with extreme weather event impacts are utilized to evaluate and demonstrate reliability and resource adequacy objectives.

Q: HOW HAS TRI-STATE'S RESOURCE MIX CHANGED IN RECENT YEARS?

A: In 2016, Tri-State's system capacity consisted of 43 percent coal resources, 21 percent gas and oil resources, 12 percent firm contract non-renewable resources and 24 percent renewable resources. In 2022, Tri-State system capacity consisted of 34 percent coal resources, 19 percent gas and oil resources, 14 percent firm contract non-renewable resources and 33 percent renewable resources. By 2025, Tri-State anticipates 50 percent of the electricity its Members use will come from clean resources, in alignment with the REP. Tri-State has made progress and is continuing on its path to achieving an 80 percent reduction in GHG emissions regarding wholesale electricity sales in Colorado from a 2005 baseline by 2030 and 70 percent clean energy serving Member systems by 2030. The IRA Scenario forecasts an 89 percent reduction in GHG emissions regarding wholesale electricity sales in Colorado from a 2005 baseline in 2030 and approximately 70 percent clean energy serving Member systems by 2030.[2]

Q: AS TRI-STATE MAKES A SIGNIFICANT FLEET TRANSITION OVER THE REMAINDER OF THIS DECADE, WHAT OTHER SIGNIFICANT FACTORS MUST BE CONSIDERED?

A: Several key factors influence the transition of Tri-State's fleet over the remainder of the decade, those most significant include load reduction as a result of Member exits and Partial Requirements, transition of a portion of Tri-State's load and resources into a regional transmission organization ("RTO"), potential to access IRA funding and the continued need to meet reliability while retiring thermal resources and acquiring resources that are still emerging technologies.

Q: WHAT CHANGES TO TRI-STATE'S SYSTEM LOAD ARE TAKING PLACE

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[2] Figure 5 of the ERP Report (**LKT-1**) identifies the IRA Scenario system energy mix for sales to Members and non-Members.

SINCE TRI-STATE'S 2020 ERP?

A: The most significant change between our 2020 ERP and the 2023 ERP is the reduction in load modeled throughout most of the Resource Planning Period ("RPP") resulting from the planned exit of three Tri-State Members in 2024 and 2025.[3] These Members, combined, represented 21 percent of Tri-State's load, primarily in Colorado. The Direct Testimony of Ms. Lynn provides further detail on the process for developing the load forecasts used for the 2023 ERP modeling. Despite the reduced load, new resource acquisitions planned during the RAP are still robust due to the drive to reduce GHG emissions while bringing on resources to reliably integrate renewables, with the assistance of potential Empowering Rural America ("New ERA") funding from the U.S. Department of Agriculture ("USDA").

Q: ARE THERE PLANNED MEMBER EXITS THAT IMPACT SYSTEM LOAD FOR THE DURATION OF THE 2023 ERP PLANNING PERIOD?

A: Yes. United Power has provided an unconditional notice to exit on May 1, 2024 and Mountain Parks has provided an unconditional notice to exit on February 1, 2025. The load associated with these Member Systems is removed from the 2023 ERP load forecast, on their respective dates, reducing system capacity and energy requirements in the RPP.

c. Federal and State Legislation Impacting the 2023 ERP

Q: WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A: In this section of my Direct Testimony, I describe the various federal and state laws

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[3] ERP modeling reflects United Power and Northwest Rural Public Power District exiting May 1, 2024 and Mountain Parks exiting February 1, 2025. See also **Attachment** ~~B of the ERP Report (**LKT-1**)~~. LKT-7

that impact Tri-State's 2023 ERP.

Q: HOW DOES THE INFLATION REDUCTION ACT OF 2022 IMPACT TRI-STATE'S RESOURCE PLANNING PROCESS?

A: The IRA, passed in 2022, included provisions for $9.7 billion in direct funding for electric cooperatives transitioning to clean energy ("New ERA Funding"). This unprecedented funding opportunity resulted in two impacts to Tri-State's 2023 ERP:

- Updates to generic resource pricing to reflect the IRA's extension and expansion of tax credits for renewable and storage resources (discussed further in the Direct Testimony of Mr. Thompson), as well as eligibility for Tri-State to receive the tax credits through "direct pay"; and
- Modeling of an IRA Scenario that reflects Tri-State's pursuit of New ERA Funding as a result of the IRA, which I discuss further below.

Q: PLEASE SUMMARIZE HOW GHG REDUCTION REQUIREMENTS IN COLORADO APPLY TO TRI-STATE'S ERP.

A: Significantly, in the 2020 ERP Settlement Agreement, Tri-State committed to GHG reduction targets for the years 2025, 2026, 2027, and 2030 for its wholesale sales of electricity in Colorado, relative to a 2005 baseline. These targets include GHG reductions of:

- A twenty-six percent (26%) in 2025;
- a thirty-six percent (36%) in 2026;
- a forty-six percent (46%) in 2027; and
- an eighty percent (80%) in 2030.

Tri-State's 2030 target is aligned with § 25-7-105(1)(e)(VIII)(I), C.R.S. which requires wholesale generation and transmission ("G&T") cooperatives to file an ERP that achieves at least an 80 percent reduction in GHG emissions associated with Colorado sales by 2030, relative to a 2005 baseline.

Q: IS TRI-STATE REQUIRED TO FILE A CLEAN ENERGY PLAN?

A: No, Tri-State is not statutorily required to submit a Clean Energy Plan ("CEP") and has not done so here since Tri-State is not a qualifying retail utility.

d. Stakeholder Engagement

Q: WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A: In this section of my Direct Testimony, I describe Tri-State's ongoing efforts at creating a continued, robust stakeholder collaboration process.

Q: HAS TRI-STATE BEEN ENGAGING WITH STAKEHOLDERS SINCE THE 2020 ERP IN PROCEEDING NO. 20A-0528E?

A: Yes. Throughout Proceeding No. 20A-0528E, Tri-State held approximately two dozen stakeholder meetings in order to solicit input regarding Phase I supplemental modeling and Phase II modeling assumptions and portfolio analysis, among many other topics. Even prior to the conclusion of the 2020 ERP, in January 2023, Tri-State began convening stakeholder meetings to discuss Phase

I scenario development, modeling assumptions, sensitivity analyses, and other topics of interest. We have involved interested stakeholders in the technical details of our data and modeling approaches and have considered and adopted many of their ideas along the way. We appreciate the participation of the state agencies, environmental organizations, developers, and our Members in our resource planning process. We convened more than a dozen of the stakeholder meetings prior to beginning modeling, and several meetings after beginning. Some of these meetings served to fulfill commitments Tri-State made through the 2020 ERP Settlement Agreement, but most were set outside those parameters and pursued in the spirit of collaboration and consensus-building. The full list of stakeholder meetings convened is provided in the ERP Report (**LKT-1**).

Q: HAS THIS APPROACH BEEN SUCCESSFUL?

A: Yes. Tri-State has continuously employed a philosophy of transparency, education, and collaboration in the development of its ERP and Tri-State is proud to have fostered beneficial partnerships with the stakeholders engaged in its ERP processes.

IV. <u>2023 ERP: PLANNING PERIOD, ASSESSMENT OF EXISTING RESOURCES</u>

Q: WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A: In this section of my Direct Testimony, I discuss the RAP and planning period that Tri-State proposes to use for the 2023 ERP.

Q: PLEASE EXPLAIN THE SIGNIFICANCE OF THE RAP.

A: The RAP is a period of time over which Tri-State acquires generation resources to meet its resource needs, which is typically between six and 10 years, pursuant to

Commission rules.

Q: PLEASE EXPLAIN THE SIGNIFICANCE OF THE RPP.

A: The RPP provides for the period of time over which Tri-State models its resource plan, as well as the period of time in which the costs and benefits of new resources and resource retirements are evaluated by Tri-State.

Q: WHAT RPP DID TRI-STATE MODEL FOR THE 2023 ERP?

A: Tri-State has modeled a planning period of 2024 through 2043, consistent with Rule 3602(k), which specifies "…the planning period is twenty to forty years and begins from the date the utility files its plan with the Commission." In his Direct Testimony, Mr. Thompson discusses the technical and analytical approach to resource plan modeling.

Q: WHAT RAP IS TRI-STATE PROPOSING IN THE 2023 ERP?

A: The RAP proposed by Tri-State is six years, from 2026 through 2031, consistent with Rule 3602(n). Tri-State's acquisition process for addressing the resource needs selected in the RAP, and the resulting RAP Action Plan are described in the Direct Testimony of Ms. Hunter.

Q: WHY DID TRI-STATE SELECT A SIX-YEAR RAP?

A: As Tri-State approaches the end of the decade, a time when a significant amount of baseload power is anticipated to retire and renewable and semi-dispatchable resources are anticipated to come online to meet Colorado's emission reduction goals, there must be a plan in place for ensuring sufficient dispatchable replacement capacity to continue to meet Tri-State's Member load needs reliably. Tri-State's next ERP will not occur until 2027, and at that time, a Phase II would not be concluded with sufficient time to enable the permitting, procurement, and construction steps necessary to bring such resources online prior to the end of the decade. Planning for resources to be in place now for this unprecedented resource shift is essential to meeting reliability requirements.

Q: DID TRI-STATE CONSIDER A LONGER RAP?

A: While Tri-State must plan for the significant resource shift in the coming years, Tri-State must also carefully pursue capital expenditures at a pace that is reasonable in terms of the resulting financial impact to Tri-State Members. Therefore, a six-year RAP strikes the right balance in addressing near-term planning needs.

Q: ARE THERE SIGNIFICANT DIFFERENCES IN THE APPROACH TO THE RAP FOR THE 2023 ERP COMPARED TO THE 2020 ERP?

A: Yes, there are two key changes in Tri-State's approach to the RAP. Tri-State's RAP in the 2020 ERP was limited to renewable and storage resources, and while the 2023 ERP will continue to seek procurement of those resources, it will also include opportunity for new innovative technologies[4] and address the need for a dispatchable natural gas resource. Also, Tri-State intends to leverage IRA funding to enable Tri-State to take significant steps forward in achieving its REP objectives during the RAP.

a. Generation Capacity Needs

Q: HOW DID TRI-STATE ASSESS WHETHER ADDITIONAL GENERATION CAPACITY IS NEEDED FOR SYSTEM RELIABILITY?

A: Tri-State forecasts whether sufficient planning reserve margin ("PRM") is

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[4] *See* **Attachment ~~C-2~~** ~~of the ERP Report (~~**~~LKT-1~~**~~)~~ for description of the innovative technology options being modeled in the 2023 ERP.

maintained throughout each summer peak season during the RAP, as well as assessing system performance under modeled extreme weather event ("EWE") conditions, in order to sufficiently make this determination. In addition to system resources achieving the minimum PRM, they must also meet several additional minimum reliability metrics. Tri-State has worked with its stakeholders to identify appropriate Level I and II reliability metrics, discussed further below.[5]

Q: PLEASE EXPLAIN THE PLANNING RESERVE MARGIN.

A: Planning reserve margin is the amount of generation capacity in excess of peak firm obligation load that a utility must carry on its system in order to meet Member demand and firm sales, including under system uncertainties. Tri-State's PRM is 22 percent initially transitioning to 30.5 percent upon the retirement of Craig station, as determined by the Effective Load Carrying Capability and Reserve Margin Study ("ELCC/PRM Study") completed by Astrape August 2023 (**Attachment G-1** of the ERP Report). The ELCC/PRM Study is described further in the Direct Testimony of Brian Thompson.

Q: HAS TRI-STATE PROVIDED AN ASSESSMENT OF ITS EXISTING RESOURCES PER RULE 3605(c)?

A: Yes. Tri-State has provided its assessment of existing resources within **Attachment LKT**LKT-17~~**-1 (LKT-1 Attachment C-3).**~~ This assessment identifies the key operational and environmental features, and facility characteristics of all owned and purchased generation resources. In addition, Black & Veatch completed an assessment of the performance and financial characteristics of Tri-State

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[5] *See* ERP Report (**LKT-1**) for a description of Level I and II reliability metrics for the 2023 ERP.

generation. Tri-State owns or co-owns coal and natural gas units located throughout its four-state system and has a growing supply of renewable resources through purchased power agreements. Several of Tri-State's natural gas combustion turbines are dual-fuel capable, with the ability to operate on fuel oil in cases of natural gas supply or market volatility, providing additional resource flexibility—which has been useful in historical EWE conditions. Tri-State has also recently taken steps in the fall of 2023 toward regulatory approval of construction of its first solar projects,[6] and plans to expand its ownership of resources to include storage through procurements in Phase II of the 2023 ERP, as described further below and in the Direct Testimony of Susan Hunter.

Tri-State has remained capacity-long in recent years and, with its diverse supply and system geography, has not experienced and does not anticipate resource adequacy concerns. Additional detail on Tri-State's existing resources can be found in **Attachments** LKT-17 and LKT-30 ~~**C-3** and **G-2** of the ERP Report (**LKT-1**)~~ as well as in the Direct Testimony of Mr. Thompson.

As described above, Tri-State is planning for an unprecedented resource shift at the end of this decade, as are many utilities, to meet our environmental responsibility commitments. Following our REP commitment, our in-state coal fleet will be fully retired in 2028. This shift places additional pressure on the performance of our aging gas fleet along with intermittent performance of renewable resources to maintain reliability. With these significant portfolio changes, this ERP highlights the emerging importance of maintaining sufficient

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[6] *See* Proceeding No. 23A-0548E.

dispatchable capacity, the role of advanced energy storage systems, and expanded access to energy markets to continue to meet the reliability standards expected by all of our Members.

Q: IS TRI-STATE TAKING STEPS TO MAXIMIZE THE VALUE OF ITS EXISTING RESOURCES' INTERCONNECTION FOR PURPOSES OF THE 2023 ERP?

A: Yes. As stated in Tri-State's RFPs, provided as **Attachments SKH-3, SKH-4**, and **SKH-5,** Tri-State is encouraging bidders in its 2023 ERP Phase II process to offer renewable resources at existing Tri-State owned peaking resource locations with the intent of utilizing surplus interconnection service at those locations if the bids are selected in Phase II modeling. This allows the use of existing interconnections to integrate additional renewable resources while maintaining the ability to dispatch thermal resources for reliability or economic needs when intermittent resources are not available. The Direct Testimony of Ms. Hunter and Mr. Hubbard provide additional detail on surplus interconnection and its anticipated use in the 2023 ERP Phase II process.

b. <u>Forecasted Resource Need</u>

Q: HAVE THERE BEEN ANY CHANGES TO TRI-STATE'S FORECASTED RESOURCE ADDITIONS AND ITS ASSESSMENT OF NEED SINCE COMPLETING THE 2020 ERP PHASE II?

A: Yes. The selected 200 MW wind resource in Tri-State's 2020 ERP Phase II procurement, along with the identified backup bid resource, were not available at the accepted bid prices. The wind resource was therefore not reflected in the 2023 ERP Phase I modeling. Tri-State has terminated the Coyote Gulch PPA due to the delayed status of the project. However, due to timing of the decision, Coyote Gulch was included in Phase I modeling. A replacement solar resource will be identified for procurement through Phase II of the 2023 ERP. Due to the inclusion of known Member exits and anticipated Partial Requirements load, along with changing resource economics, modeling shows an earlier date for the retirement of Craig 3 of January 1, 2028. These and other factors, such as updated base modeling input assumptions, are driving a significantly different resource need as compared to the 2020 ERP.

Q: WHAT IS TRI-STATE'S FORECASTED RESOURCE NEED FOR THE 2023 ERP?

A: Tri-State's preferred plan, the IRA Scenario described below, identifies a need for 290 MW of dispatchable capacity, 940 MW of renewable resources, and 310 MW of battery storage during the RAP.

V. <u>2023 ERP SCENARIO MODELING AND RESULTS</u>

a. <u>Modeling</u>

Q: DID TRI-STATE CONVENE STAKEHOLDER MEETINGS TO DISCUSS SCENARIO MODELING FOR THE 2023 ERP?

A: Yes, Tri-State initiated a transparent and cooperative stakeholder engagement process in advance of 2023 ERP modeling to identify scenarios and sensitivities to be modeled. Tri-State committed to hold at least two meetings with interested stakeholders in advance of beginning Phase I modeling for the next ERP, with the intention of collaboratively identifying scenarios to be modeled.[7] Tri-State held

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[7] Settlement Agreement, Section 3.11.12.

more than the minimum number of meetings and also provided flexibility in determination of stakeholder-requested scenarios to be modeled by providing stakeholders with a preview of certain Business As Usual Scenario modeling outputs to assist in their assessment of useful modeling parameters for other scenarios.

Additionally, as described above, Tri-State undertook a comprehensive effort to transparently share modeling input assumptions and educate stakeholders on the continued and evolving complexities of the Tri-State system. Details on the numerous stakeholder meetings convened can be found in the ERP Report (**LKT-1**).

Q: PLEASE DESCRIBE THE SCENARIOS AND SENSITIVITIES MODELED FOR THE 2023 ERP.

A: Tri-State modeled five scenarios for Phase I of the 2023 ERP, including:

1. Business As Usual ("BAU");
2. Inflation Reduction Act ("IRA");
3. Early Springerville 3 Retirement ("ESPV3");
4. System-Wide Emissions Reduction ("SWER"); and
5. Aggressive Colorado Emissions Reduction ("ACER").

Base modeling assumptions for each scenario are identified in **Attachment** LKT-7 ~~**B** of the ERP Report (**LKT-1**)~~, with the assumptions unique to each scenario identified in **Attachment** LKT-10 ~~**B-3** of the ERP Report (**LKT-1**)~~. Tri-State also conducted two sensitivity analyses on each scenario, including:

1. Extreme Weather Event ("EWE") Analysis; and
2. High Gas ("HG") Analysis.

The Direct Testimony of Mr. Thompson describes the approach to modeling the scenarios and sensitivities using the EnCompass software, as well as the modifications to the approach to EWE modeling made since the 2020 ERP.

Q: DID TRI-STATE MODEL STAKEHOLDER-REQUESTED REDUCTIONS OR ELIMINATIONS OF COAL UNITS IN AT LEAST ONE SCENARIO?

A: Yes, pursuant to Section 3.11.14 of the 2020 ERP Settlement Agreement, Tri-State convened stakeholder meetings to discuss 2023 ERP Phase I scenarios and modeling assumptions, including retirement date windows to be modeled for certain coal units. These meetings also served to address the Commission's request in Decision No. C23-0437[8] to "…work with interested parties to refine modeling assumptions and practices in an attempt to forge as great a degree of consensus as possible, by using its model to analyze the benefits and costs associated with various retirement dates for Craig Unit 3, including identifying economically optimal retirement dates as part of the direct case in its 2023 ERP."

Q: WHICH OF THE SCENARIOS AND SENSITIVITIES DID TRI-STATE FIND TO BE MOST INFORMATIVE FOR ITS RESOURCE PLANNING?

A: The IRA Scenario as compared to the ESPV3 Scenario showed more robust emissions reductions during the RAP while allowing for a diversified resource mix during the same period, to both meet reliability and allow for a potential replacement energy sale to the third-party off taker of Springerville 3 after its

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[8] Decision No. C23-0437, at ¶77 (Proceeding No. 20A-0528E).

retirement. Without these resources ESPV3 relies on an estimated penalty[9] related to the third-party sale which impacts the affordability of the scenario and drives the Springerville 3 retirement date selected in the ESPV3 scenario to the latest date the model was given.[10] Despite having more aggressive Colorado or system emissions reductions, ACER and SWER Scenarios have less Colorado GHG reductions by 2030 than the IRA Scenario.

The IRA Scenario positions Tri-State to meet current environmental targets with the ability to respond to additional environmental legislation or regulation. The EWE sensitivity performed on each scenario provides reasonable certainty of reliability of service to Tri-State Utility Member Systems during likely future weather events. All scenarios successfully passed required reliability metrics during the RAP in their respective EWEs, even with minimal resource additions due to Tri-State's current and evolving capacity length spurred by Member exits and other load reductions. The IRA Scenario secures significantly larger quantities of resources during the RAP, adding diversity in resource location and technology types which can bolster system performance during EWEs.

Q: ARE THERE CONSISTENT RESULTS ACROSS ALL SCENARIOS THAT INFORM THE RESOURCE PLAN?

A: Yes. In every scenario modeled, the retirement date for Craig 3 is January 1, 2028. This is a change from the 2020 ERP. Decision No. C23-0437[11] directed Tri-State

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[9] The estimated penalty is a proxy for what might possibly be required by the third-party to exit the contract without replacement energy. Tri-State cannot exit the third-party sale without reaching agreement with the impacted party.

[10] Unique scenario modeling assumptions are identified in **Attachment** LKT-10 ~~**B-3** of the ERP Report (**LKT-1**~~).

[11] ¶ 77, Proceeding No. 20A-0528E.

to "evaluate alternate retirement dates for Craig Unit 3 in its 2023 ERP filing…including identifying economically optimal retirement dates as part of the direct case it will file in its 2023 ERP." Tri-State's 2023 ERP modeling clearly indicates that January 1, 2028 is the optimal retirement date for Craig 3. Additionally, all scenarios modeled recognize the need for a dispatchable gas resource in the Western Colorado planning region during the RAP. These are significant outcomes that support Tri-State's preferred plan.

b. Preferred Plan: IRA Scenario

Q: WHICH SCENARIO DOES TRI-STATE SUPPORT AS ITS RESOURCE PLAN? PLEASE EXPLAIN.

A: Tri-State requests Commission approval of the IRA Scenario as its 2023 ERP Phase I preferred plan. The IRA Scenario, as discussed in the following sections, meets core reliability, financial and environmental metrics that are essential to Tri-State Members. In particular, the financial benefits of pursuing this scenario that cannot otherwise be captured without capitalizing on this one-time window for federal funding, far exceed the benefits of any other scenario modeled.

Q: WHAT ARE THE CORE ELEMENTS OF THE IRA SCENARIO?

A: The IRA Scenario retires 1,207 MW (nameplate – 1,067 net MW) of coal-fired generation during the RAP. Under the IRA Scenario, if USDA funding is received as requested and if contractual commitments are adequately addressed, Tri-State intends to announce a retirement date of 2031 for the coal-fired Springerville Station Unit 3 (458 MW nameplate capacity). This is a dramatic acceleration from its expected operating life of 2066. Additionally, the IRA Scenario further accelerates the retirement date for coal-fired Craig 3 (535 MW nameplate capacity) by two years, to 2028. The IRA Scenario also adds 1,250 MW of renewables and storage between 2024 and 2031, 1,040 MW of those projects are anticipated through PPAs, with 210 MW being build-transfer arrangements. Lastly, the IRA Scenario continues to select a 290 MW dispatchable, natural gas combined-cycle plant for 2028, with conversion to carbon capture and storage capability in 2031. This set of ambitious, near-term resource plan actions is predicated on Tri-State receiving New ERA Funding as requested.

Q: WHAT FACTORS INFLUENCE TRI-STATE'S ABILITY TO IMPLEMENT THE IRA SCENARIO?

A: There are several critical path factors that must have favorable outcomes in order for Tri-State to implement the IRA Scenario, these include:

- New ERA Funding award as requested from USDA;
- Negotiation of contractual agreements impacted by the resource plan;
- Affirmation of Tri-State eligibility for U.S. Internal Revenue Service ("IRS") "direct pay" of tax credits;[12] and
- Phase II bid prices, locations, and commercial operation dates ("CODs") that enable fulfillment of New ERA Funding award obligations and approved resource plan needs.

If financially viable through direct pay tax credits, Tri-State may still elect to pursue the approximately 10 MW iron air battery storage project for 2026 without New ERA Funding. This relatively small project is being pursued outside of the

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[12] 26 U.S. Code § Section 6417 Elective Payment of Applicable Credits.

Phase II procurement process, as discussed in the Direct Testimony of Susan Hunter.

Q: WHAT ACTIONS MIGHT BE TAKEN BY TRI-STATE IF THESE EXTERNAL FACTORS IMPACT THE VIABILITY OF THE IRA SCENARIO?

A: Due to uncertainties related to federal funding and contractual agreements at the time of this filing, Tri-State acknowledges there may be impacts to the resource plan that occur subsequent to the initial filing. If federal funding awarded varies significantly from Tri-State's request to USDA, Tri-State anticipates the need to conduct additional scenario modeling. Such modeling may result in a necessary delay in the procedural schedule for Phase I. Tri-State would collaborate with stakeholders and act expeditiously to complete supplemental modeling to support a timely Phase II that facilities the target CODs for new projects.

Q: ARE THERE ELEMENTS OF THE IRA SCENARIO THAT ARE NOT IMPACTED BY NEW ERA FUNDING OUTCOMES?

A: Yes, the retirement date for Craig Unit 3 is not contingent upon Tri-State receiving New ERA Funding from USDA. This is because the economics of Craig Unit 3's operations during the remaining years of its operations are not influenced by any federal funding.

VI. <u>2023 ERP PERFORMANCE METRICS</u>

a. <u>Reliability</u>

Q: WHAT RELIABILITY METRICS DOES TRI-STATE UTILIZE TO ASSESS SCENARIO / SENSITIVITY PERFORMANCE UNDER THE ERP?

A: Tri-State applies two levels of reliability metrics to all scenarios:

- Level I:
  - Planning Reserve Requirement ("PRM") of 22 percent, transitioning to 30.5 percent upon the retirement of Craig Station, based upon the third-party ELCC and PRM Study (**Attachment** LKT-15 ~~G-1 of the ERP Report (**LKT-1**)~~);
  - Loss of load hours ("LOLH") of no more than 1 day in 10 years;
    - 2.4 hours per year 2024 to 2033;
    - 24 hours total 2034 to 2043; and
  - No more than 0.4 GWh annually of expected unserved energy ("EUE").
- Level II:
  - No more than 12 hours of EUE in 12 EWE from 2026 to 2031;
  - No more than 3 hours of expected unserved energy in any year during EWE event periods 2026 to 2031; and
  - EUE in any EWE hour cannot exceed 20 percent of load in that hour.

Level I metrics set a baseline that ensures Tri-State resources will meet industry-standard service reliability requirements and Level II metrics provide an added level of assurance of resource adequacy under potential EWE conditions, which are becoming more frequent and extreme. The Commission acknowledged in Decision No. C23-0437 that "…history may not be fully predictive of future weather extremes given climate change…"[13]

Q: HOW WERE THE RELIABILITY METRICS DEVELOPED?

A: Tri-State has long utilized the industry-recognized standards for PRM and LOLH

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[13] Decision No. C23-0437, at ¶ 57 (Proceeding No. 20A-0528E).

to establish minimum reliability requirements for its system. Beginning in 2022, Tri-State expanded its ERP modeling process to include EWE analyses, to assess the reliability of its system under potential extreme weather conditions which have been experienced more frequently in recent years. Tri-State developed EUE criteria referred to as "Level II" to further evaluate the reliability and resource adequacy of potential future resource plans. The EWE stress conditions and reliability metrics were shared with stakeholders and discussed over the course of several meetings that were convened prior to and at the start of 2023 ERP modeling, as described in the ERP Report (**LKT-1**). The direct testimony of Brian Thompson further discusses the approach to sensitivity modeling.

Q: WHY IS IT IMPORTANT THAT THE RELIABILITY ASSESSMENT ENSURE TRI-STATE HAS RESOURCES SUFFICIENT TO MEET CAPACITY NEEDS WITHOUT MARKET RESOURCES?

A: First and foremost, Tri-State is a Load Responsible Entity ("LRE") meaning it must maintain capacity to meet its load and planning reserve needs. Even as a future Market Participant in SPP RTO in the western interconnection, Tri-State will continue to be responsible for its performance obligation as an LRE. Each LRE is required to maintain the total of planning capacity necessary to serve Net Peak Demand (load) and PRM. This is consistent with the 2020 ERP Settlement Agreement at section 3.11.14. which describes certain elements of "Tri-State's Next ERP Filing," which commits that "reliability objectives will be satisfied using only Tri-State resources regardless of bilateral or organized market access." Additionally, Tri-State must also maintain compliance with applicable North

American Electric Reliability Corporation ("NERC") reliability standards.

Q: DOES THE IRA SCENARIO MEET ALL LEVEL I AND II RELIABILITY METRICS EXPECTATIONS?

A: Yes. Tri-State and its Members would not support any resource plan that did not meet all minimum reliability metric requirements. Not only does the IRA Scenario meet the minimum Level I and II reliability thresholds set, but it also has the highest planning reserve margin during the RAP which gives room to accommodate potential delays with load reductions or in resource acquisition, construction, and commercial operation. The IRA Scenario as modeled, delivers the highest confidence for Tri-State and its Members that the future generation fleet action plan will result in the most reliable system going forward.

b. <u>Financial Results</u>

Q: WHAT KEY CIRCUMSTANCES MUST TRI-STATE CONSIDER WHEN ASSESSING THE FINANCIAL PERFORMANCE OF THE 2023 ERP SCENARIOS?

A: Pursuant to Decision No. C23-0437, Tri-State's load forecast reflects anticipated member departures at the time of filing. Additionally, as uncertainty remains regarding Tri-State's Partial Requirements ("PR") contracts, the load forecast also reflects a one-year delay in anticipated member PR resources coming online (now 2026).[14] Beyond forecasted load needs, Tri-State's resource plan targets achievement of its Member-driven REP objectives, which include prudently managing costs associated with the energy transition. Tri-State has aggressively

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[14] Decision No. C23-0437, at ¶ 63 (Proceeding No. 20A-0528E).

pursued federal funding opportunities in recent years to reduce the cost of generation investments for its Members and provided a summary of these pursuits in a March 2, 2023 letter to the Commission in Proceeding No. 23M-0053ALL.[15]

Q: HAS TRI-STATE BEEN AWARDED FEDERAL FUNDING SINCE ITS MARCH 2023 LETTER TO THE COMMISSION?

A: Yes. On October 18, 2023, the U.S. Department of Energy ("DOE") awarded Tri-State $26.8 million in funding, subject to final negotiations, under DOE's Grid Resilience and Innovation Partnerships ("GRIP") Program. The DOE funding, with an equal match from Tri-State, will support Tri-State's Cooperative Energy Ecosystem project,[16] which supports deployment of energy efficiency, demand response ("DR"), beneficial electrification, and integration of distributed energy resources; and will accelerate deployment of our new Distributed Energy Resource Management System ("DERMS"). The DERMS platform is anticipated to launch in 2024, as an important component of our plans to achieve the 2025 DR Target identified in our 2020 ERP Settlement Agreement.[17]

Q: WHAT OTHER FEDERAL FUNDING HAS TRI-STATE PURSUED SINCE ITS MARCH 2023 LETTER TO THE COMMISSION?

A: To support necessary generation investments in the coming years and to assist in alleviating the impact of stranded assets due to coal unit retirements, Tri-State submitted a Letter of Interest to the USDA on September 13, 2023 seeking to leverage the maximum program budget authority of $970 million in grant and loan

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[15] Decision No. C23-0437, at ¶ 86 (Proceeding No. 20A-0528E).
[16] https://www.energy.gov/sites/default/files/2023-10/DOE-GRIP-Tri-State-Generation-and-Transmission-Association_0.pdf.
[17] Section 3.11.8.

funding under the USDA's New ERA program, authorized by the IRA.

Q: HOW IS THE FEDERAL FUNDING THAT IS BEING PURSUED BY TRI-STATE REFLECTED IN THE ERP?

A: As described above, Tri-State incorporated its requested level of New ERA Funding into the financial modeling completed for the IRA Scenario.

Q: WHICH SCENARIO RESULTS IN THE LOWEST PRESENT VALUE REVENUE REQUIREMENT ("PVRR") FORECASTED OVER THE RPP?

A: Given the financial benefit of New ERA Funding assumed for the IRA Scenario, it has the lowest resulting PVRR, $16,352M.

Q: WHICH SCENARIO HAS THE LOWEST ANNUAL REVENUE REQUIREMENTS DURING THE RAP?

A: Given the financial benefit of New ERA Funding assumed for the IRA Scenario, it has the lowest annual revenue requirements.

Q: WHAT DO MODELING RESULTS INDICATE WITH REGARD TO CURTAILMENTS?

A: Solar curtailments are highest in the RAP in years 2026 and 2027 for the BAU, ESPV3, SWER, and ACER Scenarios given the growing amount of renewable resource additions on the Tri-State system during that period. The IRA Scenario has the least amount of curtailments on an annual basis during the RAP, with the exception of year 2031 due to resources coming online ahead of SPV3 retirement. Participation in regional organized markets and pursuit of renewable generation ownership will help to mitigate the financial impact of curtailments for Tri-State Members.

c. Environmental Compliance

Q: PLEASE EXPLAIN TRI-STATE'S GHG TRACKING AND REPORTING COMMITMENTS UNDER THE 2020 ERP SETTLEMENT AGREEMENT.

A: Under the 2020 ERP Settlement Agreement, Tri-State committed that, going forward, it will operate its system in a manner that achieves, at a minimum, with respect to its Colorado Air Pollution Control Division ("APCD") verified 2005 Baseline, the following reductions in GHG emissions related to Tri-State's wholesale sales of electricity in Colorado (the "Interim-Year Emissions Reductions"): a twenty-six percent (26 percent) reduction in calendar-year 2025; a thirty-six percent (36 percent) reduction in calendar-year 2026; and a forty-six percent (46 percent) reduction in calendar-year 2027.[18] Tri-State also agreed that, going forward, it will operate its system in a manner that achieves, at a minimum, with respect to its APCD verified 2005 Baseline, an eighty percent (80 percent) reduction in GHG emissions related to Tri-State's wholesale sales of electricity in Colorado in calendar-year 2030 ("the 2030 Emissions Reduction").[19]

The Interim-Year Emissions Reductions and 2030 Emissions Reduction will be calculated and reported consistent with the methodology adopted by APCD for the Verification Workbook.[20] In each year following a year in which Tri-State has committed to emissions reductions, Tri-State will report the results of emissions reductions in its ERP Annual Progress Report (the "Annual Progress Report") submitted to the Commission under Rule 3618.[21]

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[18] Settlement Agreement, Section 3.3.4.
[19] Settlement Agreement, Section 3.3.5.
[20] Settlement Agreement, Section 3.3.6.
[21] Settlement Agreement, Section 3.3.11.

Q: PLEASE EXPLAIN THE VERIFICATION WORKBOOK.

A: Presently, emissions tracking in Colorado is accomplished primarily through use of the APCD CEP Guidance and Verification Workbook (the "Workbook"). The Workbook includes methodologies for tracking and assigning emission rates to market purchases and sales and for netting market purchase and sales activity at the emission rate of the respective market. Tri-State utilized the Workbook to calculate projected emissions in 2030 and other target years for emissions reduction commitments. This practice will continue for forecasting and reporting emissions and Tri-State anticipates using the APCD Workbook to report actual emissions for target years as part of its 2023 ERP Annual Progress Report beginning with reporting for target year 2025.

The CEP Guidance provides a standardized format for utilities to submit data and information so that the APCD may verify the emissions reductions, as required under SB-236 and HB-1261. The CEP Guidance includes a qualitative narrative of the purpose and details of the guidance, which includes three appendices: (1) Appendix A: which establishes the APCD's role and responsibilities in the ERP process; (2) Appendix B, a Verification Workbook, which collects data related to both the Phase I and Phase II of the ERP process; and (3) Appendix C: Adjusted Baseline and Comprehensive Safe Harbor Proposal.

The Workbook provides the basis for the APCD to perform emission reductions verification, as well as a high level of transparency while also providing clarity and certainty an ERP evaluation. Further, the Workbook establishes carbon accounting protocols, including transparent accounting for any baseline adjustment requirements.

Q: HAS TRI-STATE COMPLETED AN APCD WORKBOOK FOR EACH SCENARIO MODELED?

A: Yes, pursuant to Sections 3.11.1. and 3.11.3. of the 2020 ERP Settlement Agreement, Tri-State has completed an APCD Workbook for each Scenario modeled, provided in **Attachment** LKT-18 ~~**D** of the ERP Report (**LKT-1**)~~. Additionally, Tri-State has utilized the APCD Workbook methodology to calculate emissions reductions forecasted on a system-wide basis for the System-Wide Emissions Reduction Scenario; however, Tri-State is not seeking verification from APCD for that workbook given that it is outside the scope of Colorado rules and regulations.

Q: DO ALL OF THE SCENARIOS MODELED ACHIEVE TRI-STATE'S COLORADO GHG REDUCTION TARGETS?

A: Yes, section 3.3.7. of the 2020 ERP Settlement Agreement identifies that Tri-State's Colorado GHG Targets will be incorporated into Tri-State's future ERP filings as a binding requirement. As shown in the **Attachment D** files, all of the scenarios meet or exceed Tri-State's Colorado GHG Targets. Notably, the IRA Scenario meets the targets and exceeds the 2030 target at the lowest cost.

Q: DID TRI-STATE MAKE ANY SIGNIFICANT UPDATES IN ITS APPROACH TO EMISSION RATES OR DATA INPUTS FOR THE APCD WORKBOOKS?

A: Yes, Tri-State made necessary adjustments to the 2005 baseline and updated certain emissions rates used in the Workbook. First, the 2005 baseline was updated to address load reductions from Member exits and timing changes of

Partial Requirements in Colorado. The reduced load forecast[22] for the planning period starting in 2025 (Member exits) and 2026 (Partial Requirements) results in a need to correspondingly adjust the 2005 Baseline in the Workbooks. Upon those Colorado Member exits and implementation of Partial Requirements elected by Colorado Members, Tri-State will no longer be responsible for emissions and emissions reductions associated with those loads. The 2005 Baseline used for determination of emissions reductions for 2025 adjusts for the Member exits only, as the Partial Requirements contracts are not anticipated to begin until 2026. Partial Requirements Members can select MAX (Firm capacity) or MARS (intermittent resource) options, where only the MAX selections reduce the system capacity that Tri-State is responsible – currently forecasted as 163 MW, 86 MW of which is related to Members in Colorado. The Workbook accounts for the impacts of 117 MW of the MARS option as a renewable resource.

This timing of load changes required the development of a second 2005 Baseline calculation for use in determining emission reductions for years after 2025; therefore, each Workbook includes two 2005 Baseline tabs—one used for 2025 emission reduction calculations, and one used for all other years' emissions reduction calculations. Additionally, market and contract emissions rates were updated to reflect the latest eGrid rates.

Q: DID STAKEHOLDERS REQUEST THE MODELING OF GHG REDUCTIONS BEYOND THE REQUIREMENTS OF THE 2020 ERP SETTLEMENT AGREEMENT OR COLORADO LAW?

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[22] Decision No. C23-0437 at Paragraph 63 directs that Tri-State "submit a load forecast that is indicative of anticipated member departures at the time of filing."

A: Yes. Some stakeholders requested that Tri-State model two scenarios (Scenarios 4 SWER and 5 ACER) in Phase I of the 2023 ERP that achieve GHG reductions beyond legislative or regulatory commitments. These scenarios include a scenario with minimum Tri-State system-wide GHG reduction targets over the RAP and a scenario with more aggressive Colorado GHG reductions.

Q: WHAT CONCERNS DOES TRI-STATE HAVE WITH REGARD TO SCENARIOS 4 (SWER) AND 5 (ACER)?

A: Tri-State is concerned with the potential lack of fairness and consistency that could result for its Members if they were to be involuntarily held to 2030 emissions reduction targets more aggressive than those applicable to all Colorado utilities under current law. Complications may also arise from Colorado regulatory actions that would seek to extend emissions policies beyond the borders of Colorado. Furthermore, it is also possible that adoption of more aggressive emissions reduction targets, beyond those agreed to in the 2020 ERP Settlement Agreement, could conflict with Section 3.3.8. of the agreement which specified that “the Settling Parties agree that Tri-State retains sole discretion over the resource dispatch decisions used to achieve the Interim-Year Emissions Reductions.” Lastly, it would appear imprudent to hastily adopt more aggressive emissions reduction targets at a point in time when not even the first year of the targets has come to pass, for commitments made less than two years ago.

VII. <u>RESOURCE ACQUISITION PLAN</u>

Q: WHAT SIGNIFICANT ELEMENTS OF TRI-STATE’S ACQUISITION APPROACH ARE NEW FOR THE 2023 ERP?

A: In the 2020 ERP Phase II, Tri-State utilized a single RFP for renewable and storage PPA resources only for the 2025-26 period, indicating Tri-State did not intend to pursue self-build or ownership options for resources at that time[23] and agreeing to a limited procurement window[24] given load uncertainties and its capacity-long position. The 2020 ERP Phase II procurement and modeling process resulted in identification of the need to procure only one 200 MW wind resource within that two-year period.

However, since that time, load requirements are being modified going forward, dispatchable resources are being retired during the RAP, a myriad of updated modeling assumptions such as new effective load carrying capabilities ("ELCCs") are being created, as well as the financial implications resulting from the IRA. As such, Tri-State's 2023 ERP procurement strategy has substantially changed since Tri-State's last ERP.

Additionally, it is now imperative, in order to maintain system reliability while procuring renewable and semi-dispatchable innovative technologies to replace retiring generation, to procure a new dispatchable resource. Given these conditions, Tri-State intends to issue three RFPs in Phase II of the 2023 ERP – one for storage resources to be owned by Tri-State as a result of build-transfer ("BT") agreements or by working with an EPC contractor, one for a dispatchable gas resource, with ability to convert to accommodate carbon capture and sequestration ("CCS"), to be owned and constructed by Tri-State working with an

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[23] *See* Hearing Exhibit 106, Direct Testimony and Attachments of Susan K. Hunter, Proceeding No. 20A-0528E at 7: 8-9.

[24] Settlement Agreement, Sections 3.4.3. and 3.4.4.

EPC contractor, and one for renewable resources to be procured through PPAs. Bid evaluation criteria and screening processes will be similar to the 2020 ERP, but with some updates to reflect lessons learned.

Q: DOES TRI-STATE INTEND ON UTILIZING AN IE FOR THE 2023 ERP?

A: Yes, Tri-State will utilize an IE for the 2023 ERP to add further assurance of consistency and fairness in its bid evaluation process for both BT and PPA agreements. Additional information on Tri-State's Phase II procurement plans, including use of an IE, is provided in the Direct Testimony of Ms. Hunter. Further detail on Tri-State's anticipated approach to acquisition of a new dispatchable gas resource is provided in the Direct Testimony of Mr. Ingold.

Q: WHAT CONSIDERATIONS AND MODELING RESULTS ARE DRIVING THE NEED FOR A 290 MW COMBINED CYCLE GAS RESOURCE INTERCONNECTING TO TRI-STATE'S SYSTEM IN WESTERN COLORADO?

A: The modeling software assesses resource retirements and acquisitions over the entire resource planning period determining the most economic resource mix given transmission and environmental constraints. Given the retirement of Craig Station by the fall of 2028 including the early retirement of Craig 3 on January 1, 2028, greenhouse gas reduction targets in Colorado, and system GHG reductions targets in the IRA scenario, the model selected the 290 MW combined cycle gas resource in 2028 with conversion to CCS in 2031 to meet capacity and energy needs over the RPP. The IRA Scenario has 1,067 MW of coal retirements over the RAP and the 290 MW NGCC with CCS is the only fully dispatchable resource added to the system. This resource, along with semi-dispatchable batteries, allows for the successful integration of 940 MW of renewables from 2026 to 2031 under the IRA Scenario.

Q: DO OTHER MODELING RESULTS BEYOND THE IRA SCENARIO SUPPORT THE NEED FOR A DISPATCHABLE GAS RESOURCE?

A: Yes. While there is slight variation in the date that the model selects a gas resource in each scenario, all five of the scenarios select a gas resource addition during the RAP. In every 2023 ERP Phase I scenario the modeling selected the need for a gas resource in Western Colorado planning region. This is also generally consistent with Tri-State's approved preferred plan and portfolio resulting from the 2020 ERP modeling, which also called for a dispatchable gas resource.[25]

Q: DOES THE FEDERAL PRODUCTION TAX CREDIT INFLUENCE THE SELECTION OF A COMBINED CYCLE RESOURCE WITH CCS?

A: Yes. Section 45Q under Title 26 of the U.S. Code provides for an $85/tonne production tax credit ("PTC") for sequestered carbon for twelve years once placed in service, with a requirement that construction of CCS must begin by January 2033 for PTC eligibility. This tax credit exceeds the forecasted cost of fuel and variable O&M for a combined cycle resource. The result is a baseload dispatchable resource with a minimal carbon footprint at a significantly more affordable operational price point.

Q: WHAT ACQUISITION PROCESS IS TRI-STATE PROPOSING FOR THIS RESOURCE AND OTHERS IN THE RAP?

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[25] The Phase I Revised Preferred Plan (80pc CR v5) Scenario selected a 290 MW combined cycle gas unit in Western Colorado in 2030. The Phase II Revised Preferred Plan Portfolio selected a 193 MW combustion turbine gas unit in Western Colorado in 2030.

A: Tri-State will simultaneously issue three RFPs for Phase II of the 2023 ERP, within 30 days of the Commission's final decision on Phase I. One for storage resources, one for dispatchable gas resources with ability to convert to CCS, and one for renewable resource bids. An IE will assist Tri-State in monitoring the application of the bid evaluation criteria and reviewing the analysis of bids through the portfolio modeling. Detailed information on Tri-State's Phase II procurement plans is provided in the Direct Testimony of Ms. Hunter, including draft RFPs, a proposed Phase II timeline, and a Statement of Work for the IE.

Q: HOW DOES THIS PROCESS ENSURE TRI-STATE IS OBTAINING A COST-EFFECTIVE RESOURCE FOR ITS MEMBERS?

A: Tri-State is not a publicly-traded entity with stock or shareholders, and therefore does not produce stock earnings as a result of its investments. Tri-State is a not-for-profit entity providing wholesale power under the cooperative principles for the benefit of its Members, which requires Tri-State to provide service at the lowest cost possible while maintaining system reliability standards and achieving environmental responsibility commitments. Not only will the 2023 ERP procurement process be overseen by an IE, but it will be conducted pursuant to Commission rules and with the review and collaboration of numerous interested stakeholders with diverse interests. These realities set the stage for Tri-State to pursue the most cost-effective resource mix that meets our Members' needs, whether through PPAs, build or build-transfer arrangements, or a combination thereof.

Q: WHAT ARE THE KEY FACTORS IN TRI-STATE CONSIDERING ACQUISITION

APPROACHES?

A: Given the significant opportunities presented by the IRA, it would not be financially prudent for Tri-State to consider a PPA-only procurement strategy. Additionally, with the expansion of new resource types emerging in the 2023 ERP, as well as the planned retirement of Tri-State-owned resources, our procurement strategy seeks to maintain an appropriate balance of owned and contracted resources for serving our Members. The Direct Testimony of Ms. Hunter further expands on the drivers and value in the acquisition approach.

Q: WHAT ARE THE CONSTRUCTION AND SITING CONSIDERATIONS THAT TRI-STATE MUST NOW BEGIN TO TAKE ACTION ON?

A: Tri-State engaged a third-party consultant to conduct a siting study related to the construction of a 290 MW NGCC in 2028 with anticipated addition of CCS in the early 2030s. This study will analyze potential locations for the new resource taking into consideration gas pipeline accessibility, CCS capabilities and transmission interconnection. The resource will be located in electrical west Colorado which is defined as a resource interconnecting to the transmission system west of TOT 5, north of TOT 2, and east of TOT 1. Given those parameters the resource could be located in western Colorado or southern Wyoming. In addition to this initial study and contingent upon Commission approval in Tri-State's 2023 ERP process, Tri-State will need to initiate applicable state regulatory and environmental permitting processes. Anticipated next steps in construction and siting considerations are discussed in the Direct Testimony of Ms. Hunter and Mr. Ingold.

VIII. Organized Market Participation

Q: WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A: The purpose of this section of my Direct Testimony is to provide Tri-State's current market participation status, as well as its future plans to join an RTO and how that will affect future Tri-State resource planning efforts.

Q: PLEASE DESCRIBE TRI-STATE'S CURRENT AND PLANNED MARKET PARTICIPATION.

A: Tri-State's load in PacifiCorp has been in CAISO's Western Energy Imbalance Market ("WEIM") since 2014. Tri-State's load and resources in PNM moved into the WEIM in April 2021. In February 2021, Tri-State's load and resources in WACM began participation in SPP's Western Energy Imbalance Services market ("WEIS"). In April 2023, the remainder of Tri-State's load and resource moved into WEIS with the entry of the PSCO BA into the market. In 2020,[26] Tri-State announced its intention along with other western entities to explore transitioning its load and resources in the WACM BA into the SPP RTO. In June 2022, Tri-State's Board signed a commitment, along with other western entities, to transition load and resources in WACM into the SPP RTO by April 1, 2026. More information on this transition is available in Proceeding No. 23M-0195E. We also continue to monitor developments in the Markets+ arena given the potential for Tri-State load and resources in other BAs to join that market.

Q: DOES TRI-STATE ACCOUNT FOR ITS PLANNED RTO PARTICIPATION IN ITS

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[26] https://www.tristate.coop/spp-and-stakeholders-will-consider-rto-expansion-west-study-anticipates-49m-annual-savings-current.

MODELING?

A: While Tri-State has not yet implemented a nodal model that would be required to fully represent markets in its resource plan modeling, Tri-State has analyzed and expanded market depths (sales and purchase) levels in its model to represent the WACM BA transition to SPP RTO in 2026, expected transition of PSCO and PNM to an RTO in 2030. Market depth assumptions are identified in **Attachment** LKT-7 ~~**B** of the ERP Report (**LKT-1**)~~. The testimony of Mr. Thompson further describes Tri-State's approach and assumptions regarding market depths and RTO market products used in the 2023 ERP modeling.

Q: FROM A POLICY PERSPECTIVE, HOW DOES ORGANIZED MARKET PARTICIPATION IMPACT TRI-STATE'S RESOURCE PLANNING?

A: Participation in an organized market allows for the more efficient, cost-effective use of resources including the ability to better integrate a large quantity of intermittent renewable resources. Access to a larger footprint and collective use of transmission within the footprint allows for a decrease in the curtailment of renewable resources. Additionally, market optimization over a larger footprint allows for diversity of region and resources to shore up reliability while utilizing transmission in a manner to produce the most economic dispatch, increasing affordability.

IX. LOAD AND RESOURCE BALANCE

Q: WHAT DOES TRI-STATE'S LOAD AND RESOURCE BALANCE INDICATE?

A: As shown in the ERP Report (**LKT-1**), Tri-State's load and resource ("L&R") balance forecasts, without any new resource additions, Tri-State would continue to be resource-long until 2029. With the resource additions planned under the IRA Scenario, our resource-long position will extend through the planning period.

Q: WHAT ARE SOME OF THE KEY CHANGES FROM THE 2022 L&R?

A: First, Member load has declined due to Member exits and Partial Requirements. Second, the capacity contribution from renewable resources has declined due to the ELCC and PRM Study results (**Attachment** LKT-15 ~~**G-1** of the ERP Report (**LKT-1**)~~). Additionally, coal resource retirements occur during the RAP that result in firm capacity reductions.

Q: DOES THIS PHASE I ERP FILING SUPPLANT THE NEED FOR A 2023 ERP ANNUAL PROGRESS REPORT?

A: Yes. Tri-State has not filed ERP Annual Progress Reports ("APRs") in the years when a Phase I ERP is filed, given the comprehensive nature of a resource plan filing.

X. <u>CONCLUSION</u>

Q: WHAT PHASE I APPROVAL IS TRI-STATE REQUESTING IN THIS PROCEEDING?

A: Tri-State requests approval of the 2023 ERP and the accompanying assumptions and studies, as reflected in the IRA Scenario, which is Tri-State's preferred plan. For the reasons established in the ERP Report (**LKT-1**) and attachments, as well as in Tri-State's Direct Testimony, the IRA Scenario is the most reliable, affordable, and responsible path for Tri-State to reach both the goals of the State of Colorado and those of our Members, system-wide.

Q: WHAT PHASE II APPROVAL IS TRI-STATE REQUESTING IN THIS

PROCEEDING?

A: Tri-State requests Commission approval of the proposed Phase II timeline, Phase II RFPs, Bid Policy, IE SoW, Model PPAs and Term Sheets, Implementation Report outline, 45-Day Report approach, and RAP Action Plan. Tri-State also requests that the Commission approve its proposal to model no more than eight Phase II portfolios[27] to be modeled, two of which will be identified through informal discussions with stakeholders prior to the start of Phase II.

Q: DOES THIS CONCLUDE YOUR TESTIMONY?

A: Yes.

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[27] As identified in the ERP Report (**LKT-1**).

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

PROCEEDING NO. 23A-____E

APPLICATION OF TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC. FOR APPROVAL OF ITS 2023 ELECTRIC RESOURCE PLAN

VERIFICATION

STATE OF ___COLORADO_____)
) ss:
COUNTY OF __ADAMS________)

I, Lisa K. Tiffin, being duly sworn, do hereby depose and state that I have read the foregoing Direct Testimony, and the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

Subscribed and sworn to before me this 16th day of November 2023, at Westminster, Colorado.

TRI-STATE GENERATION AND
TRANSMISSION ASSOCIATION, INC.

By:
Lisa K. Tiffin
Senior Manager, Analytics & Forecasting

Witness my hand and official seal.

Notary Public

My Commission expires: 12/28/25.

Kimberly M. Strasburger
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134072316
MY COMMISSION EXPIRES December 28, 2025

ATTACHMENTS

Attachment LKT-1	2023 Electric Resource Plan
Attachment LKT-2	Phase II Timeline
Attachment LKT-3	Phase II ERP Implementation Report Outline
Attachment LKT-4	Statement of Qualifications of Lisa K. Tiffin
Attachment LKT-5	Compliance Matrix
Attachment LKT-6	WAPA Compliance Matrix
Attachment LKT-7	Modeling Assumptions
Attachment LKT-7C	Modeling Assumptions
Attachment LKT-7HC	Modeling Assumptions
Attachment LKT-8	New Build Constraints
Attachment LKT-9	Transmission Constraints
Attachment LKT-10	Unique Scenario Assumptions
Attachment LKT-10HC	Unique Scenario Assumptions
Attachment LKT-11	Ancillary Services
Attachment LKT-12	Extreme Weather Event (EWE) Stress Assumptions
Attachment LKT-13	Tri-State System Topology
Attachment LKT-14	Resources Cover Page
Attachment LKT-15	Contracts and Power Purchase Agreements (PPAs)
Attachment LKT-15HC	Contracts and Power Purchase Agreements (PPAs)
Attachment LKT-16	Generic Resources Summary
Attachment LKT-16C	Generic Resources Summary
Attachment LKT-16HC	Generic Resources Summary
Attachment LKT-17	Existing Resources Summary
Attachment LKT-17C	Existing Resources Summary
Attachment LKT-17HC	Existing Resources Summary
Attachment LKT-18	Emissions Reduction Workbooks Cover Sheet
Attachment LKT-19	Business-As-Usual (BAU)
Attachment LKT-19HC	Business-As-Usual (BAU)
Attachment LKT-19HC	Business-As-Usual (BAU) - Executable
Attachment LKT-20	Inflation Reduction Act (IRA)
Attachment LKT-20HC	Inflation Reduction Act (IRA)
Attachment LKT-20HC	Inflation Reduction Act (IRA) - Executable
Attachment LKT-21	SPV 3 Early Retirement
Attachment LKT-21HC	SPV 3 Early Retirement
Attachment LKT-21HC	SPV 3 Early Retirement - Executable
Attachment LKT-22	Systems-Wide Emissions Reduction (System)
Attachment LKT-22HC	Systems-Wide Emissions Reduction (System)
Attachment LKT-22HC	Systems-Wide Emissions Reduction (System) - Executable
Attachment LKT-23	System-Wide Emissions Reduction (Colorado)
Attachment LKT-23HC	System-Wide Emissions Reduction (Colorado)
Attachment LKT-23HC	System-Wide Emissions Reduction (Colorado) - Executable

Attachment LKT-24	Aggressive Colorado Emissions Reduction
Attachment LKT-24HC	Aggressive Colorado Emissions Reduction
Attachment LKT-24HC	Aggressive Colorado Emissions Reduction - Executable
Attachment LKT-25	High Gas Sensitivity Analysis Results
Attachment LKT-26	Electric Energy and Demand Forecast
Attachment LKT-26C	Electric Energy and Demand Forecast
Attachment LKT-26HC	Electric Energy and Demand Forecast
Attachment LKT-27	Load Forecasts by State & Member
Attachment LKT-27HC	Load Forecasts by State & Member
Attachment LKT-28	Third Party Studies Cover Sheet
Attachment LKT-29	ELCC and PRM Study (Astrape)
Attachment LKT-29C	ELCC and PRM Study (Astrape)
Attachment LKT-30	Benchmarking Analysis (B&V)
Attachment LKT-30HC	Benchmarking Analysis (B&V)
Attachment LKT-31	Addendum to 2020 DSM Potential Study and BE Potential Study (Mesa Point Energy)
Attachment LKT-32	Reliability Evaluation
Attachment LKT-32HC	Reliability Evaluation

UNITED STATES OF AMERICA
BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY

	)	
Federal Power Act Section 202(c)	)	Order No. 202-26-31
Emergency Order: Craig Unit 1	)	
	)	

The State Of Colorado's Request for Rehearing, Motion To Intervene, And Stay Request

Exhibit X: CoPUC, Hrg. Ex. 101, Direct Testimony and Attachments of Lisa K. Tiffin, Rev. 1, filed on May 15, 2024, in Proceeding No. 23A-0585E, Attachment LKT-1 (Tri-State, 2023 ERP Phase I, Rev. 2 (Apr. 22, 2024)

Tri-State Generation and Transmission Association, Inc.

2023 Electric Resource Plan

Phase I

(Colorado Public Utilities Commission Proceeding No. 23A~~-~~-0585E)

~~December 1, 2023~~April 22, 2024

Table of Contents

List of Attachments

~~Attachment A~~	~~Compliance Matrix~~
	~~A-1: WAPA Compliance Matrix~~
~~Attachment B~~	~~Modeling Assumptions~~
	~~B-1: New Build Constraints~~
	~~B-2: Transmission Constraints~~
	~~B-3: Unique Scenario Assumptions~~
	~~B-4: Ancillary Services~~
	~~B-5: Extreme Weather Event (EWE) Stres~~
	~~B-6: Tri-State System Topology~~
~~Attachment C~~	~~Resources Cover Sheet~~
	~~C-1: Contracts and Power Purchase Agre~~
	~~C-2: Generic Resources Summary~~
	~~C-3: Existing Resources Summary~~
~~Attachment D~~	~~Emissions Reduction Workbooks Cover S~~
	~~D-1: Business-As-Usual (BAU)~~
	~~D-2: Inflation Reduction Act (IRA)~~
	~~D-3: SPV 3 Early Retirement~~
	~~D-4a: System-Wide Emissions Reduction~~
	~~D-4b: System-Wide Emissions Reductior~~
	~~D-5: Aggressive Colorado Emissions Red~~
~~Attachment E~~	~~High Gas Sensitivity Analysis Results~~
~~Attachment F~~	~~Electric Energy and Demand Forecast~~
	~~F-1: Load Forecasts by State & Member~~
~~Attachment G~~	~~Studies Cover Sheet~~
	~~G-1: ELCC and PRM Study (Astrape)~~
	~~G-2: Benchmarking Analysis (B&V)~~
	~~G-3: Addendum to 2020 DSM Potential (Mesa Point Energy)~~
	~~G-4: Reliability Evaluation~~

Attachment LKT-5	Compliance Matrix
Attachment LKT-6	WAPA Compliance Matrix
Attachment LKT-7	Modeling Assumptions
Attachment LKT-8	New Build Constraints
Attachment LKT-9	Transmission Constraints
Attachment LKT-10	Unique Scenario Assumptions
Attachment LKT-11	Ancillary Services
Attachment LKT-12	Extreme Weather Event (EWE) Stress Assumptions
Attachment LKT-13	Tri-State System Topology
Attachment LKT-14	Resources Cover Page
Attachment LKT-15	Contracts and Power Purchase Agreements (PPAs)
Attachment LKT-16	Generic Resources Summary
Attachment LKT-17	Existing Resources Summary
Attachment LKT-18	Emissions Reduction Workbooks Cover Sheet
Attachment LKT-19	Business-As-Usual (BAU)
Attachment LKT-20	Inflation Reduction Act (IRA)
Attachment LKT-21	SPV 3 Early Retirement
Attachment LKT-22	Systems-Wide Emissions Reduction (System)
Attachment LKT-23	System-Wide Emissions Reduction (Colorado)
Attachment LKT-24	Aggressive Colorado Emissions Reduction
Attachment LKT-25	High Gas Sensitivity Analysis Results
Attachment LKT-26	Electric Energy and Demand Forecast
Attachment LKT-27	Load Forecasts by State & Member
Attachment LKT-28	Third Party Studies Cover Sheet
Attachment LKT-29	ELCC and PRM Study (Astrape)
Attachment LKT-30	Benchmarking Analysis (B&V)
Attachment LKT-31	Addendum to 2020 DSM Potential Study and BE Potential Study (Mesa Point Energy)
Attachment LKT-32	Reliability Evaluation

Executive Summary

Tri-State Generation and Transmission Association, Inc. (Tri-State) is a wholesale electric generation and transmission cooperative association with 42 Utility Member Systems located across Colorado, Nebraska, New Mexico, and Wyoming.

Tri-State's Responsible Energy Plan (REP) issued in January of 2020 called for eliminating 100 percent of the carbon dioxide (“CO_2”) emissions from Tri-State-owned coal generation in Colorado by 2030 and for 70 percent of the electricity used by its Members to come from clean sources by 2030. Tri-State has pursued an Electric Resource Plan (ERP) that aligns with its REP commitments.[1]

This is Tri-State’s Phase I ERP. The plan complies with Colorado Public Utilities Commission (Commission) Rule 3605 and relevant paragraphs of Decision No. R22-0191 in Proceeding No. 20A-0528E issued March 28, 2022, approving the Unopposed Comprehensive Settlement Agreement (2020 ERP Settlement Agreement) filed with the Commission on January 18, 2022, concluding Phase I of Tri-State’s 2020 ERP. Attachment ~~A~~ LKT-5 to this report identifies the components of this report and 2023 ERP Phase I filing that comply with Commission directives.

The 20-year[2] resource planning period (RPP) for the 2023 ERP is 2024-2043 and the resource acquisition period (RAP) is the six-year[3] period from 2026-2031. Although Tri-State evaluated “highly competitive”[4] bids for 2026 in Phase II of the 2020 ERP, given that no projects were ultimately procured, Tri-State included 2026 in the 2023 ERP RAP to assess whether additional near-term resources might be selected under updated modeling input assumptions. Tri-State selected an acquisition period of six years through 2031 to ensure that, as fossil resource retirements in Colorado occur through the end of the decade, sufficient resources would be in place to continue to meet resource adequacy and reliability requirements. The RAP also recognizes the extended lead-time for certain resource types.

Tri-State’s preferred plan for its ERP is the IRA Scenario. The preferred plan is reliable, affordable, and responsible. The plan brings online 1,540 MW of new resources during the RAP, including:

- 700 MW of wind (200 MW of wind hybrids);
- 310 MW of storage (110 MW of standalone 100-hour iron air batteries; 100 MW of standalone 4-hour batteries; and 100 MW of 4-hr batteries with wind hybrids);
- 290 MW of combined-cycle natural gas in 2028 (with carbon capture and sequestration in 2031); and
- 240 MW of solar.

These resource additions are forecasted to result in one of ~~–~~the lowest present value revenue requirements (PVRR), among the scenarios modeled, over the planning period if Tri-State is awarded

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[1] The REP also identifies that Tri-State is striving for 100 percent clean energy in Colorado by 2040. While Phase I of the 2023 ERP does not yet forecast achievement of that stretch goal, Tri-State will continue to strive to make progress toward this aim in Phase II of the 2023 ERP and in the 2027 ERP. Notably, 2040 remains well outside of the Resource Acquisition Period (RAP) for the 2023 ERP.

[2] Commission Rule 3602(k).

[3] Commission Rules 3602(n) and 3605(a)(IV)(A).

[4] 2020 ERP Settlement Agreement, Section 3.4.4.2.

federal funding to support generation additions and provide stranded asset relief under the U.S. Department of Agriculture's Empowering Rural America (New ERA) funding opportunity initiated by the Inflation Reduction Act of 2022 (IRA). The plan enables Tri-State to take full advantage of new direct pay of federal tax benefits for renewable and storage resources by increasing owned resources—while adding and maintaining PPA resources, which also helps to minimize renewable curtailment costs. The preferred plan also retires two coal-fired generation resources during the RAP, including:

- Craig Unit 3 (448 MW) on January 1, 2028; and
- Springerville Unit 3 (419 MW) on September 15, 2031.[5]

These significant shifts in Tri-State's generation portfolio over the coming years would result in an 89 percent greenhouse gas (GHG) emissions reduction related to Tri-State's wholesale sales of electricity in Colorado in 2030, over a 2005 baseline—more than any other scenario modeled in the 2023 ERP. The IRA Scenario results in the highest percentage of renewable generation capacity in 2030 (39 percent) while meeting all Level I and Level II reliability criteria, by maintaining sufficient dispatchable generation and bringing online new battery storage resources to ensure system performance during extreme weather events (EWEs).

Tri-State is keenly aware of the economic challenges its Members face in rural America. Demographic data shows fourteen percent of the end-use customers served by Tri-State Members live below the federal poverty line, and up to half of the residential end-use customers suffer from some form of energy burden. The IRA has the potential to fundamentally alter the landscape for cooperative utilities. The IRA has "…tilt[ed] the balance in favor of cooperatives to develop their own renewables instead of utilizing purchase power agreements (PPAs). Thanks to the "direct-pay" provision in the law, cooperatives may now have a cost advantage depending on significant new grants from the U.S. Department of Agriculture (USDA) and the new ability to monetize tax credits that previously were available only to traditional developers with taxable income. These changes will have a big impact, as we saw when we compared renewables built by a representative cooperative versus an equivalent PPA…"[6]

Without new resource additions and assuming no change to previously announced generation retirement dates, with the exception of moving the Craig 3 retirement date to January 1, 2028, Tri-State would remain in a capacity-long position only through 2028, as identified in the 10-year loads and resources (L&R) shown in Table 1 below.[7] Under the IRA Scenario, Tri-State would remain capacity-long throughout the planning period[8], as shown in Figure 2 below.

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[5] Predicated on Tri-State receiving New ERA funding as requested and negotiation of contractual agreements impacted by the resource plan.

[6] https://www.mcr-group.com/wp-content/uploads/2023/06/Coops-IRA-White-Paper_v3.pdf

[7] In years where Tri-State files a Phase I ERP, the filing serves to comply with Commission Rule 3618(a) regarding ERP annual progress reports.

[8] The IRA scenario graph is reflective of all generic resources selected throughout the RPP but Tri-State will only be acquiring resources in the RAP (2026 to 2031).

Table 1: Load & Resources (L&R)[9]

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Resources (MW)	3225	3298	3212	3215	2818	2734	2746	2747	2753	2747
Total Obligations (MW)[10]	~~2826~~2815	~~2736~~2725	~~2516~~2505	~~2560~~2549	~~2733~~2722	~~2801~~2790	~~2827~~2816	~~2846~~2835	~~2897~~2797	~~2927~~2827
Excess (MW)	~~398~~409	~~561~~572	~~697~~708	~~656~~667	~~84~~95	~~-68~~-57	~~-82~~-71	~~-99~~-88	~~-143~~-43	~~-180~~-80

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Figure 1: Load & Resources (L&R)[11]

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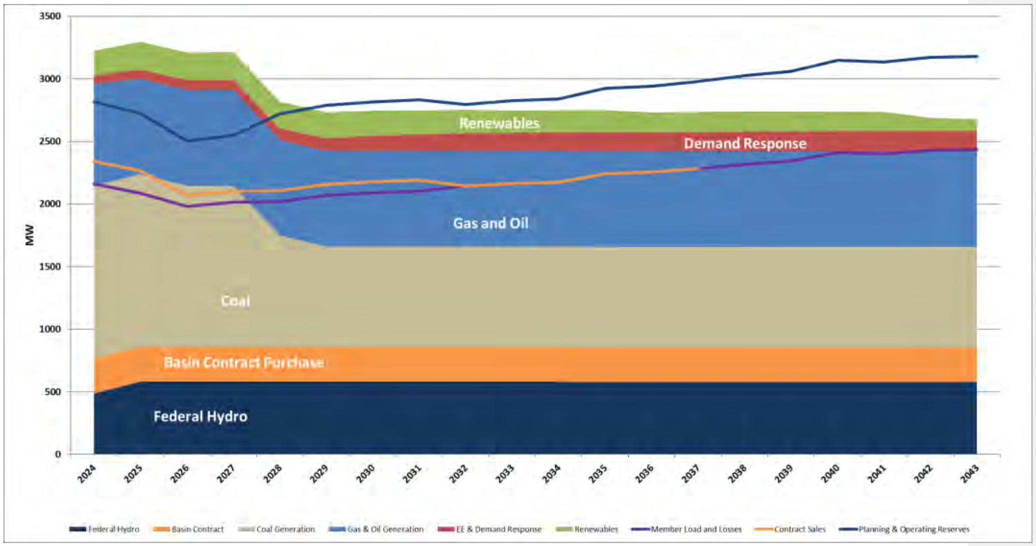
[9] No new resource additions from 2023 ERP modeling are included, reflects the current Tri-State system with known, contracted resource additions from previous procurements.

[10] Includes Member load (less energy efficiency and Partial Requirements, with Beneficial Electrification), losses, planning and operating reserves, and contract sales.

[11] No new resource additions from 2023 ERP modeling are included, reflects the current Tri-State system with known, contracted resource additions from previous procurements.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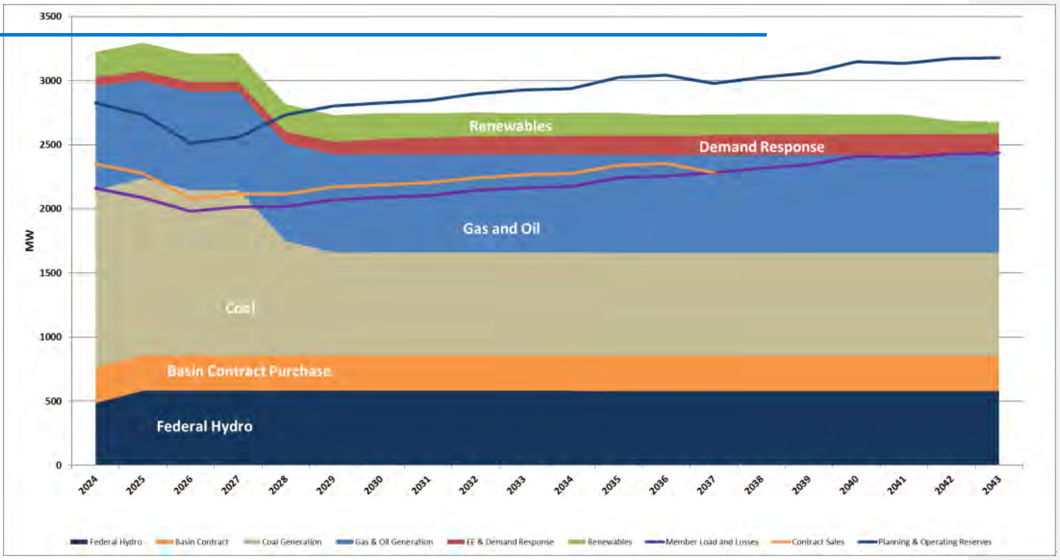
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EE & Demand Response
Renewables
Member Load and Losses
Contract Sales
Planning & Operating Reserves

Table 2: Load & Resources (L&R), IRA Scenario

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Resources (MW)	3225	3303	~~3286~~3276	~~3291~~3281	~~3210~~3201	~~3193~~3184	3332	~~3458~~3448	~~3134~~3124	~~3134~~3124
Total Obligations (MW)[12]	~~2826~~2815	~~2970~~2959	~~2750~~2739	~~2794~~2783	~~2733~~2722	~~2801~~2790	~~2827~~2816	~~2846~~2835	2997	3027
Excess (MW)	~~398~~409	~~333~~344	~~536~~5~~09~~37	~~498509~~499	~~477~~4~~87~~8	~~392403~~393	~~504~~5~~15~~06	~~612~~6~~2~~13	~~137~~127	~~107~~97

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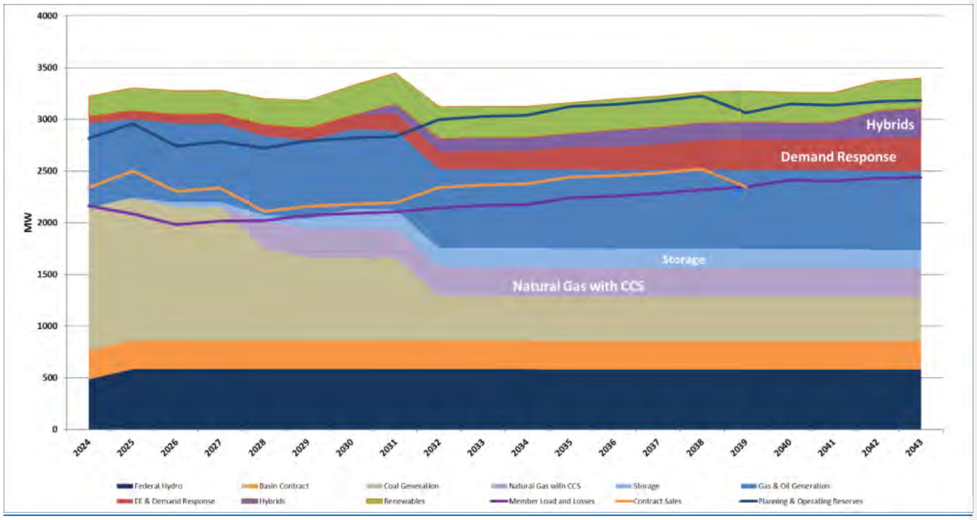
[12] Includes Member load (less energy efficiency and Partial Requirements, with Beneficial Electrification), losses, planning and operating reserves, and contract sales.

Figure 2: Load & Resources (L&R), IRA Scenario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Demand Response
Storage
Natural Gas with CCS
Federal Hydro
Basin Contract
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Contract Sales
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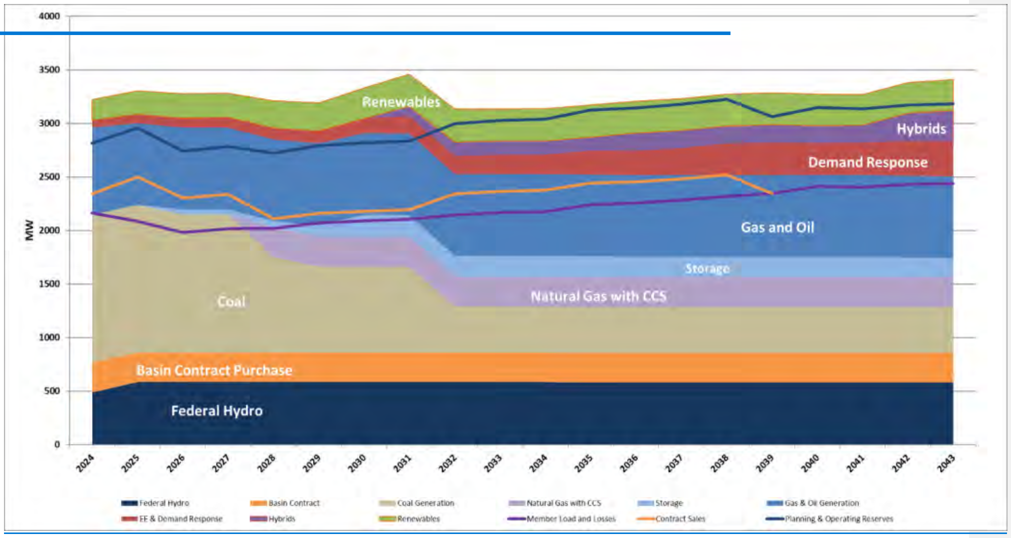
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Federal Hydro
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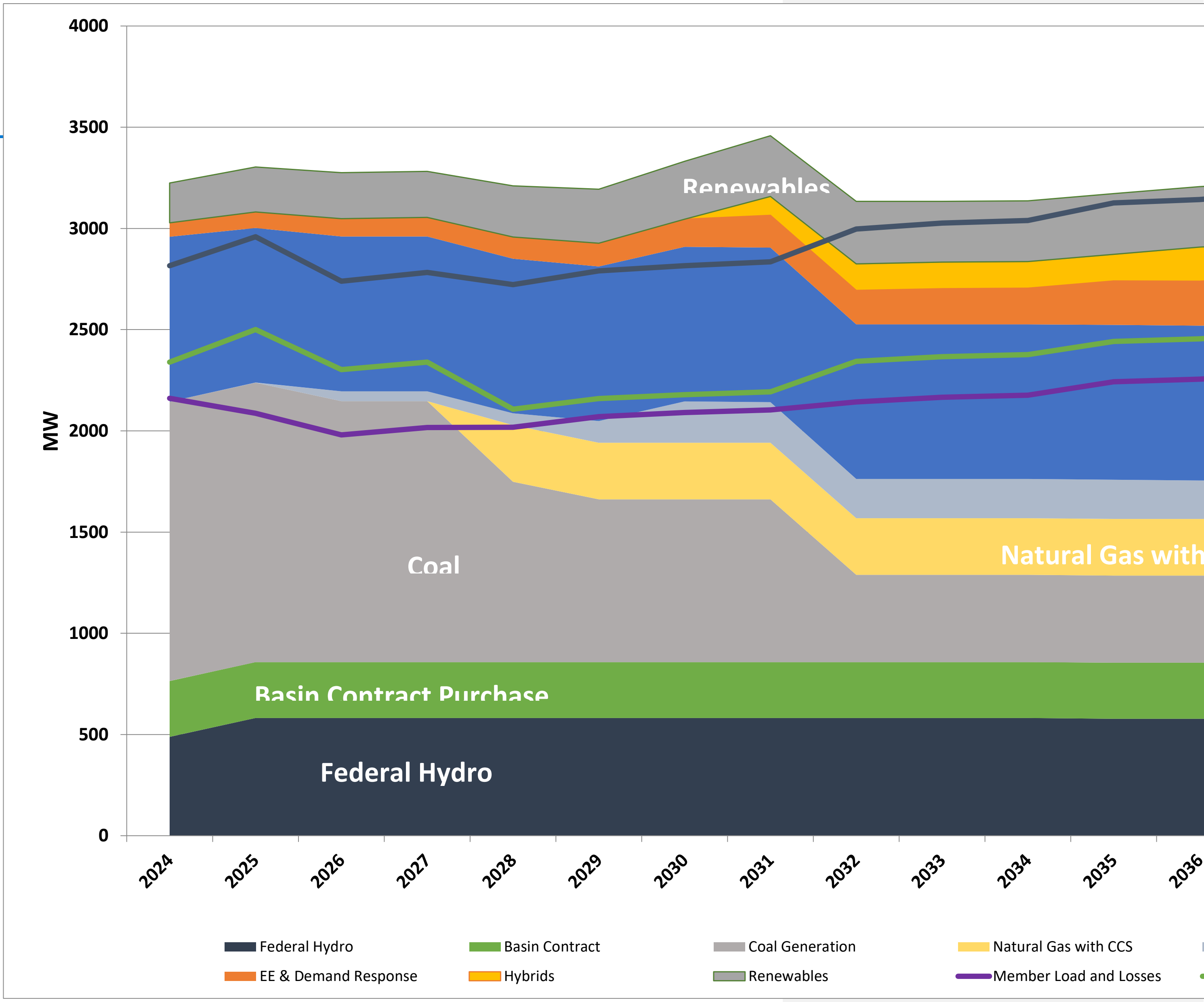
Planning & Operating Reserves



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[13] Commission Rule 3605(a)(IV)(O).

Beneficial Electrification Potential Study	Mesa Point Energy	Evaluates the achievable potential to convert non-electrical load to electrical load within Tri-State's Utility Member System territories while reducing carbon emissions.	~~G-3~~ LKT-31
Demand Side Management/Energy Efficiency Potential Study	Mesa Point Energy	Evaluates Demand Side Management achievable potential in relation to energy efficiency and demand response across Tri-State's Utility Member Systems' territories.	~~G-3~~ LKT-31
Evaluation of Tri-State G&T Preferred Plan (IRA Scenario) Reliability	Astrape	Evaluates reliability of preferred plan (IRA Scenario) in 2032	~~G-4~~ LKT-32

Tri-State also received input from ACES to analyze Tri-State's forward power curve forecasting and potential benefits of offering new products in an organized market, as well as related model set-up.

Assessment of Existing Resources

Tri-State's assessment of existing resources is provided in Attachment ~~C-3.~~ LKT-17 Resources capable of self-supplying certain ancillary services are identified in Attachment ~~B-4.~~ LKT-11 Information on Tri-State's PPA and contract resources is provided in Attachment ~~C-1~~ LKT-15. An analysis of the performance of Tri-State's existing resources was performed by the third-party consultant, provided as a Benchmarking Study (Attachment ~~G-2~~ LKT-30).

Electric Energy and Demand Forecast

Attachments ~~F and F-1~~ LKT-26 and LKT-27 contain Tri-State's load forecast summary and graphical presentation of load forecast data, pursuant to Commission Electric Rule 3605(a)(IV)(B) and 3605(b).

Scenario Modeling and Analysis Summary

Tri-State modeled five scenarios for Phase I of the 2023 ERP: 1) the Business-as-Usual (BAU), 2) IRA, 3) Early Springerville 3 Retirement (ESPV3), 4) System Wide Emissions Reductions (SWER), and 5) Aggressive Colorado Emissions Reductions (ACER). Both the BAU and IRA Scenarios include modeling input assumptions that Tri-State believes to be the most accurate and reflective of its system operations and Members' needs. Scenarios 3, 4, and 5 were modeled at the request of stakeholders.

Additionally, two[14] sensitivity analyses were performed on each scenario's expansion plan to re-dispatch the plans under extreme weather event (EWE) and high gas (HG) price conditions. The EWE sensitivity modeling assumptions are provided in Attachment ~~B-5~~ LKT-12 and results of the EWE sensitivity analyses are

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[14] Tri-State contemplated performing a drought sensitivity analysis for one year of the BAU Scenario, however, at the time 2023 ERP modeling began the U.S. Bureau of Reclamation's latest five-year projection for the Colorado River system indicated 0 percent probability of minimum power pool through 2027, so Tri-State deferred drought analysis to a future ERP.

provided in this report. The assumptions and results for the HG sensitivity analysis are provided in Attachment LKT-25~~E.~~

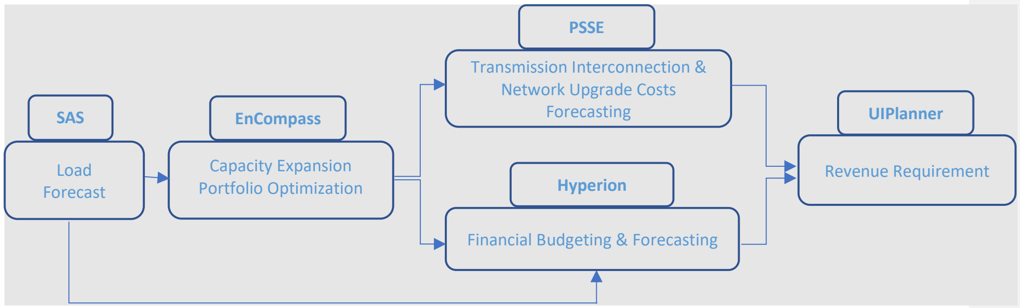
The Tri-State system is modeled as four planning regions. The planning regions are not state boundary restricted, rather they reflect significant power flow constraints within the Tri-State system:

- Wyoming / Electrically West Nebraska (WYO/WNE) – includes Tri-State owned or contracted resources capable of interconnecting north of TOT 3 in Wyoming and Nebraska located in the western interconnection and Western Area Colorado Missouri (WACM) Balancing Authority (BA);[15] and Tri-State load identified as WACM BA Wyoming loads.
- Eastern Colorado (ECO) – includes Tri-State owned or contracted resources capable of connecting to transmission in Colorado south of TOT 3, east of TOT 5, and in the western interconnection and WACM BA; and Tri-State load identified as WACM BA east loads and Tri-State loads in Public Service Company of Colorado (PSCO) BA.
- Western Colorado (WCO) – includes Tri-State owned or contracted resources capable of connecting to transmission in Colorado north of TOT 2, west of TOT 5, and east of TOT 1 in WACM BA; and Tri-State load identified as WACM BA west load.
- New Mexico (NM) – includes Tri-State load and owned or contracted resources physically located in or pseudo-tied into Public Service of New Mexico (PNM) BA. PNM BA is located in New Mexico and a portion of southeast Colorado.

Additional detail on the Tri-State system reflected in the EnCompass model is available in Attachment LKT-13~~B-6:~~ Tri-State System Topology.

Figure 3 below identifies the software tools (SAS, EnCompass, PSSE, Hyperion, and UIPlanner) utilized by Tri-State for completing each component of the scenario analyses and the succession of data through each system.

Figure 3: Modeling Software Tools



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[15] TOTs represent a collection of transmission lines identified as a transfer path between regions.

Each scenario was evaluated in terms of its performance under reliability, financial, and environmental criteria, and state renewable policy compliance, as described below.

Expansion Plan, Retirements, System Mix, and Capacity Factors

Tri-State used the EnCompass resource planning software to complete capacity expansion and portfolio optimization analyses for Phase I modeling, inputting the applicable modeling assumptions described in Attachment ~~B~~LKT-7[16] and reflecting the Tri-State system topology, provided as Attachment ~~B-6~~LKT-13.

Environmental Analyses

Based on the expansion plan and dispatch produced for each scenario, Tri-State has provided an analysis of forecasted system-wide emissions and water use, as well as the annual social costs of carbon (SCoC) and social cost of methane (SCoM). SCoC values reflect the February 2021 Interagency Working Group (IWG) on Social Cost of Greenhouse Gases, Technical Support Document.[17]

For each scenario, Tri-State separately produced an Air Pollution Control Division (APCD) verification workbook (APCD Workbook) calculating forecasted carbon emissions reductions, provided in Attachment ~~D.~~LKT-18[18] Target-year emissions reductions percentages for each scenario, calculated from the APCD Workbooks, are provided in this report.

Tri-State used the most recent available EPA eGRID rates, year 2021, for forecasted market purchases and sales, the Basin Eastern Interconnection contract, and the Basin Electrically Western Interconnection contract. The carbon emission rate assumption for market purchases and sales is 1,159 pounds per MWh through 2029 per 2021 RMPA eGRID rate and 450 pounds per MWh (WECC), per APCD Workbook requirement, starting in 2030. The carbon emission rate assumption for Basin Western Interconnection contract is 2,596 pounds per MWh 2024 through 2025 per 2021 LRS eGRID rate, 1,159 pounds per MWh 2026 through 2029 per 2021 RMPA eGRID rate, and 450 pounds per MWh (WECC), per APCD Workbook requirement, starting in 2030. The carbon emission rate assumption for Basin Eastern Interconnection contract is 996 pounds per MWh through 2029, which is the 2021 MROW[19] eGRID rate and 525 pounds per MWh (SPP), per APCD Workbook requirement starting in 2030.

Financial Analyses

Tri-State and 39 of our 42 Members serve 170 census tracts that are identified as Disadvantaged Communities, and 161 census tracts are identified as Low Income.[20] Pursuant to Rule 3605(g)(III)(C)(iii), Tri-State provided a financial analysis of each scenario, including:

- Annual revenue requirements;

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[16] *See* Attachments ~~B, B-1, B-2, and B-3.~~LKT-7, LKT-8, LKT-9, LKT-10

[17] https://www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf

[18] 2020 ERP Settlement Agreement, Section 3.11.1.

[19] Midwest Reliability Organization West

[20] Council on Environmental Quality Climate and Economic Justice Screening Tool (Explore the map - Climate & Economic Justice Screening Tool (geoplatform.gov)), and USDA look-up map (Locations of Distressed and Disadvantaged Communities (arcgis.com)).

- Present value revenue requirement, with and without the social costs of carbon and methane; and
- Curtailment MWhs by intermittent resource type seasonally and year.[21]

Transmission Analyses

Each scenario was analyzed for its impact on transmission expenditures – both forecasted interconnection costs and additional network upgrades anticipated to be required, beyond already planned upgrades.

Reliability Analyses

Tri-State utilizes industry standard reliability metrics for its resource planning, referred to in the ERP as "Level I Reliability Metrics," and has also developed an additional set of reliability metrics for assessing the plan's performance under simulated EWE conditions, and refers to those standards as "Level II Reliability Metrics." All metrics are given equal weight as minimum requirement thresholds for any scenario to be supported as a reliable, preferred plan for Tri-State.

These metrics are critical for mitigating risks associated with:

- Not meeting resource adequacy obligations as a load-serving entity (LSE);
- Reliability impacts during a single EWE as well as the impact of EWEs on reliability over the course of the RAP;
- Uncertainty of performance of emerging technologies and contribution of increased intermittent resources at higher levels;
- Lost productivity and cost of deploying emergency response measures during an EWE; and
- Member reliability expectations for high reliability across the system and limited load shedding or reduced system reliability during an EWE, and over time.

Level 1 reliability metric checks were performed on each scenario, including:

- *Planning Reserve Margin (PRM):* Measure of required surplus of forecast generation capacity above forecast peak load inclusive of firm sales obligations. Reserve Margin requirement is inclusive of operating contingency/planning reserves (%). The third-party study of PRM (Attachment LKT-29~~G-1~~) was developed using a Strategic Energy Risk Valuation Model (SERVM)—a system-reliability planning and production cost model designed to analyze the capabilities of an electric system during a variety of conditions under thousands of different scenarios and is thus able to identify potential risks to system reliability across the entire year, not just at system peak. The model, therefore, provides insight into risks and costs during these periods as well as the expectation of being able to meet peak load under many, varying conditions. The results of the model help determine the amount of reserves an electric system requires to adequately maintain system reliability.

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[21] One of the benefits of utilizing the EnCompass software is that it offers increased visibility into generation unit curtailments. EnCompass allows for a prioritization of curtailment order. In the event that resources must be curtailed, Tri-State's model will first reduce dispatch of thermal resources to economic minimum levels, including taking thermal resources offline if possible. The model then curtails solar resources, wind resources, thermal resources below economic min and must take contracts (i.e., hydropower and Basin contracts)–in that order.

  - Target (min) is 22% transitioning to 30.5% in 2028 after the retirement of the Craig facility.
- *Loss of Load Hours (LoLH)*[22]: Measure of the likelihood of failing to meet system load (hours per 10 years).
  - Target (max) is 1 day in 10 years (99.973% reliability).[23]
    - 2024-2033 – annually cannot exceed 2.4 hours.[24]
    - 2034-2043 – cannot exceed 24 hours over entire period.
- *Expected Unserved Energy (EUE)*[25]: Measure of annual summation of hourly energy not available to meet load and firm sales obligations; representative of potential load that would otherwise need to be shed to maintain system reliability.
  - Targets (max):
    - ≤ 0.4 GWh annually.[26]

Level 2 reliability target checks were performed on each scenario's EWE sensitivity result, including:

- ≤ 12 loss of load hours during all EWEs in 2026-2031
- ≤ 3 loss of load hours per each year, 2026-2031
- EUE must be ≤ 20% of load in any hour[27]
- Evaluation of market purchases vs remaining hourly available dispatchable capacity to ensure that EUE was not avoided through the use of market purchases as capacity.[28]

A detailed analysis of how additions of new intermittent capacity can serve load and maintain reliability is provided for each scenario.[29]

State Renewable Policy Compliance Analysis

Tri-State reviewed the results of each scenario and affirms that all scenarios meet or exceed the minimum applicable state renewable energy standard (RES) or renewable portfolio standard (RPS) requirements. RES/RPS standards are shown in the following table.

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[22] LoLH is equivalent to Loss of Load Probability (LoLP) terminology used in Tri-State's 2020 ERP Phase I.

[23] Splitting the LOLH target over the planning period reflects Tri-State's desire to have added assurance that intra-year reliability in the near-term is met by resources coming online during the RAP as the generation fleet makes significant transitions through this period. This approach also allows Tri-State to cautiously assess the impact of having an increasing percentage of intermittent resources in its fleet and the uncertain potential for more severe EWEs before applying similarly stringent LOLH metrics to the outer years of the planning period. There is more flexibility allowed in the out years as forecasting and technology uncertainty is greater during this period.

[24] The annual LOLH target of 2.4 hours is an equivalent representation of the 1 day in 10 years reliability standard.

[25] EUE is equivalent to Energy Not Served (ENS) terminology used in Tri-State's 2020 ERP Phase I.

[26] This metric is reflective of lower load forecasted based on both member exits and Partial Requirements and is aimed at limiting EUE to a reasonable level below the historical annual average, consistent with the 2020 ERP Phase II.

[27] This metric is an equivalent to the Level I annual EUE target, reflected as an hourly target to assess reliability during EWE stress periods. According to NREL, ~26 percent of estimated load in ERCOT was curtailed during Winter Storm Uri in 2021.

[28] In evaluating historical events, Tri-State confirmed that there was no reliance on third party capacity during extreme weather events. If market purchases occurred an equal or greater amount of Tri-State capacity was unused.

[29] 2020 ERP Settlement Agreement, Section 3.11.14.

Table 4: Colorado RES and New Mexico RPS Requirements during RPP

	Colorado RES[30, 31]		**New Mexico RPS**[32]
	Co-ops	**Tri-State**	**Co-ops**
2024	10%	20%	10%
2025-2029	10%	20%	40%
2030-2050	10%	20%	50%

Comparative Analysis

The analysis Tri-State completed to compare and assess results across scenarios can be found in the Comparative Analysis section of this report.

Commission Electric Rule 3605(g)(III)(C) and (D)

The Commission must consider the following factors in issuing a Phase I decision:

The Phase I decision will set forth the information the utility shall provide in the ERP Implementation Report regarding potential resources, proposed utility-owned resources, and the modeling of portfolio combinations of resources to support the development of cost-effective resource plans.

Tri-State proposes an outline for the ERP Implementation Report to be filed in Phase II of the 2023 ERP, provided as Attachment LKT-3.

Tri-State proposes to procure utility-owned resources and PPAs, in alignment with the resource mix modeled in the IRA Scenario, shown in the table below. This approach would result in approximately 500 MW of owned resources and 1040 MW of PPA resources.

Table 5: Proposed MW of Utility-Owned and PPA Resources, by Technology, in IRA Scenario RAP

Technologies	**Own**	**PPA**
Solar		240
Wind		500
Wind Hybrid		200
4-hr Storage[33]	100	100
Iron Air Storage	110	
Natural Gas Combined Cycle (NGCC) with Carbon Capture and Sequestration (CCS) Conversion	290	
Total	**500**	**1040**

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[30] § 40-2-124(1)(c)(I)(D) and (c)(V)(D), C.R.S.
[31] § 40-2-124(8)(b), C.R.S.
[32] N.M. Stat. Ann. § 62-15-34.
[33] Owned storage is standalone and PPA storage is tied to 200 MW of wind (wind hybrid).

The Commission shall determine the cost of carbon dioxide emissions to assess the cost, benefit, and net present value of revenue requirements to be presented in the ERP Implementation Report.

> Tri-State has utilized the most recent IWG on Social Cost of Greenhouse Gases, Technical Support Document for the SCoC at the time modeling began and suggests continuation of that practice is sufficient for reporting portfolio analysis results in Phase II of the 2023 ERP.

In consideration of the base case portfolio of resources and alternative portfolios proposed by the utility, the Commission shall define the base case portfolio and alternative portfolios for modeling in Phase II.

> If New ERA funding is received as requested, Tri-State requests that the IRA Scenario be the base case portfolio in Phase II. Tri-State proposes to model one portfolio that reflects the IRA Scenario resource selections and five portfolios that identifies back-up bid selections for each technology cohort. Tri-State requests limiting stakeholder-requested portfolios to two, given the number of back-up bid portfolios that will be necessary.

The Commission may require the utility to provide information regarding alternative portfolios in addition to the base case portfolio and information regarding the cost, benefit, and net present value of revenue requirements of the alternative portfolios using different levels of costs for carbon dioxide.

> Tri-State has provided cost, benefit, and PVRRs for five scenarios in Phase I, including a base case (Business as Usual Scenario), and would provide similar information for Phase II portfolios.

In accordance with § 40-3.2-106(3), C.R.S., the Commission shall establish the relevant factors other than the cost of carbon dioxide emissions for consideration of the approval of the utility's electric resource plan.

> Factors that Tri-State has considered in evaluation of its preferred plan, the IRA Scenario, are identified in the Executive Summary and Comparative Analysis sections of this report. Factors include reliability, financial, and environmental considerations.

The Phase I decision will establish the deadline for the utility to submit its ERP Implementation Report.

> Tri-State has proposed a Phase II timeline (Attachment LKT-2), which plans for the ERP Implementation Report to be filed 120 days after Bid Evaluation Complete (estimated to be January 2025). The proposed timeline for the ERP Implementation Report aims to ensure sufficient time for modeling preparation and completion, while recognizing RAP includes 2026.

Stakeholder Engagement

Tri-State has engaged transparently and collaboratively in ongoing stakeholder engagement in advance of and during the Phase I resource planning process. Numerous stakeholder groups representing a diverse set of interests participated in more than a dozen meetings in 2023 in advance of Tri-State beginning Phase I modeling and several additional meetings during development of the Phase I filing. These discussions provided an opportunity to further educate stakeholders on the complexities of the Tri-State system, inform participants of key modeling inputs and assumptions, and facilitate dialogue on topics applicable to Phase I. These stakeholder meetings occurred between January and October 2023, covering the following topics:

1. January 17, 2023: Phase I Scope, Timeline, Generic Resources, Storage Valuation, ELCCs, Scenarios/Sensitivities, and Phase II RFP[34]
2. February 16, 2023: Beneficial Electrification (BE) Meeting #1[35]
3. February 23, 2023: Phase I Storage Valuation, ELCCs, DSM/DR/BE,[36] and Scenarios/Sensitivities[37]
4. March 10, 2023: Phase I Scenario and Sensitivity Planning #1[38]
5. March 14, 2023: Phase I Reliability and Extreme Weather Event (EWE) Sensitivities
6. March 22, 2023: BE Meeting #2[39]
7. March 24, 2023: Phase I Reliability and Extreme Weather Sensitivities
8. March 27, 2023: Phase I Scenario and Sensitivity Planning #2[40]
9. April 24, 2023: Phase I Battery Modeling and ELCC Study[41]
10. April 26, 2023: DSM Roundtable Meeting #1
11. May 4, 2023: Phase I Scenario and Sensitivity Planning #3 (GHG Reduction Modeling)[42]
12. May 17, 2023: Phase I Pre-Modeling Assumptions Feedback[43]
13. July 19, 2023: Phase I PRM, ELCC, and EWE Modeling[44]
14. August 14, 2023: Phase I Scenario and Sensitivity Planning #4[45]
15. September 27, 2023: Phase II Planning[46]
16. October 18, 2023: DSM Roundtable Meeting #2

Several other meetings, e-mail communications and updates to stakeholders also occurred in advance of and during Phase I modeling with the aim of ensuring communications on key ERP topics.[47] All 2023 ERP stakeholder meetings were identified on Tri-State's website[48] in advance of the meetings and were open for public participation.[49]

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[34] 2020 ERP Settlement Agreement, Sections 3.11.12., 3.11.13 and 3.11.15.
[35] 2020 ERP Settlement Agreement, Section 3.11.10.
[36] Per 2020 ERP Settlement Agreement, Sections 3.11.5, Tri-State held three meetings on DSM prior to December 31, 2022 which were identified in the 2020 ERP Phase II Implementation Report (April 27, June 14, and August 1, 2022). DSM modeling was also discussed during the February 23, 2023 stakeholder meeting.
[37] 2020 ERP Settlement Agreement, Sections 3.11.12, 3.11.13, and 3.11.14.
[38] 2020 ERP Settlement Agreement, Section 3.11.12 and 3.11.14.
[39] 2020 ERP Settlement Agreement, Section 3.11.10.
[40] 2020 ERP Settlement Agreement, Section 3.11.12 and 3.11.14.
[41] 2020 ERP Settlement Agreement, Section 3.11.13.
[42] 2020 ERP Settlement Agreement, Section 3.11.12.
[43] 2020 ERP Settlement Agreement, Section 3.11.12.
[44] 2020 ERP Settlement Agreement, Section 3.11.13.
[45] 2020 ERP Settlement Agreement, Section 3.11.12 and 3.11.14.
[46] Decision No. C23-0437, at¶ 67.
[47] Of note, discussion of emissions rates occurred August 16, 2022, per 2020 ERP Settlement Agreement, Section 3.11.4, as identified in the 2020 ERP Phase II Implementation Report.
[48] https://tristate.coop/resource-planning
[49] 10 C.F.R. § 905.11(b)(4)

Tri-State maintains ongoing collaboration with interested stakeholders related to its ERP, federal funding pursuits, and organized market-related matters.

Scenario Results: Highlights

Key facets of the scenario modeling results, such as generic resource selection during the RAP, and unit retirements modeled and PVRRs over the RPP are summarized below. Detailed scenario results and comparisons across scenarios are in the sections that follow.

Generic Resource Selection in Scenario Modeling

Table 6 identifies the generic resource types selected across the scenarios modeled.

Table 6: Generic Resources Selected in Scenario Modeling During the RAP, by MW and Technology

Scenario	**Gas**	**Storage[50]**	**Solar[51]**	**Wind**	**Wind Hybrid**	**Total**
Scenario 1: BAU	290	250	140	0	300	**980**
Scenario 2: IRA	290	310	240	500	200	**1,540**
Scenario 3: ESPV3	290	350	140	0	300	**1,080**
Scenario 4: SWER	290	50	140	0	100	**580**
Scenario 5: ACER	290	100	140	0	200	**730**

Unit Retirement Selection in Scenario Modeling

Table 7 identifies the retirements dates modeled for resources during the RPP.

Table 7: Retirements Modeled by Scenario

Scenario	**Craig 3**	**SPV 3**	**LRS 2**
Scenario 1: BAU	1/1/2028	1/1/2037	1/1/2043
Scenario 2: IRA	1/1/2028	9/15/2031	N/A
Scenario 3: ESPV3	1/1/2028	1/1/2031	N/A
Scenario 4: SWER	1/1/2028	1/1/2037	N/A
Scenario 5: ACER	1/1/2028	1/1/2037	1/1/2042

Scenario PVRRs

Error! Reference source not found.~~Table 8~~ identifies the PVRRs resulting from each scenario modeled, over the RPP.

Table 8: PVRR by Scenario

Scenario	**PVRR ($, Millions)**
Scenario 1: BAU	$17,507.40
Scenario 2: IRA	$17~~6~~,221~~352~~.4~~0~~0
Scenario 3: ESPV3	$17,304.20
Scenario 4: SWER	$17,343.90

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[50] Storage inclusive of standalone and hybrid batteries.

[51] Solar values are representative of selected generic resources during the RAP. Due to the cancellation of the Coyote Gulch after the start of modeling, 140 MW of solar replacement in 2026 will be pursued in Phase II and is reflected in this data.

Scenario 5: ACER	$17,208.20

Phase I Scenario Results and Analysis

Each section that follows presents data and analytical results from each scenario modeled, addressed in the following order:

- Expansion Plan, Retirements, System Mix, Capacity Factors, and Sales/Purchases
- Environmental Analysis
- Financial Analysis
- Transmission Analysis
- Reliability Analysis

1. Business As Usual (BAU) Scenario

The BAU Scenario and assumptions served as the base case scenario for Phase I.[52] Assumptions unique to each scenario are identified in Attachment ~~B-3~~. LKT-10

Scenario 1 (BAU) – Expansion Plan, Retirements, System Mix, Capacity Factors, and Sales / Purchases

The expansion plan, DSM selected, plant retirements, system resource mix, thermal unit capacity factors, and forecasted energy purchases and sales modeled for the scenario are shown below.

Table 9: Expansion Plan (Scenario 1 – BAU)

Year	Technology	Planning Region	Unit Size (MW)	Number of Units	Total MW
2026	Solar[53]	West Colorado	140	1	140
2028	NGCC with CCS[54]	West Colorado	290	1	290
2030	Wind/Battery Hybrid	East Colorado	100	2	200
	100 hr – Iron Air Battery	East Colorado	100	1	100
2031	Wind/Battery Hybrid	New Mexico	100	1	100
2032	Wind/Battery Hybrid	East Colorado	100	1	100
2033	Wind	East Colorado	100	1	100
2036	Wind/Battery Hybrid	East Colorado	100	1	100
2037	Wind/Battery Hybrid	New Mexico	100	1	100
2040	Wind/Battery Hybrid	Wyoming / W. Neb.	100	1	100
2041	Wind/Battery Hybrid	Wyoming / W. Neb.	100	1	100
2042	Wind/Battery Hybrid	East Colorado	100	2	200
	Wind/Battery Hybrid	Wyoming / W. Neb.	100	2	200

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[52] Commission Rule 3605(a)(IV)(M).
[53] This resource is not a modeling selection, it is replacement project for Coyote Gulch PPA that was terminated in 2023.
[54] NGCC installed in 2028 and CCS conversion startup anticipated in 2031.

Year	Technology	Planning Region	Unit Size (MW)	Number of Units	Total MW
2043	Solar	New Mexico	100	1	100
	Wind/Battery Hybrid	Wyoming / W. Neb.	100	1	100

*Generic hybrids include 50 MW/200 MWh battery with each 100 MW solar or wind resource. Hybrid resources are sharing the interconnection.

The expansion plan also included the following Energy Efficiency (EE) levels by region:[55]

- All plans include applicable Colorado energy efficiency targets in base assumptions.[56]
- Low New Mexico Energy Efficiency was selected in the expansion plan of Scenario 1 – BAU in 2040.
- Low Wyoming Energy Efficiency was selected in the expansion plan of Scenario 1 – BAU in 2040.

The expansion plan also included the following Demand Response (DR) levels by region:[57]

- All plans include Colorado demand response required target of 4% beginning in 2025 per the 2020 ERP Settlement Agreement in base assumptions.[58]
- 84 MW of New Mexico Demand Response was selected in the expansion plan of Scenario 1 – BAU starting in 2040.
- 52 MW of Wyoming Demand Response was selected in the expansion plan of Scenario 1 – BAU starting in 2038.

Unit retirements selected in the modeling are shown in the following table.[59]

Table 10: Modeled Retirements (Scenario 1 – BAU)

Unit	MW	Technology	Date
Craig 3	448	Coal	1/1/2028
Springerville 3	419	Coal	1/1/2037
LRS 2 (TS portion)	241	Coal	1/1/2043[60]

Resulting system capacity and energy mix, based on the modeling are shown below.

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[55] Commission Rule 3605(c)(I)(I).

[56] 2020 ERP Settlement Agreement at Section 3.11.6.

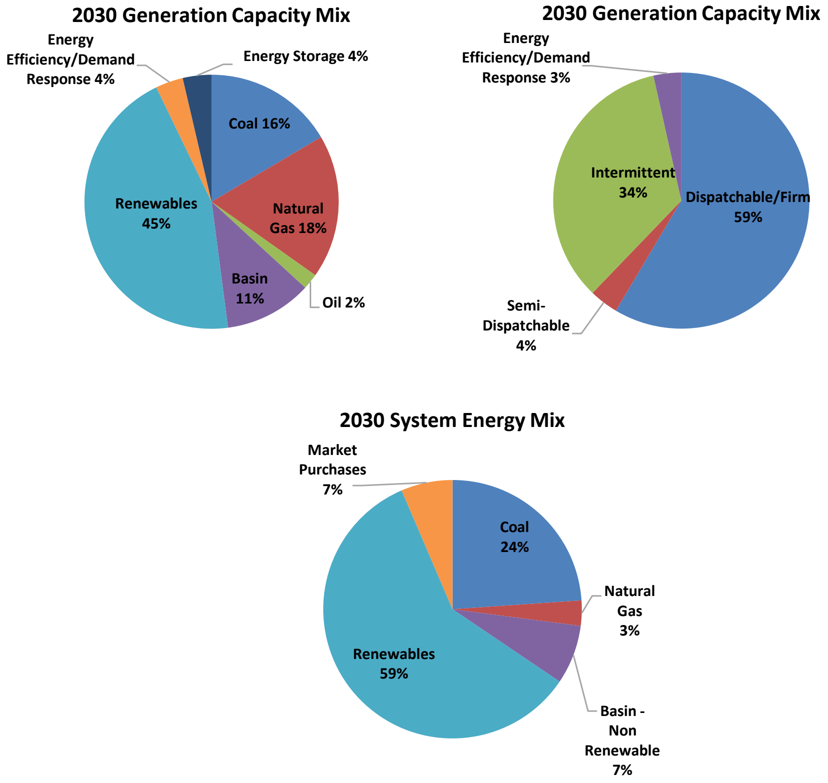
[57] Commission Rule 3605(c)(I)(I).

[58] 2020 ERP Settlement Agreement at Section 3.11.8.

[59] Craig 1 is modeled to retire on December 31, 2025 and Craig 2 is modeled to retire on September 30, 2028, both of which reflect timing as previously announced by the joint owners of these units ("Yampa Project Owners").

[60] This a modeling result based on input assumptions for Tri-State's portion of Laramie River Station (LRS) Unit 2; at the time of this report, Tri-State does not have the right to unilaterally retire any Missouri Basin Power Project (MBPP) resource (LRS 2 or LRS 3). Tri-State along with MBPP participants will continue to evaluate changing industry regulations, system and market conditions to inform operational decisions related to its joint owned coal units.

Figure 4: Projected Tri-State System Resource Mix 2030 (Scenario 1 – BAU)[61, 62, 63]



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[61] "Renewables" category reflects wind and solar resources, Member Distributed Generation (DG), energy associated with renewable energy credits ("RECs") received via the Basin contract, and hydropower purchases.

[62] Capacity Mix charts reflect net capacity of system generation, before any application of ELCCs.

[63] System Energy Mix reflects sales to Members and non-Members.

Table 11: Projected Annual Capacity Factors for Thermal Resources (Scenario 1 – BAU)

Thermal Resource	2024	2025	2026	2027	2028	2029	2030	2031
Craig 1	80%	18%	0%	0%	0%	0%	0%	0%
Craig 2	98%	15%	27%	12%	15%	0%	0%	0%
Craig 3	79%	13%	22%	18%	0%	0%	0%	0%
LRS 2	93%	89%	86%	78%	76%	74%	71%	70%
LRS 3	75%	63%	62%	55%	57%	48%	45%	51%
SPV 3	72%	67%	43%	42%	43%	36%	44%	42%
Burlington	0%	0%	0%	0%	0%	0%	0%	0%
Knutson	1%	0%	0%	0%	0%	0%	0%	0%
Limon	1%	0%	0%	0%	0%	0%	0%	0%
Pyramid	2%	1%	0%	0%	0%	0%	0%	0%
Shafer	26%	11%	0%	1%	0%	0%	0%	0%
GG-300-1x1-7FA05-CCS-wco	0%	0%	0%	0%	28%	28%	19%	49%

Energy sales and purchases forecasted, based on the modeling, are shown below.

Table 12: Forecasted Energy Sales and Purchases (Scenario 1 – BAU)

Scenario Forecast	2024	2025	2026	2027	2028	2029	2030	2031
Sales (GWh)	3,534	1,506	3,095	2,877	3,344	2,774	3,286	3,911
Purchases (GWh)	344	946	523	884	610	717	926	742

Scenario 1 (BAU) – Environmental Analysis

Emissions and water use, annual social cost of carbon and social cost of methane, and emissions reductions modeled for the scenario are provided below.

Table 13: Environmental Impact - System Wide (Scenario 1 – BAU)[64]

Year	CO_2 [65] (ST)	SO_2 (ST)	NO_x (ST)	Hg (ST)	PM (ST)	Water (gallons)	CH4 (MT CO2e)
2024	15,834,465	7,750	10,740	0.0383	704	6,777,851,478	32,082
2025	10,918,985	5,416	6,423	0.0243	515	4,098,496,075	20,000
2026[66]	8,555,344	5,071	5,977	0.0230	413	3,640,953,702	18,040

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[64] Commission Rule 3605(c)(I)(H). All tons are in short tons (ST), except for CH4 which is provided as metric tons of carbon dioxide equivalent (MT CO2e). CO_2, SO_2 and NO_x are per net MWh; HG and particulate matter (PM) are per gross MWh.

[65] In all scenarios the 2021 eGRID emission rate for LRS is used for calculating emissions of the Basin Western Interconnection Contract in 2024 and 2025. This is a change from reporting in the 2020 ERP which used regional eGRID rates in those years. From 2026 to 2029 the 2021 RMPA eGRID is used for this contract which then transitions to the APCD assigned rate for WECC in 2030.

[66] Load reduced due to partial requirements contracts in 2026 forward.

Year	**CO$_2$ [65] (ST)**	**SO$_2$ (ST)**	**NO$_x$ (ST)**	**Hg (ST)**	**PM (ST)**	**Water (gallons)**	**CH4 (MT CO2e)**
2027	8,004,261	4,747	5,558	0.0204	378	3,239,042,574	16,444
2028	7,398,021	4,273	4,742	0.0182	384	3,109,973,662	14,569
2029	6,751,561	3,964	4,414	0.0161	336	2,752,993,696	12,908
2030	5,884,898	4,044	4,477	0.0161	350	2,732,958,152	13,397
2031	5,745,992	4,070	4,513	0.0166	370	3,287,323,551	13,629
2032	5,310,741	3,880	4,343	0.0153	333	3,053,750,612	12,597
2033	5,652,647	4,035	4,490	0.0162	361	3,227,998,157	13,431
2034	5,698,340	4,065	4,532	0.0163	362	3,244,468,138	13,533
2035	5,458,062	3,970	4,464	0.0157	339	3,116,848,744	12,923
2036	5,083,006	3,833	4,367	0.0149	302	2,923,162,545	12,018
2037	4,083,249	3,443	4,075	0.0130	206	2,443,989,009	9,470
2038	4,101,311	3,456	4,095	0.0130	206	2,447,420,964	9,511
2039	4,167,871	3,501	4,158	0.0132	208	2,466,937,312	9,661
2040	4,173,730	3,512	4,178	0.0131	207	2,460,238,397	9,674
2041	4,163,504	3,509	4,183	0.0130	205	2,442,136,997	9,651
2042	4,205,424	3,542	4,241	0.0130	205	2,439,323,762	9,744
2043	2,858,155	2,789	3,381	0.0071	127	1,651,568,018	6,808
Total	**124,049,570**	**82,870**	**97,350**	**0.337**	**6,512**	**61,557,435,546**	**270,090**
Pounds/Gallons per MWh[67]	857	0.57	0.67	0.000002	0.04	213	2.056

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[67] Pounds per MWh of Member load for emissions; gallons per MWh of Member load for water.

Table 14: Social Cost of Carbon Nominal Dollars – System Wide (Scenario 1 – BAU)

Year	Annual Social Cost of Carbon
2024	$1,390,597,459
2025	$995,687,914
2026	$810,659,426
2027	$787,912,259
2028	$755,247,562
2029	$714,655,955
2030	$645,736,709
2031	$653,860,869
2032	$626,587,101
2033	$691,336,216
2034	$722,286,260
2035	$716,850,786
2036	$691,597,305
2037	$575,435,014
2038	$598,539,612
2039	$629,766,814
2040	$652,840,646
2041	$670,965,445
2042	$705,605,295
2043	$494,486,160

Table 15: Social Cost of Methane Nominal Dollars – System Wide (Scenario 1 – BAU)

Year	Annual Social Cost of Methane
2024	$82,734,317
2025	$54,056,308
2026	$51,119,484
2027	$48,825,849
2028	$45,233,558
2029	$41,884,087
2030	$45,409,865
2031	$48,392,878
2032	$46,826,362
2033	$52,235,896
2034	$55,037,923
2035	$54,924,746
2036	$53,357,940
2037	$43,900,675
2038	$46,012,180
2039	$48,752,421
2040	$50,897,483
2041	$52,750,303
2042	$56,102,875
2043	$40,040,866

Table 16: Colorado GHG Emissions Reduction Percentages, Targets and Forecast (Scenario 1 – BAU)

Year	Target[68]	Forecast
2025	26%	47%
2026	36%	60%
2027	46%	68%
2030	80%	86%

See Appendix D for detailed GHG emissions calculations for the scenario.

Scenario 1 (BAU) – Financial Analysis

The present value revenue requirement (PVRR), net present value (NPV) of the SCoC and SCoM, total capital expenditures (CapEx) and interest during construction (IDC), and annual revenue requirement are shown below.

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[68] 2020 ERP Settlement Agreement, Sections 3.3.4. and 3.3.5.

Table 17: Total Financial (Scenario 1 – BAU)

$, Millions	**Scenario PVRR** (2023 WACC 4.12%)	**SCoC NPV (2.5%)**	**SCoM NPV (2.5%)**	**Scenario PVRR inclusive of SCoC NPV**	**Scenario PVRR inclusive of SCoC NPV & SCoM NPV**
	$17,507.4	$11,608.8	$800.2	$29,116.2	$29,916.4
Expansion Plan CapEx + IDC: Generation (Nominal $)	$1,806.8				
Expansion Plan CapEx + IDC: Transmission (Nominal $)	$598.2				

Table 18: Annual Financial (Nominal $) (Scenario 1 – BAU)

Year	**Total Annual Revenue Requirement ($, Millions)**
2024	$1,016
2025	$987
2026	$898
2027	$966
2028	$1,053
2029	$1,218
2030	$1,262
2031	$1,283
2032	$1,305
2033	$1,399
2034	$1,503
2035	$1,519
2036	$1,562
2037	$1,461
2038	$1,490
2039	$1,514
2040	$1,534
2041	$1,544
2042	$1,566
2043	$1,734

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Financial analysis of the of the scenario under the extreme-weather event stress is provided below.

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*Table 19 ~~XX~~: Total Financial Under **EWE** Sensitivity (Scenario 1 – BAU)*

Scenario PVRR ($, Millions) (2023 WACC 4.12%)
$17,472.1

Curtailments

Total curtailments during the RAP, annually by resource type and seasonally, are shown in the tables below. Annual PPA curtailment costs and penalties estimated to result from the modeled curtailments, by resource type, are also provided.

Intermittent resource curtailments are minimal within the Scenario 1 – BAU dispatch, through 2031. In 2026, with the removal of 163 MW of partial requirements load, and the retirement of Craig 1, we begin to see more curtailments – primarily impacting solar and occurring in the spring season. The model uses curtailment groups to define the order of curtailments. The order of curtailments is sequential, as follows: solar, wind, gas, coal, contracts/hydro, and Basin. Thermal resources are backed down to minimum or taken offline if economical to do so prior to curtailments of other resources. Since existing solar resources are modeled with the investment tax credit (ITC) they do not have a production tax credit (PTC) penalty associated with curtailment, and therefore the model is setup to select solar first for curtailments. Total financial curtailment costs over the RAP for Scenario 1 – BAU are $518,551.

Table 20: Curtailed Intermittent Energy, Annual MWh (Scenario 1 – BAU)

	Existing Wind	Existing Solar	Generic Wind	Generic Solar	Total
2024	0	0	0	0	**0**
2025	0	0	0	0	**0**
2026	0	5,653	0	0	**5,653**
2027	0	3,345	0	0	**3,345**
2028	0	2,732	0	0	**2,732**
2029	0	2,193	0	0	**2,193**
2030	0	0	0	0	**0**
2031	0	0	0	0	**0**
RAP Total	**0**	**13,923**	**0**	**0**	**13,923**

Table 21: Seasonal Intermittent Resource Curtailments, Annual MWh (Scenario 1 – BAU)

	Winter	Spring	Summer	Fall
2024	0	0	0	0
2025	0	0	0	0
2026	125	4,447	20	1,061
2027	0	3,025	44	276
2028	25	2,275	16	416
2029	0	2,123	6	64
2030	0	0	0	0
2031	0	0	0	0
RAP Total	**150**	**11,870**	**86**	**1,817**

The following table reflects PPA pricing, penalties, and taxes.

Table 22: Estimated PPA Curtailment Costs and Penalties, Real (2023) $ (Scenario 1 – BAU)

	Wind ($)	Solar ($)
2024	0	0
2025	0	0
2026	0	$208,078
2027	0	$125,060
2028	0	$102,674
2029	0	$82,738
2030	0	0
2031	0	0
RAP Total	**$0**	**$518,550**

Scenario 1 (BAU) – Transmission Analysis

Forecasted interconnection and network upgrade expenses, including at the point of interconnection (POI), resulting from the scenario are shown in the table below.

Table 23: Transmission Interconnection & Network Upgrade Expenses Real (2023) $ (Scenario 1 – BAU)

Year	Size *(MW)*	Type	Interconnection Cost *($M)*	Network Upgrade at POI Cost *($M)*	Network Upgrade for Size *($M)*
Eastern Colorado (ECO) Transmission Area					
2030	100	Wind + Battery		$2.88	
2030	100	Wind + Battery		$2.88	
2030	100	Battery	$1.40	$2.88	
2032	100	Wind + Battery		$2.88	
2033	100	Wind		$2.88	
2036	100	Wind + Battery		$10.20	
2042	100	Wind + Battery		$2.88	
2042	100	Wind + Battery		$2.88	
Western Colorado (WCO) Transmission Area					
2028	290	Gas	$1.50	$4.20	
Wyoming (WYO) Transmission Area					
2040	100	Wind + Battery		$12.00	$109.00
2041	100	Wind		$4.20	
2042	100	Wind + Battery		$4.20	
2042	100	Wind + Battery		$4.20	$34.00
2043	100	Wind + Battery		$4.20	
New Mexico (NM) Transmission Area)					
2031	100	Wind + Battery		$2.88	$238.50
2037	100	Wind + Battery		$2.88	

Year	**Size** *(MW)*	**Type**	**Interconnection Cost** *($M)*	**Network Upgrade at POI Cost** *($M)*	**Network Upgrade for Size** *($M)*
2043	100	Solar		$1.68	

Scenario 1 (BAU) – Level 1 Reliability Analysis

Reliability of each scenario is assessed by evaluating metrics under Level 1 and 2 criteria and through qualitative analysis of intermittent resources' ability to serve load and assessment of market purchases assumed under the EWE stress.

Level 1 Reliability Metrics and Analysis

Level 1 reliability results are as follows.

Planning Reserve Margin

The following table provides the annual PRM forecasted.

Table 24: Planning Reserve Margin, % Annual (Scenario 1 – BAU)

2024	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
39%	35%	46%	43%	49%	42%	52%	54%

Loss of Load Hours

The following table provides the annual LoLH forecasted.

Table 25: Loss of Load Probability, Hours (Scenario 1 – BAU)

2024	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
0	0	0	0	0	0	0	0

Expected Unserved Energy

The following table provides the annual EUE forecasted.

Table 26: Expected Unserved Energy, Annual MWh (Scenario 1 – BAU)

2024	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
0	0	0	0	0	0	0	0

Intermittent Resources Ability to Serve Load and Maintain Reliability (Scenario 1 – BAU)

Section 3.11.14. of the 2020 ERP Settlement Agreement requires an assessment of how intermittent resource additions under each scenario serve load and maintain reliability.

The ELCCs of intermittent resources have declined since the 2020 ERP, per the results of the ELCC Study (Attachment LKT-29 ~~G-1~~) and ELCCs continue to decline with the addition of intermittent resources. In Scenario 1 – BAU, 150 MW of 4-hour hybrid storage, 100 MW of long-duration storage, and a 290 MW combined cycle resource are included within the RAP. These additions provide semi-dispatchable and dispatchable resources to replace the dispatchable resources retiring during the RAP, and support integration of intermittent resources.

Scenario 1 (BAU) – EWE Level 2 Reliability Metrics and Analysis

Level 2 reliability results are as follows.

Table 27~~Table 26~~ represents any loss of load hours identified in the twelve EWE periods. Below hours do not exceed 12 periods (hours) per all twelve EWE periods, and do not show more than three periods in any one event year. There were 0 MWhs of unserved energy and 0 hours of loss of load in all years for the Scenario 1 – BAU extreme weather sensitivity. There was sufficient capacity to cover load for all extreme weather hours in Scenario 1 – BAU.

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Table 27: LOLH EWE Evaluation for <= 12 Periods for All EWEs and <= 3 Periods per Each EWE year (Scenario 1 – BAU)

Event (Season/Year)	Date	Hour
All EWE Periods	N/A	N/A

Table 28~~Table 27~~ represents any EUE identified by hour in the twelve EWE periods. Below EUE does not exceed 20% of hourly load in any hour.

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Table 28: EUE Evaluation for <= 20% of Hourly Load During EWEs (Scenario 1 – BAU)

Event (Season/Year)	Date	Hour	EUE (MWh)	Hourly Load (MWh)	% Load	Unused TS Thermal Resource Availability
All EWE Periods	N/A	N/A	N/A	N/A	N/A	N/A

Tri-State also analyzed EWE performance for Scenario 1 – BAU in the post-RAP period and all Level II metrics were met.

Analysis of Market Purchases and Available Capacity (Scenario 1 – BAU)

Per Section 3.11.14 of the 2020 ERP Settlement Agreement, the "analysis will assume that reliability objectives will be satisfied using only Tri-State resources regardless of bilateral or organized market access."

The EWE modeling allows limited access to market purchases for energy use as follows:

- Winter:
  - NM Market HE 2 to HE 6 and HE 11 to 15
  - 1 day in event no market depth
- Summer:
  - ECO, WCO, WY Markets (coincident with WACM transitioning to SPP RTO) HE 2 to HE 13
  - 1 day in event no market depth

In the EWE analysis for Scenario 1 – BAU, market was used for 6.4 GWh in 118 hours during the January EWE events between 2026-2031. The market was used for 11.9 GWh in 80 hours during the July EWE events between 2026-2031. The model dispatched with the market instead of a generation unit due to economics. Market purchases during these limited hours were confirmed to not lean on the market for capacity.

2. Inflation Reduction Act of 2022 (IRA) Scenario

Assumptions unique to each scenario are identified in Attachment ~~B-3.~~ LKT-10

Scenario 2 (IRA) – Expansion Plan, Retirements, System Mix, Capacity Factors, and Sales / Purchases

The expansion plan, demand-side management (DSM) selected, plant retirements, system resource mix, thermal unit capacity factors, and forecasted energy purchases and sales modeled for the scenario are shown below.

Table 29: Expansion Plan (Scenario 2 – IRA)

Year	Technology	Planning Region	Unit Size (MW)	Number of Units	Total MW
2026	4hr – Battery	New Mexico	50	1	50
	100hr – Iron Air Battery	East Colorado	10	1	10
	Solar[69]	West Colorado	140	1	140
2028	Wind	Wyoming / W. Neb.	100	2	200
	NGCC with CCS[70]	West Colorado	290	1	290
2029	Solar	New Mexico	100	1	100
	4hr – Battery	East Colorado	50	1	50
	Wind	East Colorado	100	1	100
2030	Wind	East Colorado	100	1	100
	Wind	Wyoming / W. Neb.	100	1	100
	100hr – Iron Air Battery	East Colorado	100	1	100
2031	Wind/Battery	New Mexico	100	2	200
2032	Wind/Battery	New Mexico	100	1	100
2036	Wind/Battery	East Colorado	100	1	100
2042	Wind/Battery	East Colorado	100	3	300
	Wind	Wyoming / W. Neb.	100	1	100
2043	Wind/Battery	Wyoming / W. Neb.	100	1	100

*Generic hybrids include 50 MW/200 MWh battery with each 100 MW solar or wind resource. Hybrid resources are sharing the interconnection.

The expansion plan also included the following Energy Efficiency (EE) levels by region:[71]

- All plans include applicable Colorado energy efficiency targets in base assumptions.[72]
- Low New Mexico Energy Efficiency was selected in the expansion plan of Scenario 2 – IRA in 2025.

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[69] This resource is not a modeling selection, it is replacement project for Coyote Gulch PPA that was terminated in 2023.

[70] NGCC installed in 2028 and CCS conversion startup anticipated 2031.

[71] Commission Rule 3605(c)(I)(I).

[72] 2020 ERP Settlement Agreement at Section 3.11.6.

- Low Wyoming Energy Efficiency was selected in the expansion plan of Scenario 2 – IRA in 2025.

The expansion plan also included the following Demand Response (DR) levels by region:[73]

- All plans include Colorado demand response required target of 4% beginning in 2025 per the 2020 ERP Settlement Agreement in base assumptions.[74]
- 52 MW of Wyoming Demand Response was selected in the expansion plan of Scenario 2 – IRA starting in 2035.
- 84 MW of New Mexico Demand Response was selected in the expansion plan of Scenario 2 – IRA starting in 2038.

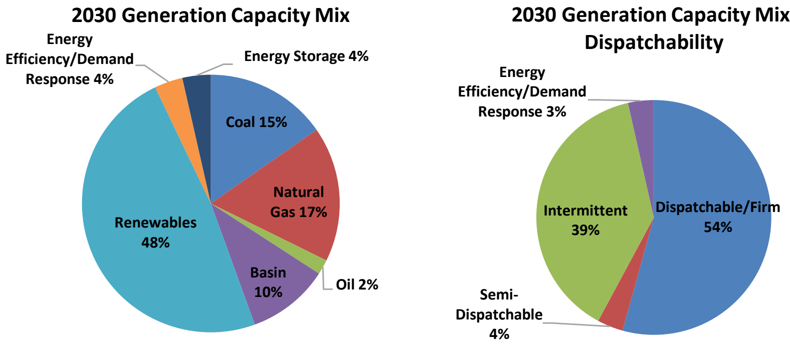
Unit retirements modeled are shown in the following table.[75]

Table 30: Modeled Retirements (Scenario 2 – IRA)

Unit	MW	Technology	Date
Craig 3	448	Coal	1/1/2028
Springerville 3	419	Coal	9/15/2031

Resulting system capacity and energy mix, based on the modeling are shown below.

Figure 5: Projected Tri-State System Resource Mix 2030 (Scenario 2 – IRA)[76, 77, 78]



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[73] Commission Rule 3605(c)(I)(I).

[74] 2020 ERP Settlement Agreement at Section 3.11.8.

[75] Craig 1 is modeled to retire on December 31, 2025 and Craig 2 is modeled to retire on September 30, 2028, both of which reflect timing as previously announced by the joint owners of these units (“Yampa Project Owners”).

[76] “Renewables” category reflects wind and solar resources, Member Distributed Generation (DG), energy associated with renewable energy credits (“RECs”) received via the Basin contract, and hydropower purchases.

[77] Capacity Mix charts reflect net capacity of system generation, before any application of ELCCs.

[78] System Energy Mix reflects sales to Members and non-Members.

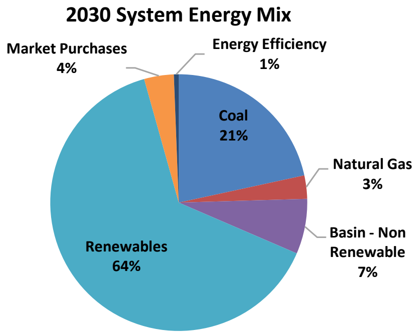

Table 31: Projected Annual Capacity Factors for Thermal Resources (Scenario 2 – IRA)

Thermal Resource	2024	2025	2026	2027	2028	2029	2030	2031
Craig 1	80%	18%	0%	0%	0%	0%	0%	0%
Craig 2	97%	16%	35%	25%	34%	0%	0%	0%
Craig 3	78%	12%	22%	17%	0%	0%	0%	0%
LRS 2	93%	89%	71%	71%	71%	68%	63%	64%
LRS 3	75%	64%	72%	60%	57%	55%	49%	50%
SPV 3	64%	66%	42%	42%	42%	36%	42%	37%
Burlington	0%	0%	0%	0%	0%	0%	0%	0%
Knutson	1%	0%	0%	0%	0%	0%	0%	0%
Limon	1%	0%	0%	0%	0%	0%	0%	0%
Pyramid	2%	0%	0%	0%	0%	0%	0%	0%
Shafer	26%	11%	1%	1%	0%	0%	0%	0%
GG-300-1x1-7FA05-CCS-wco	0%	0%	0%	0%	27%	25%	19%	49%

Energy sales and purchases forecasted, based on the modeling, are shown below.

Table 32: Forecasted Energy Sales and Purchases (Scenario 2 – IRA)

Scenario Forecast	2024	2025	2026	2027	2028	2029	2030	2031
Sales (GWh)	3,304	1,499	3,067	2,873	3,957	3,883	4,259	5,014
Purchases (GWh)	283	952	515	813	422	422	542	512

Scenario 2 (IRA) – Environmental Analysis

Emissions and water use, annual social cost of carbon and social cost of methane, and emissions reductions modeled for the scenario are provided below.

Table 33: Environmental Impact - System Wide (Scenario 2 – IRA)[79]

Year	CO_2 (ST)	SO_2 (ST)	NO_x (ST)	Hg (ST)	PM (ST)	Water (gallons)	CH4 (MT CO2e)
2024	15,451,106	7,595	10,593	0.0376	674	6,622,378,196	31,305
2025	10,888,923	5,401	6,381	0.0243	515	4,078,147,420	19,913
2026[80]	8,468,490	4,994	5,893	0.0225	408	3,590,666,662	17,862
2027	7,993,868	4,710	5,504	0.0204	380	3,249,891,892	16,483
2028	7,253,155	4,178	4,625	0.0178	381	3,076,352,800	14,438
2029	6,563,974	3,928	4,348	0.0163	333	2,735,998,999	12,813
2030	5,608,261	3,884	4,262	0.0155	337	2,634,907,653	12,808
2031	4,831,239	3,643	4,079	0.0145	299	2,871,821,954	11,464
2032	3,824,819	3,280	3,865	0.0122	194	2,334,603,678	8,895
2033	3,933,841	3,345	3,952	0.0125	199	2,379,546,703	9,139
2034	3,964,238	3,367	3,982	0.0126	200	2,385,882,853	9,211
2035	3,927,079	3,349	3,971	0.0123	197	2,356,788,752	9,117
2036	3,985,696	3,392	4,021	0.0125	199	2,381,021,036	9,258
2037	4,022,648	3,417	4,064	0.0125	200	2,384,355,478	9,343
2038	4,021,708	3,421	4,072	0.0125	199	2,375,788,747	9,338
2039	3,974,658	3,373	3,968	0.0128	203	2,414,033,911	9,235
2040	3,998,873	3,400	4,018	0.0127	201	2,401,751,376	9,291
2041	3,983,443	3,399	4,036	0.0124	198	2,364,432,696	9,251
2042	4,027,793	3,434	4,095	0.0124	198	2,363,931,030	9,354
2043	4,013,781	3,433	4,106	0.0122	195	2,338,232,936	9,322
Total	**114,737,592**	**78,943**	**93,836**	**0.318**	**5,707**	**57,340,534,771**	**247,837**
Pounds/Gallons per MWh[81]	792	0.55	0.65	0.000002	0.04	198	1.886

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[79] Commission Rule 3605(c)(I)(H). All tons are in short tons (ST), except for CH4 which is provided as metric tons of carbon dioxide equivalent (MT CO2e). CO_2, SO_2 and NO_x are per net MWh; HG and particulate matter (PM) are per gross MWh.

[80] Load reduced due to partial requirements contracts in 2026 forward.

[81] Pounds per MWh of Member load for emissions; gallons per MWh of Member load for water.

Table 34: Social Cost of Carbon Nominal Dollars – System Wide (Scenario 2– IRA)

Year	Annual Social Cost of Carbon
2024	$1,356,930,446
2025	$992,946,534
2026	$802,429,547
2027	$786,889,198
2028	$740,458,538
2029	$694,799,728
2030	$615,381,995
2031	$549,767,216
2032	$451,270,783
2033	$481,120,934
2034	$502,482,209
2035	$515,774,643
2036	$542,296,523
2037	$566,894,764
2038	$586,922,384
2039	$600,572,264
2040	$625,490,158
2041	$641,947,763
2042	$675,801,518
2043	$694,419,551

Table 35: Social Cost of Methane Nominal Dollars – System Wide (Scenario 2 – IRA)

Year	Annual Social Cost of Methane
2024	$80,730,077
2025	$53,818,969
2026	$50,613,362
2027	$48,939,435
2028	$44,826,979
2029	$41,577,985
2030	$43,413,041
2031	$40,707,122
2032	$33,064,168
2033	$35,541,561
2034	$37,457,706
2035	$38,749,984
2036	$41,103,874
2037	$43,309,094
2038	$45,174,789
2039	$46,600,954
2040	$48,883,426
2041	$50,563,745
2042	$53,858,083
2043	$54,827,634

Table 36: Colorado GHG Emissions Reduction Percentages, Targets and Forecast (Scenario 2 – IRA)

Year	Target[82]	Forecast
2025	26%	47%
2026	36%	60%
2027	46%	67%
2030	80%	89%

See Appendix D for detailed GHG emissions calculations for the scenario.

Scenario 2 (IRA) – Financial Analysis

The present value revenue requirement (PVRR), net present value (NPV) of the SCoC and SCoM, total capital expenditures (CapEx) and interest during construction (IDC), and annual revenue requirement are shown below.

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[82] 2020 ERP Settlement Agreement, Sections 3.3.4. and 3.3.5.

Table 37~~373736~~: Total Financial (Scenario 2 – IRA)

$, Millions	**Scenario PVRR** (2023 WACC 4.12%)	**SCoC NPV (2.5%)**	**SCoM NPV (2.5%)**	**Scenario PVRR inclusive of SCoC NPV**	**Scenario PVRR inclusive of SCoC NPV & SCoM NPV**
	$17,221.4~~16,352.0~~	$10,726.7	$733.1	$27,948.1~~27,078.7~~	$28,681.2~~27,811.8~~
Expansion Plan CapEx + IDC: Generation (Nominal $)	$2,093.9				
Expansion Plan CapEx + IDC: Transmission (Nominal $)	$555.5				

Table 38: Annual Financial (Nominal $) (Scenario 2 – IRA)

Year	**Total Annual Revenue Requirement ($, Millions)**
2024	$1,017~~1,011~~
2025	$969~~968~~
2026	$904~~870~~
2027	$962~~928~~
2028	$1,104~~1,001~~
2029	$1,231~~1,073~~
2030	$1,258~~1,144~~
2031	$1,301~~1,204~~
2032	$1,285~~1,267~~
2033	$1,317~~1,287~~
2034	$1,349~~1,313~~
2035	$1,379~~1,333~~
2036	$1,416~~1,357~~
2037	$1,440~~1,379~~
2038	$1,464~~1,404~~
2039	$1,506~~1,433~~
2040	$1,566~~1,459~~
2041	$1,593~~1,494~~
2042	$1,601~~1,519~~
2043	$1,700~~1,546~~

Financial analysis of the of the scenario under the extreme-weather event stress is provided below.

*Table 39: Total Financial Under **EWE** Sensitivity (Scenario 2 – IRA)*

Scenario PVRR ($, Millions) (2023 WACC 4.12%)
$17,166.8~~16,300.1~~

Curtailments

Total curtailments during the RAP, annually by resource type and seasonally, are shown in the tables below. Annual PPA curtailment costs and penalties estimated to result from the modeled curtailments, by resource type, are also provided.

Intermittent resource curtailments are minimal within the Scenario 2 – IRA dispatch, through 2031. In 2026, with the removal of 163 MW of partial requirements load, and the retirement of Craig 1, we begin to see more curtailments – primarily impacting solar and occurring in the spring season. The model uses curtailment groups to define the order of curtailments. The order of curtailments is sequential, as follows: solar, wind, gas, coal, contracts/hydro, and Basin thermal resources are backed down to minimum or taken offline if economical to do so prior to curtailments of other resources. Since existing solar resources are modeled with the ITC they do not have a PTC penalty associated with curtailment, and therefore the model is setup to select solar first for curtailments. Total financial curtailment costs over the RAP for Scenario 2 – IRA are $503,718.

Table 40: Curtailed Intermittent Energy, Annual MWh (Scenario 2– IRA)

	Existing Wind	**Existing Solar**	**Generic Wind**	**Generic Solar**	**Total**
2024	0	0	0	0	**0**
2025	0	0	0	0	**0**
2026	0	75	0	0	**75**
2027	0	0	0	0	**0**
2028	0	287	0	0	**287**
2029	0	583	0	1,197	**1,780**
2030	0	376	0	203	**579**
2031	0	632	154	3,633	**4,419**
RAP Total	**0**	**1,953**	**154**	**5,033**	**7,140**

Table 41: Seasonal Intermittent Resource Curtailments, Annual MWh (Scenario 2 – IRA)

	Winter	Spring	Summer	Fall
2024	0	0	0	0
2025	0	0	0	0
2026	0	75	0	0
2027	0	0	0	0
2028	7	280	0	0
2029	1	1,572	0	207
2030	0	579	0	0
2031	0	3,902	13	504
RAP Total	**8**	**6,408**	**13**	**711**

The following table reflects PPA pricing, penalties, and taxes.

Table 42: Estimated PPA Curtailment Costs and Penalties, Real (2023) $ (Scenario 2 – IRA)

	Wind ($)	Solar ($)
2024	0	0
2025	0	0
2026	0	$2,816
2027	0	$0
2028	0	$9,596
2029	0	$122,947
2030	0	$29,692
2031	$8,765	$329,902
RAP Total	**$8,765**	**$494,953**

Scenario 2 (IRA) – Transmission Analysis

Forecasted interconnection and network upgrade expenses, including at the POI, resulting from the scenario are shown in the table below.

Table 43: Transmission Interconnection & Network Upgrade Expenses Real (2023) $ (Scenario 2 – IRA)

Year	Size *(MW)*	Type	Interconnection Cost *($M)*	Network Upgrade at POI Cost *($M)*	Network Upgrade for Size *($M)*
Eastern Colorado (ECO) Transmission Area					
2026	10	Battery	$1.40	$2.88	
2029	50	Battery	$1.40	$2.88	
2029	100	Wind		$2.88	
2030	100	Wind		$2.88	
2030	100	Battery	$1.40	$2.88	
2036	100	Wind + Battery		$2.88	
2042	100	Wind		$10.20	
2042	100	Wind		$2.88	

Year	Size *(MW)*	Type	Interconnection Cost *($M)*	Network Upgrade at POI Cost *($M)*	Network Upgrade for Size *($M)*
2042	100	Wind		$2.88	
Western Colorado (WCO) Transmission Area					
2028	290	Gas	$1.50	$4.20	
Wyoming (WYO) Transmission Area					
2028	100	Wind		$12.00	$109.00
2028	100	Wind		$4.20	
2030	100	Wind		$4.20	
2042	100	Wind		$4.20	$26.00
2043	100	Wind + Battery		$4.50	
New Mexico (NM) Transmission Area)					
2026	50	Battery		$2.88	
2029	100	Solar		$1.68	
2031	100	Wind + Battery		$2.88	$238.50
2031	100	Wind + Battery		$2.88	
2032	100	Wind + Battery		$2.88	

Scenario 2 (IRA) – Level 1 Reliability Analysis

Reliability of each scenario is assessed by evaluating metrics under Level 1 and 2 criteria and through qualitative analysis of intermittent resources' ability to serve load and assessment of market purchases assumed under the EWE stress.

Level 1 Reliability Metrics and Analysis

Level 1 reliability results are as follows.

Planning Reserve Margin

The following table provides the annual PRM forecasted.

Table 44: Planning Reserve Margin, % Annual (Scenario2 – IRA)

2024	2025	2026	2027	2028	2029	2030	2031
39%	35%	49%	47%	54%	50%	55%	60%

Loss of Load Hours

The following table provides the annual LoLH forecasted.

Table 45: Loss of Load Probability, Hours (Scenario 2 – IRA)

2024	2025	2026	2027	2028	2029	2030	2031
0	1	0	0	0	0	0	0

Expected Unserved Energy

The following table provides the annual EUE forecasted.

Table 46: Expected Unserved Energy, Annual MWh (Scenario 2 – IRA)

2024	2025	2026	2027	2028	2029	2030	2031
0	1	0	0	0	0	0	0

Intermittent Resources Ability to Serve Load and Maintain Reliability (Scenario 2 – IRA)

Section 3.11.14. of the 2020 ERP Settlement Agreement requires an assessment of how intermittent resource additions under each scenario serve load and maintain reliability.

The ELCCs of intermittent resources have declined since the 2020 ERP, per the results of the ELCC Study (Attachment LKT-29~~G-1~~) and ELCCs continue to decline with the addition of intermittent resources. In Scenario 2 – IRA, 200 MW of short duration storage, 110 MW of long duration storage and a 290 MW combined cycle resource are included within the RAP. These additions provide semi-dispatchable and dispatchable resources to replace the dispatchable resources retiring during the RAP and support integration of intermittent resources.

Scenario 2 (IRA) – EWE Level 2 Reliability Metrics and Analysis

Level 2 reliability results are as follows.

Table 47: LOLH EWE Evaluation for <= 12 Periods for All EWEs and <= 3 Periods per Each EWE year (Scenario 2– IRA)Table 47~~Table 46~~ represents any loss of load hours identified in the twelve EWE periods. Below hours do not exceed 12 periods (hours) per all twelve EWE periods, and do not show more than three periods in any one event year. There were 0 MWhs of unserved energy and 0 hours of loss of load in all years for the extreme weather sensitivity. There was sufficient capacity to cover load for all extreme weather hours.

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Table 47: LOLH EWE Evaluation for <= 12 Periods for All EWEs and <= 3 Periods per Each EWE year (Scenario 2– IRA)

Event (Season/Year)	Date	Hour
All Event Periods	N/A	N/A

Table 48~~Table 47~~ represents any EUE identified by hour in the twelve EWE periods. Below EUE does not exceed 20% of hourly load in any hour.

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Table 48: EUE Evaluation for <= 20% of Hourly Load During EWEs (Scenario 2 – IRA)

Event (Season/Year)	Date	Hour	EUE (MWh)	Hourly Load (MWh)	% Load	Unused TS Thermal Resource Availability
All Event Periods	N/A	N/A	N/A	N/A	N/A	N/A

Tri-State also analyzed the post-RAP period EWE and all Level II metrics were met.

Analysis of Market Purchases and Available Capacity (Scenario 2 –IRA)

Per Section 3.11.14 of the 2020 ERP Settlement Agreement, the "analysis will assume that reliability objectives will be satisfied using only Tri-State resources regardless of bilateral or organized market access."

The EWE modeling allows limited access to market purchases for energy use as follows:

- Winter:
  - NM Market HE 2 to HE 6 and HE 11 to 15
  - 1 day in event no market depth
- Summer:
  - ECO, WCO, WY Markets (coincident with WACM transitioning to SPP RTO) HE 2 to HE 13
  - 1 day in event no market depth

In the EWE analysis for Scenario 2 – IRA, the market was used for 5.5 GWh in 97 hours during the January EWE events between 2026-2031. The market was used for 11.5 GWh in 79 hours during the July EWE events between 2026-2031. The model dispatched with the market instead of a generation unit due to economics.

Market purchases during these limited hours were confirmed to not lean on the market for capacity.

3. Early Springerville 3 Retirement Scenario (ESPV3)

Assumptions unique to each scenario are identified in Attachment LKT-10 ~~B-3~~.

Scenario 3 (ESPV3) – Expansion Plan, Retirements, System Mix, Capacity Factors, and Sales / Purchases

The expansion plan, demand-side management (DSM) selected, plant retirements, system resource mix, thermal unit capacity factors, and forecasted energy purchases and sales modeled for the scenario are shown below.

Table 49: Expansion Plan (Scenario 3 – ESPV3)

Year	Technology	Planning Region	Unit Size (MW)	Number of Units	Total MW
2026	Solar[83]	West Colorado	140	1	140
2028	4hr – Battery	West Colorado	50	1	50
	NGCC with CCS[84]	West Colorado	290	1	290
2030	Wind/Battery	East Colorado	100	1	100
2031	4hr – Battery	West Colorado	50	1	50
	Wind/Battery	New Mexico	100	2	200
	100hr – Iron Air Battery	East Colorado	100	1	100
2036	Wind	East Colorado	100	1	100
2037	Wind	East Colorado	100	2	200
2039	Wind/Battery	Wyoming / W. Neb.	100	1	100
2040	Wind/Battery	Wyoming / W. Neb.	100	1	100
2041	Wind	Wyoming / W. Neb.	100	2	200
2042	Wind/Battery	East Colorado	100	3	300
2043	Solar	New Mexico	100	1	100
	Wind/Battery	Wyoming / W. Neb	100	1	100

*Generic hybrids include 50 MW/200 MWh battery with each 100 MW solar or wind resource. Hybrid resources are sharing the interconnection.

The expansion plan also included the following Energy Efficiency (EE) levels by region:[85]

- All plans include applicable Colorado energy efficiency targets in base assumptions.[86]
- Low New Mexico Energy Efficiency was selected in the expansion plan of Scenario 3 – ESPV3 in 2040.
- Low Wyoming Energy Efficiency was selected in the expansion plan of Scenario 3 – ESPV3 in 2040.

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[83] This resource is not a modeling selection, it is replacement project for Coyote Gulch PPA that was terminated in 2023.
[84] NGCC installed in 2028 and CCS conversion startup anticipated in 2031.
[85] Commission Rule 3605(c)(I)(I).
[86] 2020 ERP Settlement Agreement at Section 3.11.6.

The expansion plan also included the following Demand Response (DR) levels by region:[87]

- All plans include Colorado demand response required target of 4% beginning in 2025 per the 2020 ERP Settlement Agreement in base assumptions.[88]
- 84 MW of New Mexico Demand Response was selected in the expansion plan of Scenario 3 – ESPV3 starting in 2031.
- 52 MW of Wyoming Demand Response was selected in the expansion plan of Scenario 3 – ESPV3 starting in 2031

Unit retirements selected in the modeling are shown in the following table.[89]

Table 50: Modeled Retirements (Scenario 3 –ESPV3)

Unit	MW	Technology	Date
Craig 3	448	Coal	1/1/2028
Springerville 3	419	Coal	1/1/2031

Resulting system capacity and energy mix, based on the modeling are shown below.

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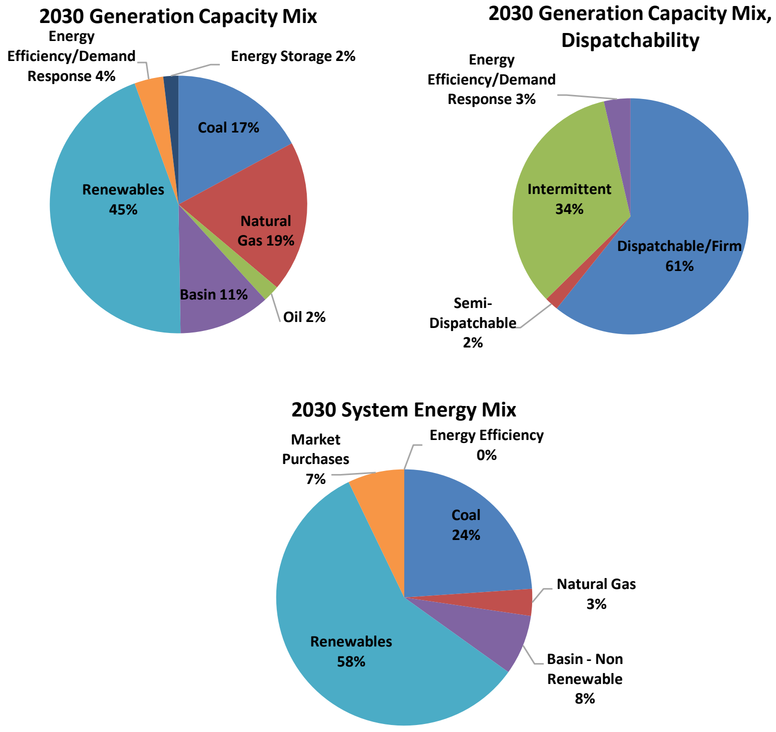
[87] Commission Rule 3605(c)(I)(I).

[88] 2020 ERP Settlement Agreement at Section 3.11.8.

[89] Craig 1 is modeled to retire on December 31, 2025 and Craig 2 is modeled to retire on September 30, 2028, both of which reflect timing as previously announced by the joint owners of these units (“Yampa Project Owners”).

Figure 6: Projected Tri-State System Resource Mix 2030 (Scenario 3 – ESPV3)[90, 91, 92]



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[90] "Renewables" category reflects wind and solar resources, Member Distributed Generation (DG), energy associated with renewable energy credits ("RECs") received via the Basin contract, and hydropower purchases.

[91] Capacity Mix charts reflect net capacity of system generation, before any application of ELCCs.

[92] System Energy Mix reflects sales to Members and non-Members.

Table 51: Projected Annual Capacity Factors for Thermal Resources (Scenario 3 – ESPV3)

Thermal Resource	2024	2025	2026	2027	2028	2029	2030	2031
Craig 1	80%	16%	0%	0%	0%	0%	0%	0%
Craig 2	98%	9%	34%	23%	20%	0%	0%	0%
Craig 3	79%	14%	22%	16%	0%	0%	0%	0%
LRS 2	93%	89%	71%	71%	71%	69%	63%	64%
LRS 3	75%	64%	70%	60%	58%	51%	48%	54%
SPV 3	72%	67%	43%	42%	43%	37%	44%	0%
Burlington	0%	0%	0%	0%	0%	0%	0%	0%
Knutson	1%	0%	0%	0%	0%	0%	0%	0%
Limon	1%	0%	0%	0%	0%	0%	0%	0%
Pyramid	2%	1%	0%	0%	0%	0%	0%	0%
Shafer	24%	11%	1%	0%	0%	0%	0%	0%
GG-300-1x1-7FA05-CCS-wco	0%	0%	0%	0%	29%	28%	20%	49%

Energy sales and purchases forecasted, based on the modeling, are shown below.

Table 52: Forecasted Energy Sales and Purchases (Scenario 3 – ESPV3)

Scenario Forecast	2024	2025	2026	2027	2028	2029	2030	2031
Sales (GWh)	3,505	1,506	3,044	2,850	3,312	2,712	3,018	3,098
Purchases (GWh)	355	946	545	852	623	722	1,004	1,167

Scenario 3 (ESPV3) – Environmental Analysis

Emissions and water use, annual social cost of carbon and social cost of methane, and emissions reductions modeled for the scenario are provided below.

Table 53: Environmental Impact - System Wide (Scenario 3 – ESPV3)[93]

Year	CO_2 (ST)	SO_2 (ST)	NO_x (ST)	Hg (ST)	PM (ST)	Water (gallons)	CH4 (MT CO2e)
2024	15,839,102	7,764	10,741	0.0383	704	6,772,194,117	32,129
2025	10,919,154	5,447	6,450	0.0245	513	4,099,792,207	19,995
2026[94]	8,469,494	4,985	5,874	0.0224	409	3,579,117,374	17,834
2027	7,999,822	4,707	5,493	0.0203	381	3,238,736,958	16,456
2028	7,332,465	4,209	4,671	0.0177	380	3,069,522,031	14,392
2029	6,711,585	3,942	4,388	0.0160	333	2,727,887,902	12,834
2030	5,808,252	3,998	4,428	0.0157	345	2,680,280,773	13,221

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[93] Commission Rule 3605(c)(I)(H). All tons are in short tons (ST), except for CH4 which is provided as metric tons of carbon dioxide equivalent (MT CO2e). CO_2, SO_2 and NO_x are per net MWh; HG and particulate matter (PM) are per gross MWh.

[94] Load reduced due to partial requirements contracts in 2026 forward.

Year	CO_2 (ST)	SO_2 (ST)	NO_x (ST)	Hg (ST)	PM (ST)	Water (gallons)	CH4 (MT CO2e)
2031	3,936,370	3,337	3,931	0.0126	201	2,399,903,106	9,134
2032	3,835,588	3,290	3,891	0.0121	193	2,324,000,130	8,911
2033	3,950,512	3,360	3,986	0.0124	198	2,369,472,111	9,166
2034	3,982,627	3,382	4,019	0.0125	199	2,377,578,327	9,240
2035	3,951,406	3,370	4,016	0.0122	196	2,345,304,444	9,165
2036	4,026,737	3,423	4,077	0.0125	199	2,380,608,886	9,347
2037	4,060,785	3,435	4,078	0.0128	203	2,416,104,215	9,428
2038	4,051,989	3,435	4,086	0.0126	201	2,399,586,707	9,406
2039	4,098,100	3,460	4,108	0.0129	204	2,432,494,784	9,515
2040	4,094,950	3,467	4,124	0.0128	203	2,419,226,942	9,510
2041	4,088,441	3,459	4,110	0.0128	203	2,420,432,239	9,492
2042	4,131,169	3,499	4,190	0.0127	201	2,399,136,160	9,588
2043	4,099,795	3,483	4,170	0.0125	199	2,380,264,589	9,520
Total	**115,388,344**	**79,453**	**94,833**	**0.318**	**5,667**	**57,231,644,003**	**248,282**
Pounds/Gallons per MWh[95]	797	0.55	0.65	0.000002	0.04	198	1.890

Table 54: Social Cost of Carbon Nominal Dollars – System Wide (Scenario 3 – ESVP3)

Year	Annual Social Cost of Carbon
2024	$1,391,004,648
2025	$995,703,293
2026	$802,524,764
2027	$787,475,263
2028	$748,555,145
2029	$710,424,496
2030	$637,326,494
2031	$447,936,321
2032	$452,541,393
2033	$483,159,901
2034	$504,813,123
2035	$518,969,660
2036	$547,880,617
2037	$572,269,158
2038	$591,341,514
2039	$619,224,271
2040	$640,518,145
2041	$658,868,730
2042	$693,146,438
2043	$709,300,764

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[95] Pounds per MWh of Member load for emissions; gallons per MWh of Member load for water.

Table 55: Social Cost of Methane Nominal Dollars – System Wide (Scenario 3 – ESPV3)

Year	Annual Social Cost of Methane
2024	$82,855,374
2025	$54,041,930
2026	$50,535,594
2027	$48,861,264
2028	$44,684,056
2029	$41,645,072
2030	$44,814,668
2031	$32,432,806
2032	$33,124,403
2033	$35,647,372
2034	$37,577,397
2035	$38,954,135
2036	$41,497,117
2037	$43,705,831
2038	$45,503,307
2039	$48,013,151
2040	$50,034,448
2041	$51,880,457
2042	$55,205,912
2043	$55,991,156

Table 56: Colorado GHG Emissions Reduction Percentages, Targets and Forecast (Scenario 3 – ESPV3)

Year	Target[96]	Forecast
2025	26%	47%
2026	36%	60%
2027	46%	67%
2030	80%	85%

See Appendix D for detailed GHG emissions calculations for the scenario.

Scenario 3 (ESPV3) – Financial Analysis

The present value revenue requirement (PVRR), net present value (NPV) of the SCoC and SCoM, total capital expenditures (CapEx) and interest during construction (IDC), and annual revenue requirement are shown below.

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[96] 2020 ERP Settlement Agreement, Sections 3.3.4. and 3.3.5.

Table 57: Total Financial (Scenario 3 – ESPV3)

$, Millions	**Scenario PVRR** (2023 WACC 4.12%)	**SCoC NPV (2.5%)**	**SCoM NPV (2.5%)**	**Scenario PVRR inclusive of SCoC NPV**	**Scenario PVRR inclusive of SCoC NPV & SCoM NPV**
	$17,304.2	$10,789.6	$734.8	$28,093.8	$28,828.6
Expansion Plan CapEx + IDC: Generation (Nominal $)	$1,983.6				
Expansion Plan CapEx + IDC: Transmission (Nominal $)	$590.6				

Table 58: Annual Financial (Nominal $) (Scenario 3 – ESPV3)

Year	**Total Annual Revenue Requirement ($, Millions)**
2024	$1,016
2025	$988
2026	$904
2027	$962
2028	$1,060
2029	$1,178
2030	$1,441
2031	$1,335
2032	$1,345
2033	$1,361
2034	$1,382
2035	$1,404
2036	$1,428
2037	$1,450
2038	$1,474
2039	$1,495
2040	$1,514
2041	$1,529
2042	$1,546
2043	$1,562

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Financial analysis of the of the scenario under the extreme-weather event stress is provided below.

*Table 59~~XX~~: Total Financial Under **EWE** Sensitivity (Scenario ~~1~~3 – ~~BAU~~ESPV3)*

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Scenario PVRR ($, Millions) (2023 WACC 4.12%)

$17,~~472.1~~275.6

Curtailments

Total curtailments during the RAP, annually by resource type and seasonally, are shown in the tables below. Annual PPA curtailment costs and penalties estimated to result from the modeled curtailments, by resource type, are also provided.

Intermittent resource curtailments are minimal within the Scenario 3 – ESPV3 dispatch, through 2031. In 2026, with the removal of 163 MW of partial requirements load, and the retirement of Craig 1, we begin to see more curtailments – primarily impacting solar and occurring in the spring season. The model uses curtailment groups to define the order of curtailments. The order of curtailments is sequential, as follows: solar, wind, gas, coal, contracts/hydro, and Basin. Thermal resources are backed down to minimum or taken offline if economical to do so prior to curtailments of other resources. Since existing solar resources are modeled with the ITC they do not have a PTC penalty associated with curtailment, and therefore the model is setup to select solar first for curtailments. Total financial curtailment costs over the RAP for Scenario 3 – ESPV3 are $520,955.

Table 60: Curtailed Intermittent Energy, Annual MWh (Scenario 3 – ESPV3)

	Existing Wind	Existing Solar	Generic Wind	Generic Solar	Total
2024	0	0	0	0	**0**
2025	0	0	0	0	**0**
2026	0	5,640	0	0	**5,640**
2027	0	3,345	0	0	**3,345**
2028	0	2,732	0	0	**2,732**
2029	0	2,193	0	0	**2,193**
2030	0	0	0	0	**0**
2031	0	0	44	0	**44**
RAP Total	**0**	**13,910**	**44**	**0**	**13,954**

Table 61: Seasonal Intermittent Resource Curtailments, Annual MWh (Scenario 3 – ESPV3)

	Winter	Spring	Summer	Fall
2024	0	0	0	0
2025	0	0	0	0
2026	112	4,447	20	1,061
2027	0	3,025	44	276
2028	25	2,275	16	416
2029	0	2,123	6	64
2030	0	0	0	0
2031	0	44	0	0
RAP Total	**137**	**11,914**	**86**	**1,817**

The following table reflects PPA pricing, penalties, and taxes.

Table 62: Estimated PPA Curtailment Costs and Penalties, Real (2023) $ (Scenario 3 – ESPV3)

	Wind ($)	Solar ($)
2024	$0	$0
2025	$0	$0
2026	$0	$208,309
2027	$0	$124,914
2028	$0	$102,651
2029	$0	$82,570
2030	$0	$0
2031	$2,511	$0
RAP Total	**$2,511**	**$518,444**

Scenario 3 (ESPV3) – Transmission Analysis

Forecasted interconnection and network upgrade expenses, including at the POI, resulting from the scenario are shown in the table below.

Table 63: Transmission Interconnection & Network Upgrade Expenses Real (2023) $ (Scenario 3 – ESPV3)

Year	Size *(MW)*	Type	Interconnection Cost *($M)*	Network Upgrade at POI Cost *($M)*	Network Upgrade for Size *($M)*
Eastern Colorado (ECO) Transmission Area					
2030	100	Wind + Battery		$2.88	
2031	100	Battery	$1.40	$2.88	
2036	100	Wind		$10.20	
2037	100	Wind		$2.88	
2037	100	Wind		$2.88	
2042	100	Wind + Battery		$2.88	
2042	100	Wind + Battery		$2.88	
2042	100	Wind + Battery		$2.88	
Western Colorado (WCO) Transmission Area					
2028	290	Gas	$1.50	$4.20	
2028	50	Battery	$1.40	$2.88	
2031	50	Battery	$1.40	$2.88	
Wyoming (WYO) Transmission Area					
2039	100	Wind + Battery		$12.00	$109.00
2040	100	Wind + Battery		$4.20	
2041	100	Wind		$4.20	
2041	100	Wind		$4.20	$26.00
2043	100	Wind + Battery		$4.20	
New Mexico (NM) Transmission Area)					

Year	Size *(MW)*	Type	Interconnection Cost *($M)*	Network Upgrade at POI Cost *($M)*	Network Upgrade for Size *($M)*
2031	100	Wind + Battery		$2.88	$238.50
2031	100	Wind + Battery		$2.88	
2043	100	Solar		$1.68	

Scenario 3 (ESPV3) – Level 1 Reliability Analysis

Reliability of each scenario is assessed by evaluating metrics under Level 1 and 2 criteria and through qualitative analysis of intermittent resources' ability to serve load and assessment of market purchases assumed under the EWE stress.

Level 1 Reliability Metrics and Analysis

Level 1 reliability results are as follows.

Planning Reserve Margin

The following table provides the annual PRM forecasted.

Table 64: Planning Reserve Margin, % Annual (Scenario 3 –ESPV3)

2024	2025	2026	2027	2028	2029	2030	2031
39%	35%	46%	43%	52%	44%	47%	48%

Loss of Load Hours

The following table provides the annual LoLH forecasted.

Table 65: Loss of Load Probability, Hours (Scenario 3 – ESPV3)

2024	2025	2026	2027	2028	2029	2030	2031
0	0	0	0	0	0	0	0

Expected Unserved Energy

The following table provides the annual EUE forecasted.

Table 66: Expected Unserved Energy, Annual MWh (Scenario 3 – ESPV3)

2024	2025	2026	2027	2028	2029	2030	2031
0	0	0	0	0	0	0	0

Intermittent Resources Ability to Serve Load and Maintain Reliability (Scenario 3 – ESPV3)

Section 3.11.14. of the 2020 ERP Phase I Settlement Agreement requires an assessment of how intermittent resource additions under each scenario serve load and maintain reliability.

The ELCCs of intermittent resources have declined since the 2020 ERP, per the results of the ELCC Study (Attachment LKT-29 ~~G-1~~) and ELCCs continue to decline with the addition of intermittent resources. In Scenario 3 – ESPV3, 250 MW of 4-hr storage, 100 MW of long-duration storage, and a 290 MW combined cycle resource are included within the RAP. These additions provide semi-dispatchable and dispatchable resources to replace the dispatchable resources retiring during the RAP and support integration of intermittent resources.

Scenario 3 (ESPV3) – EWE Level 2 Reliability Metrics and Analysis

Level 2 reliability results are as follows.

Table 67~~Table 65~~ represents any loss of load hours identified in the twelve EWE periods. Below hours do not exceed 12 periods (hours) per all 12 EWE periods, and do not show more than three periods in any one event year. There were 0 MWhs of unserved energy and 0 hours of loss of load in all years for the extreme weather sensitivity. There was sufficient capacity to cover load for all extreme weather hours.

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Table 67: LOLH EWE Evaluation for <= 12 Periods for All EWEs and <= 3 Periods per Each EWE year (Scenario 3 – ESPV3)

Event (Season/Year)	Date	Hour
All EWE Periods	N/A	N/A

Table 68~~Table 66~~ represents any EUE identified by hour in the 12 EWE periods. Below EUE does not exceed 20% of hourly load in any hour.

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Table 68: EUE Evaluation for <= 20% of Hourly Load During EWEs (Scenario 3 – ESPV3)

Event (Season/Year)	Date	Hour	EUE (MWh)	Hourly Load (MWh)	% Load	Unused TS Thermal Resource Availability
All EWE Periods	N/A	N/A	N/A	N/A	N/A	N/A

Tri-State also analyzed the post-RAP period EWE and all Level II metrics were met.

Analysis of Market Purchases and Available Capacity (Scenario 3 – ESPV3)

Per Section 3.11.14 of the 2020 ERP Settlement Agreement, the “analysis will assume that reliability objectives will be satisfied using only Tri-State resources regardless of bilateral or organized market access.”

The EWE modeling allows limited access to market purchases for energy use as follows:

- Winter:
  - NM Market HE 2 to HE 6 and HE 11 to 15
  - 1 day in event no market depth
- Summer:
  - ECO, WCO, WY Markets (coincident with WACM transitioning to SPP RTO) HE 2 to HE 13
  - 1 day in event no market depth

In the EWE analysis for Scenario 3—ESPV3, the market was used for 7.4 GWh in 131 hours during the January EWE events between 2026-2031. The market was used for 14.3 GWh in 85 hours during the July EWE events between 2026-2031. The model dispatched with the market instead of a generation unit due to economics. Market purchases during these limited hours were confirmed to not lean on the market for capacity.

4. System-wide Emissions Reduction Scenario (SWER)

LKT-10

Assumptions unique to each scenario are identified in Attachment ~~B-3~~.

Scenario 4 (SWER) – Expansion Plan, Retirements, System Mix, Capacity Factors, and Sales / Purchases

The expansion plan, demand-side management (DSM) selected, plant retirements, system resource mix, thermal unit capacity factors, and forecasted energy purchases and sales modeled for the scenario are shown below.

Table 69: Expansion Plan (Scenario 4 – SWER)

Year	Technology	Planning Region	Unit Size (MW)	Number of Units	Total MW
2026	Solar[97]	West Colorado	140	1	140
2029	NGCC with CCS[98]	West Colorado	290	1	290
2030	Wind/Battery	East Colorado	100	1	100
2033	Wind	New Mexico	100	1	100
	Wind/Battery	New Mexico	100	1	100
2034	Wind/Battery	East Colorado	100	1	100
2036	Wind/Battery	East Colorado	100	1	100
2037	Wind/Battery	New Mexico	100	1	100
2038	Wind/Battery	East Colorado	100	1	100
2040	Wind/Battery	Wyoming / W. Neb.	100	1	100
2041	Wind	Wyoming / W. Neb.	100	2	200
2042	Wind	East Colorado	100	1	100
	Wind/Battery	East Colorado	100	2	200
2043	Solar – Build Transfer	West Colorado	100	3	300
	Solar	New Mexico	100	1	100

*Generic hybrids include 50 MW/200 MWh battery with each 100 MW solar or wind resource. Hybrid resources are sharing the interconnection.

The expansion plan also included the following Energy Efficiency (EE) levels by region:[99]

- All plans include applicable Colorado energy efficiency targets in base assumptions.[100]

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[97] This resource is not a modeling selection, it is replacement project for Coyote Gulch PPA that was terminated in 2023.

[98] NGCC installed in 2029 and CCS conversion startup anticipated in 2031.

[99] Commission Rule 3605(c)(I)(I).

[100] 2020 ERP Settlement Agreement at Section 3.11.6.

The expansion plan also included the following Demand Response (DR) levels by region:[101]

- All plans include Colorado demand response required target of 4% beginning in 2025 per the 2020 ERP Settlement Agreement in base assumptions.[102]
- 39 MW of Wyoming low level Demand Response was selected in the expansion plan of Scenario 4 – SWER starting in 2030.
- 117 MW New Mexico moderate level Demand Response was selected in the expansion plan of Scenario 4 – SWER starting in 2039.

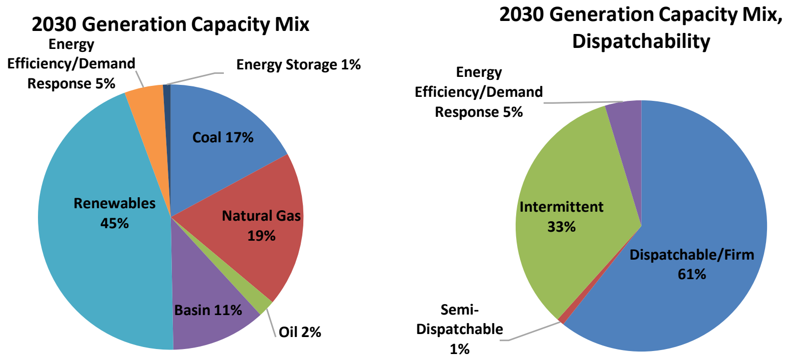
Unit retirements selected in the modeling are shown in the following table.[103]

Table 70: Modeled Retirements (Scenario 4 – SWER)

Unit	MW	Technology	Date
Craig 3	448	Coal	1/1/2028
Springerville 3	419	Coal	1/1/2037

Resulting system capacity and energy mix, based on the modeling are shown below.

Figure 7: Projected Tri-State System Resource Mix 2030 (Scenario 4- SWER)[104, 105, 106]



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[101] Commission Rule 3605(c)(I)(I).

[102] 2020 ERP Settlement Agreement at Section 3.11.8.

[103] Craig 1 is modeled to retire on December 31, 2025 and Craig 2 is modeled to retire on September 30, 2028, both of which reflect timing as previously announced by the joint owners of these units ("Yampa Project Owners").

[104] "Renewables" category reflects wind and solar resources, Member Distributed Generation (DG), energy associated with renewable energy credits ("RECs") received via the Basin contract, and hydropower purchases.

[105] Capacity Mix charts reflect net capacity of system generation, before any application of ELCCs.

[106] System Energy Mix reflects sales to Members and non-Members.

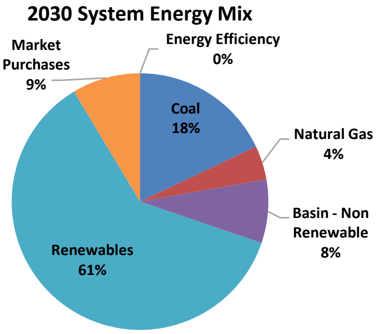

Table 71: Projected Annual Capacity Factors for Thermal Resources (Scenario 4 - SWER)

Thermal Resource	2024	2025	2026	2027	2028	2029	2030	2031
Craig 1	80%	17%	0%	0%	0%	0%	0%	0%
Craig 2	98%	16%	26%	13%	36%	0%	0%	0%
Craig 3	79%	13%	25%	19%	0%	0%	0%	0%
LRS 2	93%	89%	71%	72%	71%	67%	41%	16%
LRS 3	75%	64%	69%	57%	58%	50%	30%	13%
SPV 3	72%	67%	43%	42%	45%	36%	37%	36%
Burlington	0%	0%	0%	0%	0%	0%	0%	0%
Knutson	1%	0%	0%	0%	0%	0%	0%	0%
Limon	1%	0%	0%	0%	0%	0%	0%	0%
Pyramid	2%	1%	0%	0%	0%	0%	0%	0%
Shafer	27%	11%	0%	1%	1%	0%	0%	0%
GG-300-1x1-7FA05-CCS-wco	0%	0%	0%	0%	0%	29%	24%	49%

Energy sales and purchases forecasted, based on the modeling, are shown below.

Table 72: Forecasted Energy Sales and Purchases (Scenario 4 – SWER)

Scenario Forecast	2024	2025	2026	2027	2028	2029	2030	2031
Sales (GWh)	3,561	1,496	3,063	2,872	2,902	2,615	2,245	1,687
Purchases (GWh)	346	941	550	912	748	658	1,154	1,265

Scenario 4 (SWER) – Environmental Analysis

Emissions and water use, annual social cost of carbon and social cost of methane, and emissions reductions modeled for the scenario are provided below.

Table 73: Environmental Impact - System Wide (Scenario 4 - SWER)[107]

Year	CO_2 (ST)	SO_2 (ST)	NO_x (ST)	Hg (ST)	PM (ST)	Water (gallons)	CH4 (MT CO2e)
2024	15,863,704	7,761	10,763	0.0383	705	6,793,247,708	32,133
2025	10,919,812	5,420	6,407	0.0244	516	4,098,699,996	19,995
2026[108]	8,477,517	5,026	5,962	0.0225	404	3,583,422,154	17,903
2027	7,972,529	4,721	5,542	0.0202	374	3,210,051,302	16,365
2028	7,358,120	4,302	4,787	0.0182	377	2,927,811,446	14,845
2029	6,573,723	3,872	4,303	0.0156	327	2,680,149,760	12,556
2030	4,514,050	3,295	3,646	0.0108	262	1,990,503,327	10,296
2031	3,157,659	2,666	2,918	0.0062	212	1,818,549,023	7,869
2032	3,203,866	2,736	3,048	0.0067	205	1,845,960,399	7,905
2033	3,208,225	2,703	2,972	0.0063	213	1,829,638,245	7,985
2034	3,226,798	2,710	2,973	0.0064	215	1,851,008,307	8,024
2035	3,254,631	2,763	3,078	0.0069	208	1,876,225,341	8,012
2036	3,315,308	2,850	3,219	0.0077	200	1,929,252,664	8,076
2037	3,614,749	3,177	3,763	0.0110	179	2,178,755,684	8,428
2038	3,622,455	3,180	3,760	0.0111	181	2,189,879,374	8,448
2039	3,611,385	3,180	3,770	0.0110	178	2,169,009,462	8,423
2040	3,596,535	3,182	3,782	0.0108	176	2,145,151,059	8,397
2041	3,613,093	3,188	3,781	0.0109	178	2,160,677,499	8,433
2042	3,585,634	3,191	3,825	0.0104	171	2,091,352,778	8,369
2043	3,610,874	3,196	3,807	0.0107	175	2,135,484,251	8,432
Total	**106,300,669**	**73,119**	**86,106**	**0.266**	**5,456**	**51,504,829,781**	**230,898**
Pounds/Gallons per MWh[109]	734	0.50	0.59	0.000002	0.04	178	1.757

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[107] Commission Rule 3605(c)(I)(H). All tons are in short tons (ST), except for CH4 which is provided as metric tons of carbon dioxide equivalent (MT CO2e). CO_2, SO_2 and NO_x are per net MWh; HG and particulate matter (PM) are per gross MWh.

[108] Load reduced due to partial requirements contracts in 2026 forward.

[109] Pounds per MWh of Member load for emissions; gallons per MWh of Member load for water.

Table 74: Social Cost of Carbon Nominal Dollars – System Wide (Scenario 4 – SWER)

Year	Annual Social Cost of Carbon
2024	$1,393,165,248
2025	$995,763,266
2026	$803,284,931
2027	$784,788,638
2028	$751,174,190
2029	$695,831,712
2030	$495,316,652
2031	$359,323,495
2032	$378,007,746
2033	$392,375,842
2034	$409,008,952
2035	$427,456,666
2036	$451,083,112
2037	$509,411,285
2038	$528,656,041
2039	$545,681,555
2040	$562,557,798
2041	$582,264,404
2042	$601,614,118
2043	$624,713,086

Table 75: Social Cost of Methane Nominal Dollars – System Wide (Scenario 4 - SWER)

Year	Annual Social Cost of Methane
2024	$82,867,370
2025	$54,042,415
2026	$50,729,638
2027	$48,591,361
2028	$46,092,106
2029	$40,743,674
2030	$34,900,045
2031	$27,942,182
2032	$29,384,966
2033	$31,054,907
2034	$32,634,103
2035	$34,054,127
2036	$35,858,109
2037	$39,068,247
2038	$40,865,813
2039	$42,504,595
2040	$44,182,882
2041	$46,091,559
2042	$48,190,439
2043	$49,596,337

Table 76: Colorado GHG Emissions Reduction Percentages, Targets and Forecast (Scenario 4 - SWER)

Year	Target[110]	Forecast
2025	26%	47%
2026	36%	60%
2027	46%	68%
2030	80%	82%

Table 77: System-wide GHG Emissions Reduction Percentages, Targets and Forecast (Scenario 4 - SWER)

Year	Target[111]	Forecast
2027	20.9%	44%
2028	33.2%	44%
2029	45.4%	51%
2030	57.7%	61%
2031	70%	73%

See Appendix D for detailed GHG emissions calculations for the scenario.

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[110] 2020 ERP Settlement Agreement, Sections 3.3.4. and 3.3.5.

[111] 2020 ERP Settlement Agreement, Sections 3.3.4. and 3.3.5.

Scenario 4 (SWER) – Financial Analysis

The present value revenue requirement (PVRR), net present value (NPV) of the SCoC and SCoM, total capital expenditures (CapEx) and interest during construction (IDC), and annual revenue requirement are shown below.

Table 78: Total Financial (Scenario 4 - SWER)

$, Millions	**Scenario PVRR** (2023 WACC 4.12%)	**SCoC NPV (2.5%)**	**SCoM NPV (2.5%)**	**Scenario PVRR inclusive of SCoC NPV**	**Scenario PVRR inclusive of SCoC NPV & SCoM NPV**
	$17,343.9	$9,899.2	$679.1	$27,243.1	$27,922.2
Expansion Plan CapEx + IDC: Generation (Nominal $)	$1,694.1				
Expansion Plan CapEx + IDC: Transmission (Nominal $)	$546.3				

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Table 79: Annual Financial (Nominal $) (Scenario 4 - SWER)

Year	**Total Annual Revenue Requirement ($, Millions)**
2024	$1,016
2025	$978
2026	$894
2027	$957
2028	$1,003
2029	$1,092
2030	$1,232
2031	$1,270
2032	$1,434
2033	$1,459
2034	$1,497
2035	$1,512
2036	$1,534
2037	$1,421
2038	$1,445
2039	$1,497
2040	$1,518
2041	$1,536
2042	$1,557
2043	$1,730

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Financial analysis of the of the scenario under the extreme-weather event stress is provided below.

*Table 80~~XX~~: Total Financial Under **EWE** Sensitivity (Scenario 4 – SWER)*

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Scenario PVRR ($, Millions) (2023 WACC 4.12%)
$17,~~275.6~~315.4

Curtailments

Total curtailments during the RAP, annually by resource type and seasonally, are shown in the tables below. Annual PPA curtailment costs and penalties estimated to result from the modeled curtailments, by resource type, are also provided.

Intermittent resource curtailments are minimal within the Scenario 4 – SWER dispatch, through 2031. In 2026, with the removal of 163 MW of partial requirements load, and the retirement of Craig 1, we begin to see more curtailments – primarily impacting solar and occurring in the spring season. The model uses curtailment groups to define the order of curtailments. The order of curtailments is sequential, as follows: solar, wind, gas, coal, contracts/hydro, and Basin. Thermal resources are backed down to minimum or taken offline if economical to do so prior to curtailments of other resources. Since existing solar resources are modeled with the ITC they do not have a PTC penalty associated with curtailment, and therefore the model is setup to select solar first for curtailments. Total financial curtailment costs over the RAP for Scenario 4 – SWER are $531,366.

Table 81: Curtailed Intermittent Energy, Annual MWh (Scenario 4 - SWER)

	Existing Wind	Existing Solar	Generic Wind	Generic Solar	Total
2024	0	0	0	0	**0**
2025	0	0	0	0	**0**
2026	0	5,854	0	0	**5,854**
2027	0	3,378	0	0	**3,378**
2028	0	2,821	0	0	**2,821**
2029	0	2,193	0	0	**2,193**
2030	0	0	0	0	**0**
2031	0	0	0	0	**0**
RAP Total	**0**	**14,246**	**0**	**0**	**14,246**

Table 82: Seasonal Intermittent Resource Curtailments, Annual MWh (Scenario 4 - SWER)

	Winter	Spring	Summer	Fall
2024	0	0	0	0
2025	0	0	0	0
2026	258	4,515	20	1,061
2027	0	3,057	45	276
2028	114	2,275	16	416
2029	0	2,123	6	64
2030	0	0	0	0
2031	0	0	0	0
RAP Total	**372**	**11,970**	**87**	**1,817**

The following table reflects PPA pricing, penalties, and taxes.

Table 83: Estimated PPA Curtailment Costs and Penalties, Real (2023) $ (Scenario 4 - SWER)

	Wind ($)	Solar ($)
2024	$0	$0
2025	$0	$0
2026	$0	$216,270
2027	$0	$126,321
2028	$0	$106,117
2029	$0	$82,658
2030	$0	$0
2031	$0	$0
RAP Total	**$0**	**$531,366**

Scenario 4 (SWER) – Transmission Analysis

Forecasted interconnection and network upgrade expenses, including at the POI, resulting from the scenario are shown in the table below.

Table 84: Transmission Interconnection & Network Upgrade Expenses Real (2023) $ (Scenario 4 - SWER)

Year	Size *(MW)*	Type	Interconnection Cost *($M)*	Network Upgrade at POI Cost *($M)*	Network Upgrade for Size *($M)*
Eastern Colorado (ECO) Transmission Area					
2030	100	Wind + Battery		$2.88	
2034	100	Wind + Battery		$2.88	
2036	100	Wind + Battery		$2.88	
2038	100	Wind + Battery		$2.88	
2042	100	Wind		$2.88	
2042	100	Wind + Battery		$2.88	
2042	100	Wind + Battery		$2.88	

Year	Size *(MW)*	Type	Interconnection Cost *($M)*	Network Upgrade at POI Cost *($M)*	Network Upgrade for Size *($M)*
Western Colorado (WCO) Transmission Area					
2029	290	Gas	$1.50	$4.20	
2043	100	Solar		$2.88	
2043	100	Solar		$2.88	
2043	100	Solar		$1.68	
Wyoming (WYO) Transmission Area					
2040	100	Wind + Battery		$12.00	$109.00
2041	100	Wind		$4.20	
2041	100	Wind		$4.20	
New Mexico (NM) Transmission Area)					
2033	100	Wind		$2.88	$238.50
2033	100	Wind + Battery		$2.88	
2037	100	Wind + Battery		$2.88	
2043	100	Solar		$1.68	

Scenario 4 (SWER) – Level 1 Reliability Analysis

Reliability of each scenario is assessed by evaluating metrics under Level 1 and 2 criteria and through qualitative analysis of intermittent resources' ability to serve load and assessment of market purchases assumed under the EWE stress.

Level 1 Reliability Metrics and Analysis

Level 1 reliability results are as follows.

Planning Reserve Margin

The following table provides the annual PRM forecasted.

Table 85: Planning Reserve Margin, % Annual (Scenario 4 - SWER)

2024	2025	2026	2027	2028	2029	2030	2031
39%	35%	46%	43%	35%	42%	46%	45%

Loss of Load Hours

The following table provides the annual LoLH forecasted.

Table 86: Loss of Load Probability, Hours (Scenario 4 - SWER)

2024	2025	2026	2027	2028	2029	2030	2031
0	0	0	0	0	0	0	0

Expected Unserved Energy

The following table provides the annual EUE forecasted.

Table 87: Expected Unserved Energy, Annual MWh (Scenario 4 - SWER)

2024	2025	2026	2027	2028	2029	2030	2031
0	0	0	0	0	0	0	0

Intermittent Resources Ability to Serve Load and Maintain Reliability (Scenario 4 - SWER)

Section 3.11.14. of the 2020 ERP Phase I Settlement Agreement requires an assessment of how intermittent resource additions under each scenario serve load and maintain reliability.

The ELCCs of intermittent resources have declined since the 2020 ERP, per the results of the ELCC Study (Attachment LKT-29 ~~G-1~~) and ELCCs continue to decline with the addition of intermittent resources. In Scenario 4 – SWER, 50 MW of short duration storage and a 290 MW combined cycle resource are included within the RAP. These additions provide semi-dispatchable and dispatchable resources to replace the dispatchable resources retiring during the RAP and support integration of intermittent resources.

Scenario 4 (SWER) – EWE Level 2 Reliability Metrics and Analysis

Level 2 reliability results are as follows.

Table 88~~Table 85~~ represents any loss of load hours identified in the twelve EWE periods. Below hours do not exceed 12 periods (hours) per all 12 EWE periods, and do not show more than three periods in any one event year. There were 0 MWhs of unserved energy and 0 hours of loss of load in all years for the extreme weather sensitivity. There was sufficient capacity to cover load for all extreme weather hours.

Table 88: LOLH EWE Evaluation for <= 12 Periods for All EWEs and <= 3 Periods per Each EWE year (Scenario 4 – SWER)

Event (Season/Year)	Date	Hour
All EWE Periods	N/A	N/A

Table 89~~Table 86~~ represents any EUE identified by hour in the 12 EWE periods. Below EUE does not exceed 20% of hourly load in any hour.

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Table 89: EUE Evaluation for <= 20% of Hourly Load During EWEs (Scenario 4 – SWER)

Event (Season/Year)	Date	Hour	EUE (MWh)	Hourly Load (MWh)	% Load	Unused TS Thermal Resource Availability
All EWE Periods	N/A	N/A	N/A	N/A	N/A	N/A

Tri-State also analyzed the post-RAP period EWE and all Level II metrics were met.

Analysis of Market Purchases and Available Capacity (Scenario 4 – SWER)

Per Section 3.11.14 of the 2020 ERP Settlement Agreement, the "analysis will assume that reliability objectives will be satisfied using only Tri-State resources regardless of bilateral or organized market access."

The EWE modeling allows limited access to market purchases for energy use as follows:

- Winter:
    - NM Market HE 2 to HE 6 and HE 11 to 15

  - 1 day in event no market depth
- Summer:
  - ECO, WCO, WY Markets (coincident with WACM transitioning to SPP RTO) HE 2 to HE 13
  - 1 day in event no market depth

In the EWE analysis for Scenario 4 – SWER, the market was used for 7.3 GWh in 133 hours during the January EWE events between 2026-2031. The market was used for 17 GWh in 99 hours during the July EWE events between 2026-2031. The model dispatched with the market instead of a generation unit due to economics. Market purchases during these limited hours were confirmed to not lean on the market for capacity.

5. Aggressive Colorado Emissions Reductions Scenario (ACER)

Assumptions unique to each scenario are identified in Attachment ~~B-3.~~LKT-10

Scenario 5 (ACER) – Expansion Plan, Retirements, System Mix, Capacity Factors, and Sales / Purchases

The expansion plan, demand-side management (DSM) selected, plant retirements, system resource mix, thermal unit capacity factors, and forecasted energy purchases and sales modeled for the scenario are shown below.

Table 90: Expansion Plan (Scenario 5 - ACER)

Year	Technology	Planning Region	Unit Size (MW)	Number of Units	Total MW
2026	Solar[112]	West Colorado	140	1	140
2029	Wind/Battery	East Colorado	100	1	100
2030	NGCC with CCS[113]	West Colorado	290	1	290
2031	Wind/Battery	Wyoming / W. Neb.	100	1	100
2033	Wind	East Colorado	100	2	200
2035	Wind/Battery	East Colorado	100	1	100
2037	Wind/Battery	East Colorado	100	1	100
	Wind/Battery	New Mexico	100	2	200
2040	Wind/Battery	Wyoming / W. Neb.	100	2	200
	Solar – Build Transfer	West Colorado	100	2	200
2042	Wind/Battery	East Colorado	100	4	400
	Wind/Battery	Wyoming / W. Neb.	100	3	300
2043	Wind/Battery	Wyoming / W. Neb.	100	1	100
	Solar	New Mexico	100	1	100

*Generic hybrids include 50 MW/200 MWh battery with each 100 MW solar or wind resource. Hybrid resources are sharing the interconnection.

The expansion plan also included the following Energy Efficiency (EE) levels by region:[114]

- All plans include applicable Colorado energy efficiency targets in base assumptions.[115]
- Low New Mexico Energy Efficiency was selected in the expansion plan of Scenario 5 – ACER in 2040.
- Low Wyoming Energy Efficiency was selected in the expansion plan of Scenario 5 – ACER in 2040.

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[112] This resource is not a modeling selection, it is replacement project for Coyote Gulch PPA that was terminated in 2023.

[113] NGCC installed in 2030 and CCS conversion startup anticipated in 2031.

[114] Commission Rule 3605(c)(I)(I).

[115] 2020 ERP Settlement Agreement at Section 3.11.6.

The expansion plan also included the following Demand Response (DR) levels by region:[116]

- All plans include Colorado demand response required target of 4% beginning in 2025 per the 2020 ERP Settlement Agreement in base assumptions.[117]
- 52 MW of Wyoming Demand Response was selected in the expansion plan of Scenario 5 - ACER in 2038
- 84 MW of New Mexico Demand Response was selected in the expansion plan of Scenario 5 – ACER starting in 2042.

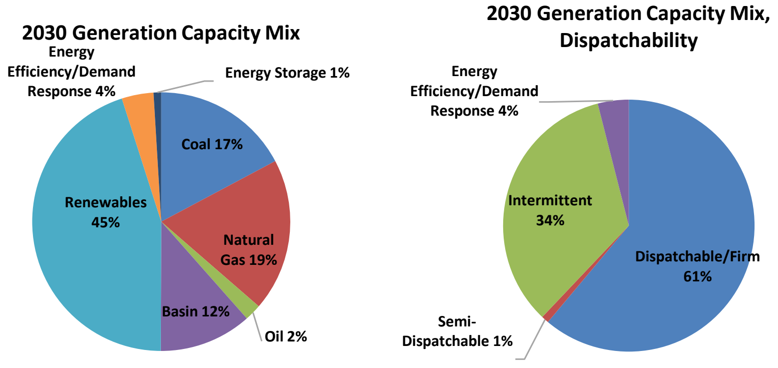
Unit retirements selected in the modeling are shown in the following table.[118]

Table 91: Modeled Retirements (Scenario 5 - ACER)

Unit	MW	Technology	Date
Craig 3	448	Coal	1/1/2028
Springerville 3	419	Coal	1/1/2037
LRS 2 (TS portion)	241	Coal	1/1/2042

Resulting system capacity and energy mix, based on the modeling are shown below.

Figure 8: Projected Tri-State System Resource Mix 2030 (Scenario 5 - ACER)[119, 120, 121]



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[116] Commission Rule 3605(c)(I)(I).

[117] 2020 ERP Settlement Agreement at Section 3.11.8.

[118] Craig 1 is modeled to retire on December 31, 2025 and Craig 2 is modeled to retire on September 30, 2028, both of which reflect timing as previously announced by the joint owners of these units ("Yampa Project Owners").

[119] "Renewables" category reflects wind and solar resources, Member Distributed Generation (DG), energy associated with renewable energy credits ("RECs") received via the Basin contract, and hydropower purchases.

[120] Capacity Mix charts reflect net capacity of system generation, before any application of ELCCs.

[121] System Energy Mix reflects sales to Members and non-Members.

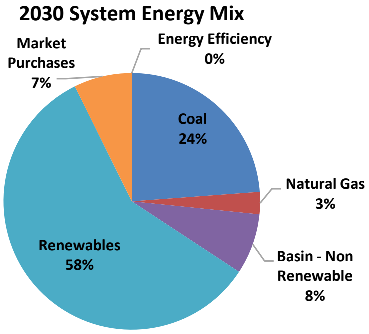

Table 92: Projected Annual Capacity Factors for Thermal Resources (Scenario 5 - ACER)

Thermal Resource	2024	2025	2026	2027	2028	2029	2030	2031
Craig 1	80%	16%	0%	0%	0%	0%	0%	0%
Craig 2	98%	9%	17%	4%	9%	0%	0%	0%
Craig 3	79%	14%	15%	11%	0%	0%	0%	0%
LRS 2	93%	89%	86%	78%	75%	71%	69%	69%
LRS 3	75%	64%	55%	48%	43%	40%	40%	45%
SPV 3	72%	67%	43%	42%	42%	36%	44%	43%
Burlington	0%	0%	0%	0%	0%	0%	0%	0%
Knutson	1%	0%	0%	0%	0%	0%	0%	0%
Limon	1%	0%	0%	0%	0%	0%	0%	0%
Pyramid	2%	1%	0%	0%	0%	0%	0%	0%
Shafer	24%	11%	1%	1%	1%	1%	0%	0%
GG-300-1x1-7FA05-CCS-wco	0%	0%	0%	0%	0%	0%	16%	49%

Energy sales and purchases forecasted, based on the modeling, are shown below.

Table 93: Forecasted Energy Sales and Purchases (Scenario 5 – ACER)

Scenario Forecast	2024	2025	2026	2027	2028	2029	2030	2031
Sales (GWh)	3,508	1,506	2,719	2,521	2,453	2,347	2,911	3,587
Purchases (GWh)	352	946	641	985	803	854	1,020	776

Scenario 5 (ACER) – Environmental Analysis

Emissions and water use, annual social cost of carbon and social cost of methane, and emissions reductions modeled for the scenario are provided below.

Table 94: Environmental Impact - System Wide (Scenario 5 - ACER)[122]

Year	CO_2 (ST)	SO_2 (ST)	NO_x (ST)	Hg (ST)	PM (ST)	Water (gallons)	CH4 (MT CO2e)
2024	15,841,198	7,764	10,744	0.0383	704	6,774,266,318	32,133
2025	10,919,154	5,447	6,450	0.0245	513	4,099,792,207	19,995
2026[123]	8,046,894	4,781	5,543	0.0211	393	3,336,852,935	16,657
2027	7,524,321	4,471	5,149	0.0187	359	2,957,263,352	15,143
2028	6,758,931	4,045	4,479	0.0164	340	2,603,401,641	13,418
2029	6,279,584	3,827	4,253	0.0150	303	2,351,374,862	12,230
2030	5,720,642	3,969	4,393	0.0154	340	2,617,482,127	13,065
2031	5,621,064	3,993	4,418	0.0159	364	3,205,678,404	13,331
2032	5,229,420	3,827	4,281	0.0147	330	2,990,089,809	12,392
2033	5,542,856	3,963	4,395	0.0157	357	3,162,785,437	13,164
2034	5,600,099	3,999	4,444	0.0158	359	3,185,362,689	13,291
2035	5,341,998	3,895	4,362	0.0153	335	3,057,746,388	12,644
2036	4,976,911	3,771	4,291	0.0144	297	2,858,196,567	11,765
2037	3,872,884	3,313	3,900	0.0123	197	2,353,044,102	8,984
2038	3,889,235	3,328	3,924	0.0123	197	2,350,104,263	9,021
2039	3,958,518	3,372	3,983	0.0125	199	2,378,852,575	9,176
2040	3,928,034	3,352	3,944	0.0125	200	2,381,909,167	9,114
2041	3,954,875	3,371	3,977	0.0125	199	2,380,272,599	9,172
2042	2,550,838	2,573	3,064	0.0065	119	1,575,749,975	6,087
2043	2,537,465	2,577	3,059	0.0065	118	1,562,045,832	6,084
Total	**118,094,923**	**79,640**	**93,054**	**0.316**	**6,224**	**58,182,271,249**	**256,864**
Pounds/Gallons per MWh[124]	816	0.55	0.64	0.000002	0.04	201	1.955

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[122] Commission Rule 3605(c)(I)(H). All tons are in short tons (ST), except for CH4 which is provided as metric tons of carbon dioxide equivalent (MT CO2e). CO_2, SO_2 and NO_x are per net MWh; HG and particulate matter (PM) are per gross MWh.

[123] Load reduced due to partial requirements contracts in 2026 forward.

[124] Pounds per MWh of Member load for emissions; gallons per MWh of Member load for water.

Table 95: Social Cost of Carbon Nominal Dollars – System Wide (Scenario 5 - ACER)

Year	Annual Social Cost of Carbon
2024	$1,391,188,757
2025	$995,703,293
2026	$762,481,386
2027	$740,668,558
2028	$690,004,358
2029	$664,696,921
2030	$627,713,272
2031	$639,644,830
2032	$616,992,472
2033	$677,908,422
2034	$709,833,808
2035	$701,607,194
2036	$677,161,912
2037	$545,789,145
2038	$567,589,551
2039	$598,133,480
2040	$614,409,701
2041	$637,343,954
2042	$427,991,342
2043	$439,003,933

Table 96: Social Cost of Methane Nominal Dollars – System Wide (Scenario 5 - ACER)

Year	Annual Social Cost of Methane
2024	$82,865,100
2025	$54,041,930
2026	$47,200,356
2027	$44,961,643
2028	$41,658,773
2029	$39,685,014
2030	$44,283,639
2031	$47,333,383
2032	$46,063,578
2033	$51,195,405
2034	$54,050,793
2035	$53,741,866
2036	$52,234,099
2037	$41,644,283
2038	$43,640,015
2039	$46,305,451
2040	$47,955,236
2041	$50,131,697
2042	$35,047,588
2043	$35,786,521

Table 97: Colorado GHG Emissions Reduction Percentages, Targets and Forecast (Scenario 5 - ACER)

Year	Target[125]	Forecast
2025	47%	47%
2026	60%	66%
2027	67.8%	73%
2028	74.2%	76%
2029	80.6%	82%
2030	87.1%	88%
2031	90%	91%

See Appendix D for detailed GHG emissions calculations for the scenario.

Scenario 5 (ACER) – Financial Analysis

The present value revenue requirement (PVRR), net present value (NPV) of the SCoC and SCoM, total capital expenditures (CapEx) and interest during construction (IDC), and annual revenue requirement are shown below.

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[125] Modified targets per stakeholder-requested scenario assumptions identified in Attachment ~~B-3,~~ LKT-10 but still meets GHG reduction targets in 2020 ERP Settlement Agreement Sections 3.3.4. and 3.3.5.

Table 98: Total Financial (Scenario 5 - ACER)

$, Millions	**Scenario PVRR** (2023 WACC 4.12%)	**SCoC NPV (2.5%)**	**SCoM NPV (2.5%)**	**Scenario PVRR inclusive of SCoC NPV**	**Scenario PVRR inclusive of SCoC NPV & SCoM NPV**
	$17,208.2	$11,026.8	$758.1	$28,235.0	$28,993.1
Expansion Plan CapEx + IDC: Generation (Nominal $)	$1,635.9				
Expansion Plan CapEx + IDC: Transmission (Nominal $)	$623.0				

Table 99: Annual Financial (Nominal $) (Scenario 5 - ACER)

Year	**Total Annual Revenue Requirement ($, Millions)**
2024	$1,016
2025	$978
2026	$898
2027	$960
2028	$1,007
2029	$1,075
2030	$1,212
2031	$1,232
2032	$1,400
2033	$1,415
2034	$1,452
2035	$1,474
2036	$1,506
2037	$1,447
2038	$1,470
2039	$1,501
2040	$1,523
2041	$1,537
2042	$1,554
2043	$1,730

Financial analysis of the of the scenario under the extreme-weather event stress is provided below.

*Table 100: Total Financial Under **EWE** Sensitivity (Scenario 5 – ACER)*

Scenario PVRR ($, Millions) (2023 WACC 4.12%)
$17,180.6

Curtailments

Total curtailments during the RAP, annually by resource type and seasonally, are shown in the tables below. Annual PPA curtailment costs and penalties estimated to result from the modeled curtailments, by resource type, are also provided.

Intermittent resource curtailments are minimal within the Scenario 5 - ACER dispatch, through 2031. In 2026, with the removal of 163 MW of partial requirements load, and the retirement of Craig 1, we begin to see more curtailments – primarily impacting solar and occurring in the spring season. The model uses curtailment groups to define the order of curtailments. The order of curtailments is sequential, as follows: solar, wind, gas, coal, contracts/hydro, and Basin. Thermal resources are backed down to minimum or taken offline if economical to do so prior to curtailments of other resources. Since existing solar resources are modeled with the ITC they do not have a PTC penalty associated with curtailment, and therefore the model is setup to select solar first for curtailments. Total financial curtailment costs over the RAP for Scenario 5 – ACER are $544,004.

Table 101: Curtailed Intermittent Energy, Annual MWh (Scenario 5 - ACER)

	Existing Wind	Existing Solar	Generic Wind	Generic Solar	Total
2024	0	0	0	0	**0**
2025	0	0	0	0	**0**
2026	0	5,613	0	0	**5,613**
2027	0	3,345	0	0	**3,345**
2028	0	2,732	0	0	**2,732**
2029	0	2,955	0	0	**2,955**
2030	0	0	0	0	**0**
2031	0	0	0	0	**0**
RAP Total	**0**	**14,645**	**0**	**0**	**14,645**

Table 102: Seasonal Intermittent Resource Curtailments, Annual MWh (Scenario 5 - ACER)

	Winter	Spring	Summer	Fall
2024	0	0	0	0
2025	0	0	0	0
2026	85	4,447	20	1,061
2027	0	3,025	44	276
2028	25	2,275	16	416
2029	0	2,767	18	170
2030	0	0	0	0
2031	0	0	0	0
RAP Total	**110**	**12,514**	**98**	**1,923**

The following table reflects PPA pricing, penalties, and taxes.

Table 103: Estimated PPA Curtailment Costs and Penalties, Real (2023) $ (Scenario 5 - ACER)

	Wind ($)	Solar ($)
2024	$0	$0
2025	$0	$0
2026	$0	$207,282
2027	$0	$125,001
2028	$0	$102,660
2029	$0	$109,061
2030	$0	$0
2031	$0	$0
RAP Total	**$0**	**$544,004**

Scenario 5 (ACER) – Transmission Analysis

Forecasted interconnection and network upgrade expenses, including at the POI, resulting from the scenario are shown in the table below.

Table 104: Transmission Interconnection & Network Upgrade Expenses Real (2023) $ (Scenario 5 - ACER)

Year	Size *(MW)*	Type	Interconnection Cost *($M)*	Network Upgrade at POI Cost *($M)*	Network Upgrade for Size *($M)*
Eastern Colorado (ECO) Transmission Area					
2029	100	Wind + Battery		$2.88	
2033	100	Wind		$2.88	
2033	100	Wind		$2.88	
2035	100	Wind + Battery		$2.88	
2037	100	Wind + Battery		$2.88	
2042	100	Wind + Battery		$2.88	
2042	100	Wind + Battery		$2.88	
2042	100	Wind + Battery		$2.88	
2042	100	Wind + Battery		$2.88	
Western Colorado (WCO) Transmission Area					
2030	290	Gas	$1.50	$4.20	
2040	100	Solar		$2.88	
2040	100	Solar		$2.88	
Wyoming (WYO) Transmission Area					
2031	100	Wind + Battery		$12.00	$109.00
2040	100	Wind + Battery		$4.20	
2040	100	Wind + Battery		$4.20	
2042	100	Wind + Battery		$4.20	$34.00
2042	100	Wind + Battery		$4.20	

Year	Size *(MW)*	Type	Interconnection Cost *($M)*	Network Upgrade at POI Cost *($M)*	Network Upgrade for Size *($M)*
2042	100	Wind + Battery		$4.20	
2043	100	Wind + Battery		$4.20	
New Mexico (NM) Transmission Area					
2037	100	Wind + Battery		$2.88	$238.50
2037	100	Wind + Battery		$2.88	
2043	100	Solar		$1.68	

Scenario 5 (ACER) – Level 1 Reliability Analysis

Reliability of each scenario is assessed by evaluating metrics under Level 1 and 2 criteria and through qualitative analysis of intermittent resources' ability to serve load and assessment of market purchases assumed under the EWE stress.

Level 1 Reliability Metrics and Analysis

Level 1 reliability results are as follows.

Planning Reserve Margin

The following table provides the annual PRM forecasted.

Table 105: Planning Reserve Margin, % Annual (Scenario 5 - ACER)

2024	2025	2026	2027	2028	2029	2030	2031
39%	35%	46%	43%	35%	31%	44%	47%

Loss of Load Hours

The following table provides the annual LoLH forecasted.

Table 106: Loss of Load Probability, Hours (Scenario 5 - ACER)

2024	2025	2026	2027	2028	2029	2030	2031
1	0	0	0	0	0	0	0

Expected Unserved Energy

The following table provides the annual EUE forecasted.

Table 107: Expected Unserved Energy, Annual MWh (Scenario 5 - ACER)

2024	2025	2026	2027	2028	2029	2030	2031
2	0	0	0	0	0	0	0

Intermittent Resources Ability to Serve Load and Maintain Reliability (Scenario 5 - ACER)

Section 3.11.14. of the 2020 ERP Phase I Settlement Agreement requires an assessment of how intermittent resource additions under each scenario serve load and maintain reliability.

The ELCCs of intermittent resources have declined since the 2020 ERP, per the results of the ELCC Study (Attachment LKT-29 ~~G-1~~) and ELCCs continue to decline with the addition of intermittent resources. In Scenario

5 – ACER, 100 MW of 4-hr storage and a 290 MW combined cycle resource are included within the RAP. These additions provide semi-dispatchable and dispatchable resources to replace the dispatchable resources retiring during the RAP and support integration of intermittent resources.

Scenario 5 (ACER) – EWE Level 2 Reliability Metrics and Analysis

Level 2 reliability results are as follows.

Table 108~~Table 104~~ represents any loss of load hours identified in the twelve EWE periods. Below hours do not exceed 12 periods (hours) per all 12 EWE periods, and do not show more than three periods in any one event year. There were 0 MWhs of unserved energy and 0 hours of loss of load in all years for the extreme weather sensitivity. There was sufficient capacity to cover load for all extreme weather hours.

Table 108: LOLH EWE Evaluation for <= 12 Periods for All EWEs and <= 3 Periods per Each EWE year (Scenario 5 - ACER)

Event (Season/Year)	Date	Hour
All EWE Periods	N/A	N/A

Table 109~~Table 105~~ represents any EUE identified by hour in the 12 EWE periods. Below EUE does not exceed 20% of hourly load in any hour.

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Table 109: EUE Evaluation for <= 20% of Hourly Load During EWEs (Scenario 5 - ACER)

Event (Season/Year)	Date	Hour	EUE (MWh)	Hourly Load (MWh)	% Load	Unused TS Thermal Resource Availability
All EWE Periods	N/A	N/A	N/A	N/A	N/A	N/A

Tri-State also analyzed the post-RAP period EWE and, Level II metrics were not met in the latter part of the RAP for Scenario 5 – ACER. Scenario 5 – ACER did not meet Level 2 reliability metric thresholds:

- Six hours of LOLH in 2037 (which is beyond the three hours per year threshold); and
- Two hours of capacity lean on the market (which is beyond the zero-tolerance threshold), in the following hours and capacity amounts:
    - July 12, 2042 HE2, 40 MW; and
    - July 13, 2043 HE2, 29 MW.

Analysis of Market Purchases and Available Capacity (Scenario 5 – ACER)

Per Section 3.11.14 of the 2020 ERP Settlement Agreement, the "analysis will assume that reliability objectives will be satisfied using only Tri-State resources regardless of bilateral or organized market access."

The EWE modeling allows limited access to market purchases for energy use as follows:

- Winter:
    - NM Market HE 2 to HE 6 and HE 11 to 15
    - 1 day in event no market depth

- Summer:
    - ECO, WCO, WY Markets (coincident with WACM transitioning to SPP RTO) HE 2 to HE 13
    - 1 day in event no market depth

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In the EWE analysis for Scenario 5 – ACER, the market was used for 6.4 GWh in 115 hours during the January EWE events between 2026-2031. The market was used for 12.5 GWh in 78 hours during the July EWE events between 2026-2031. The model dispatched with the market instead of a generation unit due to economics. Market purchases during these limited hours were confirmed to not lean on the market for capacity.

Comparative Analysis

A comparative analysis of environmental, financial, and reliability results across each of the Phase I scenarios is provided below.

Environmental Analysis

The following tables identify each scenario's system-wide forecasted CO_2 and CH_4 emissions in 2025 and 2030.

Figure 9: Comparison of Forecasted CO_2 Emissions in 2025 and 2030, by Scenario

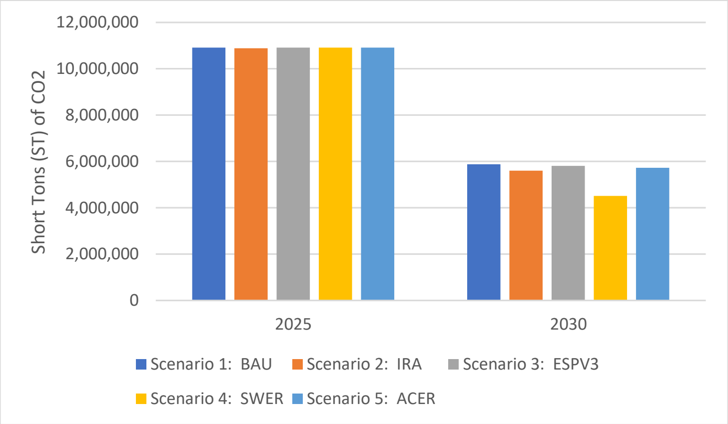
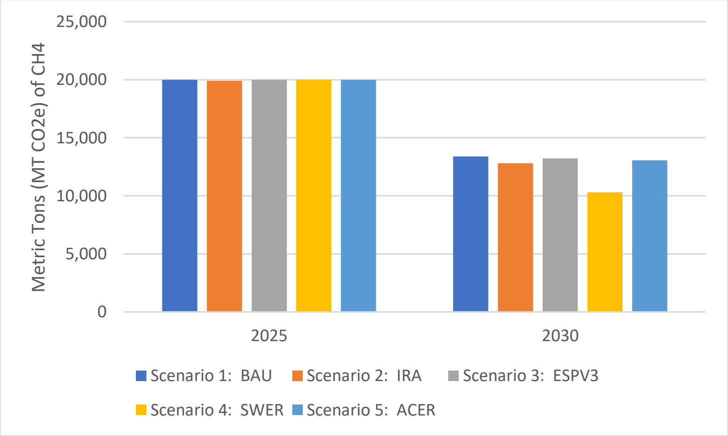


Figure 10: Comparison of Forecasted CH_4 Emissions in 2025 and 2030, by Scenario



The following table identifies each scenario's forecasted achievements toward Colorado GHG reduction targets. As shown in Figure 9 and Table 110~~Table 106~~, all scenarios achieve a consistent level of CO_2 and GHG reductions in 2025. The trend of similar GHG reductions across all scenarios holds for 2026 and 2027 as well, with the exception of Scenario 5 (ACER) achieving slightly higher reductions earlier—a result of the underlying modeling input constraint requiring minimum emissions achievements for each year of the RAP (see Attachment LKT-10~~B-3~~ of the ERP Report (LKT-1). Those underlying constraints on emissions for Scenario 5 (ACER) result in significant reductions in the capacity factors for Craig 2 and LRS 3 starting in 2026 and result in the new gas plant not being utilized until 2030. Market sales are also reduced during the RAP under Scenario 5 (ACER). Notably, Scenario 2 (IRA), achieves the highest GHG reduction by 2030, 89%, as compared to the other scenarios as show in Table 110~~Table 106~~ and Figure 11.

Additional discussion of Tri-State's consideration of the environmental results of the scenario analyses can be found in the Executive Summary; and in the Financial Analysis section below, which scenario identifies PVRRs with SCoC and SCoM.

Table 110: Comparison of Scenario Achievements Toward Colorado GHG Reduction Targets

	2025	2026	2027	2030
Scenario 1: BAU	47%	60%	68%	86%
Scenario 2: IRA	47%	60%	67%	89%
Scenario 3: ESPV3	47%	60%	67%	85%
Scenario 4: SWER	47%	60%	68%	82%
Scenario 5: ACER	47%	66%	73%	88%

Figure 11: Comparison of Scenario Achievements Toward Colorado GHG Reduction Targets

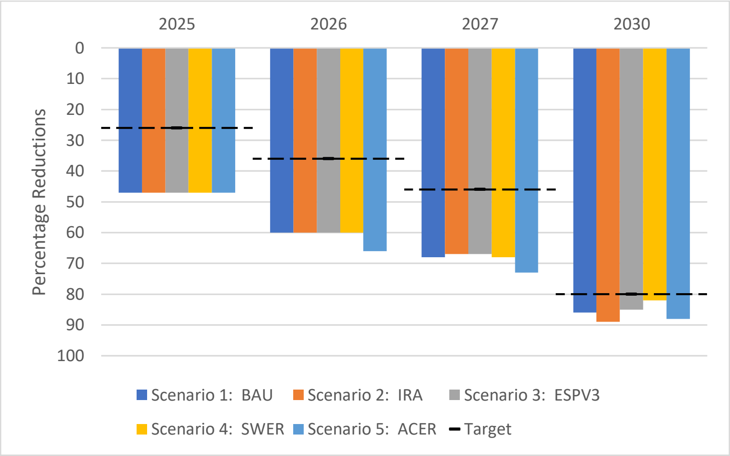
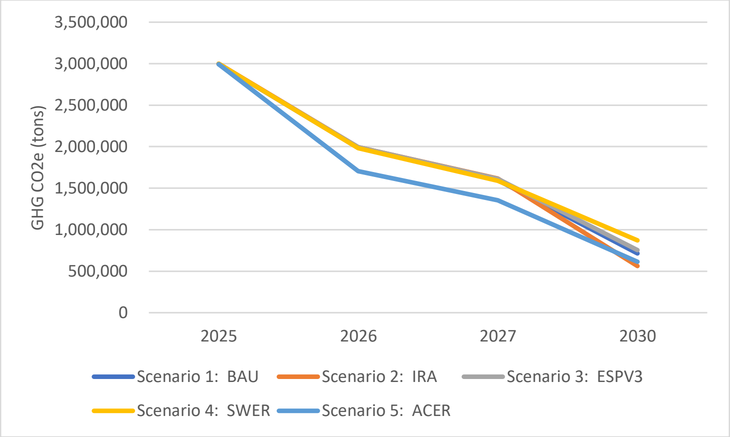


Figure 12: Comparison of Colorado CO2e



As shown in Figure 13 below, there is little deviation in the annual SCoC across the scenarios modeled, until after 2030. Scenario 1 (BAU) and Scenario 5 (ACER) have fairly similar SCoC levels in the early 2030s as Colorado greenhouse gas reduction levels are similar (roughly a 2 percent difference) in 2030; and from 2024 to 2033 the primary differences between the two scenarios being the timing of new resource additions. Neither Scenario 1 (BAU) or Scenario 5 (ACER) retires SPV 3 in the first ten years of the RPP. Scenario 2 (IRA) achieves a lower SCoC due to more renewable resources being added during the RAP, as well as the early retirement of SPV3. Scenario 3 (ESPV3) also results in lower levels of SCoC due to retirement of SPV 3 during the RAP. Scenario 4 (SWER) sets minimum system-wide emission reductions as underlying modeling input constraints, which result in the lowest SCoC levels across the scenarios. Similar trends across the scenarios are seen in Figure 14 below, for SCoM.

Figure 13: Comparison of SCoC

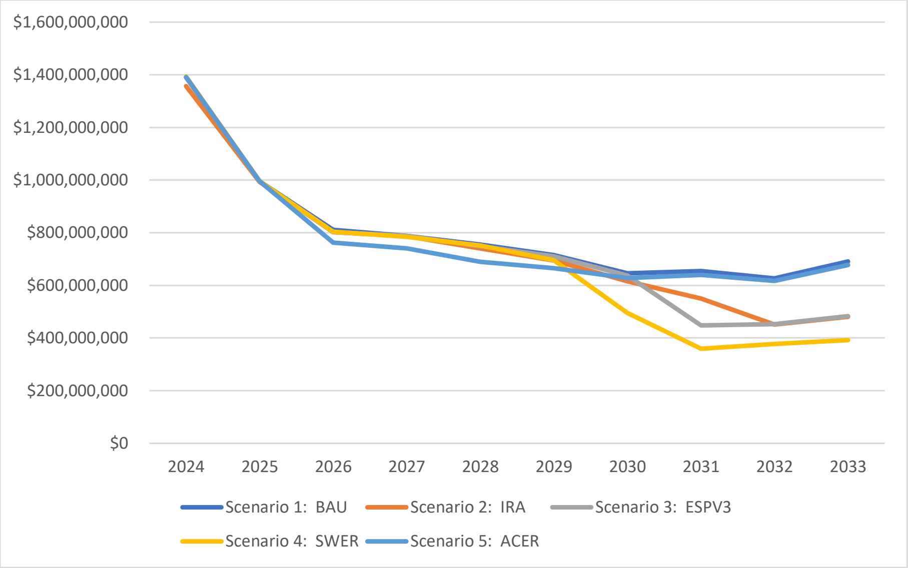
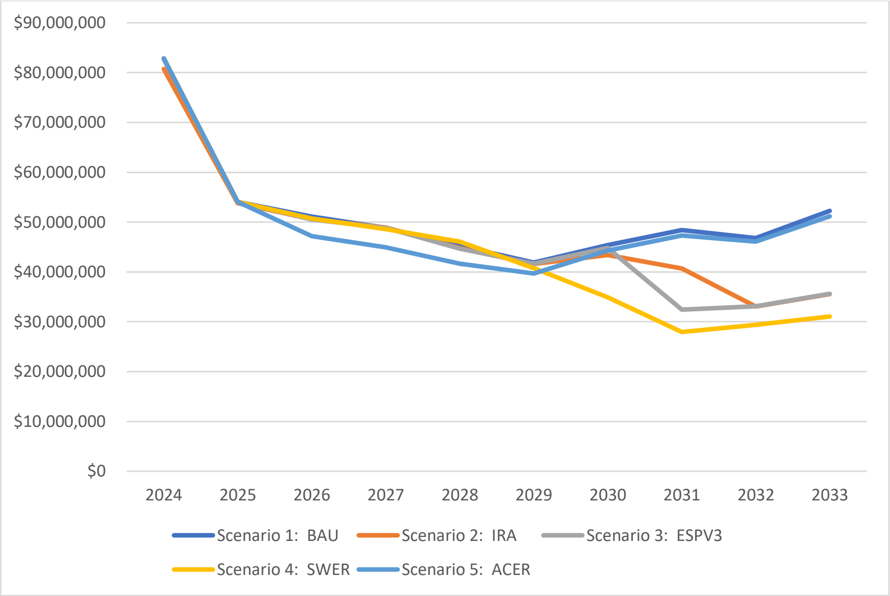


Figure 14: Comparison of SCoM



Financial Analysis

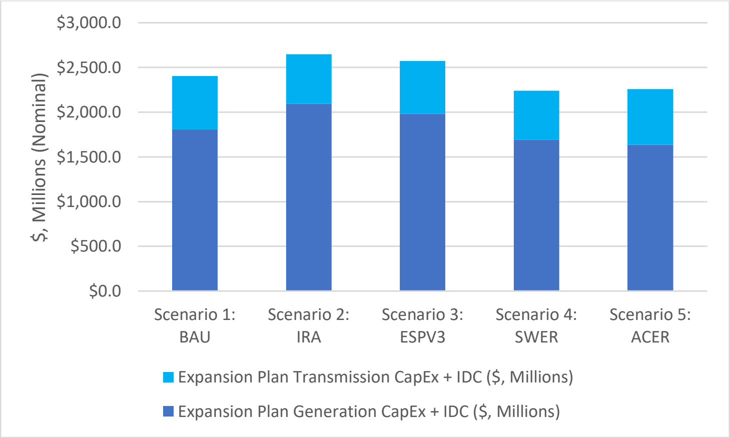
The following table compares total financial results for each scenario, both with and without the SCoC and SCoM. Scenario 2 (IRA) is one of the lowest cost plans on a PVRR basis, and has the lowest renewable curtailment costs during the RAP. ~~Scenario 2 (IRA) also has the lowest PVRR when SCoC and SCoM are included.~~ Scenario 2 (IRA) exceeds Colorado GHG reduction target for 2030, while maintaining reliability and affordability—which best serves Tri-State Members.

Table 111~~111107~~: Comparison of PVRR

	PVRR ($, Millions)	PVRR w/SCoC and SCoM ($, Millions)
Scenario 1: BAU	$17,507.4	$29,916.4
Scenario 2: IRA	$17~~6~~,221~~352~~.4~~0~~	$28~~7~~,68~~81~~1.2~~8~~
Scenario 3: ESPV3	$17,304.2	$28,828.6
Scenario 4: SWER	$17,343.9	$27,922.2
Scenario 5: ACER	$17,208.2	$28,993.1

Figure 15 below compares capital expenditures for resource additions and transmission interconnection and upgrades by scenario over the RPP. While the Scenario 2 (IRA) results in comparatively higher CapEx, the overall financial impact of the scenario is the lowest due to New ERA funding being pursued by Tri-State for the benefit of its Members.

Figure 15: Comparison of Generation and Transmission CapEx (Nominal $)



As shown in Table 112~~Table 108~~ below, all scenarios selected a 290 MW gas plant during the RAP (in 2028, 2029, or 2030), with conversion to CCS in 2031, and selected some amount of wind hybrids. All scenarios include 140 MW of solar to replace the Coyote Gulch PPA that was terminated in 2023. Scenario 1 (BAU) and Scenario 3 (ESPV3) have similar levels of MWs and resource additions during the RAP. Scenario 4 (SWER) and Scenario 5 (ACER) have similar levels of MWs and resource additions. Scenario 2 (IRA) selects 1,400 MW of resources during the RAP, in addition to the 140 MW of replacement solar, more than double the total resource additions in Scenario 4 (SWER) and Scenario 5 (ACER) and significantly higher than the total resource additions in Scenario 1 (BAU) and Scenario 3 (ESPV3). The increase in resource selection during the RAP in Scenario 2 (IRA) is due to potential federal funding being available only through the RAP period. The funding would allow Scenario 2 (IRA) to bring on more resources during the RAP while improving affordability, maintaining reliability, and making strides toward evolving environmental requirements.

Table 112: Comparison of MW Additions by Scenario, by Technology over the RAP

	Scenario 1 – BAU	Scenario 2 – IRA	Scenario 3 – ESPV3	Scenario 4 – SWER	Scenario 5 – ACER
Wind	0	500	0	0	0
Solar	140	240	140	140	140
Standalone Storage	100	210	200	0	0
Gas	290	290	290	290	290
Wind Hybrid	300	200	300	100	200
Wind Hybrid – Battery Storage Component	150	100	150	50	100
RAP Total	**980**	**1,540**	**1,080**	**580**	**730**

Note: Wind Hybrid components share interconnect.

Table 113~~Table 109~~ below identifies the percentage of generation capacity that is intermittent or dispatchable/firm, and the percent of system energy that is renewable for each scenario in 2030. Scenario 2 (IRA) yields the highest percentage of renewables in terms of system energy mix in 2030, while maintaining a reasonable mix of intermittent and dispatchable/firm capacity at 39 percent and 54 percent, respectively.

Table 113: Comparison of Renewables, Intermittent and Dispatchable Resources in the 2030 Mix, by Scenario

	2030 Generation Capacity Mix, % Intermittent	2030 Generation Capacity Mix, % Dispatchable/Firm	2030 System Energy Mix, % Renewables
Scenario 1: BAU	34%	59%	59%
Scenario 2: IRA	39%	54%	64%
Scenario 3: ESPV3	34%	61%	58%
Scenario 4: SWER	33%	61%	61%
Scenario 5: ACER	34%	61%	58%

Note: Capacity from energy efficiency / demand response and semi-dispatchable resources are not reflected in either the intermittent or dispatchable/firm, therefore the sum of the capacity mix percentages does not total 100%.

Curtailments

The following tables identify the annual PPA curtailment costs (pricing, penalties, and taxes) estimated to result from the modeled curtailments, by resource type.

Table 114: Comparison of Wind PPA Curtailment Costs by Scenario, Real (2023) $

	Scenario 1: BAU	Scenario 2: IRA	Scenario 3: ESPV3	Scenario 4: SWER	Scenario 5: ACER
2024	$0	$0	$0	$0	$0
2025	$0	$0	$0	$0	$0
2026	$0	$0	$0	$0	$0
2027	$0	$0	$0	$0	$0
2028	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0
2030	$0	$0	$0	$0	$0
2031	$0	$8,765	$2,511	$0	$0
RAP Total	**$0**	**$8,765**	**$2,511**	**$0**	**$0**

Table 115: Comparison of Solar PPA Curtailment Costs by Scenario, Real (2023) $

	Scenario 1: BAU	Scenario 2: IRA	Scenario 3: ESPV3	Scenario 4: SWER	Scenario 5: ACER
2024	$0	$0	$0	$0	$0
2025	$0	$0	$0	$0	$0
2026	$208,078	$2,816	$208,309	$216,270	$207,282
2027	$125,060	$0	$124,914	$126,321	$125,001
2028	$102,674	$9,596	$102,651	$106,117	$102,660
2029	$82,738	$122,947	$82,570	$82,658	$109,061
2030	$0	$29,692	$0	$0	$0
2031	$0	$329,902	$0	$0	$0
RAP Total	**$518,550**	**$494,953**	**$518,444**	**$531,366**	**$544,004**

Scenario 4 (SWER) and Scenario 5 (ACER) have the highest curtailment costs compared to the other scenarios. Scenario 2 (IRA) has the lowest curtailment costs while still achieving the highest GHG reduction in Colorado by 2030.

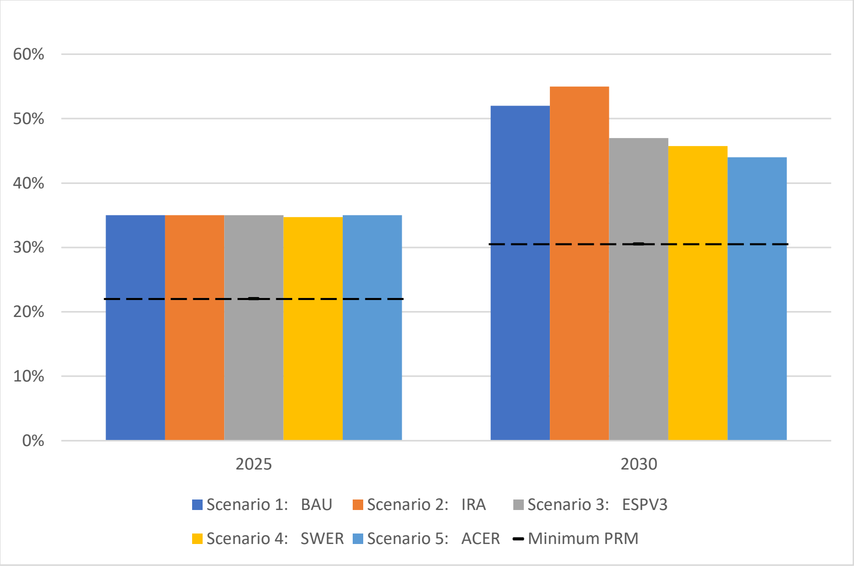
Table 116: Comparison of Total Wind + Solar Curtailment Costs during the RAP, by Scenario, Real (2023) $

	Scenario 1: BAU	Scenario 2: IRA	Scenario 3: ESPV3	Scenario 4: SWER	Scenario 5: ACER
RAP Total	$518,550	$503,718	$520,955	$531,366	$544,004

Reliability Analysis

PRMs were relatively consistent across all scenarios through 2027. PRMs in 2030 range from 44 percent to 55 percent. The level of resource additions enabled by potential New ERA funding in Scenario 2 (IRA) resulted in higher PRMs during the RAP as compared to other scenarios.

Figure 16: Comparison of PRMs During the RAP



Each of the scenarios were able to meet Level I and II reliability metrics during the RAP. Scenario 2 (IRA) is the scenario that results in the greatest certainty in achieving reliability in the most cost-effective manner because it allows for the acquisition of more resources earlier in Tri-State's planning period. Tri-State's PRMs stay well above requirements, allowing for potential procurement or operational delays to more likely be addressed without reliability issues.

Conclusion

Given the comprehensive and thorough data obtained on the multiple scenarios modeled, the ERP Report supports approval of the IRA Scenario as Tri-State's preferred plan. As such, Tri-State requests the Commission: (1) find that the IRA Scenario within Tri-State's ERP Application meets the applicable rule requirements, (2) approve the IRA Scenario as Tri-State's Phase I preferred plan, and (3) approve Tri-State's Phase II procurement plans in this proceeding.

List of Tables and Figures

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UNITED STATES OF AMERICA
BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY

Federal Power Act Section 202(c) Emergency Order: Craig Unit 1	))))	Order No. 202-26-31

The State Of Colorado’s Request for Rehearing,
Motion To Intervene, And Stay Request

Exhibit Y: CoPUC, *Verified Petition of Trial Staff of the Commission, CEO, UCA, and Public Service for a Variance from Decision No. C18-0761 and Any Other Requirements, Request for Shortened Notice and Intervention Period, and Request for Approval of Associated Procedures,* filed on November 10, 2025, in Proceeding No. 25V-0480E

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * * * *

IN THE MATTER OF THE VERIFIED PETITION OF TRIAL STAFF OF THE COMMISSION, THE COLORADO ENERGY OFFICE, THE COLORADO OFFICE OF THE UTILITY CONSUMER ADVOCATE, AND PUBLIC SERVICE COMPANY OF COLORADO FOR A VARIANCE FROM ORDERING PARAGRAPHS 1 AND 2 OF DECISION NO. C18-0761 AND ANY OTHER REQUIREMENTS	**))))))))))))**	**PROCEEDING NO. 25V-____E**

VERIFIED PETITION OF TRIAL STAFF OF THE COMMISSION, THE COLORADO ENERGY OFFICE, THE COLORADO OFFICE OF THE UTILITY CONSUMER ADVOCATE, AND PUBLIC SERVICE COMPANY OF COLORADO FOR A VARIANCE FROM DECISION NO. C18-0761 AND ANY OTHER REQUIREMENTS, REQUEST FOR A SHORTENED NOTICE AND INTERVENTION PERIOD, AND REQUEST FOR APPROVAL OF ASSOCIATED PROCEDURES

Pursuant to Rules 1003 and 1304(e) of the Colorado Public Utilities Commission's ("Commission") Rules of Practice and Procedure, Trial Staff of the Colorado Public Utilities Commission ("Staff"), the Colorado Energy Office ("CEO"), the Colorado Office of the Utility Consumer Advocate ("UCA"), and Public Service Company of Colorado ("Public Service" or the "Company") (collectively, the "Joint Petitioners") seek a variance from Ordering Paragraphs 1 and 2 of Decision No. C18-0761, and any other decisions the Colorado Public Utilities Commission ("Commission") deems necessary, to modify the plan to retire Comanche Unit 2 from December 31, 2025, to December 31, 2026. Good cause exists to grant the variance, and the limited modification of the planned Comanche Unit 2 retirement date is in the public interest.

Electric resource planning ("ERP") proceedings have assumed the retirement of Comanche Unit 2 at year-end 2025 for several years dating back to 2018 when the Commission issued Decision No. C18-0761. The ensuing years have brought numerous changes in state policy, federal policy, resource planning, and power procurement. And, over that same timeframe, we have seen increasing peak load growth, requiring incremental resources to serve this demand. Most recently, supply chain challenges, tariff uncertainties, and changes to federal law have led to delayed in-servicing of resources that could have helped address this challenge, ultimately affecting Public Service's loads and resources projections. In addition, the Company has updated its resource accreditation and planning reserve margin development approaches based on industry best practices and resulting greater than anticipated resource needs.

A variance to the requirement to file an application to amend the Certificate of Public Convenience and Necessity ("CPCN") for Comanche Unit 2 and a one year extension of the plan to retire Comanche Unit 2 to December 31, 2026 is appropriate at this time and keeps the unit available to Public Service system operators in 2026. The Joint Petitioners believe that the continued operation of Comanche Unit 2 in 2026 is the most cost-effective approach to providing needed electricity for the system (as shown in the Company's loads and resources projections for summer 2026 in resource planning filings). Importantly, this Petition does not seek an order allowing for the operation of Comanche Unit 2 in perpetuity—it seeks a modest extension in the plan to retire the unit while setting up a process that will assess both resource options and mechanisms to continue orderly progress towards the State of Colorado's 2030 emissions reduction objectives.

To facilitate the timely resolution of the variance sought through this Petition, the Joint Petitioners request a shortened notice and intervention period of ten (10) days pursuant to Rule

1003(b), along with associated procedures set forth in this Petition. At this time, the Joint Petitioners are not requesting any further modification of existing resource plans beyond the variance requested here to address recent events and associated issues discussed in this Petition.

I. OVERVIEW

The orderly transition of coal-fired generation resources has been a centerpiece of Colorado resource planning for over a decade. In Public Service's 2016 ERP, Proceeding No. 16A-0396E, parties reached a settlement requiring the Company to propose portfolios in which Comanche Units 1 and 2 would retire early. The Commission approved that settlement, and Public Service then presented portfolios showing that retiring Comanche Units 1 and 2 in 2022 and 2025, respectively, would result in no additional cost to customers relative to portfolios in which the units retired in later years. The Commission-approved portfolio in Proceeding No. 16A-0396E resulted in a portfolio of resources to replace portions of the energy and capacity from Comanche Units 1 and 2. The Commission subsequently approved an accelerated depreciation and cost recovery schedule for Comanche Units 1 and 2 in Proceeding No. 17A-0797E.

In the Company's next resource plan, the 2021 ERP and Clean Energy Plan ("2021 ERP & CEP"), Proceeding No. 21A-0141E, modeling assumed that Comanche Unit 2 would retire on December 31, 2025. Numerous parties to the proceeding reached an Updated Non-Unanimous Partial Settlement Agreement ("USA") with Comanche Unit 3 retiring by January 1, 2031. The parties to the USA included a diverse set of parties, including the Joint Petitioners. The Commission approved the USA, and subsequently approved a portfolio of resources in Proceeding No. 21A-0141E based on modeling and analyses assuming that Comanche Unit 2 would retire on December 31, 2025.

These plans were reasonable and appropriate based on the information available at the time they were created and approved by the Commission. Recent events have resulted in challenges to those plans that generally fall into four areas: (1) the impact of the extended outage of Comanche Unit 3 on the Public Service system; (2) increasing peak load growth in the Public Service territory; (3) supply chain and geopolitical/macroeconomic impacts; and (4) reassessment of resource accreditation and planning reserve margin methodologies. While the Commission has multiple planning and other regulatory processes that are available to manage and address these issues, each of these issues layers atop one another, contributing to the need for the variance presented here.

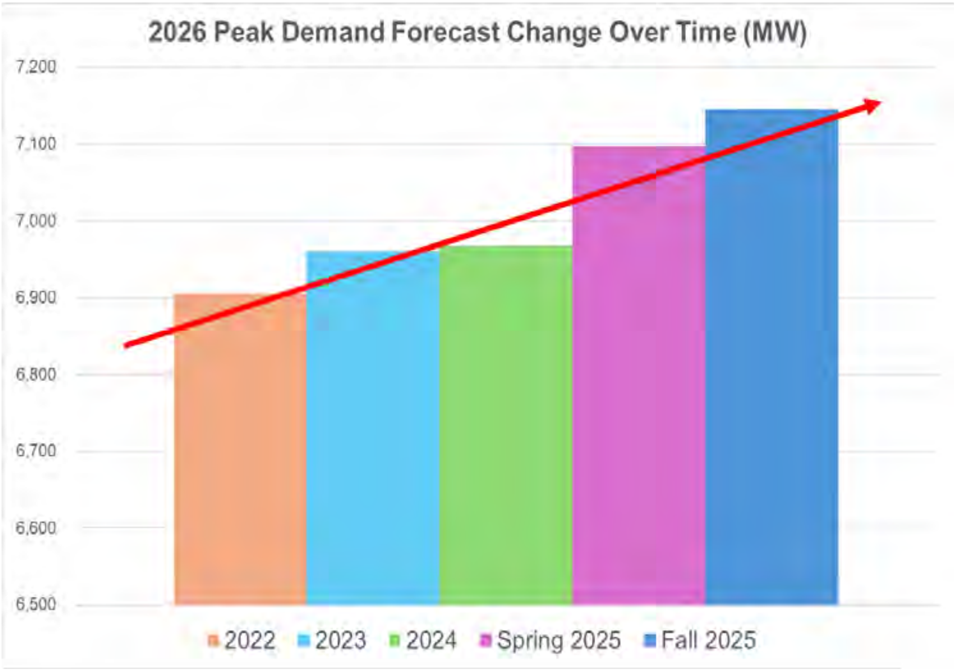
A. Comanche Unit 3 Outage and the Need for Comanche Unit 2 in 2026

Comanche Unit 3, which provides Public Service's system with 415 MW of accredited capacity, experienced an unplanned outage and is offline through at least June 2026. This outage, combined with the other layered issues described below, i.e., supply chain and geopolitical issues, and increasing peak demand, leads to this proposal to operate Comanche Unit 2 (which has a nameplate capacity of 335 MW and an accredited capacity of 296 MW) as a cost effective, near-term solution and supports the need for the requested variance. The Joint Petitioners propose a process below for a future report and application; the extension of Comanche Unit 2 facilitates time for that reporting and review to occur.

B. Increasing Peak Demand in Public Service Territory

Figure 1 below shows the peak demand forecast for summer of 2026 over time in megawatts ("MWs") year-over-year from forecasts developed in 2022 through the fall of this year. Each updated forecast illustrates the growing peak demand on the Company's system, reflective of the load growth forecasted by Public Service and focused on the year 2026.

Figure 1: Peak Demand Forecast Over Time (2022-2025) for Year 2026



C. Supply Chain and Geopolitical Issues

Supply chain and geopolitical issues also contribute to the challenge, impacting the viability of projects in various ways. The Company addressed this in the CEP Delivery Plan in September 2024 (also in Proceeding No. 21A-0141E). The Commission issued a final decision approving the CEP Delivery Plan parameters on January 14, 2025. In approving the CEP Delivery Plan with modifications, the Commission stated:

> Our Decision allows the generation and storage projects included within the CEP to continue advancing despite changing market dynamics and geopolitical uncertainties, including importantly potential future changes in federal law. Advancing these generation and storage projects as part of the overall determinations made through the course of this Proceeding moves Colorado forward towards achieving aggressive state emission reduction targets.[1]

The CEP Delivery Plan and associated evidentiary record illustrates the supply chain and geopolitical challenges that utilities and developers are navigating, along with the State of

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[1] Decision No. C25-0024, at ¶ 2 (Jan. 14, 2025).

Colorado's response to them. While the CEP Delivery Plan assists with navigating these issues, it does not cure them.

D. Resource Accreditation and Planning Reserve Margin Changes

In accordance with the USA, the Company worked with an industry-leading consultant in the ongoing Just Transition Solicitation ("JTS") in Proceeding No. 24A-0442E to update its method for determining accredited capacity in a way that was more accurate and aligned with industry best practices.[2] That analysis revealed additional energy and capacity needs compared to prior modeling approaches. As such, the Company's need for resources—including in 2026 and 2027—identified through electric resource planning processes has increased over the coming years. The Commission continues to address overall energy and capacity needs through on-going planning proceedings, including the Near-Term Procurement ("NTP"), an innovative multi-stage electric resource plan solicitation, and other planning proceedings. However, just like the supply chain and geopolitical impacts on resource development and in-servicing, the updated accreditation and planning reserve margin approach affects the Company's loads and resources balance.

E. Next Steps

The Comanche Unit 3 development brought the Joint Petitioners together in requesting a variance to extend the planned retirement date of Comanche Unit 2. But simply obtaining a variance here is not the end of the work. Indeed, the variance sought through this Petition creates

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[2] *See, e.g.*, Hrg. Ex. 102, Direct Testimony of Jon T. Landrum, at 30:12-20 (explaining that consultant Energy and Environmental Economics, Inc. ("E3") utilized their Renewable Energy Capacity Planning Model (RECAP), which is a loss of load probability model used to evaluate the resource adequacy of electric power systems. E3 originally developed RECAP in 2011 for the California Independent System Operator ("CAISO") and has since adapted the model for other Independent System Operators, including MISO, PJM, NYISO, and ISO-NE; utilities, including Duke Energy, the Sacramento Municipal Utilities District, Portland General Electric, Puget Sound Energy, Dominion Energy, Salt River Project, Public Service of New Mexico, and New Brunswick Power; and public utilities commissions, including the Oregon and Texas PUCs.").

an appropriate period of time to assess more permanent, long-term options, including resources that are projected to come on-line through on-going resource planning and other processes and consideration of updated retirement dates for Comanche Unit 2 and Comanche Unit 3. These efforts will include assessments of resource "portfolio" options for near-term, mid-term, and more permanent resource adequacy solutions, paired with emissions assessments of different approaches.

The Joint Petitioners propose two updates to the Commission on work in the extended review period in two different steps, as follows:

Step 1: March 1, 2026 Report. The Company will provide a report to the Commission on or before March 1, 2026. This report will include an update on the repair and return to service status of Comanche Unit 3, including forecasted cost of repairs, any resource options identified in collaborative work with the Joint Petitioners for potential near-term resource adequacy benefits, and other analysis relevant to the four areas outlined above. It will also include an initial plan to address on-going needs considering all available options, including not only plant extensions, but also expedited resource additions and demand-side options, with further refinement in Step 2. In addition, the Joint Petitioners intend to discuss the operations of Comanche Unit 2 over the course of the first quarter to determine appropriate operational parameters or approaches that may work for the unit while it operates in 2026, with a specific focus on operations after Comanche Unit 3 returns to service. The Step 1 report would include the results or status of these operations-focused discussions among the Joint Petitioners to keep the Commission apprised of potential options under consideration or options that the Company is comfortable pursuing.

Step 2: June 1, 2026 Application. For the second step, the Company commits to file an application for any additional variances or resource approvals, building on the Step 1 report and depending on options identified through the collaborative work with the Joint Petitioners in the review period, by June 1, 2026. As part of that filing, the Company will include updated loads and resources tables and loss of load calculations that include analysis of new resources projected to come on-line from the NTP, JTS Phase II resource solicitation (in Proceeding No. 24A-0442E and to the extent known), or other relevant proceedings. The Company would likely seek consideration of any such requests on an expedited basis, e.g., a 120-day schedule. Options proposed for approval will focus on intermediate and long-term contracts, generation resource acquisitions, generation resource development, new distributed energy resource opportunities, potential demand response or programming changes beyond currently-approved program limits, or any other options that can benefit the Company's near- or mid-term resource adequacy position on either a temporary (e.g., a few years) or more permanent basis.[3]

These two steps make use of the extended review period with appropriate check-ins with the Commission. Moreover, and equally important, they set out an orderly process of next steps as the Company, in collaboration with the other Joint Petitioners, assesses the future operation of Comanche Unit 2, Comanche Unit 3, and other resource options.

II. REQUEST FOR VARIANCE

Rule 1003(c) sets forth the requirements for a variance petition:

(I) citation to the specific paragraph of the rule or decision from which the waiver or variance is sought;

(II) a statement of the waiver or variance requested;

(III) a statement of facts and circumstances relied upon to demonstrate why the Commission should grant the request.

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[3] The other Joint Petitioners may or may not join this application and reserve their rights with respect to this future application.

(IV) a statement regarding the duration of the requested waiver or variance, explaining the specific date or event that will terminate it;

(V) a statement whether the waiver or variance, if granted, would be full or partial; and

(VI) any other information required by rule.

Decision No. C18-0761, at Ordering Paragraphs 1-2, states as follows:

> 1. The proposed early retirement of units 1 and 2 at the Comanche generation station, owned and operated by Public Service Company of Colorado (Public Service), is approved as part of its 2016 Electric Resource Plan (ERP), consistent with the discussion above.
>
> 2. Public Service shall file an application to amend the Certificates of Public Convenience and Necessity (CPCNs) for Comanche units 1 and 2, pursuant to 4 Code of Colorado Regulations (CCR) 723-3-3103 of the Commission's Rules Regulating Electric Utilities, as modified by this Decision, consistent with the discussion above."

Among other things, Ordering Paragraph 1 approves the Company's plan to retire Comanche Unit 2. Ordering Paragraph 2 requires a limited scope CPCN amendment filing associated with such retirement. The Joint Petitioners seek relief in the form of a variance from the Commission's directive to file a CPCN amendment to effectuate a retirement of the unit by the end of this year, as well as any other requirements the Commission deems necessary. The discussion that follows addresses each rule requirement in more detail.

A. Rule 1003(c)(I): citation to the specific paragraph of the rule or decision from which the waiver or variance is sought.

Joint Petitioners seek a variance from Ordering Paragraphs 1 and 2 of Decision No. C18-0761; specifically the requirement to file for a CPCN amendment to retire Comanche Unit 2 consistent with the Company’s 2016 ERP in Decision No. C18-0761 and any other requirements the Commission deems necessary.

B. Rule 1003(c)(II): a statement of the waiver or variance requested.

The Joint Petitioners seek a variance of 365 days, i.e., until December 31, 2026, for the planned retirement of Comanche Unit 2, with the CPCN filing requirement held in abeyance until that time. In Step 2 defined above, the Joint Petitioners or the Company may bring a longer variance request to the extent necessary. Any longer extension, however, is not at issue here in this proceeding. In addition, neither the Company nor the Joint Petitioners seek any ratemaking relief as part of this Petition. Any such requests can be brought forward and addressed by the Commission in other appropriate proceedings.

C. Rule 1003(c)(III): a statement of facts and circumstances relied upon to demonstrate why the Commission should grant the request.

Section II above outlines the facts, circumstances, and need for the variance requested by the Joint Petitioners. The variance and 365-day extension allows time for the two-step process outlined above to assess future plant operations and resource options. In addition, it provides a level of certainty to system operators and the workers at the unit by having a date certain for the plan to retire the unit. Moreover, it is worth noting that, viewed from a greenhouse gas (“GHG”) emissions perspective, a Comanche Unit 2 extension will result in GHG emissions in 2026 from the unit that would not otherwise have occurred; however, that should be viewed in the context of a Comanche Unit 3 outage, where the emissions from the larger Comanche Unit 3 will *not occur*, leading to lower GHG emissions in the first half of 2026 (along with lower GHG emissions in the latter part of 2025). The Company also intends to evaluate the emissions impact, including other pollutants beyond GHG emissions, and to work with the Colorado Department of Public Health and Environment on that effort.

D. Rule 1003(c)(IV): a statement regarding the duration of the requested waiver or variance, explaining the specific date or event that will terminate it.

The duration of the requested variance is through December 31, 2026. The variance will terminate on that date absent an additional variance request and the subsequent grant of the request by the Commission.

E. Rule 1003(c)(V): a statement whether the waiver or variance, if granted, would be full or partial.

The variance is partial as it is time-limited through December 31, 2026, absent a further variance.

F. Rule 1003(c)(VI): any other information required by rule.

The Joint Petitioners are not aware of any additional information required by rule.

IV. REQUEST FOR SHORTENED NOTICE AND INTERVENTION PERIOD AND RELATED PROCEDURES

The Joint Petitioners request a shortened notice and intervention period pursuant to Rule 1003(b), along with related procedures. Rule 1003(b) states: "If a petition requests a waiver or variance to be effective less than 40 days after the date of filing, the petition must include a request to waive or shorten the Commission notice and intervention period found in paragraph (d) of rule 1206."

The Joint Petitioners request approval of the procedures and schedule set forth below, which feature: (1) a shortened notice and intervention period of ten calendar days; (2) the filing of responses to the petition *with* any motions to intervene; and (3) a two-calendar day reply timeline for the Joint Petitioners to address any responses.[4] The procedures are set forth with specific dates, including a proposed date for Commission deliberation and action.

Process Step	***Timing***
Joint Petition	+0 (November 10, 2025)
Commission accepts Petition	(November 12, 2025)
Intervention Deadline (petition responses included with interventions)	+10 calendar days after filing (November 20, 2025)
Joint Petitioner Reply	+6 calendar days after response (November 26, 2025)
Commission Deliberation	December 3, 2025
Commission Action	December 10, 2025

V. CONCLUSION AND REQUEST FOR RELIEF

The Joint Petitioners ask for swift Commission action on this Petition, and time is of the essence given the upcoming retirement date for Comanche Unit 2. The Joint Petitioners appreciate the Commission's prompt consideration of this request and the related procedural requests.[5]

The Joint Petitioners request approval of:

- A variance from Ordering Paragraphs 1 and 2 of Decision No. C18-0761 and any other requirements deemed necessary by the Commission.
- A shortened notice and intervention period of ten days.
- The procedures for consideration and decision on this Petition set forth above.

The Joint Petitioners further request that the Commission grant this Petition without a hearing.

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[4] The Joint Petitioners are providing electronic courtesy service of this Petition to all parties to Proceeding No. 16A-0396E, Proceeding No. 21A-0141E, and Proceeding No. 24A-0442E given the request for a shortened notice and intervention period and associated procedures here.

[5] The Joint Petitioners ask the Commission to ensure that the relief sought in this petition will not interfere with the Company's planned or in-progress acquisition or interconnection of new generating resources. Nothing in this proposal shall be construed as the Joint Petitioners' request to alter the Company's proposal to acquire new resources through the NTP and the JTS. The Joint Petitioners strongly encourage the Commission to ensure that the NTP remains on the procedural schedule that the Commission approved, and to move as quickly as possible to conclude the Phase I JTS and proceed to Phase II of the JTS.

Dated this 10th day of November 2025.

Respectfully submitted,

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ATTORNEYS FOR PUBLIC SERVICE COMPANY OF COLORADO

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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IN THE MATTER OF THE VERIFIED PETITION OF TRIAL STAFF OF THE COMMISSION, THE COLORADO ENERGY OFFICE, THE COLORADO OFFICE OF THE UTILITY CONSUMER ADVOCATE, AND PUBLIC SERVICE COMPANY OF COLORADO FOR A VARIANCE FROM ORDERING PARAGRAPHS 1 AND 2 OF DECISION NO. C18-0761 AND ANY OTHER REQUIREMENTS	**)**	**PROCEEDING NO. 25V-____E**

VERIFICATION OF JACK W. IHLE

STATE OF COLORADO)
CITY AND COUNTY OF DENVER) SS:

I, Jack W. Ihle, being duly sworn, do hereby depose and state that I am the Regional Vice President, Regulatory Policy, at Xcel Energy Services Inc., and am an authorized agent for Public Service Company of Colorado. I have read the foregoing Verified Petition of Trial Staff of the Commission, the Colorado Energy Office, the Colorado Office of the Utility Consumer Advocate, and Public Service Company of Colorado for a Variance from Decision No. C18-0761 and Any Other Requirements, Request for Shortened Notice and Intervention Period, and Request for Approval of Associated Procedures. The facts set forth therein are true, accurate, and correct to the best of my knowledge, information, and belief.

Dated at Denver, Colorado, this 10th day of November, 2025.

Jack W. Ihle
Regional Vice President, Regulatory Policy
3500 Blake Street
Denver, Colorado 80205

Subscribed and sworn to before me this 10th day of November, 2025.

KRISTEN DIAZ
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20244015138
MY COMMISSION EXPIRES 04/18/2028

Kristen Diaz
Notary Public

My Commission expires 4/18/2028

UNITED STATES OF AMERICA
BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY

Federal Power Act Section 202(c) Emergency Order: Craig Unit 1	))))	Order No. 202-26-31

The State Of Colorado's Request for Rehearing,
Motion To Intervene, And Stay Request

Exhibit Z: CoPUC, Tri-State, *2025 Annual Progress Report*, filed on December 1, 2025,
in Proceeding No. 23A-0585E

Tri-State Generation and Transmission Association, Inc.

2025 Annual Progress Report

2023 Electric Resource Plan

Colorado Public Utilities Commission
Proceeding No. 23A-0585E

December 1, 2025

Forward-Looking Statement

Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenue or performance, forecasts, including load, energy, resources, and commodities, future capital expenditures, capacity needs, plans or intentions relating to development, acquisition, operation, or closure of facilities, in-service dates of facilities, emission reductions, demand response targets, energy efficiency targets, Member withdrawals, business trends or business strategy and other information that is not historical information. When used in this Annual Progress Report, the terms "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes" and "forecasts" or future or conditional verbs, such as "will," "should," "could" or "may," and variations of such words or similar expressions, are intended to identify forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described in our filings with the Securities and Exchange Commission. All forward-looking statements, including, without limitation, management's examination of historical operating trends and data, are based upon our current expectations and various assumptions. These expectations and beliefs are expressed in good faith grounded in a reasonable basis. However, we cannot guarantee that management's expectations and beliefs will be achieved. There are a number of risks, uncertainties, and other important factors that could cause actual results to differ materially from the forward-looking statements contained in this Annual Progress Report.

Contents

Introduction

Tri-State Generation and Transmission Association, Inc. ("Tri-State") filed Phase I of its 2023 Electric Resource Plan ("ERP" or "Resource Plan") with the Colorado Public Utilities Commission ("Commission") on December 1, 2023 in Proceeding No. 23A-0585E. At the time of this report, Phase II resource acquisitions remain ongoing, pursuant to Decision No. C25-0612. In compliance with Commission Rule 3618(a), Tri-State submits the following Annual Progress Report ("APR") on its efforts under its electric resource plan.

As discussed below, Tri-State is forecasting a need for 19 MW of additional generation capacity by summer 2035.[1] This forecast incorporates existing resources, 2023 ERP Phase II preferred portfolio resources, and planned unit retirements.

This 2025 APR contains the following sections, in compliance with Commission Rule 3618(a):

A. An updated annual electric demand and energy forecast;
B. An updated evaluation of existing resources;
C. An updated evaluation of planning reserve margins and contingency plans;
D. An updated assessment of need for additional resources;
E. An updated report of the utility's action plan and resource acquisitions; and
F. An explanation of Tri-State's efforts to give the fullest possible consideration to the cost-effective implementation of new clean energy and energy-efficient technologies in its consideration of generation acquisitions.
G. An update on Tri-State's progress toward its GHG emissions reduction targets.

The intent of the APR is to discuss material changes in assumptions, fleet characteristics, load forecasts and other factors that have occurred since the 2024 APR and 2023 ERP Phase II were filed. To the extent issues addressed in Tri-State's 2024 APR or 2023 ERP Phase I and Phase II filing have not materially changed, they are not addressed herein.

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[1] 2024 APR: 11 MW need projected stating in 2030
2023 ERP: 68 MW need projected starting in 2029
2022 APR: 126 MW need projected starting in 2030
2021 APR: 248 MW need projected starting in 2030
2020 ERP: 95 MW need projected starting in 2029
2019 APR: 70 MW need projected starting in 2027
2018 APR: 115 MW need projected starting in 2026
2017 APR: 148 MW need projected starting in 2026
2015 ERP: 9 MW need projected starting in 2023

Tri-State has made several changes to its resource portfolio in recent years reflecting increasing amounts of renewable resources and lower emissions trajectory, notably:

- Craig Unit 1[2] is planned to cease operations by December 31, 2025, Craig Unit 3 will retire January 1, 2028, and Craig Unit 2[3] will retire by September 30, 2028.
- Springerville Unit 3 ("SPV 3") is planned to cease operations by March 1, 2031.[4]
- Two solar projects came online in 2024 in Colorado, Spanish Peaks Solar (100 MW) and Spanish Peaks II Solar (40 MW) in Las Animas County.
- Two solar projects came online at the end of October 2025 in Colorado, Axial Basin Solar (145 MW) in Moffat County and Dolores Canyon Solar (110 MW) in Dolores County.

1. Updated Annual Electric Demand and Energy Forecast

Commission Rule 3618(a)(I)

Tri-State's most current demand and energy forecast was modeled in 2023 ERP Phase II and no subsequent revisions have been made. The forecast reflected in Table 1 represents Tri-State's System Wide annual energy and seasonal peaks as modeled in 2023 ERP Phase II. Subsequent to the commencement of modeling in Phase II, Tri-State received notice from the Northwest Rural Public Power District in Nebraska ("NRPPD") that it intends to depart Tri-State Utility Membership on January 1, 2027. NRPPD is served solely in the Eastern Interconnection through an all requirements contract, and NRPPD's departure does not impact Tri-State's electric demand and energy forecast for purposes of Tri-State's Colorado ERP. [5]

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[2] Tri-State's ownership share is 102 MW (24%) of this unit, which has a total nameplate capacity of 427 MW.

[3] Tri-State's ownership share is 98 MW (24%) of this unit, which has a total nameplate capacity of 410 MW.

[4] Decision No. R24-0602 found that a retirement date of September 15, 2031 for SPV 3 was reasonable contingent upon Tri-State receiving a New ERA funding award and successful negotiation of contractual agreements impacted by the unit's retirement. The New ERA award is contingent upon a March 1, 2031 retirement date for SPV 3, consistent with the requirement for USDA to disperse all New ERA funds by September 30, 2031.

[5] *See* Attachment B to Tri-State's Phase II Implementation Report, filed April 11, 2025 in Proceeding No. 23A-0585E.

TABLE 1 – 10-YEAR DEMAND AND ENERGY FORECAST

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Energy Sales (GWh)	13,051	13,110	13,455	13,642	13,830	14,049	14,289	14,521	14,773	15,036
Winter Peak Demand (MW)	1,865	1,739	1,778	1,825	1,847	1,888	1,886	1,955	1,998	2,038
Summer Peak Demand (MW)	2,344	2,423	2,454	2,431	2,472	2,535	2,583	2,635	2,646	2,629

2. Updated Evaluation of Existing Resources

Commission Rule 3618(a)(II)

Figure 1 below depicts the sources of generation serving Tri-State's 2024 total energy sales. Figure 2 below depicts Tri-State's 2024 capacity by generation source. Tri-State's assessment of its existing resources remains the same as what was presented in Tri-State's 2023 ERP Phase I.

FIGURE 1 – 2024 ENERGY MIX, GROSS SALES

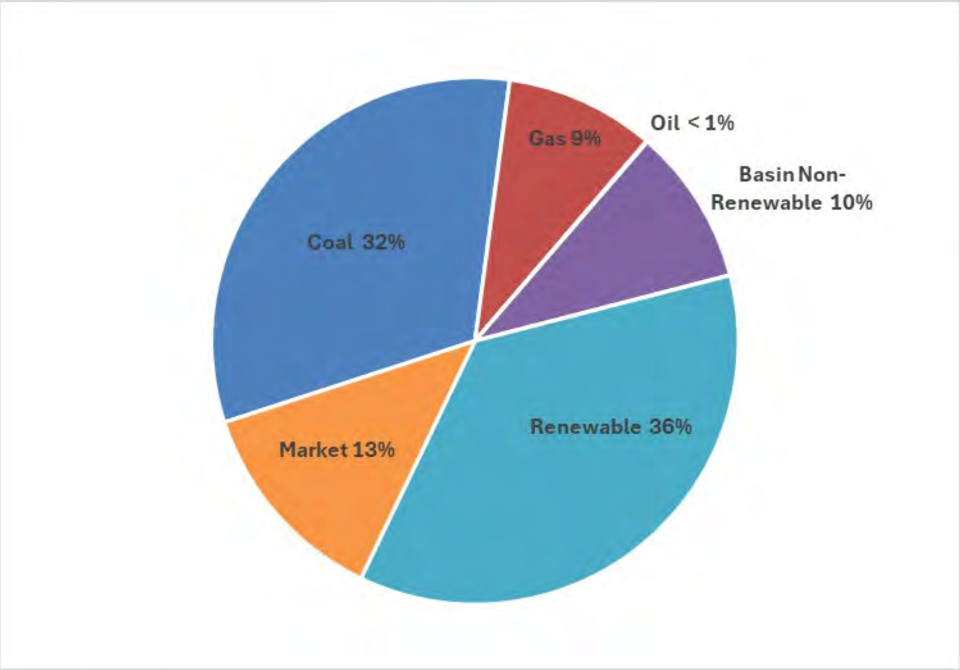
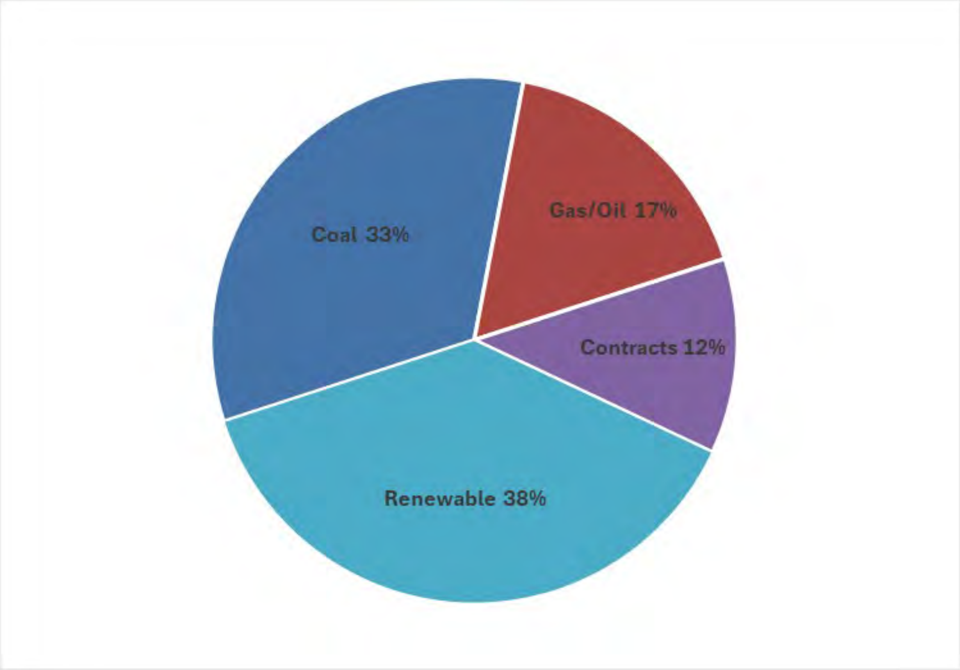


FIGURE 2 – 2024 CAPACITY PORTFOLIO



3. Updated Evaluation of Planning Reserve Margins and Contingency Plans

Commission Rule 3618(a)(III)

There are no updates or changes to the planning reserve margin ("PRM") or contingency plans from those contained in Tri-State's 2023 ERP Phase I or Phase II filing.[6] Tri-State continues to base its resource plans on a 22% PRM until the retirement of Craig Unit 3, after which the PRM increases to 30.5% beginning in 2028. Tri-State's participation in reserve sharing agreements and bilateral hazard-sharing arrangements provide additional support for reliable operations.

Tri-State continues to plan for its WACM load and resources to enter the Southwest Power Pool ("SPP") RTO in April 2026. Once in the RTO, Tri-State's assets in the WACM BA authority will be subject to SPP's PRM requirements. Tri-State is evaluating the SPP PRM requirements and will compare them to Tri-State's most recent PRM requirement. Tri-State intends to follow the more stringent of the two PRM requirements for its system planning.[7]

4. Updated Assessment of Need for Additional Resources

Commission Rule 3618(a)(IV)

Tri-State stated within Phase I of the 2023 ERP that it did not forecast a capacity shortfall until 2029. With the updated load forecast, shown above, utilized in Phase II and Phase II preferred portfolio resources, a capacity shortfall is not forecasted to occur until 2035, as shown in Figure 3 and Table 2 below. Tri-State's electrically east load is supplied by a full requirements contract with Basin Electric Power Cooperative and is not included in the load or resource portion of Figure 3 and Table 2.

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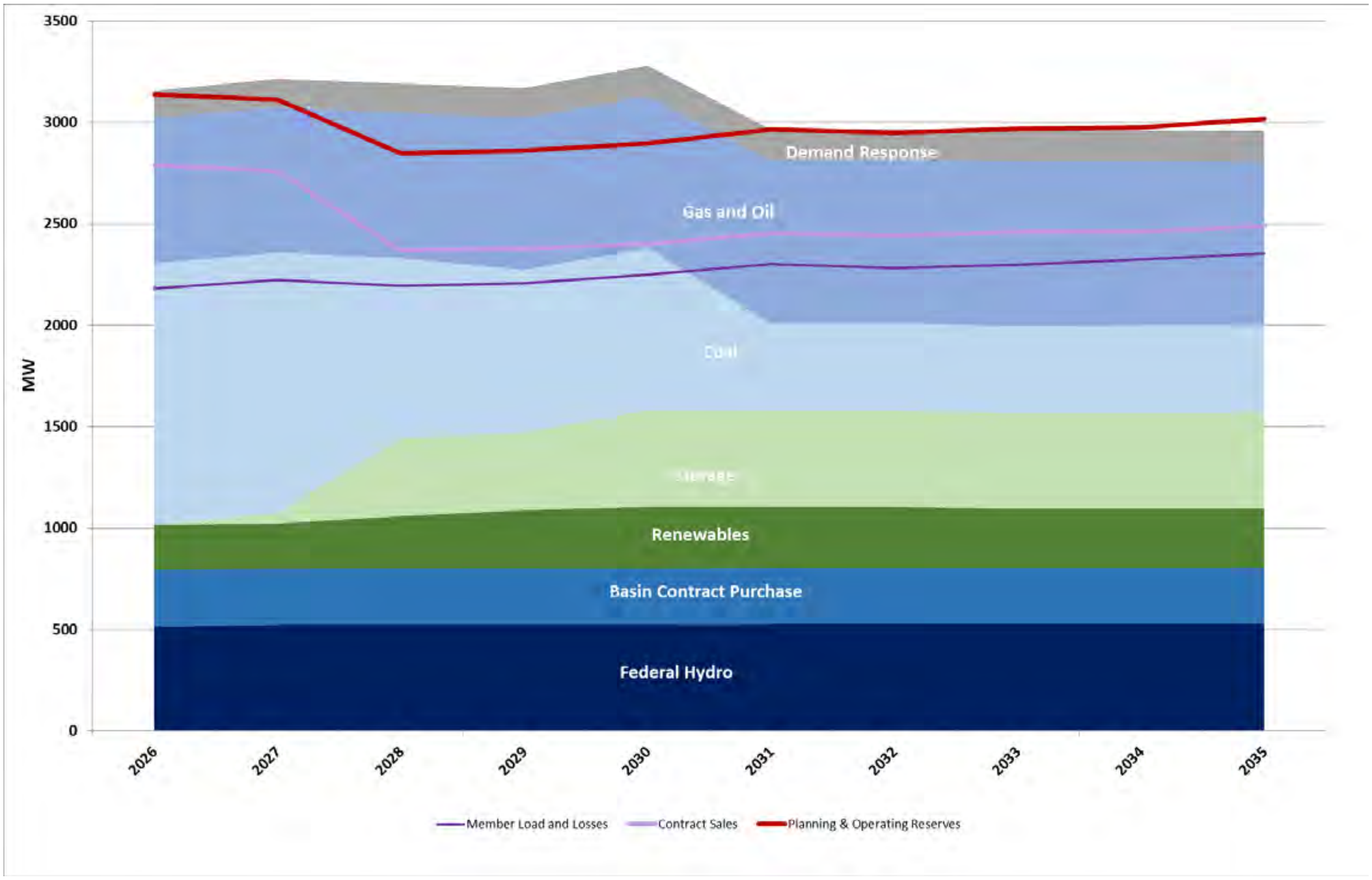
[6] LKT-1 - Attachment G-1 - Confidential - ELCC and PRM Study (Astrape) filed December 1, 2023 in Proceeding No. 23A-0585E.

[7] Response Comments of Tri-State Generation and Transmission Association, Inc., Proceeding No. 25A-0266E.

FIGURE 3 –LOAD AND RESOURCES



The data for Figure 3 is shown in Table 2.

TABLE 2 – LOAD AND RESOURCES

	2026	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Federal Hydro	516	524	523	524	525	527	527	527	527	527
Contract Purchases	278	278	278	278	278	278	278	278	278	278
Renewables[8]	224	221	259	285	303	299	299	290	291	291
Demand Response	134	141	144	147	149	151	152	153	154	155
Coal Generation[9]	1287	1286	888	800	431	431	432	431	432	431
Gas & Oil Generation[10]	717	717	717	751	751	806	806	806	806	806
Storage[11]	0	49	383	383	474	474	474	474	474	474
Total Resources	3155	3215	3193	3169	3280	2965	2967	2959	2961	2961
Member Load and Losses[12]	2180	2223	2195	2206	2249	2302	2282	2297	2323	2355
Planning & Operating Reserves	350	351	478	482	495	511	505	509	517	527
Contract Sales	608	536	173	173	151	151	162	162	135	135
Total Obligations	3138	3110	2846	2861	2895	2964	2949	2968	2976	3017
Excess Resources	8	89	372	335	412	30	46	19	22	-19

5. Updated Report of the Utility's Action Plan and Resource Acquisitions

Commission Rule 3618(a)(V)

Tri-State's 2023 ERP Phase II procurement process is underway. Bids were received on October 28, 2024, in response to three Phase II requests for proposals.[13] A summary of bids was filed in Proceeding No. 23A-0585E on December 12, 2024;[14] and bids selected in the Phase II preferred portfolio were identified in Tri-State's ERP Implementation Report filed April 11, 2025. Tri-State has 500 MW of preferred portfolio storage resources under contract, 200 MW of preferred portfolio wind resources under contract, and is continuing contracting efforts for other preferred

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[8] Capacity is based on applying the effective load carrying capability by renewable technology to the nameplate of renewable resources.

[9] Capacity is based on summer season capacity multiplied by 1 minus the demand equivalent forced outage rate.

[10] Capacity is based on summer season capacity multiplied by 1 minus the demand equivalent forced outage rate.

[11] Capacity is based on applying the effective load carrying capability for storage to the nameplate of storage resources.

[12] Western Interconnection Load.

[13] Bids for the Dispatchable RFP were received November 27, 2024.

[14] *See* Tri-State's 45-Day Report filed in Proceeding No. 23A-0585E.

portfolio resources, including evaluation of back-up bids as needed. The preferred portfolio bids under contract include:

- High Country Energy Station 2 (Montrose County, CO), 50 MW, Q2-2027 COD;
- Oso Negro Energy Storage (Bernalillo County, NM), 100 MW, Q2-2028 COD;
- Morel Energy Storage (Moffat County, CO), 200 MW, Q1-2030 COD;
- Carousel Energy Storage (Kit Carson County, CO), 150 MW, Q4 2027 COD; and
- Arriba Wind (Lincoln County, CO), 200 MW, Q1 2029 COD.

Expansion of Renewable Energy Portfolio

Tri-State's first owned renewable energy resources, Axial Basin Solar (145 MW) and Dolores Canyon Solar (110 MW) came online in October 2025. With those additions, along with existing renewable PPA resources, the renewable resources on Tri-State's system total approximately 2 GW.[15] Tri-State's renewable generation capacity, actuals through 2024 and forecasted for 2025, is shown in Figure 4 below.

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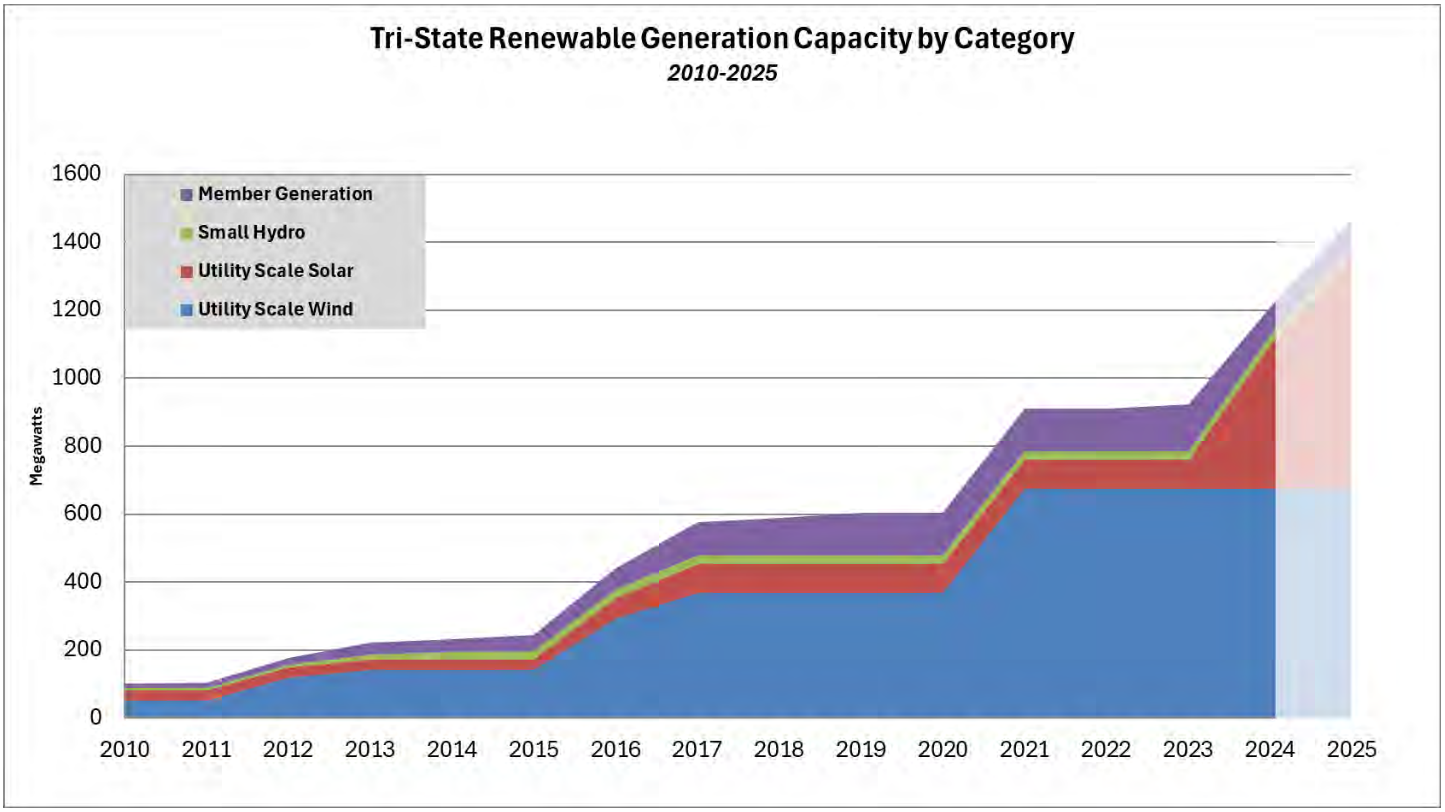
[15] 1,466 MW wind, solar, small hydro, and renewable Member generation; and 580 MW large hydro.

Figure 4 – Tri-State Renewable Generation Capacity[16]



6. Update on Consideration of Acquisition of Cost-Effective New Clean Energy and Energy-Efficient Technologies

Commission Rule 3618(a)(VI)

Emerging Technologies

Tri-State expanded its generic resource data set for Phase I of the 2023 ERP to include additional clean energy and energy efficient technologies, as technologies continue to evolve and become more competitive.[17] Tri-State utilizes the Electric Power Research Institute ("EPRI") for advanced generation and storage research, input from internal Tri-State Generation Engineering staff, industry benchmarking, and relationships with vendors, stakeholders, and consultants to stay aware of the progress of emerging technologies at a utility scale that can assist in a clean

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[16] Figure 4 does not include Western Area Power Administration Colorado River Storage Project or Loveland Area Projects hydro allocations.

[17] *See* Hearing Exhibit 101, Attachment LKT-16, Rev. 2, filed on May 15, 2024, in Proceeding No. 23A-0585E.

energy transition to maintain affordability and reliability for Tri-State's Utility Member Systems. Tri-State will continue to evaluate emerging technologies to consider for its 2027 ERP generic resource data set, to the extent the resources are utility-scale proven and cost-competitive.

Tri-State's entry of its resources into the SPP RTO in April 2026 is key for integrating intermittent resources on a large scale and further supporting affordable and reliable operations, while meeting carbon reduction targets.

Renewables

Tri-State's renewable resource portfolio includes utility scale projects and distribution level projects. Tri-State's wholesale power contract with each of its Utility Members and Board policies allow for, and facilitate, the development of local distributed resources in its Utility Members' service territories. The Federal Energy Regulatory Commission ("FERC") accepted, subject to refund and settlement procedures, Tri-State's amended Board Policy 115 effective August 6, 2025, enabling Utility Members to now self-supply up to 20% of their energy needs through distributed or renewable generation, a substantial increase from the previous 5% allocation. These renewable and distributed projects are helping to fulfill both Colorado and New Mexico Renewable Energy Standards ("RES")/Renewable Portfolio Standards ("RPS") requirements, as well as satisfy Utility Members'/consumers' interests in purchasing renewable power from locally-sited projects.

Figure 5 below shows the decline in capacity of these distributed projects through the end of 2024, reflecting the departures of United Power and Mountain Parks Electric, accounting for a decrease in distributed generation capacity of 49.6 MW. The number and capacity of these projects is expected to continue to grow, with a small net increase in 2025, as many of Tri-State's Utility Members remain interested in supporting local renewable projects.

FIGURE 5 – MEMBER RENEWABLE AND DISTRIBUTED GENERATION PROJECTS, NAMEPLATE CAPACITY UNDER CONTRACT, 2007-2024 AND FORECASTED for 2025

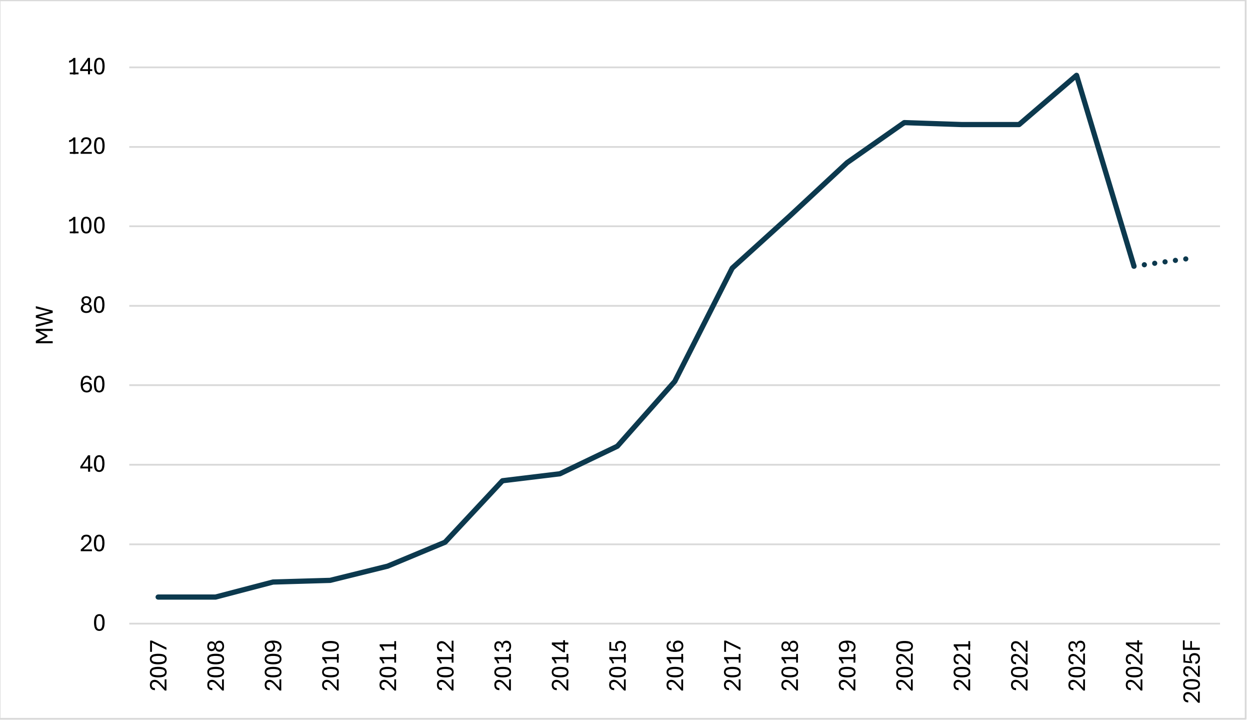
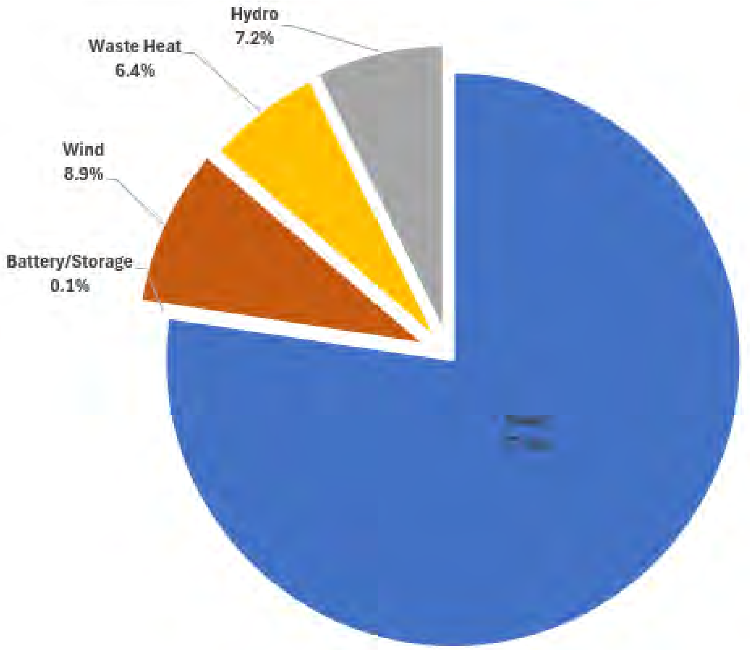


Figure 6 shows the breakdown of these projects by technology category. As of December 31, 2024, fifty-eight renewable or distribution generation projects totaling 90 MW were in operation across 20 Member Systems, with solar technology comprising over 77% of Member generation distributed resources.

FIGURE 6 – MEMBER BP 115 RENEWABLE AND DISTRIBUTED GENERATION PROJECTS BY TECHNOLOGY, NAMEPLATE CAPACITY OPERATING AS OF 12/31/2024



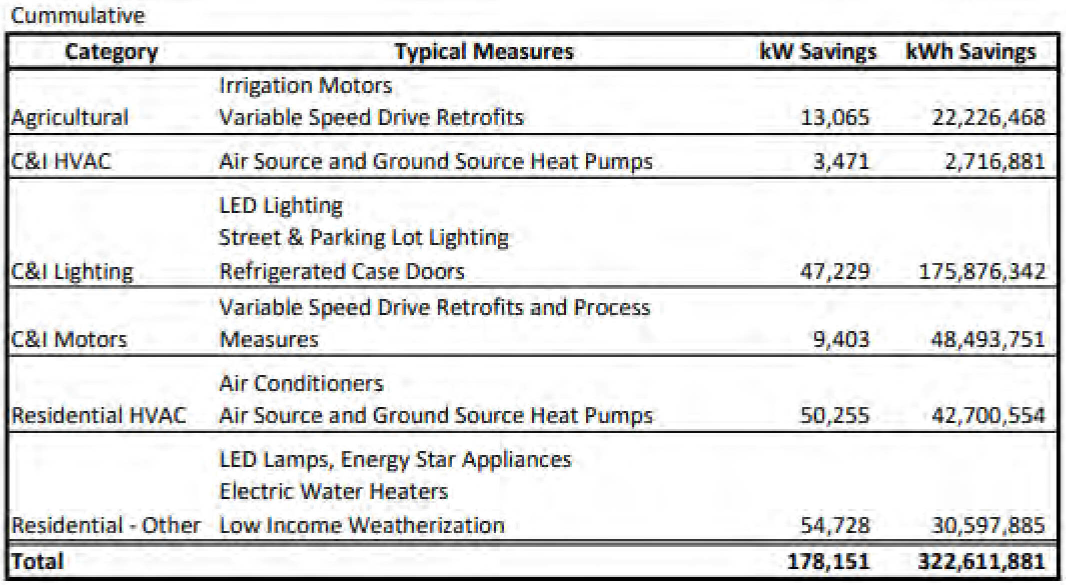
Bring Your Own Resource (BYOR)

Tri-State's BYOR program was accepted by FERC on August 2, 2025. Within this program Utility Members can bring forth resources equivalent up to 40% of their peak capacity needs through their owned or controlled projects, with Tri-State supporting all Utility Members by integrating BYOR projects into its multi-state system. BYOR allows Utility Members to have additional flexibility to develop resources under their Wholesale Electric Service Contracts with Tri-State, while not increasing wholesale rates or shifting costs between Utility Members. All load served under the BYOR resources remains Class A load.

Energy Efficiency

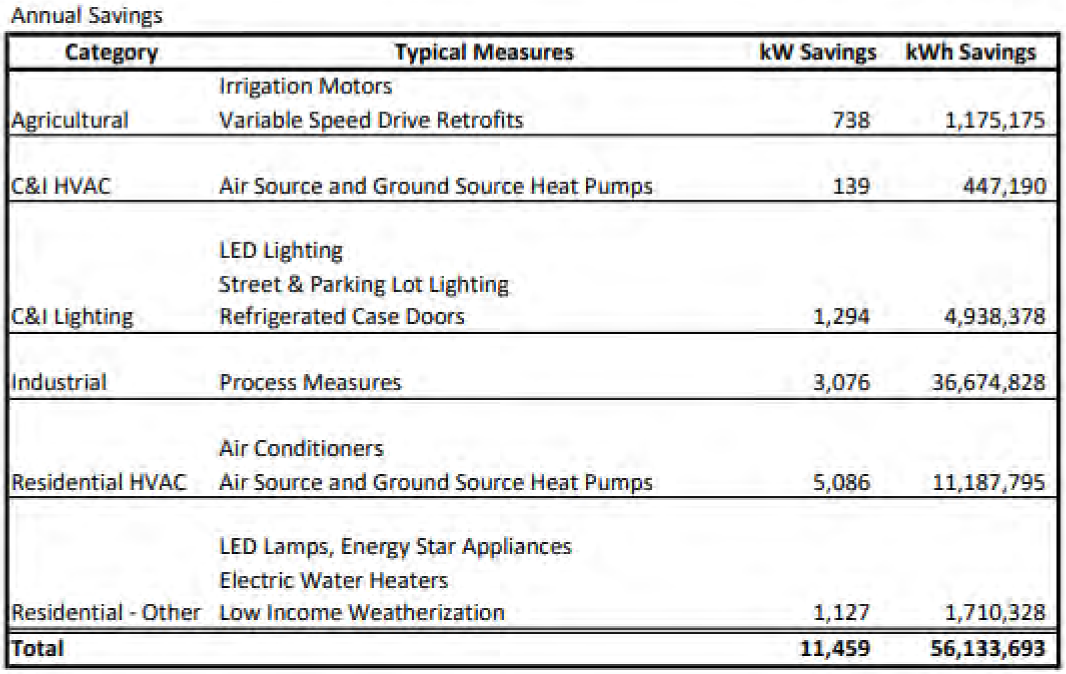
In 2024, Tri-State's long-standing energy efficiency program spent a total of $5.8 million on incentives in support of energy efficiency and certain electrification programs (not including administrative costs associated with this program). The programs delivered 56,133 MWh of first-year savings in Colorado, and an estimated 322,612 MWh of lifetime energy savings resulting from 2024 efficiency installations. Annual and cumulative savings from the program through 2024, including the removal of all items that have reached their established end of useful life, are shown in Figure 7 below.

FIGURE 7 – TRI-STATE 2024 ENERGY EFFICIENCY MEASURES AND SAVINGS, CUMULATIVE AND ANNUAL



Cummulative

Category	Typical Measures	kW Savings	kWh Savings
Agricultural	Irrigation Motors Variable Speed Drive Retrofits	13,065	22,226,468
C&I HVAC	Air Source and Ground Source Heat Pumps	3,471	2,716,881
C&I Lighting	LED Lighting Street & Parking Lot Lighting Refrigerated Case Doors	47,229	175,876,342
C&I Motors	Variable Speed Drive Retrofits and Process Measures	9,403	48,493,751
Residential HVAC	Air Conditioners Air Source and Ground Source Heat Pumps	50,255	42,700,554
Residential - Other	LED Lamps, Energy Star Appliances Electric Water Heaters Low Income Weatherization	54,728	30,597,885
Total		**178,151**	**322,611,881**



Annual Savings

Category	Typical Measures	kW Savings	kWh Savings
Agricultural	Irrigation Motors Variable Speed Drive Retrofits	738	1,175,175
C&I HVAC	Air Source and Ground Source Heat Pumps	139	447,190
C&I Lighting	LED Lighting Street & Parking Lot Lighting Refrigerated Case Doors	1,294	4,938,378
Industrial	Process Measures	3,076	36,674,828
Residential HVAC	Air Conditioners Air Source and Ground Source Heat Pumps	5,086	11,187,795
Residential - Other	LED Lamps, Energy Star Appliances Electric Water Heaters Low Income Weatherization	1,127	1,710,328
Total		**11,459**	**56,133,693**

On September 1, 2022, Tri-State submitted its 2023/24 Colorado Demand-Side Management ("DSM") Plan, informationally, in Proceeding No. 20A-0528E. The DSM Plan describes Tri-State energy efficiency programs and its plans to scale programs to meet energy savings targets agreed upon in the 2020 ERP Settlement Agreement ("Colorado EE Targets"), which began in 2023.

By the end of 2024, Tri-State met its second Colorado EE Target.

2024 Colorado EE Target		**2024 Colorado EE Achievement**	
0.50%	45.6 GWh	0.61%	56.6 GWh

The programs that contributed most significantly to the 2024 EE Target included: Air-Source Heat Pumps for Space Conditioning, Commercial Lighting, Oil and Gas, and Commercial and Industrial ("C&I") savings.

Tri-State anticipates meeting its 2025 Colorado EE Target due to growth in oil and gas ("O&G") sector energy efficiency projects. As of October 2025, Tri-State's EE program savings is 36.1 GWh or 60.1% of the 2025 Tri-State's goal of 60.04 GWh (0.75% of Colorado Member load). Tri-State held informational DSM Roundtable Meetings with interested stakeholders on June 17, 2025 and November 12, 2025.

Demand Response

Tri-State is committed to the development of in-house demand response ("DR") programs designed to meet the target of 4% of Colorado peak load under control in 2025 ("2025 Colorado DR Target").[18]

2025 Colorado DR Target	
4%	59.5 MW

Tri-State's Demand Response Rider was accepted by the Federal Energy Regulatory Commission ("FERC") effective May 2025.[19] Following FERC acceptance, Tri-State's DR programs became available to the entirety of the Tri-State Utility Membership in late May 2025, subject to Tri-State and relevant vendor implementation resources. These programs include:

- Irrigation Load Control
- Commercial & Industrial Load Control

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[18] 2020 ERP Phase I Settlement Agreement, section 3.11.8. states: "Tri-State will either conduct an RFP for demand response prior to submitting its next ERP or develop in-house demand response offerings in Colorado by 2025 that are designed to control at least 4% of Tri-State's Colorado peak load."

[19] Docket No. ER25-1733.

- Smart Thermostats
- Member Battery Energy Storage

Between 2026 and 2029, Tri-State will continue to evaluate additional program concepts to support reaching the 2030 Colorado DR Target,[20] including but not limited to water heater controls, electric vehicle charging, and distribution-scale virtual power plants.

In 2025, Tri-State worked with its contracted partner, OATI, to implement a new Distributed Energy Resource Management System ("DERMS") which is a platform that enables event scheduling, DR and Distributed Energy Resource ("DER") integration and dispatch, DR/DER meter data analysis, and reporting. Most facets of the OATI DERMS are now operational for Tri-State users, with development resources now focused on Member system integrations. Tenants of the OATI DERMS platform will be made available to participating Utility Members, subject to terms and conditions of the Demand Response programs. Additionally, Tri-State has partnered with an outside consultant to assist with program design recommendations, in collaboration with Utility Members.

As of November 2025, the total DR capacity enrolled is 40 MW; in addition, approximately 45 battery assets are slated for enrollment once associated funding is released and will join the DR program at that time. Through the remainder of the year, Tri-State is working with Utility Members to continue to implement DERMS tenants and enroll additional C&I, residential and irrigation load, as well as battery storage resources. Tri-State informed stakeholders of its delay in implementing the DR program, and provided an update on the new DR Rider, during the June 17, 2025 DSM Roundtable Meeting.

7. Update on Emissions Reductions

In January 2022, Tri-State filed a Settlement Agreement with numerous parties to its 2020 Phase I ERP. Emissions reductions were among the many topics addressed through the Settlement Agreement. Tri-State agreed to emissions reduction targets for Tri-State's wholesale sales of electricity in Colorado, with respect to Tri-State's APCD-verified 2005 Baseline, as follows:

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[20] 2023 ERP Phase I Settlement Agreement, section 4.9.1 states: "Tri-State will aim to control at least 5.5% of Tri State's Colorado peak load through demand response programs by 2030."

TABLE 3 – GHG EMISSIONS REDUCTION TARGETS[21]

Year	Percentage GHG Emissions Reduction
2025	26%
2026	36%
2027	46%
2030	80%

Tri-State also committed to including the following information in its APRs in each year following a year shown in Table 3:[22]

- The amount of GHG emissions, in tons, related to Tri-State's wholesale sales of electricity in Colorado for the prior calendar year, as reported by Tri-State to the Colorado Air Quality Control Commission under Regulation 22; and
- The percentage reduction in GHG emissions related to Tri-State's wholesale sales of electricity in Colorado for the prior calendar year, computed using the CEP Guidance and the 2005 Baseline. The percentage reduction will be consistent with the tonnages that Tri-State reports under Regulation 22.
- Information on how the emission rate for unspecified energy purchases specified by the CEP Guidance differed from the actual annual reported emissions rate for those purchases. Tri-State also will provide information as to whether any adjustments in operations or resource acquisitions are needed in order to ensure Tri-State meets the targets.

Tri-State will begin reporting this information in its December 2026 APR, for the 2025 GHG emissions reduction target.

As of October 31, 2025, Tri-State is forecasting a ~31% reduction in greenhouse gas (GHG) emissions from energy serving its Colorado load, from a 2005 baseline; the 2025 target is a 26% reduction,[23] making Tri-State on-target toward achieving its first Colorado emissions reduction milestone.

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[21] Section 3.3.4. of the Settlement Agreement filed in Proceeding No. 20A-0528E.

[22] Section 3.3.11. of the Settlement Agreement filed in Proceeding No. 20A-0528E.

[23] Section 3.3.4. of the Settlement Agreement filed in Proceeding No. 20A-0528E.